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CARBINE RESOURCES LIMITED

ABN 81 122 976 818

NOTICE OF GENERAL MEETING

TIME: 10.00am

DATE: Monday 12 November 2007

PLACE: BDO Kendalls, Level 8, 256 St George's Terrace, Perth, WA

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Mr Peter Torre on (+ 618 9287 4604).

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Carbine Resources Limited which this Notice of General Meeting relates to will be held at the offices of BDO Kendalls, Level 8, 256 St Georges Terrace Perth WA 6000 on Monday 12 November 2007 at 10.00am.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed:

- (a) send the proxy form by post to the Company's Share Registry, Computershare Investor Services Pty Ltd, GPO Box D182 Perth WA 6000;
- (b) Hand deliver the proxy form to Computershare Investor Services Pty Ltd, Level 2 45 St Georges Terrace Perth WA 6000;
- (c) by facsimile to the Computershare Investor Services Pty Ltd on facsimile number (+ 61 8) 9323 2033;

so that it is received not later than 10.00am WST Friday 9 November 2007.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Carbine Resources Limited (ABN 81 122 976 818) (**Company**) will be held at the offices of BDO Kendalls, Level 8, 256 St Georges Terrace Perth WA 6000 on Monday 12 November 2007 at 10.00am.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 10.00am WST on Friday 9 November 2007.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 3,030,342 Shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associate of that person.

2. RESOLUTION 2 – ISSUE OF SHARES

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 2,000,000 Shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons.

3. RESOLUTION 3 – APPROVAL OF INCENTIVE OPTION SCHEME

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

*"That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt the Incentive Option Scheme (**Scheme**), a summary of which is set out in the Explanatory Statement accompanying this Notice."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director of the Company (except one who is ineligible to participate in the Incentive Option Scheme)

DATED: 9 OCTOBER 2007

BY ORDER OF THE BOARD



**PETER TORRE
COMPANY SECRETARY**

Voting Exclusion Note:

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at the offices of BDO Kendalls, Level 8, 256 St Georges Terrace Perth WA 6000 on Monday 12 November 2007 at 10.00am.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES

1.1 Background

On 24 July 2007, the Company announced the completion of a placement of 3,030,342 Shares at 33 cents each to professional and sophisticated investors to raise approximately \$1,000,013.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

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

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 3,030,342 Shares were issued and allotted to the following professional and sophisticated investors. None of the recipients of the Shares were related parties (as defined in the Corporations Act) of the Company;

Investor	Number of Shares
JP Morgan Nominees	2,272,727
SINOM (HK) Limited	606,100
Connie Ying Guo	151,515
Total	3,030,342

- (b) the Shares were issued and allotted on 26 July 2007;

- (c) the issue price of the Shares was 33 cents each;

- (d) the Shares issued were all full paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (e) the funds raised will be applied by the Company to accelerate its exploration activities in the West Kalgoorlie region and to provide additional working capital to investigate other opportunities within the global resource sector.

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – ISSUE OF SHARES

2.1 Background

On 24 May 2007, the Company announced that it had signed a Farm in and Joint Venture Agreement with Cazaly Resources Limited (**Cazaly**) whereby the Company will earn a 50% stake, with an option to increase to 70%, in Cazaly's entire gold exploration and development portfolio in the Kunanalling, Ora Banda, Grants Patch, Carbine and Split Rocks regions. These tenements cover approximately 533 square kilometres and contain mineral resources of 612,400 ounces of gold. As part of the Joint Venture and Farm in Agreement, the Company is required to issue 2,000,000 Shares to Cazaly. These Shares will be subject to an escrow period of 6 months.

Resolution 2 seeks Shareholder approval for the issue and allotment of these 2,000,000 Shares to Cazaly.

1.3 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that the Company must not, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity, if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders in general meeting.

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the number of securities to be issued by the Company is 2,000,000 Shares;
- (b) the Shares will be issued at a minimum of at least 80% of the average market price for the Shares. That average is calculated over the last five days on which sales in the shares were recorded before the day on which the issue was made.;
- (c) the Shares will rank equally with, and have the same terms and conditions as, the existing Shares on issue;
- (d) the Shares will be issued in one tranche no later than three (3) months after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

- (e) the Shares will be issued to Cazaly, who is not a related party of the Company; and
- (f) no funds will be raised from the issue as the Shares are being used in consideration for entry into an agreement to secure a 50% stake in Cazaly's entire gold exploration and development portfolio.

3. RESOLUTION 3 – ADOPTION OF INCENTIVE OPTION SCHEME

3.1 Background

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder approval for the grant of IOS Options pursuant to the Carbine Resources Limited Incentive Option Scheme (**Scheme**). Resolution 3 is placed before Shareholders in accordance with Exception 9 of ASX Listing Rule 7.2.

If Resolution 3 is passed, the Company will be able to issue IOS Options under the Scheme without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no IOS Options have previously been issued under this Scheme and the objective of the Scheme is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the Scheme and the future grant of IOS Options under the Scheme will provide selected employees with the opportunity to participate in the future growth of the Company.

A summary of the terms and conditions of the Scheme is set out below.

3.2 Incentive Option Scheme

(a) Introduction

The Scheme is designed to provide eligible participants with an ownership interest in the Company and to provide additional incentives for eligible participants to increase profitability and returns to Shareholders.

The summary of the Scheme is set out below for the information of potential investors in the Company. The detailed terms and conditions of the Scheme may be obtained free of charge by contacting the Company.

(b) General

The Board may from time to time, in its absolute discretion, offer to grant IOS Options to eligible participants under the Scheme.

Each IOS Option will be issued for no consideration and will carry the right in favour of the Option holder to subscribe for one (1) Share in the capital of the Company.

The Board may determine the exercise price of the IOS Options in its absolute discretion. Subject to the Listing Rules, the exercise price may be nil but to the extent the Listing Rules specify or require a minimum price, the exercise price in respect of an offer made following the day on which Shares are first quoted on the Official List must not be less than any minimum price specified in the Listing Rules.

(c) Eligible Participants

Full time employees, part time employees, Directors and consultants of the Company or an associated body corporate (**Group**) are eligible to participate in the Scheme.

Shareholder approval is required prior to any issue of IOS Options to Directors of the Company.

(d) Lapse of IOS Options

Unless the Board in its absolute discretion determines otherwise, IOS Options shall lapse immediately if:

- (i) the eligible participant ceases to be an employee or director of, or to render services to, a member of the Group for any reason whatsoever and the conditions of exercise of the IOS Options (**Exercise Conditions**) have not been met;
- (ii) the Exercise Conditions of the IOS Options are unable to be met;
- (iii) the date which is 2 years after the date of the grant of the IOS Options, or such other expiry date as the Board determines in its discretion at the time of grant of the IOS Option (**Lapsing Date**) has passed; or
- (iv) the expiry of 60 days after the eligible participant ceases to be an employee or director of, or to render services to, a member of the Group for any reason whatsoever prior to the Lapsing Date where the Exercise Conditions have been met,

which ever is earlier.

(e) Participation in Future Issues

There are no participating rights or entitlements inherent in the IOS Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the IOS Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the exercise price of the Options shall be reduced in accordance with the formula in the Listing Rules.

In the event of a bonus issue of Shares being made pro-rata to Shareholders (other than an issue in lieu of dividends), the number of Shares issued on exercise of each IOS Option will include the number of bonus Shares that would have been issued if the IOS Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the IOS Option.

(f) Reorganisation

The terms upon which IOS Options will be granted will not prevent them being reorganised as required by the Listing Rules on the reorganisation of the capital of the Company.

(g) Trigger Events

Upon the occurrence of certain trigger events (for example the receipt by the Company of a bidder's statement in respect of the Company), the Directors may determine:

- (i) that the IOS Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in any change of control arising from a trigger event, provided that the Directors will forthwith advise in writing each holder of such determination. Thereafter, the IOS Options shall lapse to the extent they have not been exercised; or
- (ii) to use their reasonable endeavours to procure that an offer is made to holders of IOS Options on like terms (having regard to the nature and value of the IOS Options) to the terms proposed under the trigger event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the IOS Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

4. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9287 4604, if they have any queries in respect of the matters set out in these documents.

GLOSSARY

All references to currency are to Australian Dollars and cents.

ASX means the ASX Limited (ABN 98 008 624 691).

Board means the board of Directors as constituted from time to time.

Company means Carbine Resources Limited (ABN 122 976 818).

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

IOS Option or **IOS Options** means an option granted under the Incentive Option Scheme (described in Section 3 of the Explanatory Statement) to acquire a Share, on the terms and conditions set out in the Explanatory Statement.

Explanatory Statement means the explanatory statement to the Notice.

Joint Venture and Farm in Agreement means the Heads of agreement between the Company and Cazaly Resources Limited executed in 24 May 2007 whereby the Company will earn a 50 percent stake, with an option to increase to 70 percent, in Cazaly Resources Limited's gold exploration and development portfolio in the Kunanalling, Ora Banda, Grants Patch, Carbine and Split Rocks regions.

Meeting means the meeting convened by the Notice.

Listing Rules means the official listing rules of the ASX, as amended from time to time.

Notice means the Notice of Meeting.

Option means an option to acquire a Share.

Share or **Shares** means an ordinary fully paid share or shares in the Company.

Shareholder means a shareholder in the Company.

WST means Western Standard Time observed in Perth, WA.

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