Carbine Resources Limited
ABN: 81 122 976 818

Level 1, 17 Ord Street West Perth
Western Australia 6005

Ph: (618) 9226 0900
Fax: (618) 9226 0933

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Australian Stock Exchange
Company's Announcement Office

UPDATED RED DAM PROJECT GOLD RESOURCE

Carbine Resources Limited (Carbine) is pleased to announce that independent consulting firm Golder Associates Pty Ltd has completed the task of modelling the mineral resources for the Red Dam project.

Carbine owns 100% of the Red Dam project, which is situated approximately 45 kilometres north-west of Kalgoorlie, Western Australia. The resources are constrained within the northern most area of the project known as the Petrus deposit, where the vast majority of historical and recent exploration drilling has occurred.

The updated in-situ resource for Petrus has been calculated at 3,228,000 tonnes at 1.66 g/t for **172,700 ounces of contained gold**, with 1,106,000 tonnes at 1.74 g/t gold for 62,200 ounces in the indicated category and the remaining 2,121,000 at 1.62 g/t gold for 110,500 ounces in inferred category. The resource estimate is classified in accordance with the guidelines of the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC Code, 2004). Classification of the resource estimate is based on data density, geological confidence, and estimation quality.

The updated resource supersedes an inferred resource reported in 2005 by Siberia Mining Corporation of 1,599,900 tonnes at 2.78 g/t gold for 141,971 ounces.

Table 1: Red Dam In Situ Mineral Resource October 2007

	Tonnage	Volume	Grade	Avg/D	Oz
Indicated	1,107,000	406,000	1.74	2.73	62,200
Inferred	2,121,000	768,200	1.62	2.76	110,500
Indicated + Inferred	**3,228,000**	**1,174,200**	**1.66**	**2.75**	**172,700**

A further 1,490,000 tonnes of mineralised material has been identified outside the in situ resource. This represents material within the wire framed envelopes that did not meet the criteria for Indicated or Inferred Mineral Resource.

Additionally, it is noted that **the following recent drill intercepts were excluded from the wire frames due to the strict criteria applied in the resource model for continuity of mineralisation**:

- **10m @ 5.32g/t Au** from 45m
- **2m @ 5.10 g/t Au** from 42m
- **1m @ 6.76g/t Au** from 52m
- **2m @ 15.4g/t Au** from 127m
- **3m @ 5.70g/t Au** from 67m
- **2m @ 6.90g/t Au** from 76m
- **3m @ 6.27g/t Au** from 92m

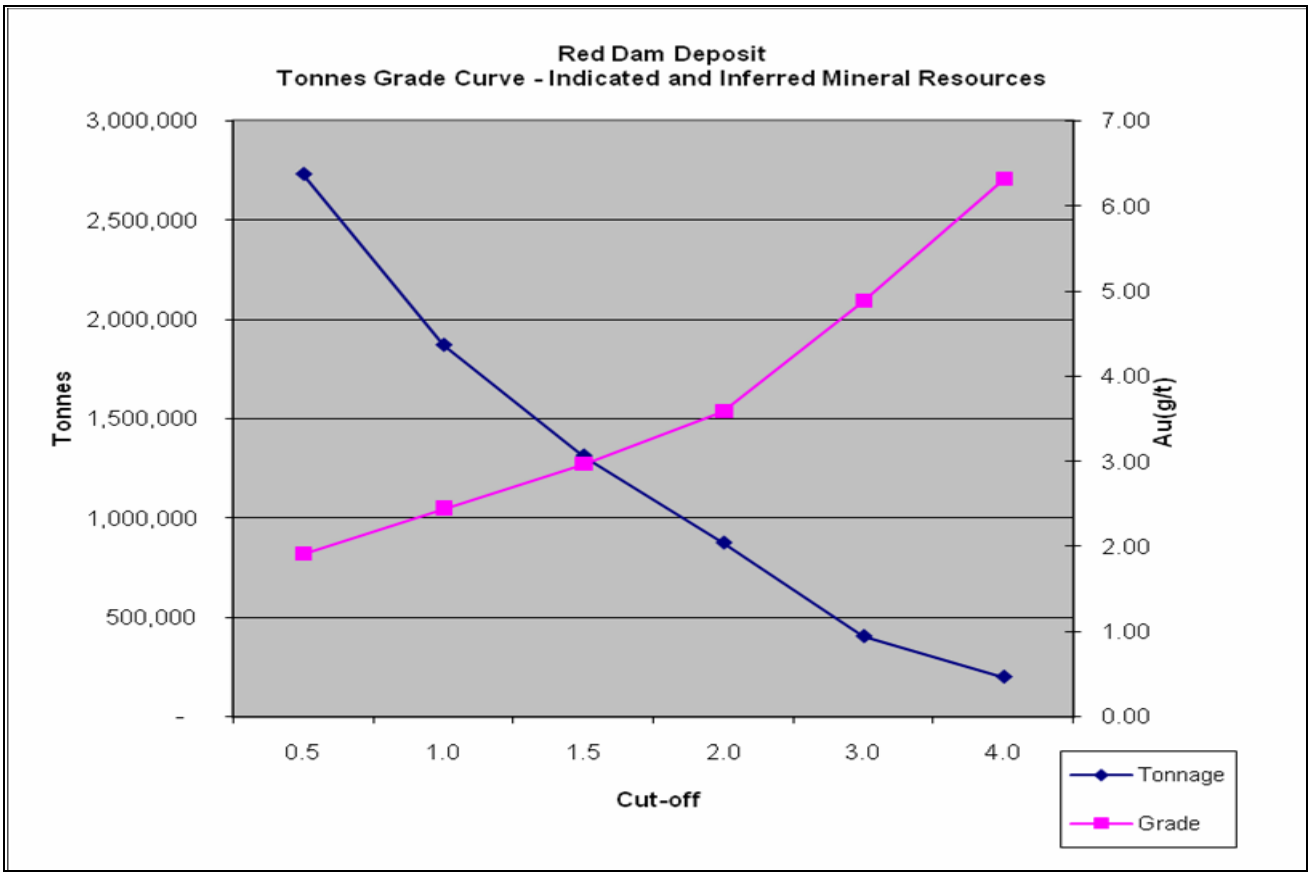
The additional mineralised material and the exclusion of the above mentioned drill intercepts suggests that there is significant upside potential to the resource.

The Red Dam resource model was based on approximately 10,000 samples derived from **18 Diamond drill holes and 62 Reverse Circulation drill holes**. Three-dimensional lode continuity was interpreted in section and plan. Constraining wire frames were then created from this interpretation and used as a constraining envelope for estimation. The estimation method used was **Inverse Distance Squared** (ID^2), sample data were composited to 1 m and a restraining of high grades was applied by **cutting to 30g/t Au** during block grade estimation.

The following tabulation and graph represents the tonnes and grade distribution of Indicated and Inferred Mineral Resources within the wire framed lode structures:

Table 2: Tonnes vs. Grade

	Indicated			Inferred			Total
Cut-off	Tonnes	Grade	kOz	Tonnes	Grade	kOz	kOz
0.5	957,000	1.97	60,700	1,773,000	1.88	107,500	168,200
1.0	683,000	2.44	53,800	1,187,000	2.45	93,600	147,400
1.5	495,000	2.91	46,400	819,000	2.99	78,900	125,300
2.0	312,000	3.60	36,200	563,000	3.58	64,900	101,100



Carbine Chairman and CEO Rob Brierley commented "we are pleased to have completed such a detailed and rigorous study of the Red Dam resource. Whilst the end result was at the low end of expectations, the Directors note the **exclusion of a significant number of recent drill intercepts** from the interpreted lode structures.

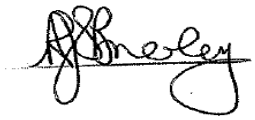
"Clearly there is **upside to this metal inventory** once a better understanding of the controlling mechanisms and the continuity of mineralisation of the Petrus deposit can be acquired. We are very confident that the resource contained within Petrus will prove a conservative estimate".

Carbine has immediately **commenced an open pit optimisation of the defined resource**, with a view to studying the potential of the Petrus deposit for commercialisation.

When added to the mineral resources of the West Kalgoorlie Joint Venture (Carbine earning up to 70% interest), the Red Dam project resource increases the **total gold resource under Carbine's control to in excess of 785,000 ounces.**

All these resources are located within trucking distance (less than 60 kilometres) from an operating processing plant.

Yours faithfully



Rob Brierley
Executive Chairman

For enquiries in connection with this release, please contact:

Carbine Resources Limited:
+61 (0)8 9226 0900 Telephone
+61 (0)8 9226 0933 Facsimile
Email: rbrierley@carbineresources.com.au

Competent Persons

The information in this report that relates to the Red Dam Mineral Resources is based on information compiled by Mr Mike McKevitt, 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 they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McKevitt consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.