



CARBINE RESOURCES
LIMITED

ASX / MEDIA ANNOUNCEMENT

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Mount Morgan Feasibility Update

Carbine Resources Limited (ASX: CRB) advises that the delivery of the Definitive Feasibility Study (DFS) on its Mount Morgan Project in Queensland has been extended into the December quarter, 2016.

The additional time will allow the Company to assess the possible relocation of the proposed processing plant from the original location in Mundic Gully to Sandstone Gully and complete plant throughput optimization work.

Initial investigation has shown that several advantages including cost and scheduling benefits exist with the proposed new location. Specifically these include:

- Removal of the plant location from the heritage listed area removes the risk of not having the heritage reentry approval completed prior to commencing any activities.
- Removal of the additional time required in the construction schedule for cleanup and demolition of any unsafe structures prior to work commencing.
- Revision of foundation earthwork quantities and work program to minimize site pre-work prior to construction commencing.
- Enables the company to further assess the oxide mineralisation identified below the original plant location in Grass Tree Gully in a timely manner as part of the ongoing work program (ASX: 16 August 2016).
- Locates the plant site closer to the new tailings storage facility in Sandstone Gully which will benefit tailings disposal and establishment costs.
- Locating the plant in Sandstone Gully improves any operating constraints that may be associated with visual and noise issues due to the project location near to the township of Mount Morgan.

Processing plant throughput optimization work is also being done based on the increased resources (ASX: 16 August 2016). The possibility and timing of increasing the throughput rate is being assessed with respect to the projects capacity to accelerate production and minimize pre-production capital. This strategic review will also evaluate a mining inventory case which considers all Mineral Resources and expectations.



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The Feasibility Study work completed to date has added considerable detail to the technical, permitting and financial aspects of the Pre-Feasibility study (ASX: 13 August 2015). Detailed analysis and evaluation of the project will form the basis of the completed DFS on which a decision will be made to finance the project for development. The following detailed work on the DFS has been completed so far:

- Revised and completed estimation of the Project's Mineral Resources and Exploration Targets (ASX: 16 August 2016).
- Completed technical work related to the processing, mining, environmental and water management.
- Capital and operating cost estimates completed and currently being reviewed as part of the decision to relocate the processing plant.
- Input costs associated with reagents, power and contract mining

In parallel with progressing the DFS, the project permitting process is underway and preliminary discussions have been held with potential project financiers.

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