



28 May 2008

The Manager  
Australian Stock Exchange Limited  
Level 4  
20 Bridge Street  
Sydney, NSW 2000

Dear Sir

**NON-RENOUNCEABLE ENTITLEMENT ISSUE – NOTICE PURSUANT TO  
PARAGRAPH 708AA (2)(F) OF THE CORPORATIONS ACT 2001 ("ACT")**

On 27 May 2008 Carbine Resources Limited (ASX: CRB) (Company) announced that it will be offering eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the Company (Shares) via a non-renounceable entitlement issue (Entitlement Issue) on the basis of one (1) Share for every two (2) Shares held at the record date of 5 June 2008.

Shares under the Entitlement Issue will be offered at 12 cents each. The maximum number of Shares which may be issued under the Rights Issue is 18,512,155 Shares to raise approximately \$2,221,459. The issue is fully underwritten by Allied Gold Limited.

An offer document relating to the Offer (Offer Document) will be sent to shareholders together with a personalised Entitlement and Acceptance Form. For informational purposes, a copy of the proposed Offer Document that will be sent out in due course has been attached to this notice.

The proposed timetable for the Entitlement Issue is as follows:

EVENT	DATE
<b>Announcement of Offer and Appendix 3B</b>	<b>28 May 2008</b>
<b>Notice sent security holders</b>	<b>29 May 2008</b>
<b>Ex Date</b> (date from which securities commence trading without the entitlement to participate in the Offer)	<b>30 May 2008</b>
<b>Record date</b> (date for determining entitlements of eligible shareholders to participate in the Offer)	<b>5 June 2008</b>
<b>First cleansing notice and Offer Document lodged with ASX</b>	<b>6 June 2008</b>
<b>Offer Document dispatched to Shareholders</b> (expected date of dispatch of Offer Document, entitlement and acceptance forms)	<b>11 June 2008</b>
<b>Offer opens</b>	<b>12 June 2008</b>
<b>Closing date*</b>	<b>4 July 2008</b>
<b>Company to notify ASX of undersubscriptions (if any)**</b>	<b>8 July 2008</b>
<b>Second cleansing notice lodged with ASX</b>	<b>10 July 2008</b>
<b>Dispatch holding statements **</b>	<b>11 July 2008</b>

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\* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

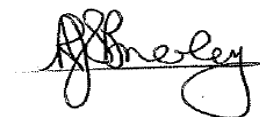
\*\* These dates are indicative only.

### NOTICE UNDER S708AA OF THE ACT

The Company hereby confirms that (as per the requirements of paragraph 708AA(2)(f) of the Act):

- a) the Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Act;
- b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- c) as at the date of this announcement, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- d) as at the date of this announcement, the Company has complied with section 674 of the Act; and
- e) as at the date of this announcement, there is no information:
  - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - b. that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
    - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - ii. the rights and liabilities attaching to the Shares.

Yours sincerely



**Mr Robert Brierley**  
**Director**  
**Carbine Resources Limited**

**CARBINE RESOURCES LIMITED**  
**ABN 81 122 976 818**

**OFFER DOCUMENT**

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For a non-renounceable entitlement issue of one (1) New Share for every two (2) Shares held by Shareholders registered at 5:00pm (WST) on 5 June 2008 at an issue price of 12 cents per Share to raise approximately \$2,221,459 (Offer).

The Offer is fully underwritten by Allied Gold Limited. Further details are set out in Section 1.5 of this Offer Document.

**IMPORTANT NOTICE**

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This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

**This Offer opens on 12 June 2008 and closes at 5:00pm WST on 4 July 2008.**

Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

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## IMPORTANT NOTES

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No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in the Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

### Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

### Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

It is not practical for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of the Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

### Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

## TABLE OF CONTENTS

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1.	DETAILS OF THE OFFER	4
2.	ACTION REQUIRED BY SHAREHOLDERS	8
3.	RISK FACTORS	9
4.	DEFINED TERMS	13

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## Section 1 - DETAILS OF THE OFFER

### 1.1 The Offer

The Company is making a non-renounceable pro rata offer of New Shares at an issue price of 12 cents each on the basis of one (1) New Share for every two (2) Shares held on the Record Date (the Offer).

The Company intends to apply the funds raised from the Offer towards:

ITEM	AMOUNT (\$)
Exploration on West Kalgoorlie JV tenements	\$2,000,000
Exploration on Red Dam tenement	\$50,000
New business opportunities	\$50,000
General working capital	\$121,459
<b>Total</b>	<b>\$2,221,459</b>

As at the Record Date, the Company has 37,024,309 Shares and 2,400,000 Options on issue. The Company expects that up to approximately 18,512,155 New Shares will be issued under the Offer.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

### 1.2 Timetable

EVENT	DATE
<b>Announcement of Offer and Appendix 3B</b>	<b>28 May 2008</b>
<b>Notice sent security holders</b>	<b>29 May 2008</b>
<b>Ex Date</b> (date from which securities commence trading without the entitlement to participate in the Offer)	<b>30 May 2008</b>
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\* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

\*\* These dates are indicative only.

### 1.3 Entitlements and Acceptance

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

Acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form), although you may accept for a lesser number of New Shares should you wish to take up only part of your Entitlement. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus application monies will be returned to you.

### 1.4 No Rights Trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

### 1.5 Underwriting

The Company has entered into an underwriting letter agreement with Allied Gold Limited (the **Underwriter**) pursuant to which the Underwriter has agreed to underwrite the Offer up to \$2,221,459, being a total of 18,512,155 New Shares underwritten (**Underwriting Agreements**).

The Company has agreed to pay the Underwriters a 5% fee on the amount underwritten.

The Underwriters are entitled to terminate their respective Underwriting Agreements upon the occurrence of any one or more of the termination events (**Termination Event**), including:

- a) the Company does not dispatch the Offer Document to Shareholders on or before 30 May 2008;
- b) the Company fails to lodge an Appendix 3B with ASX in relation to the Shares on Offer by the time required by the Corporations Act, the Listing Rules or any other regulation;
- c) it transpires that the Offer Document does not contain all the information required by the Corporations Act;
- d) the Company is prevented from allotting the New Shares within the time required by the Corporations Act or the Listing Rules for any reason;
- e) the Company is in default of any term, condition, covenant or undertaking of the Underwriting Agreement;

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- f) the Company contravenes any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX in relation to the Offer;
  - g) an event occurs which gives rise to any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company;
  - h) any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
  - i) an event of insolvency occurs in respect of the Company;
  - j) litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the company;
  - k) there is a delay in any specified date in the Offer timetable which is greater than 5 business days; or
  - l) the Company alters its capital structure in any manner not contemplated by the Offer Document.

### **1.6 Opening and Closing Dates**

The Offer opens on the Opening Date, being 12 June 2008. The Company will accept Entitlement and Acceptance Forms until 5:00pm WST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

### **1.7 Issue and Despatch**

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the timetable set out in Section 1.2.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

### **1.8 ASX Listing**

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document has been made.

If approval is not obtained from ASX before the expiration of 3 months after the date of this Offer Document (or such period as varied by the ASIC) the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares offered for subscription.

### 1.9 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia. Settlement of trading of quoted securities on ASX takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. No share or security holdings that are quoted on ASX and settles on CHESS, nor is it a requirement for transfer forms to be executed in relation to transfers that occur on CHESS.

CHESS Depository Instruments (**CDIs**) will be used by the Company to hold and transfer title to the Shares issued pursuant to this Offer Document. CDIs are electronic depository receipts issued and are units of beneficial ownership in securities registered in the name of CHESS Depository Nominees Pty Ltd (**CDN**). CDN is a wholly-owned subsidiary of ASX. The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title is held by CDN. The Shares to be issued pursuant to this Offer Document will be registered in the name of CDN for the benefit of CDI holders.

### 1.10 Overseas Eligible Shareholders

It is the responsibility of foreign Eligible Shareholders to obtain all necessary approvals for the allotment and issue to them of Shares pursuant to this Offer Document.

New Shares to which any Eligible Shareholders who are not resident in Australia or New Zealand would otherwise be entitled will form part of the Shortfall.

**This Offer Document and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.**

### 1.11 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

## 1.12 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3.

## 1.13 Enquiries Concerning Offer Document

Enquiries concerning the Entitlement and Acceptance Form should be directed to Computershare Investor Services Pty Ltd by telephone on (08) 9323 2000. Enquiries relating to this Offer Document should be directed to the Company Secretary by telephone on (08) 9287 4604.

## Section 2 – ACTION REQUIRED BY SHAREHOLDERS

### 2.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- a) if you wish to accept your Entitlement in full:
  - i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
  - ii) attached your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- b) if you only wish to accept part of your Entitlement
  - iii) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - iv) attached your cheque for the appropriate application monies (at 12 cents per Share); or
- c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to **“Carbine Resources Limited – Share Account”** and crossed **“Not Negotiable”**. Payment via BPAY will also be accepted and the instructions for doing so are included on your Entitlement and Acceptance Form.

Your completed Entitlement and Acceptance Form and cheque/payment must be delivered to the Company's share registry, Computershare Investor Services, Perth no later than 5:00pm (WST) on the Closing Date. Entitlement and Acceptance Forms with cheques can be delivered to Computershare before the Closing Date as follows:

**By Hand:** Computershare Investor Services Pty Limited  
Level 2, 45 St Georges Terrace  
Perth WA 6000

**By Post:** Computershare Investor Services Pty Limited  
GPO Box D182  
Perth WA 6840

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

## **Section 3 – RISK FACTORS**

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### **3.1 Introduction**

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Offer Document, before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **3.2 Risks Specific to the Company**

#### **Reliance on key personnel**

The success of the Company in part will depend on the ability of the Directors, management team and other executive personnel (employed by the Company or its business partners) to develop the Company's project portfolio and enhance project value. Should one or more of the key personnel cease to be involved, for whatever reason, then the capability of the Company may be expected to be impaired pending a suitable replacement being identified and retained by the Company or its business partners.

#### **Future Capital Needs and Funding**

The Company anticipates it will be required to raise additional equity and/or debt capital to finance its future activities. There can be no assurance that the Company will be able to raise that finance on acceptable terms or in a timely manner. Any inability to obtain finance may adversely affect the business and financial condition of the Company and, consequently, its performance.

### **3.3 Risks Specific to Mineral Exploration and Development Companies**

#### **Exploration and Feasibility Risks**

Exploration for minerals is speculative and involves significant degrees of risk. There is no guarantee that exploration on the Company's tenements or on other tenements that may be acquired in the future, will lead to the discovery of mineral resources that can be economically exploited. Furthermore, feasibility studies on the potential development of operations to exploit any mineral resources that are delineated may not prove positive.

Exploration and feasibility activities may be delayed or disrupted by the availability of drilling rigs or other technical contractors, adverse weather conditions, difficulties in gaining access to the desired exploration sites, delays in approvals from authorities or technology providers or technical issues such as unexpected geological formations or process test work results.

#### **Resource and Reserve Estimates**

Mineral resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. They are therefore imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

Estimates of mineral resources that were reasonable when made may change significantly when new information from additional drilling and analysis becomes available. This may result in alterations to development and production plans which may, in turn, adversely affect operations.

The Company adheres to the JORC Code for the reporting of its mineral resources. As such, its estimates of mineral resources are not based on any feasibility studies and do not imply in any way that such mineral resources can be economically exploited.

#### **Project Development and Operating Risks**

If the Company achieves exploration success that leads to a decision to conduct feasibility work and then develop production operations, the development and ongoing production from such operations may be adversely affected by various factors, including failure to achieve predicted production rates, mechanical failure or plant breakdown; unanticipated processing or technical problems, adverse weather conditions, industrial and environmental accidents, industrial disputes, delays due to government actions, infrastructure availability and unexpected shortages or increases in the costs of consumables, spare parts, labour, plant and equipment.

#### **Grant of Licences**

Tenements are granted subject to various conditions. Failure to comply with expenditure or other conditions on which the Tenements are help exposes the Tenements to forfeiture.

Tenements (or applications) in which the Company has an interest are (or, if granted, will be) subject to the relevant conditions applying in each jurisdiction. Failure to comply with these conditions may render the licences liable to forfeiture.

### **Environmental Risks**

The Company's projects are subject to relevant environmental legislation and will themselves have varying levels and types of potential impact on the natural environment. Like most countries, (countries associated with Company), have laws and regulations regarding environmental matters, including disturbance, rehabilitation and the discharge of hazardous waste and materials. These will be dealt with in the normal course of operations.

### **Native Title and Community Risks**

Many countries have native title, community title/empowerment, or heritage legislation and/or regulations. These rules impose certain requirements on minerals companies who undertake or plan to undertake various exploration, development or mining activities. The risks associated with the rules are generally associated with the imposition of various uncertainties as to timetables and costs.

No assurance can be given that the Company will be able to explore or conduct mining activities within acceptable timeframes or on terms acceptable to it.

### **Economic, Price and Government Risks**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company and the value of its mineral assets. In particular, changes in the current and expected future price of energy and other commodities can change rapidly and significantly and this can have a substantial effect on the value of the Company's assets and the potential future revenue and profits that might be earned from any successful development of those assets.

Commodity prices are influenced by many factors affecting their demand and supply including global industrial production levels and economic sentiment, inflation and interest rates, industrial disputes, wars and other military activity, technological advancements, forward selling activities, government environmental policies, infrastructure investment, weather conditions and general exploration success.

Changes in government, monetary policies, taxation and other laws and regulations can also have a significant influence on the outlook for projects and companies and the actual and potential returns to investors.

### **Competition for Projects**

The Company competes with other companies, including mineral exploration and production companies. Some of these companies have greater financial and other resources than the Company. As a result, such companies may be in a better position to compete for future business opportunities and there can be no assurance that the Company can compete effectively with these companies.

## **Insurance**

Insurance against all risks associated with mineral exploration is not always available or affordable. The Company intends to maintain insurance where it is considered appropriate for its needs; however, it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

### **3.4 General Securities Risks**

#### **Securities Investments and Share Market Conditions**

The process at which the Shares trade may rise or fall in response to a number of factors affecting the market for equities in general which are unpredictable and unrelated or disproportionate to the operating performance of the Company. Such factors include changes in the general economic outlook, interest and inflation rates, currency exchange rates, investor sentiment and the demand and supply for capital.

#### **3.5 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under the Offer Document. The New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

## Section 3 – DEFINED TERMS

**Applicant** refers to a person who submits an Entitlement and Acceptance Form.

**Allied Gold Limited** means Allied Gold Limited (ABN 86 104 855 067).

**ASX** means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Closing Date** means 5:00pm WST on 4 July 2008.

**Company** means Carbine Resources Limited (ABN 81 122 976 818).

**Directors** means the directors of the Company.

**Eligible Shareholder** means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date.

**Entitlement and Acceptance Form** means the Entitlement and Acceptance Form accompanying this Offer Document.

**Entitlement** means the entitlement to subscribe for one (1) New Share for every two (2) Share held by an Eligible Shareholder on the Record Date and **Entitlements** has a corresponding meaning.

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

**New Share** means a New Share proposed to be issued pursuant to this Offer.

**Offer Document** means this Offer Document dated 11 June 2008.

**Offer** means the non-renounceable pro rata offer of New Shares at an issue price of 12 cents each on the basis of one (1) New Share for every one (1) Share held on the Record Date pursuant to this Offer Document.

**Opening Date** means 12 June 2008.

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

**Record Date** means 5 June 2008.

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

**Shareholder** means a holder of Shares.

**Shortfall** means those Shares under the Offer not applied for by Shareholders under their Entitlement.

**WST** means Australian Western Standard Time.