



ASX ANNOUNCEMENT

12 January 2015

LAMBOO RESOURCES Limited

ABN 27 099 098 192

ASX: LMB

CORPORATE OFFICE

Level 6, 344 Queen Street
Brisbane QLD 4000

OPERATIONS OFFICE

Unit 2, 7 Packard Street
Joondalup WA 6027
Telephone: +61 8 9301 1047

CONTACT

Richard Trevillion
Chief Executive Officer
richard@lambooresources.com
0412 307 087

Tony Cormack
Operations Manager
tony@lambooresources.com
0427 349 451

FUNDING AGREEMENT

Lamboo Resources Limited (**ASX: LMB**) ("**Lamboo**" or "**Company**") advises that it has entered into a funding agreement of AU\$1 million ("Funding Agreement") with the Australian Special Opportunity Fund, LP, an institutional investor managed by New York based The Lind Partners LLC (together, "Lind").

The Funding Agreement comprises an Unsecured Convertible Note ("Convertible Note") for a term of 12 months. The funds are immediately payable.

The proceeds will primarily be used to fund ongoing working capital as Lamboo Resources accelerates the development of its high purity, battery compatible flake graphite projects.

The note is repayable by equal monthly payments over a 12-month period from the end of February 2015. Each monthly repayment can be made, at Lamboo's option, either through cash or shares ("Repayment Shares") or a combination of both.

If the Company elects to repay the whole or part of the monthly payments in cash, the repayment amount will carry a premium of 2.5% of the relevant repayment amount. If the Company elects to repay via shares, the Repayment shares will be priced at 90% of the average of three daily volume weighted average prices (VWAP) chosen by Lind during a specified period prior to each issue of shares.

Lamboo can repay the full outstanding face value of the Convertible Note based on a 2.5% premium and Lind would have the right upon such repayment to convert an amount equal to 25% of the face value of the Convertible Note at that time into equity at the premium conversion price which is equal to 130% of the Average of the VWAP during the 20 trading days prior to the Funding Agreement being signed ("Premium Conversion Price").



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The funding arrangement allows Lambooo Resources to continue to develop its projects by providing capital through a highly flexible convertible instrument that is repaid over a staged period. The structure also allows the company at its election to issue shares or cash to repay the note to Lind on a monthly basis. If the repayment is paid by shares the conversion price will be linked to current share prices at the time of issue, minimising dilution for existing shareholders.

The face value of the note is a 15% premium over the funded amount and the Company will pay a \$100,000 fee in cash or shares on receipt of the funds.

After a period of 60 days from the initial drawdown, Lind has the option to convert any amounts outstanding under the Funding Agreement into ordinary shares at the Premium Conversion Price ("Conversion Shares").

As part of the Funding Agreement, Lind will also be granted options. The options will comprise 3 million options with an exercise price equal to the Premium Conversion Price or 130% of the average of the daily VWAPs per share during the twenty (20) consecutive Trading Days immediately prior to 28 February 2015 and exercisable 36 months from the date of issue.

The Funding Agreement also contains other standard conditions and events of default for a Convertible Note of this nature. While the shareholder approval is not required for the initial funding to proceed, the Agreement contains provisions requiring approval of shareholders if required under Listing Rule 7.1 for subsequent issues of shares upon conversion of the note and Lambooo intends to call an extraordinary general meeting shortly to seek such approvals. In addition, Lambooo is also required to issue a prospectus to "cleanse" shares that are to be issued pursuant to the Funding Agreement. Lambooo will advise shareholders of the timetable for the prospectus in due course, but is contractually required to issue such prospectus by 28 February 2015. As a part of the Funding Agreement, Lind has agreed not to trade Lambooo's shares until the prospectus is filed. The Company will also issue 2 million shares to Lind which will be credited against shares to be issued on conversion of the note or otherwise acquired by Lind at a price equal to the repayment price, to the extent not previously credited against Conversion Shares.

About The Lind Partners

Lind Partners is a New York-based alternative asset management company that manages a family of funds that selectively invests across a broad range of industries and economic environments with a focus on companies with market capitalisations ranging between US\$10 million and US\$1 billion having definable milestones and key inflection points that have the potential to create considerable shareholder value. More information on Lind can be found at www.thelindpartners.com.

For further information please contact:

Richard Trevillion

0412 307 087