

Carbon Minerals Limited

ABN 29 001 836 586 – ASX Code CRM

Seam Gas Pioneers of the Gunnedah Basin NSW

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QUARTERLY ACTIVITIES REPORT to June 30, 2016

REVIEW of OPERATIONS GUNNEDAH BASIN COALBED METHANE PROJECT PETROLEUM EXPLORATION LICENCES 1 AND 12, NSW (GUNNEDAH BASIN)

(These tenements are held by wholly owned subsidiary, Australian Coalbed Methane Pty Ltd (ACM) and are subject to a Joint Venture (JV) with Santos QNT Pty Ltd (Santos), as previously advised. Santos holds a 65% interest in the tenements and is the project Operator.)

Field operations remain limited to routine well maintenance.

Statutory reporting by the Operator Santos included preparation and submission of the annual safety report on PEL1.

Santos continues with community consultation with the local community including business groups and landholders.

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QUARTERLY ACTIVITIES REPORT
FOR THE QUARTER ENDED 30 JUNE 2016

Exploration Expenditure Incurred

Exploration expenditure incurred during the quarter ended 30 June 2016 on the group's projects is set out below:-

Project	Amount Incurred
New South Wales PELs 1 & 12 (Gunnedah Basin)	\$57,511 =====

SCHEDULE OF MINERAL TENEMENTS AS AT 30 JUNE 2016

<i>LOCATION</i>	<i>TENEMENT</i>	<i>HOLDER</i>	<i>INTEREST</i>	<i>AREA</i>	<i>CURRENT TO</i>
New South Wales:					
Gunnedah	PEL 1	ACM	35% ¹	72 blocks	10/02/2015 ²
Bando	PEL 12	ACM	35% ¹	31 blocks	26/09/2016

Key to Tenement Types

PEL Petroleum Exploration Licence

Key to Tenement Holders

ACM Australian Coalbed Methane Pty Limited

Notes

1. PELs 1 and 12 are subject to an arrangement with Santos QNT Pty Ltd ("Santos"), in which Santos has a 65% interest in each tenement.
2. Application for renewal submitted.