

**Carbine Resources Limited**  
**ABN: 81 122 976 818**

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3 November 2008

The Manager  
Australian Securities Exchange Limited  
Level 4  
20 Bridge Street  
Sydney NSW 2000

Dear Sir

**CARBINE RESOURCES TERMINATES WEST KALGOORLIE  
FARM IN AND JOINT VENTURE AGREEMENT**

Carbine Resources Ltd ("Carbine") and Cazaly Resources Ltd (ASX: CAZ) have mutually agreed to terminate the West Kalgoorlie Farm in and Joint Venture Agreement which was entered into in May 2007. This decision has been made in light of the challenging economic environment at present and after the Board of Carbine completed a review of its assets and their future funding requirements.

As part of the termination agreement, Cazaly have agreed to pay Carbine a \$40/oz gold royalty on the first 75,000oz of production and an additional \$3 million cash payment when gold production reaches 140,000oz. The royalty payments relate only to tenements within the JV agreement that contain published mineral resources and include the tenement that contains the recently discovered Backflip prospect.

Carbine will lodge caveats over these specified tenements and will have no further funding obligations.

The Company maintains 100% ownership of the Red Dam gold project, which contains a mineral resource of 1.87Mt at 2.45 g/t for 147,400oz of gold, with 683,000t at 2.44 g/t Au in the indicated category and 1,187,000t at 2.45 g/t Au in the inferred category. Red Dam is favourably located only 45km north-west of Kalgoorlie within close proximity of several operating processing plants. The mineralisation is open along strike, down dip and has been identified in adjoining geochemically anomalous areas.

Yours faithfully

A handwritten signature in black ink, appearing to read "R Brierley", written over a horizontal line.

Robert Brierley  
Executive Chairman  
Carbine Resources Limited

## **Competent Person**

The information in this report that relates to the Red Dam Project Mineral Resources is based on information compiled by Mr Mike McKeivitt of Golder Associates, who is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McKeivitt consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.