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Lambo Resources Limited

ACN 099 098 192

Notice of Annual General Meeting and Explanatory Statement

Annual General Meeting to be held at Level 5, 307 Queen Street, Brisbane, Queensland, Australia on 14 December 2012 commencing at 9.30am (Brisbane time)

This Notice of Annual 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.

Directors

Mr Rick Anthon (Non-Executive Chairman)
Mr Richard Ian Trevillion (Managing Director)
Dr Craig Rugless (Executive Director)
Mr Rodney Williams (Non-Executive Director)

Secretary

Mr Paul Marshall

Registered Office

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10 Market Street
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Email: info@lambooresources.com.au
Website: www.lambooresources.com.au

ACN

099 098 192

Auditors

HLB Mann Judd
Level 19
207 Kent Street
SYDNEY NSW 2000

Legal Advisers

Hemming+Hart
Level 5
307 Queen Street
BRISBANE QLD 4000

Share Registry

BoardRoom Pty Ltd
Level 7
207 Kent Street
SYDNEY NSW 2000

Notice of Annual General Meeting

Notice is given that the 2012 Annual General Meeting of Shareholders of Lamboo Resources Limited (Company) will be held at Level 5, 307 Queen Street, Brisbane, Queensland, Australia on 14 December 2012, at 9.30am (Brisbane time)

ORDINARY BUSINESS:

Accounts

To receive and consider the financial report of the Company and the reports of the Directors and auditor for the year ended 30 June 2012.

To consider, and if thought fit, to pass the following resolution as an advisory only resolution:

1. Directors' Remuneration Report

"That the Directors' Remuneration Report for the year ended 30 June 2012 be adopted."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 1 by or on behalf of a "Key Management Personnel" (as defined in the Accounting Standards as published by the Australian Accounting Standards Board) and their "Closely Related Parties" (as defined in the Corporations Act 2001) (**Restricted Voter**) Key Management Personnel (**KMP**) are the Company's Directors and Executives identified in the Company's Remuneration Report. A Closely Related Party of a KMP means a spouse or child of the KMP, a child of the KMP's spouse, a dependant of the KMP or the KMP's spouse, anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company or a company the KMP controls.

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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

To consider and if thought fit, to pass, without amendment, the following resolutions as ordinary resolutions:

2. Election of Craig Rugless

"That Craig Rugless, having been appointed as a Director of the Company since the previous annual general meeting, be elected a Director of the Company."

3. Election of Rod Williams

"That Rod Williams, having been appointed as a Director of the Company since the previous annual general meeting, be elected a Director of the Company."

4. Election of Rick Anthon

"That Rick Anthon, having been appointed as a Director of the Company since the previous annual general meeting, be elected a Director of the Company."

5. Ratification of Issue of Shares

"That in accordance with ASX Listing Rule 7.4 and for all other purposes, the issue and allotment of 746,307 ordinary shares in the capital of the company to John Fletcher and David Weber on 4 June 2012, at an issue price of \$0.20 per share be and is hereby approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 5 by John Fletcher and David Weber or any Associate of them. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

6. Approval of the issue of Options to Directors

6.1 Approval of the issue of Options to Richard Trevillion

"That in accordance with Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, the grant of 4,000,000 options to Richard Trevillion for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 6 by Richard Trevillion and any associate of Richard Trevillion. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

6.2 Approval of the issue of Options to Craig Rugless

"That in accordance with Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, the grant of 1,750,000 options to Craig Rugless for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 6 by Craig Rugless and any associate of Craig Rugless. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

6.3 Approval of the issue of Options to Rod Williams

"That in accordance with Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, the grant of 650,000 options to Rod Williams for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 6 by Rod Williams and any associate of Rod Williams. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

6.4A Approval for the issue of Options to Rick Anthon

"That in accordance with Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, the grant of 1,000,000 options to Rick Anthon, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 6 by Rick Anthon and any associate of Rick Anthon. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

6.4B Approval for the issue of Options to Rick Anthon

"That in accordance with Chapter 2E of the Corporations Act 2001 and ASX Listing Rule 10.11 and for all other purposes, the grant of 1,000,000 options to Rick Anthon, for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 6 by Rick Anthon and any associate of Rick Anthon. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

7. Approval of the issue of Options to Senior Management

7.1 Approval of the issue of Options to Paul Marshall

"That in accordance with ASX Listing Rule 7.1 and for all other purposes, the grant of 500,000 options to Paul Marshall for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 7 by Paul Marshall and any associate of Paul Marshall. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

7.2 Approval of the issue of Options to Michael Harvey

"That in accordance with ASX Listing Rule 7.1 and for all other purposes, the grant of 500,000 options to Michael Harvey for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 7 by Michael Harvey and any associate of Michael Harvey. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

8. Approval of the issue of Options to Lead Manager

"That in accordance with ASX Listing Rule 7.1 and for all other purposes, the grant of 2,500,000 options to Patersons Securities Limited ABN 69 008 896 311 for no consideration and otherwise for the purposes and on the terms and conditions described in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 8 by Patersons Securities Limited ABN 69 008 896 311 and any associate of Patersons Securities Limited. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

SPECIAL BUSINESS

9. Approval of 10% Additional Placement Capacity under Listing Rule 7.1A

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

"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) 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 9 by a 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 Shares, if this Resolution 9 is passed, and any associates of such persons. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

10. Appointment of Auditor

To consider and if thought fit pass the following resolution as an ordinary resolution:

"The members resolve that BDO Audit Pty Ltd be appointed auditor of the company."

11. Issue of Consideration Shares and Performance Rights

To consider and if thought fit pass the following resolution as an ordinary resolution:

"For the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 11,550,690,690 fully paid ordinary shares and 20,791,243 performance rights to vendors of Opirus Minerals Pty Ltd as consideration for the acquisition of Opirus Minerals Pty Ltd on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion

The Company will disregard any votes cast on this Resolution 11 by the vendors of Opirus Shares and any associate of theirs. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and Corporations Act 2001.

By Order of the Board

Paul Marshall
Company Secretary
15 November 2012

EXPLANATORY STATEMENT

Annual Financial Report

The financial report of the Company for the year ended 30 June 2012, comprising the financial statements, notes, Directors' report and auditors report, is included with this Notice of Annual General Meeting.

Time will be allowed during the meeting for consideration and questions by the Shareholders of the financial report and associated Directors' and auditor reports.

1. Resolution 1: Adoption of the Directors' Remuneration Report.

The Directors' Report for the year ended 30 June 2012 contains the Remuneration Report, which sets out the Company's policy for the remuneration of the Directors and certain of its executives.

The Corporations Act requires that a resolution be put to Shareholders that the Remuneration Report be adopted, but expressly provides that the vote is advisory only and does not bind the Directors or the Company.

Key management personnel (including all Directors) and their closely related parties are prohibited from voting on the advisory resolution under Section 250R of the Corporations Act.

Shareholders will be given reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting on Resolution 1 by proxy

Certain shareholders of the Company described in the Voting Exclusion Statement for Resolution 1, cannot vote on Resolution 1. ASIC identified some confusion last year as to whether the Corporations Act permitted the Chairman of the annual general meeting, whose remuneration details were included in the Remuneration Report, to vote, as a proxy, undirected proxies on the adoption of the Remuneration Report. This has now been clarified by the Corporations Amendment (Proxy Voting) Act 2012. As a result, the Chairman of the annual general meeting who is a Restricted Voter is able, as proxy, to vote undirected proxies in the vote on Resolution 1 where the Shareholder granting the proxy to the Chairman provides express authorisation for the Chairman to exercise the proxy and the Shareholder is not itself a Restricted Voter. The Proxy Form attached to this Notice has been prepared on this basis.

In the event that you choose to appoint the Chairman as your proxy:

- (a) The Chairman's voting intention is to vote in favour of this Resolution 1 to adopt the Remuneration Report.
 - (b) The attached Proxy Form provides that if the Chairman is appointed as proxy, the Chairman is directed to vote in accordance with the voting intention set out above, unless you direct the Chairman to vote in a different manner on your proxy form.
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2. Resolution 2: Election of Craig Rugless as a Director

Dr Craig Rugless was appointed to the Board of Directors on 21 May 2012 as Executive Technical Director.

Dr Rugless is an economic geologist who has over 40 years of experience in exploration and project development in Australia and Oceania and 9 years as the Director of a public company. Dr Rugless has been involved with the management of exploration programs in Kalgoorlie and Mt. Gibson in Western Australia that contributed to the location of significant ore deposits.

In addition to working for major companies including Australian Anglo American Ltd and Homestake Australia Ltd, Dr Rugless has developed a successful consultancy to the exploration

industry and provided services such as detailed mineragraphic/petrographic studies, PIMA (Portable Infrared Mineral Analysis) mineral deposit vectoring studies based on alteration assemblages and innovative geochemical surveys for numerous base and precious metal deposits. The studies have been conducted in a variety of geological terrains ranging in age from Archaean to Tertiary and involving most styles of mineralisation, including epithermal gold – silver deposits (Australia, Fiji), epigenetic gold deposits (WA goldfields, Ghana & Canada), platinum group metals (PGM) associated with layered mafic/ultramafic complexes (WA, South Africa, USA), komatiitic and gabbroid style nickel – copper – cobalt deposits (WA Goldfields & Kimberley, Canada, USA), sedimentary copper and stratabound SEDEX zinc – lead deposits (Kazakhstan, Canada, Australia), porphyry copper – gold – molybdenum deposits (Chile, Kazakhstan, Fiji) and volcanogenic massive sulphide (VMS) copper – zinc – lead – gold – silver deposits (Australia, Fiji, Canada).

Other Listed Company Directorships in the past three years:

- 3D Resources Limited (resigned January 2009)

The Board supports the Election of Dr Rugless.

3. Resolution 3: Election of Rod Williams as a Director

Mr Rod Williams was appointed to the Board of Directors on 21 May 2012 as a non-executive Director.

Mr Williams is a geologist with over 40 years' experience in mineral exploration, evaluation, project development and mining. Following employment with WMC Ltd on base metal exploration, he moved to Rosebery, Tasmania with Electrolytic Zinc, being involved in underground mining and exploration for six years. In 1979 he moved to CSR Ltd. and for the majority of the next nine years managed exploration and evaluation in SE Australia for a range of base and precious metals. In 1988 he joined Hill Minerals (later Ashton Mining Limited) in WA being responsible for gold exploration in the Leonora area.

From 1991 to 1993 he was involved in evaluation and development as Group Development Geologist. From 1993 to 1996 he consulted to number of companies in the WA gold industry. From 1996 he worked for Burdekin Pacific Ltd, becoming Exploration Manager in 1997. From 2000 to 2003 he was employed part time with Burdekin and otherwise engaged in geological consulting, project generation, evaluation and resource modelling plus pit optimization.

Since 2004 he has been involved in project generation and consulting geological services. From 2005 to early 2012 he was the Technical Director of Xanadu Mines Limited. From March 2012 he became a non-executive Director of Xanadu Mines Limited. Activities in Mongolia for Xanadu Mines Limited included locating and drilling out a +300Mt coal resource under the JORC Code. Xanadu Mines Limited listed on the Australian Stock Exchange (ASX) in December 2010.

Other Listed Company Directorships in the past three years:

- Xanadu Mines Limited (appointed December 2010)

The Board supports the Election of Mr. Williams.

4. Resolution 4: Election of Rick Anthon as a Director

Mr Rick Anthon BA (ANU) LLB (ANU) MAICD was appointed to the Board of Directors on 19 June 2012 as a non-executive Director.

Mr Anthon is the Managing Partner of the Queensland law firm Hemming+Hart. He has practiced extensively in corporate, mining and resources law for over 25 years. He has advised on numerous acquisitions, joint ventures, and debt and capital raisings both in Australia and overseas. Additionally, Rick has acted as non-executive Director and chairman for a number of public resource companies over the last 20 years and has previously chaired audit and remuneration committees for those companies.

Other Listed Company Directorships in the past three years:

- Renison Consolidated Mines NL (appointed June 1996)
- Metals Finance Ltd (appointed October 2010)
- Stratum Metals Ltd (appointed October 2011)
- International Coal Ltd (listed August 2011 resigned November 2011)
- Baru Resources Ltd (listed September 2011 resigned July 2012)

The Board supports the Election of Mr Anthon.

5. Resolution 5: Ratification of Issue of Shares

This Resolution 5 seeks the ratification of Shareholders for the previous issue of 746,307 ordinary shares to former directors of the Company, namely John Fletcher (621,689 Shares) and David Weber (124,618 Shares), completed and announced to ASX on 4 June 2012.

The purpose of the issue was to pay out secured loans made by John Fletcher and David Weber to the Company prior to their resignations as Directors (in December 2010), in the aggregate amount of \$149,261.46.

Under Listing Rule 7.1, the Company is limited to issuing up to 15% of its issued capital in any 12 month period without Shareholder approval, subject to certain exceptions.

An issue of Shares made without specific approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the original issue did not breach Listing Rule 7.1 and is subsequently approved by ordinary Shareholders pursuant to the provisions of Listing Rule 7.4.

The original issue did not breach Listing Rule 7.1 and Shareholder approval is now sought under Listing Rule 7.4 to refresh the Company's 15% equity placement limit under Listing Rule 7.1.

Pursuant to the provisions of Listing Rule 7.5, the following information is supplied to Shareholders in respect of this Resolution 5:

- (a) Number of Securities Allotted: 746,307 Shares, of which 621,689 Shares were issued to John Fletcher and 124,618 Shares were issued to David Weber
- (b) Price at which the Securities were issued: \$0.20 per Share, although no cash was payable for the issue of the shares, as they were issued in repayment of a debt by the Company to the allottees;
- (c) Terms of the Securities: Fully Paid Ordinary Shares
- (d) Name of the allottees: John Fletcher and David Weber
- (e) Use of the funds: Repayment of Former Directors' loans
- (f) Date of Allotment: 4 June 2012

6. Resolutions 6.1, 6.2, 6.3, 6.4A and 6.4B: Approval for the issue of Options to Directors

6.1 Introduction

The Company proposes to issue options to acquire Shares to its Directors.

Shareholder approval is sought pursuant to Resolutions 6.1, 6.2, 6.3, 6.4A and 6.4B (**Director Option Resolutions**) for the grant of options for no consideration (**Options**) to Mr Richard Trevillion, Dr Craig Rugless, Mr Rod Williams and Mr Rick Anthon.

Each of Resolutions 6.1, 6.2, 6.3, 6.4A and 6.4B are separate Resolutions. The subject matter of these Resolutions is discussed together below for ease of reference, because the rights, terms and conditions of the Options the subject of each of these Resolutions, are similar.

6.2 Why are the Options being issued?

The primary purpose of the grant of the Options under the Director Option Resolutions are not to raise capital but to better align the interests of the Company and the Directors by providing an incentive to them to remain with the Company and increase shareholder value.

6.3 Key Details of Options

The Options will be issued for zero consideration. Key details of the Options to be granted by the Company to the Directors are as follows:

Table 1 - Proposed Option issue details

Resolution	Name of Officer	Position	No of Options	Expiry Date	Exercise Price	Vesting Conditions
6.1	Richard Trevillion	Executive Director	4,000,000	12 June 2015	\$0.20	(1) The Company's shares having a minimum VWAP of 50 cents calculated over 5 consecutive trading days between the dates of grant and exercise of the Options
6.2	Craig Rugless	Executive Director	1,750,000	12 June 2015	\$0.20	
6.3	Rod Williams	Non-Executive Director	650,000	12 June 2015	\$0.20	
6.4A	Rick Anthon	Non-Executive Director	1,000,000	5 years after issue	\$0.50	(2) The relevant Director remaining continuously with the Company for at least 24 months from the issue of the Options
6.4B			1,000,000	5 years after issue	\$0.40	

6.4 Part 2E of the Corporations Act

Part 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition. One of the exceptions includes where the company first obtains the approval of its shareholders in a general meeting in circumstances where the requirements of Part 2E in relation to the convening of that meeting have been met.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of the public company and any alternate director.

A "financial benefit" for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

Should the Director Option Resolutions be passed, this will confer financial benefits to the Directors in the proportions stated in Table 1 above.

The Company seeks to obtain Shareholder approval in accordance with the requirements of Part 2E of the Corporations Act and for this reason and for all other purposes, the following information is provided to shareholders.

- (a) The Related Party to whom the Director Option Resolutions would permit a financial benefit to be given:
- (i) Resolution 6.1: Mr Richard Trevillion;
 - (ii) Resolution 6.2: Dr Craig Rugless,
 - (iii) Resolution 6.3: Mr Rod Williams,

- (iv) Resolution 6.4A: Mr Rick Anthon; and
- (v) Resolution 6.4B: Mr Rick Anthon.
- (b) The Nature of the Financial Benefit: The nature of the proposed financial benefit to be given is:
- (i) the grant of a total of 8,400,000 Options in the proportions and having the terms and conditions set out in Table 1;
- (ii) the Options will vest upon:
- A. The Company's shares having a minimum VWAP of 50 cents calculated over 5 consecutive trading days between the dates of grant and exercise of the Options; and
- B. The relevant Director remaining continuously with the Company for at least 24 months from the issue of the Options
- (collectively, **Vesting Conditions**);
- (iii) subject to the Vesting Conditions, the Options, upon exercise, will convert into fully paid ordinary shares subject to payment of the relevant Exercise Price, subject to the Expiry Date set out in Table 1; and
- (iv) the Options will be granted for no cash consideration. Consequently, no funds will be raised as a result of the grant of the Options. A total of \$2,180,000 in additional share capital would be raised if the Options proposed to be issued as set out in Table 1, were exercised in full.

(c) Directors' Interests and other Remuneration

The Directors have material personal interests in the outcome of the Director Option Resolutions, as it is proposed that the Options be granted to them (or their respective nominee).

Excluding the Options referred to above, the Directors (and entities associated with them) hold Shares and other options of the Company, as set out in Table 2 below. Table 2 also show the effect on the Company if all of the Options granted to the Directors were exercised (and no other options were exercised).

Table 2

Officer	Current interest in Company's securities	% of Total Share Capital (67,152,886 shares on issue)	Interest in Company's securities upon exercise	% of Total Share Capital (76,552,666 shares on issue)
Richard Trevillion	2,826,040 Shares (Nil options)	4.21%	6,826,040 Shares	8.92%
Craig Rugless	10,525,000 Shares (Nil options)	15.67%	12,275,000 Shares	16.03%
Rod Williams	7,010,000 Shares (Nil options)	10.44%	7,660,000 Shares	10.01%
Rick Anthon	250,000 Shares (Nil options)	0.37%	2,250,000 Shares	2.94%
Paul Marshall	80,000 Shares (Nil options)	0.12%	580,000 Shares	0.76%
Michael Harvey	20,000 Shares (Nil options)	0.03%	520,000 Shares	0.68%

Other than the Options to be issued pursuant to the Director Option Resolutions, details of the payments to the Directors and Senior Management for services to the Company are set out in Table 3 below.

Table 3

Officer	Total Remuneration for 2011/2012	Estimate of Total Remuneration for 2012/2013
Richard Trevillion	\$547,943	\$218,000
Craig Rugless (appointed 21/5/12)	\$213,498	\$190,750
Rod Williams (appointed 21/5/12)	\$72,123	\$65,000
Rick Anthon (appointed 19/6/12)	\$2,127	\$65,000
Paul Marshall (appointed 15/6/12)	\$2,137	\$52,000
Michael Harvey (appointed 15/6/12)	\$2,137	\$52,000

(d) Value of options

The Board has determined the value of the options to be issued pursuant to the Director Option Resolutions to be approximately \$0.1108 cents per option (representing a total value of approximately \$799,200) in the case of the Options the subject of Resolutions 6.1, 6.2, 6.3, 7.1 and 7.2.

This value has been derived using both a Black-Scholes Metro Analytical valuation method assuming the following:

- (i) a Share price of \$0.20 (being the closing price of Shares on the ASX on 9/11/12);
- (ii) an exercise price of \$0.20;
- (iii) a risk free rate of 3.25% per annum;
- (iv) a volatility factor of 100%, which has been determined having regard to the historical trading of Shares on ASX;
- (v) an expiry date of 12 June 2015; and
- (vi) all other terms and conditions as outlined in this Explanatory Statement.

The Board has determined the value of the options to be issued pursuant to the Director Option Resolutions to be approximately \$0.1214 and \$0.1324 cents per option (representing a total value of approximately \$253,800) in the case of the Options the subject of Resolutions 6.4A and 6.4B.

This value has been derived using both a Black-Scholes Metro Analytical valuation method assuming the following:

- (i) a Share price of \$0.20 (being the closing price of Shares on the ASX on 9/11/12);
- (ii) exercise prices of \$0.40 and \$0.50;
- (iii) a risk free rate of 3.25% per annum;
- (iv) a volatility factor of 100%, which has been determined having regard to the historical trading of Shares on ASX;
- (v) an expiry date of 5 years from the date of issue; and
- (vi) all other terms and conditions as outlined in this Explanatory Statement.

(e) Any other Information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

There is no other information known to the Company or any of its Directors except as follows:

(f) Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Options to the Directors and Senior Management is the potentially dilutionary impact on the issued share capital of the Company (in the event that the Options are exercised). Until exercised, the issue of the Options will not impact upon the number of ordinary shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused with the issue of shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of an experienced and skilled Director on appropriately incentivised terms.

It is also considered that the potential increase of value in the Options is dependent upon a concomitant increase in the value of the Company generally.

(g) Dilutionary Effect

If all of the Options granted to the Directors and Senior Management are exercised, the following will be the dilutionary effect on the current issued capital of the Company.

Table 4

Shareholder	Current Share Capital		Share Capital upon exercise (assumes all Options issued to Directors and Senior Management are exercised)	
Current Shareholders	46,441,626	69.16%	46,441,626	60.67%
Richard Trevillion	2,826,040	4.21%	6,826,040	8.92%
Craig Rugless	10,525,000	15.67%	12,275,000	16.03%
Rod Williams	7,010,000	10.44%	7,660,000	10.01%
Rick Anthon	250,000	0.37%	2,250,000	2.94%
Paul Marshall	80,000	0.12%	580,000	0.76%
Michael Harvey	20,000	0.03%	520,000	0.68%
Total	67,152,666	100%	76,552,666	100%

**Rounded to nearest whole number*

(h) Share Price History

In order to assist Shareholders to appropriately consider this the Director Option Resolutions, it is noted that the Company's shares have traded on ASX in the 3 months prior to the date of this Notice of Annual General Meeting between \$0.36 on 21 and 24 August and \$0.15 on 15 November. At the close of trading on 14/11/12, the Company's share price was \$0.195.

6.5 Why is shareholder approval required?

Aside from the requirements of Chapter 2E of the Corporations Act, described above, ASX Listing Rule 7.1 requires that provides that the prior approval of the Company's Shareholders is required for an issue of Equity 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 securities on issue at the commencement of that 12 months.

However, pursuant to Listing Rule 7.22 Exception 14, where approval is being sought from Shareholders pursuant to Listing Rule 10.11, as in the case of Resolutions 6.1, 6.2, 6.3, 6.4A and 6.4B, no approval is required from Shareholders under Listing Rule 7.1.

Listing Rule 10.11 provides that an entity must not permit any Director, or any associate of a Director, to acquire securities in the Company, without the prior approval of its ordinary shareholders. The Company therefore seeks Shareholder approval for the purposes of Listing Rule 10.11.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 10.13. In accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to the Director Option Resolutions.

- (a) under the Director Option Resolutions, approval is being sought to issue a maximum of:
 - (i) Resolution 6.1: 4,000,000 Options to Mr Richard Trevillion, at an exercise price of \$0.20 per Option;
 - (ii) Resolution 6.2: 11,750,000 Options to Dr Craig Rugless, at an exercise price of \$0.20 per Option;
 - (iii) Resolution 6.3: 650,000 Options to Mr Rod Williams, at an exercise price of \$0.20 per Option;
 - (iv) Resolution 6.4A: 1,000,000 Options to Mr Rick Anthon, at an exercise price of \$0.50 per Option; and
 - (v) Resolution 6.4B: 1,000,000 Options to Mr Rick Anthon, at an exercise price of \$0.40 per Option;
- (b) the Options will be granted to the Directors as soon as practicable after the Meeting, but in any event, no later than 1 month after the date of the Meeting;
- (c) the Options are to be issued for no consideration. If any or all of the Options are exercised, the funds raised from the issue of Shares to the Directors will contribute to the Company's working capital;
- (d) the terms and conditions of the Options are set out in Schedule A to this Explanatory Statement.

6.6 Directors' interests and recommendations

As the proposed recipient of Options under the Director Option Resolutions, the Directors have an interest in the Director Option Resolutions, and therefore make no recommendation in relation to it.

7. Resolution 7.1 and 7.2: Approval for the issue of Options to Senior Managers

7.1 Background

The Company proposes to issue options to acquire Shares to its Senior Managers.

Shareholder approval is sought pursuant to Resolutions 7.1 and 7.2 (**SM Option Resolutions**) for the grant of options for no consideration (**SM Options**) to Mr Paul Marshall and Mr Michael Harvey (**Senior Managers**).

Each of Resolutions 7.1 and 7.2 are separate Resolutions. The subject matter of these Resolutions is discussed together below for ease of reference, because the rights, terms and conditions of the SM Options the subject of each of these Resolutions, are similar.

7.2 Why are the Options being issued?

The primary purpose of the grant of the SM Options under the SM Option Resolutions are not to raise capital but to better align the interests of the Company and Senior Managers, by providing an incentive to them to remain with the Company and increase shareholder value.

7.3 Key Details of Options

The SM Options will be issued for zero consideration. Key details of the SM Options to be granted by the Company to the Senior Managers are as follows:

Table 5 - Proposed SM Option issue details

Resolution	Name of Officer	Position	No of Options	Expiry Date	Exercise Price	Vesting Conditions
7.1	Paul Marshall	Company Secretary and Chief Financial Officer	500,000	12 June 2015	\$0.20	(1) The Company's shares having a minimum VWAP of 50 cents calculated over 5 consecutive trading days between the dates of grant and exercise of the Options (2) The relevant Senior Manager remaining continuously with the Company for at least 24 months from the issue of the SM Options
7.2	Michael Harvey	Financial Controller	500,000	12 June 2015	\$0.20	

7.4 The Rights, Terms and Conditions of SM Options

The rights terms and conditions of the SM Options are set out in Schedule A to this Explanatory Statement.

7.5 Effect of the issue of SM Options

Table 6 sets out the effect on the Company of the proposed issue of SM Options under the SM Option Resolutions.

Table 6

Shareholder	Shares		Share Capital upon exercise (assumes all Options issued under this resolution, and no others, are exercised)	
Current Shareholders	67,152,666	100%	67,152,666	98.39%
Paul Marshall	80,000	0.12%	580,000	0.85%
Michael Harvey	20,000	0.03%	520,000	0.76%

7.6 Escrow of SM Options

The SM Options will not be subject to ASX escrow restrictions if this Resolution 7 is passed.

7.7 Why Shareholder approval is sought

ASX Listing Rule 7.1 provides that the prior approval of the Company's Shareholders is required for an issue of Equity 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 securities on issue at the commencement of that 12 months.

Accordingly, the SM Option Resolutions seeks approval from Shareholders pursuant to Listing Rule 7.1 for the issue of the SM Options. By approving the issue of the SM Options, the Company will retain the capacity to issue securities in future up to the 15% threshold without the requirement to obtain Shareholder approval. This will give the Company the flexibility to raise capital on short notice in appropriate circumstances.

7.8 Additional disclosure required by the ASX Listing Rules

ASX Listing Rule 7.3 provides for disclosure of the following information in relation to the SM Option Resolutions:

- (a) The maximum number of SM Options issued under Resolution 7 is 1,000,000 options;

- (b) The SM Options will be issued and allotted within 3 months of the date of this Meeting as follows:
- (c) Resolution 7.1: 500,000 Options to Mr Paul Marshall, at an exercise price of \$0.20 per Option;
- (d) Resolution 7.2: 500,000 Options to Mr Michael Harvey, at an exercise price of \$0.20 per Option;
- (e) No consideration is payable for the issue of SM Options and hence there is no issue price;
- (f) The SM Options will convert into Shares on a one for one basis and the issue of Shares will occur within 3 months from the date each Option is exercised;
- (g) the terms and conditions of the SM Options are set out in Schedule A to this Explanatory Statement; and
- (h) There is no intended use of funds raised, because the SM Options are not being issued for cash consideration. Funds raised upon exercise of the SM Options will contribute to working capital.

8. Resolution 8: Approval for the issue of Options to Lead Manager

8.1 Background

The Company raised capital via an issue of shares as per the extraordinary general meeting held 17 May 2012.

As part of the engagement for brokerage services and Lead Manager services, the Company agreed, subject to Shareholder approval now sought, to issue 2,500,000 Options (**Lead Manager Options**) to Patersons Securities Limited ABN 69 008 896 311 (**PSL**) who assisted the Company in relation to its capital raising during May-June 2012.

Key details of the Lead Manager Options to be granted by the Company to PSL are as follows:

Table 7

Name of Recipient	No of Options	Expiry Date	Exercise Price
PSL	2,500,000	31 May 2015	\$0.40

The vesting conditions for the Lead Manager Options is the same as for the Director Option Resolutions, and each will upon exercise, convert into one fully paid Share, at an exercise price of \$0.40.

The expiry date of the Lead Manager Options is 31 May 2015.

The Options are to be granted for no cash consideration. Consequently, no funds will be raised as a result of the grant of the Options while \$1,000,000 in additional capital would be raised if all Options are exercised.

8.2 The Rights, Terms and Conditions of Options

The rights terms and conditions of the Options are set out in Schedule A to this Explanatory Statement.

8.3 Effect of the issue of Options

Table 8 sets out the effect on the Company of the proposed issue of Lead Manager Options under this Resolution 8.

Table 8

Shareholder	Shares		Share Capital upon exercise (assumes all Options issued under this resolution, and no others, are exercised)	
Current Shareholders	67,152,666	100%	67,152,666	96.41%
PSL	0	0%	2,500,000	3.59%

8.4 Escrow of Options

The Options will not be subject to ASX escrow restrictions.

8.5 Why Shareholder approval is sought

ASX Listing Rule 7.1 requires that provides that the prior approval of the Company's Shareholders is required for an issue of Equity 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 securities on issue at the commencement of that 12 months.

Accordingly, Resolution 8 seeks approval from Shareholders pursuant to Listing Rule 7.1 for the issue of the Lead Manager Options. By approving the issue of the Lead Manager Options, the Company will retain the capacity to issue securities in future up to the 15% threshold without the requirement to obtain Shareholder approval. This will give the Company the flexibility to raise capital on short notice in appropriate circumstances.

8.6 Additional disclosure required by the ASX Listing Rules

ASX Listing Rule 7.3 provides for disclosure of the following information in relation to Resolution 8:

- The maximum number of Lead Manager Options issued under Resolution 8 is 2,500,000 Options;
- The Lead Manager Options under Resolution 8 will be issued to Patersons Securities Limited within 3 months of the date of this Meeting;
- No consideration is payable for the issue of Lead Manager Options and hence there is no issue price;
- The identity of the allottees of Lead Manager Options is Patersons Securities Limited;
- The Lead Manager Options will convert into Shares on a one for one basis and the issue of Shares will occur within 3 months from the date each Option is exercised;
- the terms and conditions of the Lead Manager Options are set out in Schedule A to this Explanatory Statement; and
- There is no intended use of funds raised, because the Lead Manager Options are not being issued for cash consideration. Funds raised upon exercise of the Lead Manager Options will contribute to working capital.

9. Resolution 9: Approval of additional capacity to issue shares under Listing Rule 7.1A

9.1 General

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued share capital through placements over a period up to 12 months after the annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company is an Eligible Entity.

If Shareholders approve Resolution 9, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 9.2 below).

The effect of Resolution 9 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity.

Resolution 9 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed.

9.2 Description of Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$13.43 million.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being Ordinary Shares. The Company currently has 67,152,886 Shares on issue.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** = the number of Shares on issue 12 months before the date of issue or agreement:
plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
plus the number of partly paid shares that became fully paid in the previous 12 months;
plus the number of Shares issued in the 12 months with approval of holders of Shares under ASX Listing Rules 7.1 or 7.4;
less the number of Shares cancelled in the previous 12 months.
- D** = 10%.
- E** = The number of Equity Securities issued or agreed to be issued under rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Shares under rule 7.1 or 7.4.

9.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

- (a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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 ASX trading days of the date in paragraph 9.3(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking); or
- (iii) such longer period if allowed by ASX (10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Equity Securities under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in Table 9 below.

Table 9 below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at 9/11/12.

Table 9 also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Table 9

Number of shares on Issue	Number of Shares issued under 10% Placement Capacity	Funds Raised based on an issue price of \$0.10 (50% decrease in the current share price)	Dilution	
			Funds Raised based on an issue price of \$0.20 (current share price)	Funds Raised based on an issue price of \$0.30 (50% Increase in the current share price)
67,152,886 (Current)	No of shares Funds raised	6,715,267 \$671,527	6,715,267 \$1,343,053	6,715,267 \$2,014,580
100,728,999 (50% Increase)	No of shares Funds raised	10,072,900 \$1,007,290	10,072,900 \$2,014,580	10,072,900 \$3,021,870
134,305,332 (100% Increase)	No of shares Funds raised	13,430,533 \$1,343,053	13,430,533 \$2,686,106	13,430,533 \$4,029,160

*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.

Table 9 above uses the following assumptions:

- (i) Resolution 5 is approved.
- (ii) The current shares on issue are the Shares on issue as at 9/11/12.
- (iii) The issue price set out above is the closing price of the Shares on the ASX on 9/11/12. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.

- For personal use only
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
 - (v) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
 - (vi) Table 9 does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
 - (vii) Only shares will be issued under the 10% Placement Capacity and none of the Company's unquoted options have been exercised.

Shareholders should note that there is a risk that:

- (viii) the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the Annual General Meeting; and
 - (ix) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue.
- (d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital ; or
 - (ii) as non-cash consideration for the acquisition of new resources assets and investments and in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.
- (e) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company. The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
 - (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) Previous Approval under ASX Listing Rule 7.1A
- The Company has not previously obtained approval under ASX Listing Rule 7.1A.
- (g) Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

With respect to Resolution 9, each of the Directors of the Company recommends that shareholders vote in favour of this resolution.

9.4 Action to be taken by Shareholders

Attached to the Notice of Meeting accompanying this Explanatory Statement is a proxy form for use by Shareholders. All Shareholders are invited and encouraged to attend the meeting or, if they are unable to attend in person and are eligible to vote, to complete, sign and return the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a Shareholder from attending and voting at the meeting in person.

10. Resolution 10: Appointment of Auditor

The Company has relocated its head office from Sydney to Brisbane. A change to a Brisbane based auditor is therefore necessary. With this in mind the Company conducted a tender process to select the auditor and following this the board have recommended that BDO be appointed as auditor. As required by section 328B(3) Corporations Act, a copy of the form for the nomination of BDO as the Company's auditors is attached at Schedule B.

The Directors recommend you vote in favour of this resolution.

11. Resolution 11: Issue of Shares and Performance Rights for the acquisition of Opirus Minerals Pty Ltd

11.1 Background:

The Company has agreed to acquire Opirus Minerals Pty Ltd (**Opirus**), a company that holds, through its wholly owned subsidiary Won Kwang, a number of flake graphite exploration projects and certain exploration permit applications over potential flake graphite-bearing areas (together the **Tenements**), in South Korea.

The Tenements are all well located near infrastructure, processing facilities and key Asian markets for graphite. The Company seeks shareholder approval for the issue of Shares and Performance Rights as consideration for the acquisition of Opirus¹.

On completion of the acquisition of Opirus' shares, the Company will have interests in permits and permit applications covering a portfolio of flake graphite exploration areas in South Korea, representing a significant area of graphite-bearing schists and gneisses including de-commissioned graphite mines.

From the 1960s to the early 1990s, South Korea was the largest producer of graphite in the world. During the 1990s, China dumped graphite onto the world market and maintained reduced prices over a prolonged period, to the extent that South Korean producers de-commissioned their graphite mines. More recently, China has imposed a 20% export duty, a 17% value added tax (VAT) and an export licensing system in an attempt to protect its graphite resources and restrict exports.

South Korea is now an attractive destination for exploration and mining, with a sophisticated Mining Act and infrastructure. It is the third largest Asian economy, a G20 country and a stable democracy. There are no mining royalties, a 25% corporate tax rate and a highly productive labour force. South Korea hosts major steel and automobile industries, with strong relationships with Australian companies. Domestic graphite consumption is more than 20,000

¹ The issue of the Shares and performance rights under Resolution 11 relates to the acquisition by the Company of approximately 92.6% of the shares in Opirus, from unrelated parties. The balance of 7.4% is owned by Mullins Pty Ltd as trustee, which is a related party. As a result, the acquisition by the Company of its shares in Opirus must be completed in accordance with ASX Listing Rule 10.1, which the Company will seek at a later date once the requirements of that listing rule are met.

tonnes per annum. In addition, companies such as Samsung, LG Chemicals and Hyundai are deeply involved with technological developments in electronics, batteries and automobiles, the principle sectors that are driving new demand for flake graphite.

The acquisition complements the Company's existing portfolio of flake graphite projects in Western Australia and will not involve a significant change in the nature and scale of the Company's activities.

The Company is seeking approval for the issue of the Shares and Performance Rights as consideration for the acquisition of Opirus.²

11.2 Opirus and the Projects

Opirus' project area includes flake graphite discoveries and de-commissioned graphite mines based on historical mapping and sampling undertaken by the Korean Mining Promotion Corporation in the 1970s. The Projects are well situated, near to population centres, Asian markets and transport infrastructure and include shallow and outcropping flake graphite deposits hosted in graphitic schists and gneisses.

The Geumam and Samcheok projects discussed below were the subject of exploration by the Korea Mining Promotion Corporation ("KMPC").

A list of the tenements is set out below:

Table 10 - Geumam Tenements

Registration No.	Land Reg. No.	Holder	Mineral	Area (ha)	Grant Date	Expiration Date
080077	Dangjin 55-3	Won Kwang	Graphite	68	7 February 2012	6 February 2032
080014	Dangjin 65-1	Won Kwang	Mica/Graphite	68	8 December 2011	7 December 2031
078355	Dangjin 65-2	Won Kwang	Graphite	68	17 December 2009	17 December 2029

Table 11 - Samcheok Tenement Applications

Filing Number	Application Number	Applicant/Registered Holder	Mineral	Expiration Date
Exploration Right 2012-663	Samcheok 009	Won Kwang	Graphite	20 years from the date of grant
Exploration Right 2012-664	Samcheok 010	Won Kwang	Graphite	20 years from the date of grant

Table 12 - Taewha Tenement

Registration No.	Land Reg. No.	Holder	Mineral	Area (ha)	Grant Date	Expiration Date
079948	Hongcheon 91-2	Won Kwang	Graphite	67	15 November 2011	14 November 2031

Geumam

The Geumam graphite deposit is located 67km southwest of Seoul and 4km north of the township of Dangjin, in Dangjin County of Chungcheongnam-Do Province. The terrain of the area is characterised by low lying eroded hills with elevations of less than 100m above sea level.

Geologically, the Geumam area consists of biotite gneiss, schist and quartzite of the Precambrian Gyeonggi Gneiss Complex, and granite gneiss of the Sobaegsan Gneiss Complex. The metamorphic fabric of the biotite gneiss and schist is predominantly northeast-southwest striking, dipping gently-moderately to the southeast. At least 3 stratiform graphite beds were

² The issue of the Shares and performance rights under Resolution 11 relates to the acquisition by the Company of approximately 92.6% of the shares in Opirus, from unrelated parties. The balance of 7.4% is owned by Mullins Pty Ltd as trustee, which is a related party. As a result, the acquisition by the Company of its shares in Opirus must be completed in accordance with ASX Listing Rule 10.1, which the Company will seek at a later date once the requirements of that listing rule are met.

mapped by the KMPC (1980) within muscovite-chlorite gneiss, comprising 2 western (lower) beds and an eastern (upper) bed.1. The "lower" 2 western beds are 25-50m in thickness, traceable in outcrop over a 130m strike length. The "upper" eastern bed is 25-70m thick and can be traced over a strike length of 350m.

The graphite is classified as flake and is hosted in graphite schist, accompanied by quartz, chlorite and muscovite as the gangue or "ash" minerals. The KMPC used several trenches and a small adit to evaluate and sample the graphite beds. A very limited IP-Resistivity geophysical survey was also conducted by the KMPC over the south-western part of the area, which delineated a chargeability anomaly of 50Mev over a strike length of 450m and width of 120m. The chargeability response closely corresponds to the eastern (upper) graphite bed, indicating it has a strike length of at least 600m.

The JORC Inferred Resource at Geumam is 200,000 tonnes at 10% graphite content. The aggregate strike of the resource is 1.3 km and up to 70m thick and contains fine to jumbo grade flake graphite.

Samcheok

The Samcheok graphite deposit is situated about 215km east of Seoul on the eastern seaboard of Korea, about 13km southeast of the coastal town of Samcheok, in Donghae County of Gangwon-Do Province. There is an abandoned open cut graphite mine at Samcheok. The graphite-bearing zone is clearly evident in limonite-hematite stained outcrops in road cuts and open pit exposures over a strike length of at least 700m. Geologically, the Samcheok area consists of schist and gneiss of the Precambrian Yongnam Gneiss Complex and granite gneiss of the Sobaegsan Gneiss Complex. Foliation in the schist strikes northnorthwest, dipping steeply to the east. The graphite bed at Samcheok is 60-80m thick and can be traced over an outcrop length of 300m.

A very limited ground IP-Resistivity geophysical survey was conducted by the KMPC (1976), indicating the graphite bed can be readily mapped by the anomalous conductivity response of 76mV.2. The JORC Inferred Resource at Samcheok is 200,000 tonnes at 5% graphite content. The aggregate strike of the resource is 300m and up to 80m thick and contains fine to coarse grade flake graphite.

Taehwa flake graphite deposit

Geologically, the Taehwa area (which also has a former mine) consists of graphite deposit hosted in Precambrian biotite gneiss.

The JORC Inferred Resource at Taehwa is 170,000 tonnes at 7% graphite content. The aggregate strike of the resource is 600m and up to 7m thick and contains coarse to jumbo grade flake graphite



Figure 1 - Tenement areas in South Korea

Expertise

Opirus’ team are highly experienced and will complement Lamboo’s existing expertise, ensuring both projects continue to progress rapidly. Chris Sennitt, Opirus’s co-founder is a commercial geologist with 31 years experience in multi-commodity exploration programs throughout Asia and Australia, operating in Korea since 1994. Wan-Joong Kim, Opirus’s co-founder, has a comprehensive knowledge of Korean Mining Law and regulations and processes. Kim is a commercial geologist with 18 years experience in exploration and mining in South Korea. Both Chris and Kim have been involved in numerous mineral discoveries and developments over their careers

11.3 The Opirus Acquisition Agreement

The Company has entered into an Acquisition Agreement with the shareholders of Opirus. Pursuant to the terms of the Acquisition Agreement, the Company has the right to acquire 100% of the issued capital of Opirus. However, one of the Opirus shareholders, Mullins Pty Ltd (**Mullins**), is a related party of the Company and while the Company has contracted to acquire its shares in Opirus, it is not seeking approval pursuant to Resolution 11 for completing the acquisition of Mullins’ shares in Opirus, until permitted by ASX Listing Rule 10.1. Accordingly, the Shares and Performance rights the subject of Resolution 11 exclude 949,302 Shares and 1,708,823 Performance Rights that will be issued to Mullins on completion of the acquisition of its Opirus shares.

Consideration

In consideration for the acquisition, for which approval is not required under ASX Listing Rule 10.1, the Company will issue, pro rata to Opirus shareholders, on completion of its initial acquisition of approximately 92.5% of Opirus shares:

- (a) 11,550,690 Shares (**Consideration Shares**); and
- (b) 20,791,243 Performance Rights, which give the holder the right to acquire shares for no consideration, upon the achievement of the following milestones:
 - (i) The first 11,550,690 Performance Rights (**Tranche 1 Rights**), within 36 months of completion of the acquisition agreement, the Tenements or Tenement Applications achieve a JORC compliant inferred mineral resource of 100,000 tonnes or more of in situ carbon as graphite; and
 - (ii) The second 9,240,553 Performance Rights (**Tranche 2 Rights**), within 36 months of completion of the acquisition agreement, a pre-feasibility study is completed that is commercially acceptable to the Company, acting reasonably, in respect of at least one of the projects represented by the Tenements or Tenement Applications.

If:

- (a) Shareholder approval is not granted for the issue of the Consideration Shares pursuant to Resolution 11, the Company must pay the Vendors (to avoid doubt, excluding Mullins, to whom payment is precluded under ASX Listing Rule 10.7) \$750,792.49 on completion.
- (b) Shareholder approval is not granted for the issue of the Tranche 1 Rights pursuant to Resolution 11, the Company must pay the vendors (to avoid doubt, excluding Mullins, to whom payment is precluded under ASX Listing Rule 10.7) an amount equal to the number of shares in the Company that would have been issued on vesting of the Tranche 1 Rights multiplied by the VWAP of the Company's Shares over the 30 days immediately before the day on which the Tranche 1 Rights would have vested had they been granted, such payment to be made on the Business Day after the Tranche 1 Rights would have vested;
- (c) Shareholder approval is not granted for the issue of the Tranche 2 Rights pursuant to Resolution 11, pay to the Vendors (to avoid doubt, excluding Mullins, to whom payment is precluded under ASX Listing Rule 10.7) an amount equal to the number of shares in the Company that would have been issued on vesting of the Tranche 2 Rights multiplied by the VWAP of the Company's shares over the 30 days immediately before the day on which the Tranche 2 Rights would have vested had they been granted, such payment to be made on the Business Day after the Tranche 2 Rights would have vested.

Exploration Expenditure on the Tenements

The Company has agreed to invest, within 24 months of completion of the acquisition, at least \$2,500,000 on direct exploration expenditure in South Korea, to develop the Tenements and the Tenement Applications, in accordance with good commercial practice and excluding head office or corporate costs, general staffing costs or the costs of engaging Senlac, Min Young Kang or Kim Wan Joong.

Other terms and conditions

The Directors consider the remaining terms and conditions of the Acquisition Agreement, including Vendor warranties as to the status of Opirus and good standing of the Tenements, as appropriate for the transaction, having regard to its nature and value.

Completion

Completion of the acquisition (except in relation to Mullins) is to occur immediately after this meeting, if Resolution 11 is approved.

11.4 Effect of the transaction

On completion of the Acquisition, the Vendors will be issued Consideration Shares and Performance Rights as set out below:

Table 13

Vendor	Sale Shares held	Voting Power in Opirus (%)	Consideration Shares	Perf. Rights (Tranche 1)	Perf. Rights (Tranche 2)
Senlac Geological Services Pty Ltd ACN 010 677 595 as trustee for the Christopher Sennitt Family Trust	833,095	19.47%	2,433,411	2,433,411	1,946,729
Min Young Kang	626,200	14.63%	1,829,085	1,829,085	1,463,268
Orbit Capital Pty Ltd ACN 092 586 831	319,581	7.47%	933,473	933,473	746,778
Allegro Capital Nominees Pty Ltd ACN 079 844 107	450,000	10.52%	1,314,418	1,314,418	1,051,534
Derek Jon Pocock as trustee for the Pocock Family Trust	537,444	12.56%	1,569,835	1,569,835	1,255,868
Peter James Mitchell Love as trustee for Overlay Capital Fund	64,175	1.50%	187,450	187,450	149,960
Rocket Science Pty Ltd ACN 074 032 214 as trustee for the Trojan Capital Fund	64,174	1.50%	187,447	187,447	149,958
ACM Consulting Services Pty Ltd ACN 007 023 967	100,000	2.34%	292,092	292,092	233,674
DSO Pty Ltd ACN 110 836 407 as trustee for the Kaz Service Trust	459,791	10.74%	1,343,016	1,343,016	1,074,413
OZ Global Special Investments Master Fund L.P.	9,200	0.21%	26,872	26,872	21,498
OZ Asia Master Fund Ltd	148,450	3.47%	433,611	433,611	346,889
OZ Master Fund Ltd	342,350	8.00%	999,980	999,980	799,984
Total	3,954,460	92%	11,550,690	11,550,690	9,240,553

* As stated above, the Company will not complete the acquisition of Mullins' Opirus shares until the requirements of ASX Listing Rule 10.1 have been satisfied, at which time the Company will issue 949,302 Shares and 1,708,743 performance rights to Mullins.

If the Company does not complete its acquisition of Mullins' Opirus shares, it will hold 92.6% of Opirus shares.

The following table sets out the effect of the transaction on the Company's capital structure upon completion of the Acquisition.

Table 14

Shareholder	Shares*
Existing Shareholders	67,152,886
Issue to shareholders of Opirus	35,000,000**
Directors' Options	11,900,000

* Includes director options and assumes performance rights have vested and been exercised and the conditions for vesting of Tranche 1 and Tranche 2 are met.

** Assumes the Company has completed the acquisition of Mullins' shares for consideration of 949,302 Shares and 1,708,744 performance rights.

11.5 Listing Rules

ASX Listing Rule 7.1 requires that provides that the prior approval of the Company's Shareholders is required for an issue of Equity 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 securities on issue at the commencement of that 12 months.

The issue of the Consideration Shares and Performance Rights would exceed the 15% threshold in Listing Rule 7.1 and accordingly, Resolution 11 seeks approval from Shareholders pursuant to Listing Rule 7.1 for the issue of the Consideration Shares and the Performance Rights.

ASX Listing Rule 7.3 provides for disclosure of the following information in relation to Resolution 11:

- (a) The maximum number of:
 - (i) Consideration Shares to be issued under this Resolution 11, is 11,550,690 Shares; and
 - (ii) Performance Rights to be issued under this Resolution 11, is 20,791,243 Performance Rights;
- (b) The issue and allotment of the Consideration Shares and Performance Rights will occur no later than 3 months after the date of this Meeting, or such longer period as ASX may approve;
- (c) The Consideration Shares and Performance Rights are issued at a deemed issue price of 30 cents each;
- (d) The identity of the allottees is set out in the table above;
- (e) The Consideration Shares to be issued pursuant to this Resolution will, from the date of issue, rank equally with the Company's existing fully paid ordinary shares on issue;
- (f) The Performance Rights are subject to the conditions set out in Schedule C; and
- (g) No funds will be raised by the issue of Consideration Shares or Performance Rights, as they are issued as consideration under the Acquisition Agreement.

11.6 Directors' Recommendation:

All the directors other than Richard Trevillion recommend that shareholders vote in favour of this Resolution. Richard Trevillion did not participate in the negotiations regarding the acquisition of Opirus, because one of the Opirus shareholders, Mullins, is a related party because its sole director and shareholder is his wife. Accordingly, Richard Trevillion makes no recommendation in relation to Resolution 11.

Competent Persons Statement

Information relating to the Inferred Resources, Exploration Results and geological data has been compiled by Mr Christopher Sennitt who is a Fellow of the Australian Institute of Geoscientists. Mr Sennitt is a Director of Opirus Minerals Pty Ltd. He has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2004 Edition).

Defined Terms:

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.

Board means the Company's board of Directors

Company means Lamboo 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.

Director Option Resolutions means Resolutions 6.1, 6.2, 6.3, 6.4A and 6.4B.

Eligible Shareholder means a holder of Shares in the Company as at the Record Date.

Equity Security has the meaning given in the ASX Listing Rules.

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

Lead Manager Options means the option to acquire Shares to be issued to those persons and having the rights set out in Resolution 8

Listing Rules means the Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Notice of Meeting means the notice of annual general meeting dated 14 November 2012 which this Explanatory Statement accompanies and in which the Resolutions are set out.

Official List has the same meaning as given to that term in the Listing Rules.

Opirus means Opirus Minerals Pty Ltd.

Options means the option to acquire Shares to be issued to those persons and having the rights set out in Resolutions 6.1, 6.2, 6.3, 6.4A and 6.4B.

Ordinary Resolution means a resolution requiring to be passed by a majority of such Shareholders, as being entitled to do so, vote in person or by proxy on such resolution.

Resolution means the resolutions referred to in the Notice of Meeting.

Senior Managers means Mr Paul Marshall and Mr Michael Harvey.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

SM Options means the option to acquire Shares to be issued to those persons and having the rights set out in Resolutions 7.1 and 7.2.

SM Option Resolutions means Resolutions 7.1 and 7.2

Special Resolution means a resolution requiring to be passed by not less than three fourths of such Shareholders, as being entitled to do so, vote in person or by proxy on such resolution.

Vesting Conditions means the vesting conditions for the Options as set out in Resolutions 6.1, 6.2, 6.3, 6.4A, 6.4B, 7.1, 7.2 and 0.

Vendor means the all the shareholders of Opirus except Mullins Pty Ltd as trustee.

Won Kwang means Won Kwang Inc. a company incorporated in South Korea.

VWAP means the volume weighted average price.

Schedule A – Terms and Conditions of Options (Resolutions 6.1, 6.2, 6.3, 6.4A, 6.4B, 7.1, 7.2 and O)

The rights terms and conditions of the Options are as follows:

- (a) Each Option allows the option holder to subscribe for one fully paid ordinary share in the Company, subject to satisfaction of the vesting conditions. Such shares will be issued within 3 months of exercise of the relevant options.
- (b) Options will be issued for no consideration.
- (c) The Options may be exercised wholly or in part by notice in writing to the Company, received at any time during the exercise period, together with a cheque for the exercise price and the Option certificate (if any).
- (d) If an Option holder dies, the Options held by that person will be exercisable by that person's legal representative.
- (e) Options cannot be transferred other than to the legal personal representative of a deceased holder.
- (f) The Company will not apply for official quotation of any Options.
- (g) Shares issued as a result of the exercise of Options will rank equally with the Company's issued Shares at the time.
- (h) Option holders may only participate in new issues of securities by first exercising their Options, subject to the vesting conditions having been satisfied at the relevant time.
- (i) If there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (j) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
- (i) the number of Options, the exercise price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on Shareholders; and
 - (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- (k) If there is a pro rata issue to Shareholders (except a bonus issue); the exercise price of any Option may be reduced according to the following formula:

$$O_i = O_o - \frac{E[P - (S + D)]}{N + 1}$$

Where:

O_i = the new exercise price of the Option;

O_o = the old exercise price of the Option;

E = the number of underlying securities into which 1 Option is exercisable;

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex-right date or the ex-entitlements date;

S = the subscription price for a security under the pro rata issue;

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the number of securities with rights or entitlements that must be held to receive a right to 1 new security.

- (l) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options will not be changed to reduce the exercise price, increase the number of Options or change any period for exercise of the Options.

Schedule B – Notice of Nomination of BDO Audit Pty Ltd as Auditors

The Directors
Lamboo Resources Limited
Level 5
10 Market St
BRISBANE QLD 4000

10 October 2012

Dear Directors

The undersigned being a member of Lamboo Resources Limited hereby nominates BDO Audit Pty Ltd for appointment as auditor of the company at the forthcoming annual general meeting.

Yours faithfully

JPK Marshall
Shareholder

Schedule C - Terms of Performance Rights

1 Interpretation

1.1 In this schedule:

- (a) **ASX** means ASX Limited (ACN 008 624 691);
- (b) **Board** means the board of directors of the Company;
- (c) **Business Day** means a day not being a Saturday, Sunday or public holiday, on which banks are generally open for business in Brisbane;
- (d) **Cause** means, in respect of the dismissal of an employee or disengagement of a consultant:
 - (i) serious misconduct;
 - (ii) theft, dishonesty or fraud;
 - (iii) gross neglect;
 - (iv) conviction for an indictable offence;
 - (v) persistent failure to perform employment duties despite reasonable written notice and opportunity to rectify failures in the case of an employee, or persistent failure to perform contractual duties despite reasonable written notice and opportunity to rectify failures, in the case of a contactor; or
 - (i) persistent disobeying of lawful and reasonable directions that are consistent with the person's job description in his services agreement despite reasonable written notice.
- (e) **Change in Control** means:
 - (i) a takeover bid is made to acquire all of the issued ordinary securities of the Company and acceptances are received in respect of such number of securities in the bid class of the Company so that the bidder has a relevant interest in greater than 50% of the Company's securities;
 - (ii) a scheme of arrangement is proposed by the Company under part 5.1 of the Corporations Act and approved by the requisite majorities under the Corporations Act; or
 - (iii) a person otherwise obtains, after Completion, voting power in the Company of greater than 50%;
- (f) **Company** means Lamboo Resources Limited (ACN 091 192 871);
- (g) **Corporations Act** means the *Corporations Act 2001* (Cth) as amended from time;
- (h) **Listing Rules** means the official listing rules of the ASX;
- (i) **Official List** has the meaning given to that term in the Listing Rules;

- (j) **Opirus** means Opirus Minerals Pty Ltd ACN 152 885 526;
- (k) **Performance Right** means the Performance Rights to be issued to the Performance Right holder as consideration for the acquisition of shares in Opirus on the terms detailed in this schedule;
- (l) **Quotation** has the meaning given to that term in the Listing Rules;
- (m) **Tenements** means the following tenements (identified by tenement number) of which Won Kwang Mines is registered holder:
- (i) Dangjin 65-2;
 - (ii) Dangjin 65-1;
 - (iii) Dangjin 55-3; and
 - (iv) Hongcheon 91-2; and
- (n) **Tenement Applications** means the following tenement applications beneficially held by Won Kwang Mines:
- (i) Samcheok 009 (exploration right 2012-633);
 - (ii) Samcheok 010 (exploration right 2012-664); and
 - (iii) various applications lodged or to be lodged in respect of the prospect known as 'Geumam' in or about September 2012.
- (o) **Tranche 1 Rights** means the 12,500,000 Performance Rights subject to the Vesting Condition in paragraph 4.1(a);
- (p) **Tranche 2 Rights** means the 10,000,000 Performance Rights subject to the Vesting Condition in 4.1(b)4.1(b);
- (q) **Vesting Conditions** means the conditions detailed in paragraph 4.1 that must be satisfied in order for the relevant Performance Right to vest;
- (r) **Vesting Period** means the period beginning on the day the Performance Rights are granted and ending 36 months after that day;
- (s) **Shareholder** and **Shareholders** means a person who owns shares in the capital of the Company, notwithstanding that those shares may not be fully paid; and
- (t) **Shares** means fully paid ordinary shares in the capital of the Company.

2 Terms of Performance Rights

- 2.1 Each Performance Right entitles the Performance Right holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company on vesting of the Performance Right without payment.
- 2.2 Shares issued on the exercise of Performance Rights will rank equally with all existing Shares on issue, as at the vesting date (other than in relation to declared dividends with a record date that is prior to the issue date), and will be subject to the provisions of the constitution of the Company and any escrow restrictions imposed on them by the ASX.

For personal use only

3 Vesting of Performance Rights

3.1 Subject paragraph 3.2, the Performance Rights will vest:

- (a) in respect of the Tranche 1 Rights, on the satisfaction of the relevant Vesting Condition;
- (b) in respect of the Tranche 2 Rights, on the satisfaction of the relevant Vesting Condition;
- (c) where the consultancy agreement with Senlac is terminated by the Buyer without Cause;
- (d) where the employment agreement of Mr Kim Wan Joong is terminated by the Buyer without Cause;
- (e) if a Change of Control occurs;
- (f) if the Company fails to comply with clause 7.1 of the share sale deed;
- (g) where the Company disposes of 50% or more of the shares in Opirus or Opirus disposes of 50% or more of the shares in Won Kwang Mines Inc; or
- (h) a person other than the Company and its related bodies corporate, acquires an interest in the Tenements or Tenement Applications of 50% or more.

3.2 No Performance Rights will vest until 12 months after the Completion Date.

3.3 All Performance Rights will lapse on the earlier of the:

- (a) receipt by the Company of notice from the Performance Right holder that the Performance Right holder has elected to surrender the Performance Right; and
- (b) on expiry of the Vesting Period where the Vesting Conditions for the Performance Rights have not been satisfied and none of the other events in paragraph 3.1 have occurred.

3.4 In the event of liquidation of the Company, the Performance Rights will lapse.

4 Performance conditions

4.1 The Performance Rights will vest on satisfaction of the following Vesting Conditions:

	Performance condition	Performance Rights that vest upon satisfaction of the Performance condition
(a) Tranche 1 Rights	Within 36 months of the Completion Date, the Tenements or Tenement Applications achieve a JORC compliant inferred mineral resource of 100,000 tonnes or more of in situ carbon as graphite	12,500,000
(b) Tranche 2 Rights	Within 36 months of the Completion Date, a pre-feasibility study is completed that is commercially acceptable to the Buyer, acting reasonably, in respect of at least one of the projects represented by the Tenements or Tenement Applications.	10,000,000

5 Quotation

- 5.1 The Company will not apply to the ASX for official quotation of the Performance Rights.
- 5.2 The Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Performance Rights on the Business Day of issue.

6 Participation in Securities Issues

- 6.1 Subject to paragraph 7 below, the holder is not entitled to participate in new issues of securities.

7 Participation in a Reorganisation of Capital

- 7.1 In the event of any reconstruction or reorganisation (including consolidation, subdivision, reduction or return of the capital of the Company), the rights of a Performance Right Holder will be treated in the following manner:
- (a) in the event of a consolidation of the share capital of the Company, the number of Performance Rights will be consolidated in the same ratio as the ordinary share capital of the Company;
 - (b) in the event of a subdivision of the share capital of the Company, the number of Performance Rights will be subdivided in the same ratio as the ordinary share capital of the Company;
 - (c) in the event of a return of the share capital of the Company, the number of Performance Rights will remain the same;
 - (d) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Performance Rights will remain unaltered;
 - (e) in the event of a pro-rata cancellation of shares in the Company, the number of Performance Rights will be reduced in the same ratio as the ordinary share capital of the Company; and
 - (f) in the event of any other reorganisation of the issued capital of the Company, the number of Performance Rights will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Performance Right Holder which are not conferred on shareholders.

8 Adjustments to Performance Rights and Exercise Price

- 8.1 Adjustments to the number of Shares over which Performance Rights exist may be made as described in paragraph 8.2 to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- 8.2 The method of adjustment for the purpose of paragraph 8.1 shall be as follows:
- (a) **Pro Rata Cash Issues** - Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the number of Shares received on the vesting of the Performance Rights will be changed so that the Performance Rights Holder receives the same economic benefit that would accrue to a holder

of options over unissued Shares had the exercise price of the options been reduced in accordance with Listing Rule 6.22.

- (b) **Pro-Rata Bonus Issues** - If there is a bonus issue to the holders of the underlying securities, on the vesting of any Performance Rights, the number of Shares received will include the number of bonus Shares that would have been issued if the Performance Rights had been exercised prior to the record date for bonus issues.

9 Transfers not permitted

- 9.1 The Performance Rights are not transferable without the consent of the Company, which shall not be unreasonably withheld.

10 Notices

- 10.1 Notices may be given by the Company to the Performance Right holder in the manner prescribed by the Constitution of the Company for the giving of notice to shareholders and the relevant provisions of the constitution of the company will apply with all necessary modification to notices to be given to the Performance Right holder.

PROXY FORM

APPOINTMENT OF PROXY

I/We

(name of Shareholder)

being a member/s of Lamboo Resources Limited and entitled to attend and vote hereby appoint

the Chairman of the Meeting

OR

(mark with an "X")

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or failing the person named, of if no person is named, the Chairman 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 Annual General Meeting of Lamboo Resources Limited to be held at Level 5, 307 Queen Street, Brisbane, Queensland, Australia on 14 December 2012 at 9.30am (Brisbane time) and at any adjournment of that meeting.

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Resolutions 1, 6.1, 6.2, 6.3, 6.4A and 6.4B, please place a mark in the box.

By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chairman of the Meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 1, 6.1, 6.2, 6.3, 6.4A and 6.4B where and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

I/we acknowledge that the Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Voting directions to your proxy – please mark

		For	Against	Abstain*
Resolution 1	Remuneration Report (advisory only and non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Craig Rugless	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Rod Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Rick Anthon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6.1	Approval for the issue of Options to Richard Trevillion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6.2	Approval for the issue of Options to Craig Rugless	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6.3	Approval for the issue of Options to Rod Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6.4A	Approval for the issue of Options to Rick Anthon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6.4B	Approval for the issue of Options to Rick Anthon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7.1	Approval for the issue of Options to Paul Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7.2	Approval for the issue of Options to Michael Harvey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for the issue of Options to Lead Managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of additional capacity to issue shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Issue of Consideration Shares and Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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.

Execution

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

Individual or Security holder 1

Security holder 2

Security holder 3

Sole Director and Secretary

Director

Director/Company Secretary

How to Complete the Proxy Form

1. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company.

2. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three 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 voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate section. 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 your vote on that item will be invalid.

3. Appointment of a Second Proxy

You are entitled to appoint up to two 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 telephoning the company's share registry or you may copy this form.

To appoint on a second proxy you must:

on each of the first Proxy Form and the second Proxy Form 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 your votes. Fractions of votes will be disregarded.

Return both forms together in the same envelope.

4. Signing Instructions

You must sign this form as follows in the spaces provided:

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

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

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing 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 produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 9.30am on 12 December 2012 being 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged with the Company:

IN PERSON: Lamboo Resources Limited, Level 5, 307 Queen Street, Brisbane, Queensland

BY MAIL: Lamboo Resources Limited, PO Box 216, Brisbane QLD 4000

BY FAX: (07) 3212 6250

For Further Information: If you need any further information about this form or attendance at the Company's General Meeting, please contact Paul Marshall, Company Secretary on (07) 3212 9212.