



**CARBINE RESOURCES**  
LIMITED

CARBINE RESOURCES LIMITED  
ACN 122 976 818

**NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at  
Suite 23, 513 Hay Street, Subiaco, Western Australia on  
Monday 29 May 2017 at 9.00 am (WST).**

*The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 6142 0986.*

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

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# CARBINE RESOURCES LIMITED

ACN 122 976 818

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Carbine Resources Limited (**Company**) will be held at Suite 23, 513 Hay Street, Subiaco, Western Australia, on Monday, 29 May 2017 at 9.00 am (WST) (**Meeting**). The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday, 27 May 2017 at 9.00 am (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 31 December 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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### 3. Resolution 2 - Election of Director - Mr Evan Cranston

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, for the purpose of Article 6.3(c) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Evan Cranston, retires, and being eligible, is elected as a Director."*

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### 4. Resolution 3 - Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 5. Resolution 4 - Ratification of prior issue of Placement Shares issued under Listing Rule 7.1

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 19,297,928 Shares under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by any persons who participated in the issue and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 6. Resolution 5 - Ratification of prior issue of Placement Shares issued under Listing Rule 7.1A

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,702,072 Shares under Listing Rule 7.1A on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by any persons who participated in the issue and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 7. Resolution 6 - Ratification of prior issue of Shares to GR Engineering

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 716,726 Shares to GR Engineering Services Limited on the terms and conditions in the Explanatory Memorandum."*

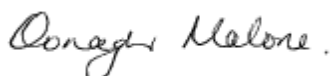
### Voting Exclusion

The Company will disregard any votes cast on this Resolution by GR Engineering Services Limited and any of its associates or nominees.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



Oonagh Malone  
Company Secretary  
Dated: 27 April 2017

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# CARBINE RESOURCES LIMITED

ACN 122 976 818

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 23, 513 Hay Street, Subiaco, Western Australia on Monday, 29 May 2017 at 9.00 am (WST).

The Explanatory Memorandum forms part of the Notice, which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 - Remuneration Report
Section 5	Resolution 2 - Election of Director - Mr Cranston
Section 6	Resolution 3 - Approval of 10% Placement Facility
Section 7	Resolutions 4 & 5 - Ratification of prior issues of Placement Shares
Section 8	Resolution 6 - Ratification of prior issue of Shares to GR Engineering
Schedule 1	Definitions

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 2.1 Proxies

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## 2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person who is excluded from voting on those Resolutions and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on those Resolutions; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chair intends to exercise all available proxies in favour of Resolution 1.

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## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 31 December 2016.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at [www.carbineresources.com.au](http://www.carbineresources.com.au);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Part 2G.2, Division 9 of the Corporations Act provides Shareholders with the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a **Strike** at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a **Strike** at the 2016 annual general meeting. If the Remuneration Report receives a **Strike** at this Meeting (2017 annual general meeting), Shareholders should be aware that if a second **Strike** is received at the 2018 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected

directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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## 5. Resolution 2 - Election of Director - Mr Cranston

Listing Rule 14.4 and Article 6.3(c) of the Constitution require that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 6.3(f) of the Constitution provides that a Director who retires is eligible for re-election.

The Company currently has four directors and accordingly, one must retire.

Pursuant to these Articles, Mr Evan Cranston will retire by rotation and, being eligible, will seek re-election.

Mr Cranston is a corporate lawyer with over 10 years' experience. He has extensive experience in the areas of public listed entities including capital raisings, initial public offerings and liaison with market analysts and potential investors, together with Corporate Governance, the Australian Securities Exchange's Listing Rules and the Corporations Act. Mr Cranston is a director of ASX-Listed companies Attila Resources Limited, Boss Resources Limited, Clancy Resources Limited and Primary Gold Limited.

The Board (excluding Mr Cranston) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

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## 6. Resolution 3 - Approval of 10% Placement Facility

### 6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Based on the ASX closing price on 19 April 2017, the Company has a market capitalisation of approximately \$19 million. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all available proxies in favour of Resolution 3.



## 6.2 Listing Rule 7.1A

### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted class of Equity Securities, Shares.

### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

### (d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 194,612,453 Shares and has a capacity to issue:

- (i) 29,191,868 Equity Securities under Listing Rule 7.1 (subject to Shareholder approval being sought under Resolutions 4, 5 and 6); and
- (ii) 19,461,245 Equity Securities under Listing Rule 7.1A (subject to Shareholder approval being sought under Resolutions 4, 5 and 6).

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c)).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

**6.3 Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

**6.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares). There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows:
  - (i) the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice;
  - (ii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
  - (iii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2*		Dilution		
		\$0.0485 50% decrease in Issue Price	\$0.097 Issue Price	\$0.194 100% increase in Issue Price
Current Variable A 194,612,453 Shares	10% Voting Dilution	19,461,245 Shares	19,461,245 Shares	19,461,245 Shares
	Funds raised	\$943,870.38	\$1,887,740.76	\$3,775,481.53
50% increase in current Variable A 291,918,680 Shares	10% Voting Dilution	29,191,868 Shares	29,191,868 Shares	29,191,868 Shares
	Funds raised	\$1,415,805.60	\$2,831,611.19	\$5,663,222.38
100% increase in current Variable A 389,224,906 Shares	10% Voting Dilution	38,922,490 Shares	38,922,490 Shares	38,922,490 Shares
	Funds raised	\$1,887,740.79	\$3,775,481.59	\$7,550,963.18

\* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.097 being the closing price of the Shares on ASX on 19 April 2017.

- (d) The Company will only issue the Equity Securities during the 10% Placement Period.
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration, in which case the Company intends to use funds raised for the development of the Mount Morgan Gold-Copper Project in Queensland and for general working capital; or
  - (ii) non-cash consideration for the acquisition of new projects, assets and investments including previously announced acquisitions, in such

circumstances the Company will provide a valuation of the non-cash consideration as required under Listing Rule 7.1A.3.

- (f) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (g) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (h) The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

- (i) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 31 May 2016 (**Previous Approval**).

The Company has issued 15,702,072 Shares pursuant to the Previous Approval.

In the 12 months preceding the date of the 2017 Annual General Meeting and as at the date of this Notice, the Company has also issued 39,139,654 Equity Securities and this represents approximately 21.27% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the 2017 Annual General Meeting are in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price <sup>1</sup> (if applicable)	Consideration & Use of Funds as at the date of this Notice
31/05/16	2,000,000	Performance Rights <sup>2</sup>	John Fitzgerald (as approved at Annual General Meeting held on 31 May 2016)	Nil issue price (non-cash consideration)	Consideration: Issued as employee incentive securities pursuant to the Performance Rights Plan.  The Performance Rights were issued for nil cash consideration and therefore no funds were raised as a result of the issue.

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price <sup>1</sup> (if applicable)	Consideration & Use of Funds as at the date of this Notice
31/05/16	9,000,000	Performance Rights <sup>2</sup>	Anthony James (as approved at Annual General Meeting held on 31 May 2016)	Nil issue price (non-cash consideration)	Consideration: Issued as employee incentive securities pursuant to the Performance Rights Plan.  The Performance Rights were issued for nil cash consideration and therefore no funds were raised as a result of the issue.
31/05/16	1,000,000	Performance Rights <sup>2</sup>	Graham Brock (as approved at Annual General Meeting held on 31 May 2016)	Nil issue price (non-cash consideration)	Consideration: Issued as employee incentive securities pursuant to the Performance Rights Plan.  The Performance Rights were issued for nil cash consideration and therefore no funds were raised as a result of the issue.
31/05/16	1,000,000	Performance Rights <sup>2</sup>	Evan Cranston (as approved at Annual General Meeting held on 31 May 2016)	Nil issue price (non-cash consideration)	Consideration: Issued as employee incentive securities pursuant to the Performance Rights Plan.  The Performance Rights were issued for nil cash consideration and therefore no funds were raised as a result of the issue.
08/08/16	19,297,928	Shares	Sophisticated and professional investors and institutions under Listing Rule 7.1	Issue price of \$0.20 representing a discount of 18.4%	Consideration of \$3,859,585.60. Approximately \$1,650,000 has been spent to date on the completion of a definitive feasibility study and the development of the Mount Morgan Gold-Copper Project and for general working capital.  The remaining funds will be used for the development of the Mount Morgan Gold Copper Project and for general working capital. <sup>3</sup>
08/08/16	15,702,072	Shares	Sophisticated and professional investors and institutions under Listing Rule 7.1A	Issue price of \$0.20 representing a discount of 18.4%	Consideration of \$3,140,414.40. The funds have not yet been used.  The Company intends to use the funds for the development of the Mount Morgan Gold-Copper Project and for general working capital. <sup>3</sup>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price <sup>1</sup> (if applicable)	Consideration & Use of Funds as at the date of this Notice
20/09/16	390,206	Shares	GR Engineering Services Limited	Nil issue price (non-cash consideration)	<p>Consideration: services provided with respect to the definitive feasibility study for an invoice in the amount of \$67,582.74.</p> <p>Current value<sup>4</sup> = \$37,850.</p> <p>The Shares were issued for nil cash consideration and therefore no funds were raised as a result of the issue.</p>
20/09/16	326,520	Shares	GR Engineering Services Limited	Nil issue price (non-cash consideration)	<p>Consideration: services provided with respect to the definitive feasibility study for an invoice in the amount of \$60,634.75.</p> <p>Current value<sup>4</sup> = \$31,672.</p> <p>The Shares were issued for nil cash consideration and therefore no funds were raised as a result of the issue.</p>
09/11/16	300,000	Shares via conversion of unquoted Options	Unquoted option holder pursuant of the Company's Employee Share Option Plan	Issue price of \$0.0496	<p>\$14,880 was raised of which nil has been spent.</p> <p>The Company intends to use the funds for the development of the Mount Morgan Gold-Copper Project and for general working capital.<sup>3</sup></p>
15/03/17	1,012,500	Shares	Anthony James	Nil issue price (non-cash consideration)	<p>Consideration: Issued pursuant to conversion of employee incentive securities pursuant to the Performance Rights Plan.</p> <p>Current value<sup>4</sup> = \$98,212.50</p> <p>The Shares were issued for nil cash consideration and therefore no funds were raised as a result of the issue.</p>
15/03/17	562,500	Shares	Employee pursuant to the Company's Employee Performance Rights Plan	Nil issue price (non-cash consideration)	<p>Consideration: Issued pursuant to conversion of employee incentive securities pursuant to the Performance Rights Plan.<sup>5</sup></p> <p>Current value<sup>4</sup> = \$54,562.50</p> <p>The Shares were issued for nil cash consideration and therefore no funds were raised as a result of the issue.</p>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and any discount to Market Price <sup>1</sup> (if applicable)	Consideration & Use of Funds as at the date of this Notice
15/03/17	4,250,000	Performance Rights	Employee pursuant to the Company's Employee Performance Rights Plan	Nil issue price (non-cash consideration)	<p>Consideration: Issued as employee incentive securities pursuant to the Performance Rights Plan.<sup>5</sup></p> <p>The Performance Rights were issued for nil cash consideration and therefore no funds were raised as a result of the issue.</p>

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last Trading Day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Unquoted Performance Rights issued to Directors pursuant to shareholder approval on 31 May 2016 with various vesting milestones and an expiry date of 31 May 2021.
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. The value of the Shares is based on the closing price of the Shares (\$0.097) on ASX on 19 April 2017.
5. Unquoted Performance Rights issued to an employee pursuant to the Performance Rights Plan with various vesting milestones and an expiry date of 31 May 2021.

(j) A voting exclusion statement is included in the Notice.

(k) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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## 7. Resolutions 4 & 5 - Ratification of prior issues of Placement Shares

### 7.1 General

On 8 August 2016, the Company issued 35,000,000 Shares (Placement Shares) at an issue price of 20 cents each to sophisticated, professional and institutional Shareholders to raise \$7 million (before costs).

Resolutions 4 and 5 seek the approval of Shareholders pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

The Board recommends that Shareholders vote in favour of Resolutions 4 and 5.

Resolutions 4 and 5 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 4 and 5.



## **7.2 Listing Rules 7.1 and 7.1A**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 31 May 2016.

## **7.3 Listing Rule 7.4**

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A, as applicable.

The effect of Resolutions 4 and 5 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% annual placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

## **7.4 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) a total of 35,000,000 Placement Shares were issued on 8 August 2016 as follows:
  - (i) 19,297,928 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
  - (ii) 15,702,072 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;
- (b) the Placement Shares were issued at an issue price of 20 cents each;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued to sophisticated, professional and institutional Shareholders, none of whom is a related party of the Company;
- (e) the funds raised from the issue of the Placement Shares are intended to be used to progress the Company's Mount Morgan Gold Copper Project and for general working capital; and
- (f) a voting exclusion statement is included in the Notice.

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## **8. Resolution 6 - Ratification of prior issue of Shares to GR Engineering**

### **8.1 General**

On 20 September 2016, the Company issued 716,726 Shares to GR Engineering in lieu of fees for services provided by GR Engineering in relation to the definitive feasibility study being undertaken by the Company.

Resolution 6 seeks the approval of Shareholders pursuant to Listing Rule 7.4 for the issue of the 716,726 Shares to GR Engineering.

The Board recommends that Shareholders vote in favour of Resolution 6.

Resolution 6 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 6.

### **8.2 Listing Rule 7.1 and Listing Rule 7.4**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 6 by ratifying the issue of the Shares to GR Engineering will be to restore the Company's ability to issue further securities, to the extent of 716,726 Equity Securities, during the next 12 months.

### **8.3 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares to GR Engineering:

- (a) the following Shares were issued to GR Engineering on 20 September 2016:
  - (i) 390,206 Shares at a deemed issue price of \$0.1732 per Share; and
  - (ii) 326,520 Shares at a deemed issue price of \$0.1857 per Share;
- (b) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (c) the Shares were issued to GR Engineering, which is not a related party of the Company;
- (d) no funds were raised from the issue of Shares as the Shares were issued in consideration for services provided by GR Engineering in relation to the definitive feasibility study being undertaken by the Company; and
- (e) a voting exclusion statement is included in the Notice.

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 6.1.

**10% Placement Period** has the meaning given in Section 6.2(f).

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 31 December 2016.

**Article** means an article of the Constitution.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASIC** means the Australian Securities and Investments Commission.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Bonus Issue** has the meaning given in Section 7.3(i).

**Bonus Share** has the meaning given in Section 7.3(i)

**Business Day** means a day (not being a Saturday or Sunday) on which banks are open for general banking business in Perth, Western Australia.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Carbine Resources Limited ACN 122 976 818.

**Constitution** means the constitution of the Company as at the date of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**GR Engineering** means GR Engineering Services Limited ACN 121 542 738.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of annual general meeting.

**Option** means an option to acquire a Share.

**Performance Right** means a performance right granted under the Performance Rights Plan.

**Performance Rights Plan** means the Company's Performance Rights Plan as approved by Shareholders on 31 May 2016.

**Placement Shares** has the meaning set out in Section 7.1.

**Proxy Form** means the proxy form attached to the Notice.

**Related Body Corporate** has the same meaning as the definition of that term in section 50 of the Corporations Act.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time being the time in Perth, Western Australia.

# CARBINE RESOURCES LIMITED

ACN: 122 976 818

**REGISTERED OFFICE:**

SUITE 23  
513 HAY STREET  
SUBIACO WA 6008

**SHARE REGISTRY:**

Security Transfer Australia Pty Ltd

**All Correspondence to:**

PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000  
T: 1300 992 916 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

«EFT\_REFERENCE\_NUMBER»

«Company\_code» «Sequence\_number»

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

Code:

CRB

Holder Number:

«HOLDER\_NUM

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE  
ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 9:00am WST on Monday 29 May 2017 at Suite 23, 513 Hay Street, Subiaco Western Australia and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may treat his/her voting intention on any resolution, in which case an ASX announcement will be made.

**RESOLUTION**

RESOLUTION	For	Against	Abstain*
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Director - Mr Evan Cranston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of prior issue of Placement Shares issued under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of prior issue of Placement Shares issued under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of prior issue of Shares to GR Engineering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

**Proxies must be received by Security Transfer Australia Pty Ltd no later than 9:00am WST on Saturday 27 May 2017.**

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My/Our contact details in case of enquiries are:

Name:

Number:

(  )

**1. NAME AND ADDRESS**

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

**2. APPOINTMENT OF A PROXY**

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

**3. DIRECTING YOUR PROXY HOW TO VOTE**

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

**4. APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

**5. SIGNING INSTRUCTIONS**

**Individual:** where the holding is in one name, the Shareholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the Corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting at the registration desk on the day of the meeting. A form of this certificate may be obtained from the Company's share registry.

**6. LODGEMENT OF PROXY**

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

**Security Transfer Australia Pty Ltd**

**Online** [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

**Postal Address** PO BOX 52  
Collins Street West VIC 8007

**Street Address** Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000

**Telephone** 1300 992 916

**Facsimile** +61 8 9315 2233

**Email** [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

**PRIVACY STATEMENT**

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

