



Unit B9, 431 Roberts Road Subiaco
Western Australia 6008

Ph: (618) 9287 4600
Fax: (618) 9287 4655

11 April 2007

Australian Stock Exchange
Company's Announcement Office

CARBINE RESOURCES QUARTERLY ACTIVITIES
REPORT FOR THE PERIOD ENDED 31 MARCH 2007

HIGHLIGHTS

- Carbine Resources Limited listed on the ASX on 16 March 2007 after completing Initial Public Offering (IPO) which raised \$3 million through the issue of 15 million ordinary shares issued at \$0.20.
- The Company closed the prospectus issue 9 days early after strong demand from both the general public and Allied Gold Limited shareholders.
- Carbine Resource Limited made steady progress towards commencing a drill program at its 100% owned Red Dam gold project. This exploration program is due to commence during the current (June) quarter.

INITIAL PUBLIC OFFERING

Carbine Resources Limited (Carbine) lodged its prospectus with the Australian Securities and Investments Commission (ASIC) on 2 February 2007, with the intent of raising \$3 million through the issue of 15 million ordinary shares at an issue price of \$0.20.

The offer included a priority offer to Allied Gold Limited (Allied Gold) shareholders.

Carbine closed the offer on the morning of 1 March 2007, well ahead of its scheduled closing date of 5pm WST 9 March 2007. Carbine subsequently was admitted to the ASX and listed on Friday, 16 March 2007.

RED DAM SALE AGREEMENT EXECUTED

Carbine entered into an agreement with Allied Gold to acquire the Red Dam gold project tenements on 8 December 2006. The consideration for the project was equivalent to \$809,000 comprising \$5,000 of cash and the issue of 4,020,000 Carbine shares at a deemed issue price of \$0.20 each.

The Red Dam sale agreement was completed on 10 March 2007 after completion of all conditions precedent, which included Plutonic Operations Limited (a subsidiary of Barrick Gold Corporation) not exercising its pre-emptive purchase rights on the Red Dam tenements and Carbine successfully completing a \$3 million capital raising.

PREPARATIONS WELL ADVANCED FOR RED DAM EXPLORATION PROGRAM

Carbine intends to reactivate exploration activities on the Red Dam project, aiming to increase the size of the 141,971 ounce inferred gold resource and to enhance geological confidence. Red Dam is located only 45 kilometres north-west of Kalgoorlie, in a multi-million ounce gold camp and within close proximity to established infrastructure, a skilled workforce and operating processing facilities.

Carbine is well advanced in the planning and permitting stage of the exploration program and anticipates commencement of drilling during the current (June) quarter. The company intends to make an ASX announcement when a drilling commencement date is confirmed.

Coincident with work on Red Dam, Carbine is looking to acquire additional projects on favourable terms. Some progress has been made on assessing project acquisition opportunities, however none have progressed to an advanced stage at this time.

CORPORATE

As at 31 March 2007, Carbine had A\$3.032 million cash in hand.

Carbine has 29,520,001 ordinary shares on issue, with only 16,387,501 currently quoted on the ASX.

Additionally there are 2,000,000 unlisted options exercisable at \$0.25 expiring 31 December 2009.

Yours faithfully



Rob Brierley
Executive Chairman

For enquiries in connection with this release, please contact:

Carbine Resources Limited:
+61 (0)8 9287 4604 Telephone
+61 (0)8 9287 4655 Facsimile
Email: rbrierley@carbineresources.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CARBINE RESOURCES LIMITED

ABN

81 122 976 818

Quarter ended

31 MARCH 2007

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$'000	Year to date (3.9 months) \$'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(76)	(76)
	(b) development		
	(c) production		
	(d) administration	(40)	(40)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(116)	(116)
Cash flows related to investing activities			
1.8	Payment for purchases of	-	-
	(a) prospects		
	(b) equity investments		
	(c) investment in associate		
	(d) fixed assets		
	(e) Investments in controlled entities		
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Repayment of term deposits	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	-	-

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(116)	(116)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,148	3,148
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other		
	Net financing cash flows	3,148	3,148
	Net increase (decrease) in cash held		
1.20	Cash at beginning of quarter/year to date	0	0
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	Cash at end of quarter	3,032	3,032

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	23.6
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$10,000 in directors' fees.
\$13,600 in consulting fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The company issued 4,020,000 shares at \$0.20 (\$804,000) to acquire the Red Dam Tenement from Allied Gold Limited.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$'000	Amount used \$'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$'000
4.1 Exploration and evaluation	250
4.2 Development	Nil
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$'000	Previous quarter \$'000
5.1 Cash on hand and at bank	832	N/A
5.2 Deposits at call	2,200	N/A
5.3 Bank overdraft		N/A
5.4 Bank Bill		N/A
Total: cash at end of quarter (item 1.22)	3,032	N/A

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	P16/1577	Holder	Nil	100%
	P16/1578	Holder	Nil	100%
	P16/2078	Holder	Nil	100%
	MLA16/344	Holder	Nil	100%

Issued and quoted securities at end of current quarter

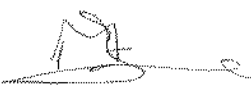
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number Quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases – issues (b) Decreases through returns of capital, buy- backs, redemptions				
7.3 ⁺Ordinary securities	29,520,001	16,387,501		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs	5,500,001 5,000,000 19,020,000	137,501 1,250,000 15,000,000	\$0.005 \$0.05 \$0.20	\$0.005 \$0.05 \$0.20
7.5 ⁺Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases - issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2,000,000	Nil	<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	2,000,000	-	\$0.25	31/12/2009
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures	-	-		
7.12 Unsecured notes	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


(Company Secretary)

Date: 11 April 2007

Print name:

Peter Torre

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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