

**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Carbon Minerals Limited will be held at Level 7, 10 Barrack Street, Sydney on Wednesday 27 May 2015 at 3.00pm (Sydney time).

**Agenda:**

**Financial report and directors' and audit reports**

To receive and consider the financial report, including the directors' declaration, for the year ended 31 December 2014 and the related directors' report and audit report.

**Ordinary resolutions**

**1. Remuneration report**

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

"That the Remuneration Report for the year ended 31 December 2014 be approved"

*(Note: the vote on this resolution is advisory only and does not bind the Directors or the Company)*

**Voting Exclusion**

A vote on this resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if:

- c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- d) the vote is not cast on behalf of a person described in subparagraph (a) or (b) above.

**2. Re-election of Mr. M.P. Lincoln Smith as a director**

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

"That Mr. M.P. Lincoln Smith, who retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a director."

**Final Item of Business**

To transact any other business that may be lawfully brought forward in accordance with the constitution of the Company and the Corporations Act 2001.



By Order of the Board  
S.J. Danielson – Company Secretary  
31 March 2015

**Proxies**

Each member of a company who is entitled to attend and cast a vote at a meeting of the company's members may appoint a person as the member's proxy to attend and vote for the member at the meeting. If you choose to appoint a person who is attending as your proxy, please complete the enclosed proxy form. A proxy need not be a member of the company.

A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where a member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form must be received at the address below not later than 3.00pm (Sydney time) on 25 May 2015.

The completed proxy form may be:

Mailed to Mitchell & Partners, GPO Box 5460, SYDNEY 2001, or  
Delivered to Mitchell & Partners, Level 7, 10 Barrack Street, SYDNEY 2000, or  
Faxed to Mitchell & Partners on (02) 9299 8195.

## **EXPLANATORY MEMORANDUM**

### **IMPORTANT NOTICE**

This Explanatory Memorandum is an explanation of, and contains information about, the resolutions to be considered at the Annual General Meeting, which are set out in the accompanying Notice of Annual General Meeting dated 31 March 2015 ("**Notice**"), to assist shareholders to determine how they wish to vote on the resolutions.

Shareholders should read this Explanatory Memorandum in full. This Explanatory Memorandum forms part of the accompanying Notice and should be read together with the Notice.

If you are in doubt about what to do in relation to the resolutions contemplated in this Explanatory Memorandum, you should consult your financial or other professional advisor.

This Explanatory Memorandum is dated 31 March 2015.

### **Receive and consider the financial report**

The *Corporations Act* 2001 (the **Corporations Act**) requires the financial report which includes the financial statements, director's declaration, the directors' report and the auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Act or in the Constitution for shareholders to approve the financial report, the directors' report or the auditor's report. Accordingly, the Company's financial report is placed before shareholders for discussion and no voting is required for this item of business.

A copy of the Company's 2014 Annual Report is available from the company's website [www.carbonminerals.com.au](http://www.carbonminerals.com.au)

Shareholders will be provided with a reasonable opportunity at the Annual General Meeting to ask questions and make comments on these reports and on the business, operations and management of the Company.

Shareholders will also be provided with a reasonable opportunity at the Annual General Meeting to ask the auditor or the auditor's representative questions relevant to the conduct of the audit and the preparation and content of the auditor's report.

### **Resolution 1 - Adoption of Remuneration Report**

The remuneration report of the Company for the year ended 31 December 2014 is set out in the Directors' Report of the 2014 Annual Report to Shareholders (the **Remuneration Report**).

The Remuneration Report sets out the Company's remuneration arrangements for the Managing Director, executives and non-executive directors. A reasonable opportunity will be provided for Shareholders to ask questions, or make comments on, the Remuneration Report at the Annual General Meeting.

Section 250R(2) of the Corporations Act requires the Company to propose a resolution that the Remuneration Report be adopted. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Section 250V of the Corporations Act states that if the Remuneration Report receives a "no" vote of 25% or more at two consecutive Annual General Meetings, a resolution must then be put to Shareholders of the Company at the second annual general meeting as to whether another meeting should be held where all directors (other than the managing director) who were in office at the date of approval of the remuneration report must stand for re-election. This means Shareholders will be entitled to vote for a general meeting to re-elect the entire Board if the Remuneration Report receives a significant no vote twice.

Key Management personnel (including all Directors) and their closely related parties are prohibited from voting in the advisory resolution under Section 250R.

The Board abstains from making a recommendation in relation to this resolution as a recommendation would involve the Director's making a recommendation about each other's remuneration.

### **Proxy Restrictions**

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

### **Resolution 2 – Re-election of Mr. M.P. Lincoln Smith**

In accordance with the provisions of the Company's constitution Mr. M.P. Lincoln Smith retires as a Director of the Company and offers himself for re-election.

Mr. M.P. Lincoln Smith was first appointed to the Board as a non-executive director on 6 December 1996 and then executive director from 1 January 2010. Chairman of the Board and Chief Executive Officer since 13 March 2013. Environmental scientist for 33 years and has considerable experience in the field of environmental consulting.

The Board (excluding M.P. Lincoln Smith) recommends that shareholders vote in favour of this resolution.

# CARBON MINERALS LIMITED

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## PROXY FORM

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### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

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

#### Proxy which is a Body Corporate

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

#### Appointment of a Second Proxy

You are entitled to appoint up to two 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 securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

#### STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

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

#### STEP 3 Sign the Form

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

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

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

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

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

#### STEP 4 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 not later than 48 hours before the commencement of the meeting at **3.00pm on Wednesday, 27 May 2015**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

#### Proxies may be lodged :

**BY MAIL -** Mitchell & Partners  
GPO Box 5460  
Sydney NSW 2001 Australia

**BY FAX -** + 61 2 9299 8195

**IN PERSON -** Mitchell & Partners,  
Level 7, 10 Barrack Street  
Sydney NSW 2000 Australia

# CARBON MINERALS LIMITED

## STEP 1 - Appointment of Proxy

I/We

print shareholder/s name/s and address

Print Securityholder Reference Number (SRN) or Holder Identification Number (HIN)

being a member/s of **Carbon Minerals Limited** and entitled to attend and vote hereby appoint

the Chairman of  
the Meeting  
(mark with an  
'X')

**OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Carbon Minerals Limited to be held at Level 7, 10 Barrack Street Sydney NSW 2000 on Wednesday, 27 May 2015 at 3.00pm** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Important instructions for Resolution 1 :If the Chairman of the meeting is your proxy and you have not directed him/her how to vote on Resolution 1, the Chairman will be prevented from casting your votes on Resolution 1. If the Chairman is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.**

## STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report for the year ended 31 December 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of M.P. Lincoln Smith	<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.

### Voting of Chairman

In relation to undirected proxies, the Chairman intends to vote in favour of each resolution.

## STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

**Individual or  
Securityholder 1**

**Sole Director and Sole  
Company Secretary**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary**

Date \_\_\_\_\_