



Carbine Resources Limited
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The Manager
Australian Stock Exchange Limited
Level 4
20 Bridge Street
Sydney, NSW 2000

Dear Sir

GRANT OF MINING LEASE

Carbine Resources Limited ("Carbine") is pleased to announce that an application for Mining Lease M16/344 has been granted by the Department of Industry and Resources and the Minister for Resources.

M16/344 was pegged and applied for in conversion of two main Prospecting Licences (P16/1577 and P16/1578) in April 1997. The Mining Lease overlays the existing mineral resources and prospective geology of the Red Dam project, which is located approximately 45km north-west of Kalgoorlie on the Carbine / Telegraph Shear. The Directors of Carbine consider M16/344 a strategically located and prospective tenement, close to existing processing plants, infrastructure and mine sites.

The grant of the lease follows the satisfactory conclusion of Native Title and Aboriginal Heritage issues associated with the Red Dam tenement holding. As part of the consideration for compensating the Native Title claimants, Carbine will issue 50,000 ordinary shares in the company to parties associated with the Widji People. These shares will be escrowed for a period of six months.

Carbine looks forward to a mutually fruitful relationship with the Widji People. It is currently in advanced preparation for an RC drilling program on the Red Dam project. The project already has an inferred resource of 1,599,900 tonnes grading 2.8 g/t for 141,971 ounces.

Yours faithfully,

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

Rob Brierley
Executive Chairman
Carbine Resources Limited

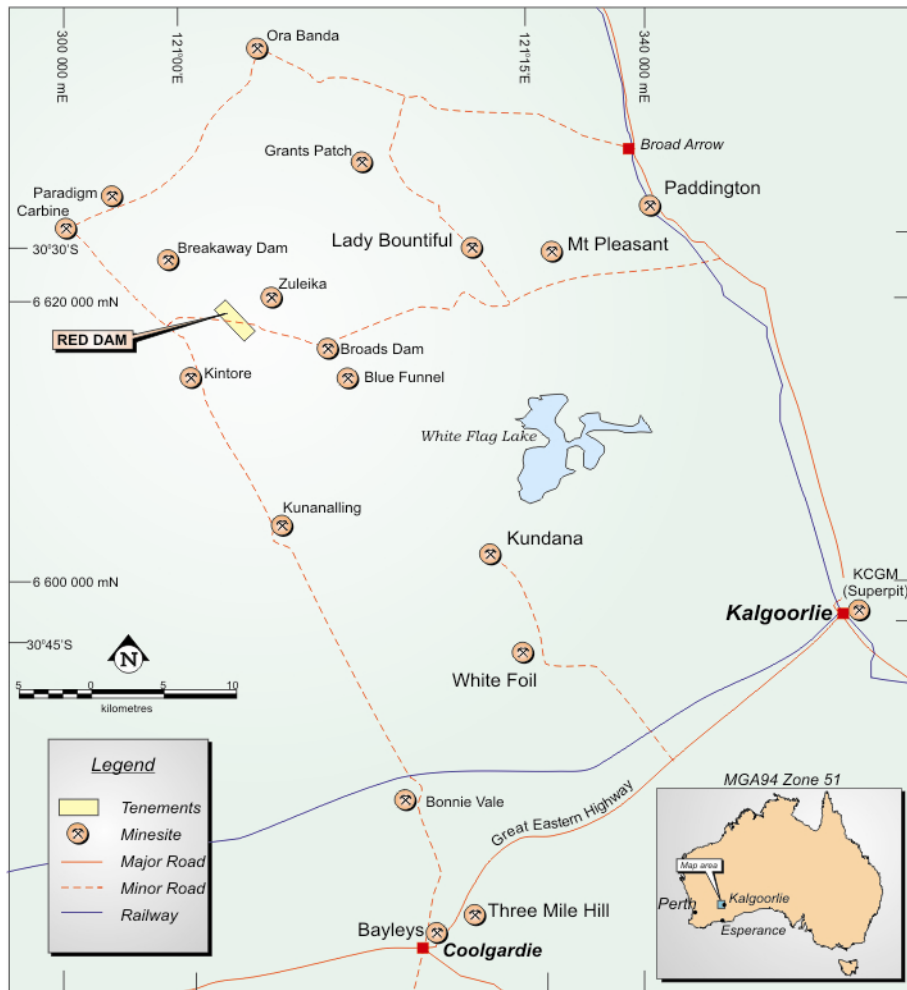


Figure 1 : Red Dam Project Location