

Lambo Resources Limited

ACN 099 098 192

Notice of General Meeting and Explanatory Statement

General Meeting to be held at CBP Lawyers, Level 35, 1 Eagle Street, Brisbane Qld 4000 on 29 May 2015 commencing at 9:30 am AEST

This Notice of General Meeting and Explanatory Statement 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 without delay.

Notice of General Meeting

Notice is hereby given that a General Meeting of Shareholders of Lamboo Resources Limited ACN 099 098 192 (**Company**) will be held at CBP Lawyers, Level 35, 1 Eagle Street, Brisbane QLD 4000 on 29 May 2015 commencing at 9:30 am AEST, for the purpose of transacting the business referred to in this Notice.

An Explanatory Statement provides additional information on matters to be considered at the Meeting.

Resolution 1: Ratification of placements

To consider and if in favour pass the following resolution as an ordinary resolution:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the previous placement of:

- (a) *10,000,000 Shares and 5,000,000 Options on 30 March 2015; and*
- (b) *500,000 Shares and 250,000 Options on 1 April 2015,*

to sophisticated or professional investors, as described in the accompanying Explanatory Statement, be approved."

Voting Exclusion Statement:

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting 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.

Resolution 2: Approval for Shares to be issued on conversion of the Lind Note

To consider and if in favour pass the following resolution as an ordinary resolution:

"That, for the purpose of Listing Rule 7.1 and for all other purposes, the issue of Shares upon conversion of the Lind Note, to the Australian Special Opportunity Fund, LP, in accordance with the accompanying Explanatory Statement, be approved."

Voting Exclusion Statement:

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting 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.

NOTES

These notes form part of the Notice of Meeting.

Time and Place of Meeting

Notice is given that a General Meeting of members will be held at CBP Lawyers, Level 35, 1 Eagle Street, Brisbane Qld 4000 on 29 May 2015 commencing at 9:30 am AEST.

Your Vote is Important

The business of the General Meeting affects your shareholding and your vote is important.

Voting Eligibility

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 Shareholders at 7:00pm AEST on 27 May 2015.

Voting in Person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- (a) each member has a right to appoint a proxy;
- (b) the proxy need not be a member of the Company; and
- (c) a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (a) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- (b) if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll and must vote that way (i.e. as directed); and
- (c) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Voting by Corporate Representative

A body corporate that is a Shareholder, or that has been appointed as a proxy, may appoint an individual to act as its representative at the General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the General Meeting, evidence of appointment, including any authority under which it is signed, unless it has previously been given to the Company.

Voting by Attorney

A Shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the

Company in one of the methods listed above for the receipt of Proxy Forms, so that it is received not later than 9:30 am AEST, 27 May 2015.

Notice to Persons Outside Australia

This Explanatory Statement has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Explanatory Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Explanatory Statement should inform themselves of, and observe, any such restrictions.

Disclaimers

No person is authorised to give any information or make any representation in connection with the Takeover which is not contained in this Explanatory Statement. Any information or representation not contained in this Explanatory Statement, may not be relied on as having been authorised by the Company or the Board in connection with the Resolution.

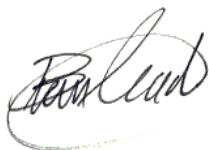
Privacy

To assist the Company to conduct the General Meeting, the Company may collect personal information including names, contact details and shareholding of Shareholders and the names of persons appointed by Shareholders to act as proxy at the General Meeting. Personal information of this nature may be disclosed by the Company to its share registry, print and mail service providers and the Company's agents for the purposes of administration of the Company. Shareholders have certain rights to access their personal information that has been collected and should contact the Company secretary if they wish to access their personal information.

ASIC and ASX involvement

Neither ASIC, ASX nor any of their officers take any responsibility for the contents of the Notice of Meeting and Explanatory Statement.

By Order of the Board



Brent van Staden
Joint Company Secretary
Lambo Resources Limited
30 April 2015

EXPLANATORY STATEMENT

Resolution 1: Ratification of placement

The purpose of Resolution 1 is for Shareholders to approve, pursuant to Listing Rule 7.4, the previous allotment and issue of Shares and Options, which will otherwise count towards the Company's 15% equity issue capacity under Listing Rule 7.1.

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the Shares on issue at the commencement of that 12 month period.

The issue of the Shares and Options set out below did not exceed the 15% threshold. However, Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% equity issue capacity and enabling it to issue further securities without Shareholders' approval up to that limit.

As announced on 30 March 2015 and 1 April 2015, Lamboo issued:

- (a) 10,000,000 Shares and 5,000,000 Options on 30 March 2015; and
- (b) 500,000 Shares and 250,000 Options on 1 April 2015,

to sophisticated investors, to raise \$1,050,000 before costs of the offer.

Resolution 1 proposes the approval of the above placements and issue of securities for the purpose of Listing Rule 7.4. The effect of Resolution 1, if approved by Shareholders, is that the Shares and Options issued under the placements will not count towards Lamboo's 15% issue capacity.

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided with regard to Resolution 1:

Name of person to whom Shares securities were issued	Professional or sophisticated investors who participated in the placement.
Date of issue	30 March 2015 and 1 April 2015 respectively.
Number of securities issued	10,500,000 Shares and 5,250,000 Options
Issue price of securities	\$0.10 per Share and nil per Option
Terms of issue	The Shares which ranked equally with all existing fully paid ordinary shares on issue. The Options are exercisable at 20 cents after 12 December 2015 and expire on 30 June 2016 (see the Schedule to this notice for their full terms of issue).
Use of funds	The funds raised were used for working capital and towards progressing the Company's McIntosh Flake Graphite Project, per the Company's announcement of 23 March 2015. No funds were raised for the issue of the Options.

Directors' recommendation:

The Directors recommend that Shareholders approve Resolution 1.

Resolution 2: Approval for Shares to be issued on conversion of the Lind Note

Funding Agreement

On 12 January 2015, the Company announced it had entered into a Funding Agreement with the Lind Partners to raise \$1 million in working capital and on 28 January 2015, the Company called a general meeting (**February Meeting**) to seek Shareholder approval for the issue of Shares pursuant to the Funding Agreement. The material terms of the Funding Agreement were set out in the notice calling the February meeting.

The Funding Agreement required the Company to issue an entity controlled by the Lind Partners, an uncertificated convertible note (**Lind Note**) with a face value of \$1,150,000, repayable on 10 monthly instalments of \$115,000.

Pursuant to resolution 3 of that Notice of General Meeting, Shareholders approved the issue of Shares under the Funding Agreement (**Lind Approval**) on 27 February 2015.

Pursuant to the Funding Agreement and the Lind Approval, the Company has issued 2,498,825 Shares as part repayment under the Funding Agreement. The Company has also issued 2 million "Collateral Shares" and 3 million options pursuant to approvals obtained at the February Meeting relating to the Funding Agreement.

The ASX Listing Rules have the effect that the Lind Approval expires on 27 May 2015. The term of the Funding Agreement is 12 months and while the Company intends, as far as possible, to make further repayments under the Funding Agreement in cash, to comply with its obligations under the Funding Agreement, the Company must and by this notice of meeting seeks to, refresh the Lind Approval. Failure by the Company to refresh the Lind Approval will result in the Company breaching the Funding Agreement.

Conversion of the Lind Note into Shares

If the Company elects to make any of the remaining 9 monthly repayment instalments of \$115,000 in Shares, the Funding Agreement provides for an issue price equal to 90% of the average of 3 daily VWAP's per Share (in Australian dollars) chosen by the Lind Partners from 20 consecutive Trading Days immediately prior to the relevant repayment date.

The Company can buy back the full outstanding balance of the Lind Note, but in this instance, the Lind Partners may convert up to 25% of the original face value (limited to \$287,500) at the price per Share equal to 130% of the average of the daily VWAP's per Share (in Australian dollars) during the 20 consecutive Trading Days immediately prior to the execution of the Funding Agreement.

If Lamboo's market cap falls below 14 million for more than 10 consecutive trading days, the Lind Partners can elect to convert some or all of the outstanding balance of the Lind Note at the price per Share equal to 90% of the average of 3 daily VWAP's (in Australian dollars) chosen by the Lind Partners from 20 consecutive Trading Days immediately prior to the relevant date.

Examples of Conversion Scenarios

Lamboo's Shares closed at \$0.09 on the trading day preceding the issue of this Notice. By way of example and having regard the repayment already made by the Company, should the conversion price, determined in accordance with the above:

- (a) be \$0.12, the Lind Note may be converted into 7,666,666 Shares;
- (b) be \$0.11, the Lind Note may be converted into 8,363,636 Shares;
- (c) be \$0.10, the Lind Note may be converted into 9,200,000 Shares;
- (d) be \$0.09, the Lind Note may be converted into 10,222,222 Shares; and
- (e) be \$0.08, the Lind Note may be converted into 11,500,000 Shares.

Listing Rules

Listing Rule 7.1 provides that a company may not, in any 12 month period, issue a number of securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue, without Shareholder approval.

As stated, Resolution 2 seeks to refresh the Lind Approval for any issue of Shares upon conversion or repayment of the Lind Note. Depending on the proportion of the Lind Note that is converted and the conversion price which is applied (see examples of conversion scenarios above), these Shares may be more than 15% of the number of fully paid ordinary shares on issue in the Company.

If the Lind Note is converted into Shares, the resulting Shares will rank equally in all respects with the Company's then existing fully paid ordinary shares.

In accordance with Listing Rule 7.3, the Company provides the following additional information in relation to Shares that may be issued on conversion of the Lind Note:

Maximum number of Shares to be issued	See <i>Examples of Conversion Scenarios</i> , above. The number of Shares that will be issued on full or part conversion of the Lind Note depends on the VWAP price determined by application of the conversion circumstances and formulae set out above.
Date the Company will issue the Shares	No later than three months from the date of the Meeting. The issue may occur progressively as portions of the balance of the Lind Note are converted (if not repaid in cash).
Issue price of the Shares	See <i>Examples of Conversion Scenarios</i> , above. The issue price will be determined by application of the formulae set out above and the circumstances of conversion.
The person to whom the Shares will be issued	Australian Special Opportunity Fund, LP.
Terms of issue	Shares issued on conversion of the Lind Note will rank equally with all existing fully paid ordinary shares then on issue and the Company will seek quotation of the Shares on ASX.
Intended use of funds	The issue of Shares will not raise funds, as they are to be issued in repayment of the outstanding balance of the Lind Note.

Recommendation:

The Board recommends that Shareholders approve Resolution 2.

Schedule: The Terms and Conditions of the Options (Resolution 1)

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price and Expiry Date

The Exercise Price of each Option is 20 cents.

(c) Exercise Period

The Options have an exercise period commencing on 12 December 2015 and expiring on 30 June 2016 (Expiry Date).

(d) Notice of Exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then shares of the Company.

(f) Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(g) Timing of issue of Shares

Within 3 Business Days after the receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised the Company will allot and issue the Shares pursuant to the exercise of the Options.

(h) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be set in accordance with the ASX Listing Rules so that the holders of Options have an opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(i) Reorganisations of capital

If prior to an exercise of an Option, the Company undertakes any reorganisation of its share capital, the number of Shares over which an Option is exercisable will be adjusted as prescribed under the ASX Listing Rules.

(j) No Quotation of the Options

The Company will not apply for quotation of the Options on ASX.

(k) Options Transferable

The Options are not transferable.

Glossary

In this Explanatory Statement and the Notice of Meeting:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and includes any successor body.

ASX Listing Rules or **Listing Rules** means the listing rules of the ASX;

Board means the Company's board of Directors

Company or **Lambo** means Lambo Resources Limited ACN 099 098 192

Constitution means the constitution of the Company.

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

Director(s) means a current director of the Company.

Explanatory Statement means this Explanatory Statement that accompanies and forms part of the Notice of Meeting.

Funding Agreement means the Convertible Security Funding Agreement between the Company and the Australian Special Opportunity Fund, LP, the subject of the Company's ASX announcement of 12 January 2015.

Meeting or **General Meeting** means the general meeting the subject of this Notice of Meeting.

Notice of Meeting means this notice of general meeting which this Explanatory Statement accompanies and in which the Resolutions are set out.

Option or Option means an option to subscribe for Shares the subject of Resolution 2 and having the terms of issue set out in the Schedule.

Resolution means the resolutions in the Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Trading Days means days upon which the ASX is open for securities trading.

VWAP means volume weighted average price.



All Correspondence to:

 **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

 **By Fax:** +61 2 9290 9655

 **Online:** www.boardroomlimited.com.au

 **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded before 9:30 am (AEST) on Wednesday 27 May 2015.

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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 your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.


Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.


Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**


STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **9:30 am (AEST) on Wednesday, 27 May 2015**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

 **By Fax** + 61 2 9290 9655

 **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

 **In Person** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Company Limited**(Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **CBP Lawyers, Level 35, 1 Eagle Street, Brisbane Qld 4000 on Friday, 29 May, 2015 at 9:30 am (AEST)** and at any adjournment of that meeting, to act 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.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS
 * 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Ratification of Placements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Shares to be issued on conversion of the Lind Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name.....Contact Daytime Telephone..... Date / / 2015