



June 2015 Quarterly Report

HIGHLIGHTS

- ◆ Mount Morgan PFS nearing completion, on time and budget
- ◆ Received Austmine 2015 Award for Innovation in Mining
- ◆ Phase 3 metallurgical testwork completed
- ◆ Flowsheet optimised for reduced capex & opex
- ◆ Signed LOI for premium value copper sulphate offtake
- ◆ Successful trial production of by-products
- ◆ Appointment of key financial personnel to the Board
- ◆ Continued strong local and state government support
- ◆ Received substantial R&D Rebate of \$511,000

Mount Morgan Gold & Copper Project, Queensland

Pre-Feasibility Study & Metallurgical Testwork

During the quarter, the Company focused on the progression of the Mount Morgan Pre-Feasibility Study, which builds on the results achieved in the Scoping Study delivered in late 2014. This has included the completion of Phase 3 testwork and optimisation of the proposed flowsheet to recover gold, copper and pyrite resources from the Project.

The results of the testwork and flowsheet optimisation compare favourably with historical tailings reprocessing operations at Mount Morgan and also with the previous feasibility study completed by Norton Gold Fields Limited. Carbine is also pleased to note that the results comfortably validate the Scoping Study testwork, and in respect to copper recovery, have exceeded the previous testwork.

Metal Extraction	Historical Tailings Operation (1980 – 1991)	Norton Feasibility Study (2010)	Carbine Scoping Study Testwork (2014)	Carbine Pre-Feasibility Testwork (2015)
Gold	50 - 55%	65%	78%	76%
Pyrite	-	86%	91%	90%
Copper	-	-	56%	68%

The work to date suggests a significant improvement to overall Project viability is likely, with results to be released via the PFS in August 2015.

Fast Facts

Ordinary Shares

Shares on Issue 140M

Market Cap. & Cash

Mkt Cap. (at \$0.065)
\$9.1 million

Cash at 30 June 2015
\$3.1 million

Board of Directors

- Mr Patrick Walta (Executive Director)
- Mr Evan Cranston (Non-Executive Director)
- Mr Tom Bahen (Non-Executive Director)
- Mr Stephen Dobson (Non-Executive Director)

Company Highlights

- Developing the Mount Morgan Au/Cu Project
- Low all in sustaining costs (<US\$400/oz) projected
- Innovation award winner
- PFS nearing completion
- High grade drilling results
- Rights to the 1Mtpa Kundana CIP Plant
- Developing the Many Peaks Copper Project
- Access to a pipeline of future projects

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The Phase 3 testwork was completed with the use of samples acquired as part of Carbine’s 2015 drilling program, which was completed in the previous quarter. The drilling samples were collected and blended into representative composite sample for each individual tailings dam, allowing the flowsheet to be tested individually on all tailings ores.

Figure 1 below depicts the optimised flowsheet following completion of Phase 3 testing. In comparison to Carbine’s Scoping Study flowsheet, the PFS flowsheet allows for:

- 21% increase in recovery of copper from the tailings and a reduction in copper extraction capital costs via the use of resin-in-leach;
- a general reduction in circuit complexity and capital costs via the minimisation of unit processes within the acidic section of the circuit (i.e. the copper leaching circuit);
- an upgrading of feed ore and capital reduction via the upfront rejection of poorly mineralised coarse material;
- production of more valuable copper sulphate compared to cathode, providing a premium sales price and removal of the need for construction of an electrowinning facility; and
- the maintaining of low reagent consumptions achieved in the Scoping Study.

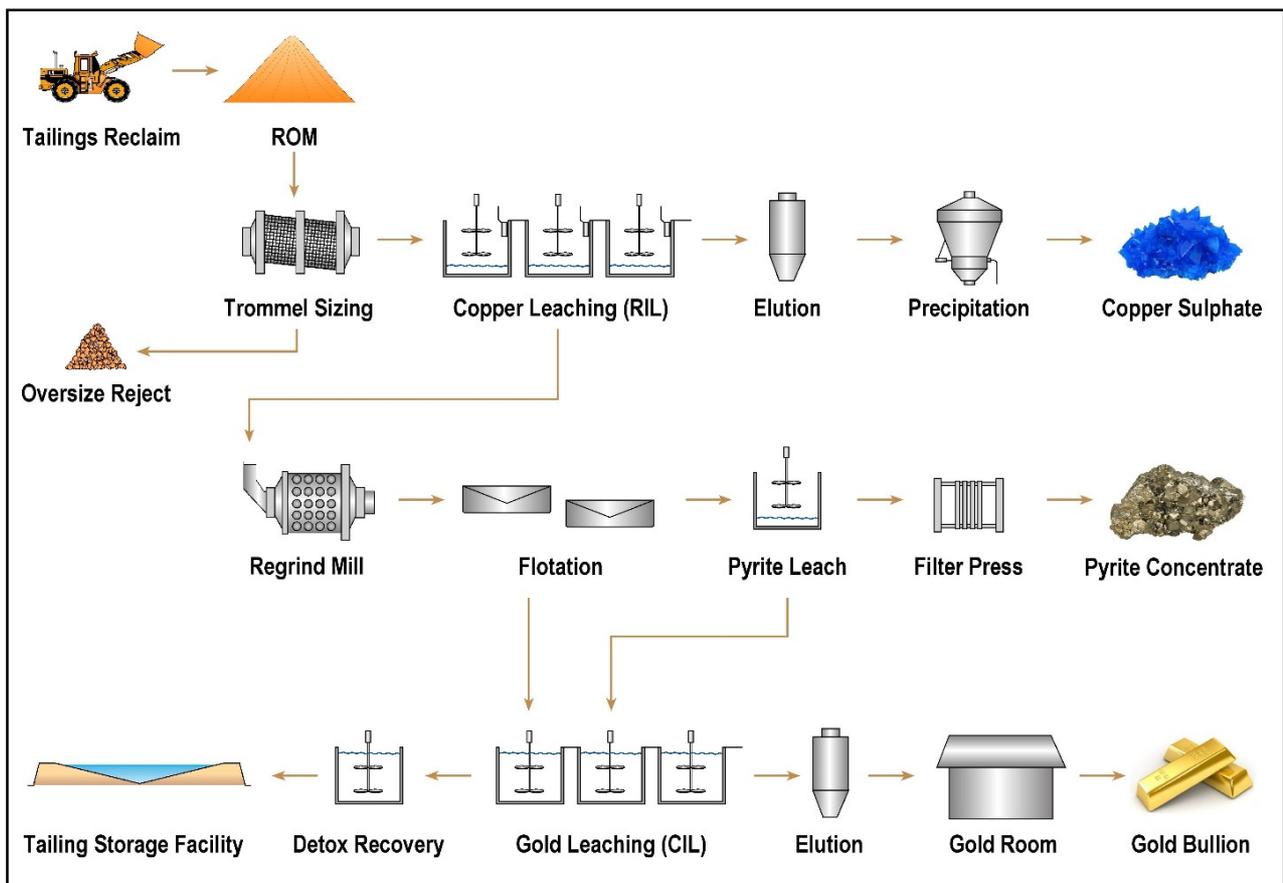


Figure 1: Optimised flowsheet for the Mount Morgan Project





The PFS follows on from the successful completion of the Scoping Study, which in itself defined an operation with a minimum 8 year mine life at a processing capacity of 1Mtpa, producing 36,000oz/yr of gold at All-in Sustaining Costs of US\$393/oz. The Scoping Study also projected operations could deliver 850tpa of copper and 230,000tpa of high grade pyrite as by-products.

The Mount Morgan PFS involves several technical partners, who were selected via a tender process:

- GR Engineering Services Limited (ASX: GNG) is the independent lead consultant and is principally responsible for the delivery of PFS including plant design, capital and operating cost development, equipment lists and process flowsheets to an accuracy of +/- 20-25%;
- Clean TeQ Holdings Limited (ASX: CLQ) is a technology provider responsible for designing the copper ion exchange and detox recovery circuits within the overall processing facility;
- Golder Associates Pty Ltd are managing development of the new tailings storage facility, as well as completion various geotech/mine planning studies and a site water balance; and
- AustralAsian Resource Consultants Pty Ltd are completing all environmental and cultural heritage aspects of the PFS.

Austmine 2015 Innovation Award

During the quarter, the Company won the award for Innovation in Mining at the 2015 Austmine Industry conference in Brisbane.

The Austmine 2015 International Conference and Exhibition is a premier industry event that showcases the best of mining, equipment and technology services. The conference brings together innovative processes and products in the market with the most pressing challenges in the mining sector around the globe.

The awards presentation itself celebrated the performance of a number of individuals and companies who have contributed outstanding performances in innovation and technology application to the mining sector.



Figure 2: Patrick Walta receiving the award for Innovation in Mining on behalf of the Carbine Resources team at the 2015 Austmine Gala Awards





Letter of Intent for Copper Sulphate Offtake with Swancorp Pty Ltd

During the quarter, the Company executed a LOI with chemical and mineral supplier Swancorp Pty Ltd for the offtake of copper produced at the Mount Morgan Gold & Copper Project. The LOI allows for mine gate sales of copper in the form of copper sulphate pentahydrate.

Offtake of copper sulphate has a number of economic benefits over copper cathode, namely:

- Premium product value compared to copper cathode on a contained tonnage basis;
- Flowsheet simplification & capex reduction via the removal of copper electrowinning; and
- Reduction in transportation costs through mine gate sales and regional distribution.

The LOI also provides a pathway for Carbine to potentially develop near term cash flow via copper extraction from the Mount Morgan open pit water, which already contains substantial dissolved copper. This copper can be extracted via the use of simple ion exchange water treatment.

This facility for copper extraction via pit water processing would also serve as a demonstration scale use of ion exchange technology for copper recovery from the larger tailings retreatment facility.

Under the terms of the LOI, the parties will negotiate and finalise all offtake details on completion of Swancorp's due diligence on trial product recently produced by Carbine.

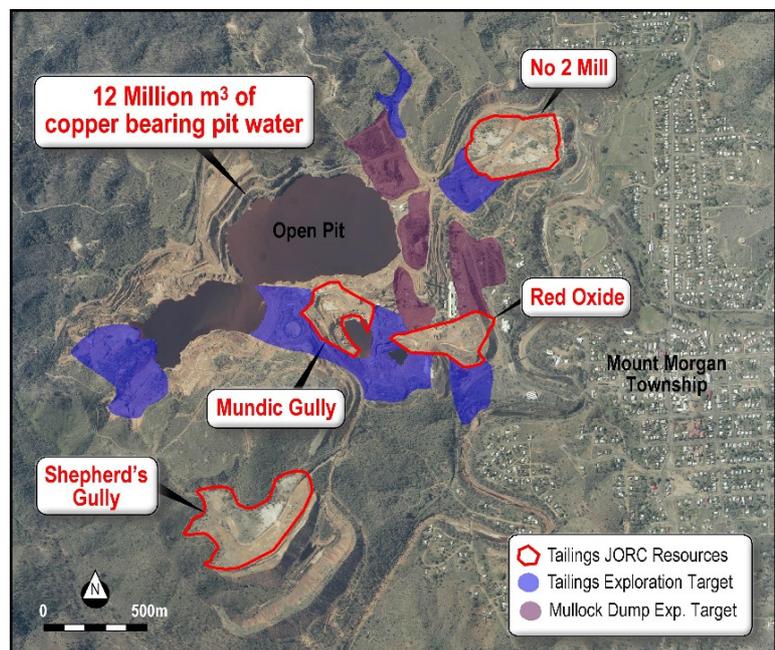


Figure 3: Mount Morgan mine & historical open pit containing elevated dissolved copper levels

The terms remain non-binding but are to be based on the following:

- Mine gate sales of copper in the form of copper sulphate pentahydrate;
- Offtake tonnage of initially 1,200t per annum of copper sulphate, with the parties to discuss potential for up to 5,000t per annum;
- Offtake pricing mechanism will be based on the London Metal Exchange (LME) copper cathode price plus an agreed manufacturing cost; and
- The initial term of the offtake agreement will be three years.

Swancorp Pty Ltd was established in Brisbane in 1987 to supply specialty fertiliser products to a broad customer base in the agriculture, horticulture, turf, stock feed, mining and drilling industries in both Australia and New Zealand.





Continued Strong Support from State and Local Government

During the quarter, the Company continued to develop key stakeholder relationships within the community, state and local government networks by providing an update on progress of the proposed redevelopment of the Mount Morgan Mine. Several presentations were made throughout Queensland and Western Australia regarding the Project, and in particular to the QLD Department of Natural Resources & Mining, Rockhampton Regional Council and at the Austmine 2015 Conference in Brisbane.

The presentations were well received with all stakeholders providing positive feedback on current progress and the future potential for mine development.

Carbine plans to continue to invest in maintaining and improving stakeholder relations as the Project continues.

Other Carbine Projects

Many Peaks Copper Project, Queensland

The Many Peaks Copper deposit is located approximately 125km south of Gladstone. The deposit previously produced over 500,000t of copper ore grading ~2% Cu.

Carbine is currently assessing historical drilling information for this project for completion of a desktop study.

Ouahigouya Gold Project, Burkina Faso

In order to maintain focus on development of Australian operations, in particular Mount Morgan, the Company has elected to drop all remaining tenements and close operations in Burkina Faso. This is currently being implemented.

Corporate Activities

Key Personnel Appointment

During the quarter, the Company made a strategic appointment of Mr. Stephen Dobson to the Board as non-executive director.

Stephen is a financial specialist with more than 25 years' experience in global capital debt and equity markets. He was previously Managing Director of Mirabaud Securities Australia, part of the Swiss based Mirabaud Group. Stephen also has previous experience at Merrill Lynch & Co, where he held leadership positions in Sydney, New York, London, Singapore and Perth.

Stephen has been appointed to oversee the successful raising of mine development capital for the Mount Morgan Gold & Copper Project.





CARBINE RESOURCES
LIMITED

R&D Rebate Received

Subsequent to the quarter's end, the Company announced receipt of \$511,308 as part of the Australian Tax Office's Research & Development Tax Incentive Program.

The R&D Rebate represents a 45% return of Carbine's 2014 expenditure in relation to development activities on the Mount Morgan Gold & Copper Project.

The R&D Rebate confirms Carbine's eligibility to receive future rebates of \$0.45 for each dollar spent in association with the Project, as the activities relate to development of a previously untested flowsheet for the mine. This allows Carbine to continue to minimise financial exposure as the Project is progressively developed.

For further information, please contact:

Patrick Walta (Executive Director): +61 8 6142 0986





Appendix 1: Carbine's Tenement Interest

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 30 June 2015:

Burkina Faso Permit	License Number	Interest
Nongodoum	11-213	100% Carbine
Magel	11-214	100% Carbine
Madougou	09-156	Option to Acquire 80%
Kandy	10-100	Option to Acquire 80%
Madougou 2	11-052	Option to Acquire 100%
Ingara	Application	100% Carbine
Siliga	Application	Option to Acquire 100%
Mount Morgan Tenements Queensland		
	ML5628	Option to Acquire 100%
	ML5613	Option to Acquire 100%
	ML5616	Option to Acquire 100%
	ML5660	Option to Acquire 100%
	ML5608	Option to Acquire 100%
	ML5617	Option to Acquire 100%
	ML5609	Option to Acquire 100%
	ML5619	Option to Acquire 100%
	ML5602	Option to Acquire 100%
	ML5618	Option to Acquire 100%
	ML5658	Option to Acquire 100%
	ML5635	Option to Acquire 100%
	ML5622	Option to Acquire 100%
	ML5620	Option to Acquire 100%
	ML5623	Option to Acquire 100%
	ML5627	Option to Acquire 100%
	ML5615	Option to Acquire 100%
	ML5589	Option to Acquire 100%
	ML5659	Option to Acquire 100%
	ML5634	Option to Acquire 100%
	ML5626	Option to Acquire 100%
	ML5633	Option to Acquire 100%
	ML5621	Option to Acquire 100%
	ML5624	Option to Acquire 100%
	ML5625	Option to Acquire 100%
	ML6692	Option to Acquire 100%





CARBINE RESOURCES
LIMITED

ML5612	Option to Acquire 100%
ML5649	Option to Acquire 100%
ML5614	Option to Acquire 100%
ML5648	Option to Acquire 100%
Many Peaks Tenements Queensland	
ML3640	Option to Acquire 100%
ML3641	Option to Acquire 100%
MDL30	Option to Acquire 100%
EPM14918	Option to Acquire 100%

There were no mining tenements or interests in farm-in/farm-out agreements acquired or disposed of during the quarter.

The Company is currently relinquishing its assets in Burkina Faso.

