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CARAVEL MINERALS LIMITED
ACN 120 069 089

NOTICE OF GENERAL MEETING
AND
EXPLANATORY STATEMENT

For the General Meeting of Shareholders
to be held on 31 January 2023 at 9:30am (WST)
at Suite 1, 245 Churchill Avenue, Subiaco, Western Australia

This is an important document. Please read it carefully.

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

Shareholders are urged to vote by lodging the Proxy Form.

TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

Venue

The General Meeting of Caravel Minerals Limited will be held at:

Suite 1, 245 Churchill Avenue **Subiaco, Western Australia, 6008**	**Commencing** **at 9:30am (WST)** **on 31 January 2023**

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 9:30am (WST). Given the current COVID-19 pandemic, Shareholders are urged to vote by proxy.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form as soon as possible and deliver the Proxy Form in accordance with the instructions on the Proxy Form. You may also submit your Proxy Form online in accordance with instructions on the Proxy Form.

Your Proxy Form must be received not later than 48 hours before the commencement of the Meeting.

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CARAVEL MINERALS LIMITED
ACN 120 069 089

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the Shareholders of Caravel Minerals Limited will be held at Suite 1, 245 Churchill Avenue, Subiaco, Western Australia on 31 January 2023 at 9:30am (WST) for the purpose of transacting the following business.

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

RESOLUTION 1 – RATIFICATION OF ISSUE OF FIRST TRANCHE PLACEMENT SHARES UNDER LISTING RULE 7.1

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

> "*That the issue of 59,500,000 Shares to exempt investors under a placement utilising Listing Rule 7.1 is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms set out in the Explanatory Statement.*"

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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RESOLUTION 2 – APPROVAL TO ISSUE SECOND TRANCHE PLACEMENT SHARES TO ALASDAIR COOKE

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

> "*That the issue up to 500,000 Shares to Alasdair Cooke or his nominees is approved under and for the purposes of Listing Rule 10.11 and for all other purposes, on the terms set out in the Explanatory Statement.*"

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Alasdair Cooke and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 3 – APPROVAL TO ISSUE OPTIONS TO DONALD HYMA

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

> "*That the issue up to 8,000,000 Options to Donald Hyma or his nominees is approved under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, on the terms set out in the Explanatory Statement.*"

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Incentive Plan or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the

beneficiary to the holder to vote in that way.

Restriction on proxy voting by key management personnel or closely related parties:
A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:
  (i) a member of the key management personnel for the Company; or
  (ii) a closely related party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the chair of the Meeting; and

(d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.

2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the chair of 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.

3. The Chair of the Meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions, including Resolution 3. The Proxy Form expressly authorises the Chair of the Meeting to exercise the proxy in relation to Resolution 3 even though this Resolution is connected directly or indirectly with the remuneration of a member of key management personnel. Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties (who are not the Chair) will not be voted on Resolution 3.

   Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling of the activities of the Company, directly or indirectly. Closely related parties are defined in the Corporations Act, and include certain family members, dependants and companies controlled by key management personnel.

4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 29 January 2023 at 4.00pm (WST).

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5. If using the Proxy Form, please complete, sign and return it to the Company in accordance with the instructions on that form. Voting online is available.

By order of the Board

Mr Daniel Davis
Company Secretary

Dated: 23 December 2022

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CARAVEL MINERALS LIMITED
ACN 120 069 089

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. BACKGROUND TO PLACEMENT

As announced by the Company on 16 November 2022, the Company is undertaking a placement ("Placement") of a total of 60,000,000 Shares ("Placement Shares") at 20 cents per Placement Share to raise $12,000,000.

The Company has issued 59,500,000 Placement Shares at 20 cents per Placement Share as a first tranche to exempt investors under the Corporations Act to raise $11,900,000 before costs. This first tranche of the Placement utilised the Company's Listing Rule 7.1 capacity. Resolution 1 seeks Shareholder approval to ratify the issue of the first tranche Placement Shares under and for the purposes of Listing Rule 7.4.

A second tranche of the Placement is proposed to be issued to the Executive Director, Alasdair Cooke. It is proposed to issue 500,000 Placement Shares to raise $100,000 by this second tranche. Resolution 2 seeks Shareholder approval to this second tranche under Listing Rule 10.11.

The funds from the Placement are intended to be used to advance the Caravel Copper Project bankable feasibility study, fund further near mine exploration, for general working capital and for the costs of the Placement.

2. RESOLUTION 1 - RATIFICATION OF ISSUE OF FIRST TRANCHE PLACEMENT SHARES UNDER LISTING RULE 7.1

2.1 Background

As referred to in Section 1 above, this Resolution is seeking to ratify the issue of the first tranche Placement Shares. On 23 November 2022 ("Issue Date"), the Company issued the 59,500,000 first tranche Placement Shares ("Issue").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have

been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to the Issue under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Issue Date.

2.2 Listing Rule 7.5

For Shareholders to approve the Issue under and for the purposes of Listing Rule 7.4, the following information is provided to Shareholders in accordance with Listing Rule 7.5:

(a) The securities were issued to sophisticated, professional and other investors exempt from or outside the disclosure requirements under Chapter 6D of the Corporations Act. None of the subscribers is a related party of the Company.

(b) The number of securities issued was 59,500,000 Shares.

(c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company’s current issued shares.

(d) The Shares were issued on 23 November 2022.

(e) The Shares were issued at 20 cents each.

(f) The purpose of the issue of the Shares is to raise funds by the Placement, which funds are intended to be used as set out in Section 1 above.

(g) The securities were issued by the Company, which used Canaccord Genuity (Australia) Limited to place the securities under a placement agreement, the material term of which is the broker will provide services for the placement of securities for a fee being a percentage of the moneys raised.

3. RESOLUTION 2 – APPROVAL TO ISSUE SECOND TRANCHE PLACEMENT SHARES TO ALASDAIR COOKE

3.1 Background

As referred to in Section 1 above, this Resolution seeks shareholder approval so that the Company may issue up to 500,000 Shares at 20 cents per Share as a second tranche of the Placement to Alasdair Cooke or his nominees ("Issue"). Alasdair Cooke is a Director of the Company and wishes to participate in a placement on the same terms as the unrelated parties the subject of Resolution 1.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a

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listed company must not issue or agree to issue equity securities to:

(a) Listing Rule 10.11.1 - a related party;

(b) Listing Rule 10.11.2 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

(c) Listing Rule 10.11.3 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

(d) Listing Rule 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

(e) Listing Rule 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Issue falls within Listing Rule 10.11.1 (as Alasdair Cooke is a Director of the Company) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

This Resolution seeks the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.11.

If this Resolution is passed, the Company will be able to proceed with the Issue.

If this Resolution is not passed, the Company will not be able to proceed with the Issue and the Company will not raise the sum of $100,000 the subject of this Resolution.

3.2 Listing Rule 10.13

For Shareholders to approve the issue of the Shares under and for the purposes of Listing Rule 10.11, the following information is provided to Shareholders in accordance with Listing Rule 10.13:

(a) The securities will be issued to Alasdair Cooke or his nominees.

(b) Alasdair Cooke is a Director and is therefore a related party (Listing Rule 10.11.1).

(c) The maximum number of securities the Company will issue is 500,000 Shares.

(d) The Shares will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares.

(e) The Shares will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(f) The Shares will be issued for 20 cents per Share.

(g) The purpose of the issue is to raise $100,000 as part of the Placement, which funds are intended to be used as set out in Section 1 above.

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(h) The issue of the Shares affects Alasdair Cooke in the capacity of an investor and is not intended to remunerate or incentivise the Director. Alasdair Cooke's voting power prior to the Placement was 6.7%. Assuming the issue of the second tranche Placement Shares, Alasdair Cooke's voting power will be 6.7%.

(i) The securities are not to be issued under a relevant agreement.

The Directors of the Company independent of Alasdair Cooke have resolved that the issue of the securities the subject of this Resolution is on reasonable arms length terms for the Company as Alasdair Cooke will be issued with Placement Shares on the same terms as Placement Shares issued to exempt investors under an arms length placement. These first tranche Placement Shares were issued to unrelated parties and are the subject of ratification under Resolution 1.

By reason of the Shares being issued on reasonable arms length terms, no separate related party approval under the Corporations Act is sought.

4. RESOLUTIONS 3 – APPROVAL TO ISSUE OPTIONS TO DONALD HYMA

4.1 General

The Board consists of Wayne Trumble (Non-Executive Chairman), Donald Hyma (Managing Director), Alasdair Cooke (Executive Director) and Richard Monti (Non-Executive Director).

This Resolution seeks Shareholder approval so that the Company may issue Options as an incentive to Donald Hyma as Managing Director.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and Chapter 10 of the Listing Rules because Donald Hyma as a Director is a related party of the Company. Shareholder approval is being sought under Listing Rule 10.14 as the securities are being issued under an employee incentive scheme. Each of Chapter 2E and Listing Rule 10.14 are dealt with separately below.

4.2 Chapter 2E of the Corporations Act - Related Party Transaction

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

(a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or

(b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Donald Hyma as a Director is a related party of the Company.

The issue of Options to a related party is a financial benefit requiring shareholder approval in the absence of a specified exception applying. Although the Directors consider that the issue of Options is reasonable in the circumstances, Chapter 2E approval is being sought for the avoidance of doubt.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

(a) *The related party to whom the resolutions would permit the financial benefit to be given*

The related party is Donald Hyma or his nominees.

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(b) *The nature of the financial benefit*

The nature of the financial benefit is the issue of up to 4,000,000 Tranche 1 Options and 4,000,000 Tranche 2 Options.

The Tranche 1 Options have an exercise price of 31 cents, an expiry date of 31 October 2025 and vest in circumstances including if the Company delivers a bankable feasibility study on the Caravel Copper Project provided Donald Hyma is still employed as Managing Director. The Tranche 2 Options have an exercise price of 31 cents, an expiry date of 31 October 2025 and vest in circumstances including upon the Company securing project funding on the Caravel Copper Project or a major project partner is introduced and agrees to fund the Caravel Copper Project provided in either case that Donald Hyma is still employed as managing director. The full terms of each of the Tranche 1 Options and the Tranche 2 Options are set out in Schedule 2.

(c) *Reasons for giving the benefit and Directors' Recommendation*

The purpose of the issue of the Options is to incentivise Donald Hyma as Managing Director to provide ongoing dedicated services and to have his remuneration linked to the performance of the Company and Project milestones. The benefit will only be received from the Options upon the Company's Share price exceeding the exercise price of the Options and thereby warranting their exercise together with where a vesting hurdle is met including the relevant Project milestone being achieved.

Under the Company's current circumstances, the Directors consider that the incentive, represented by the issue of these Options, is a cost effective and efficient reward and incentive to be provided to the Managing Director, as opposed to alternative forms of incentive, such as the payment of cash compensation.

The Directors independent of the Managing Director (being the 3 other Directors that are not the subject of the particular Resolution) consider that the quantity of Options together with the terms of the Options constitutes an appropriate number to adequately incentivise the Managing Director in light of that Director's skill and experience and his current remuneration as detailed below.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolution.

Donald Hyma abstains from making a recommendation as a Director to Shareholders on this Resolution as he has a material personal interest in the outcome as the recipient of the Options.

(d) *Current total remuneration package*

The current total remuneration received by Donald Hyma is $325,792 per annum plus statutory superannuation which is currently 10.5% of base salary with discretionary cash bonus incentive possibilities.

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(e) *Existing relevant interests*

As at the date of this Notice, Donald Hyma has a relevant interest in securities of the Company as follows:

	Shares	Options
Donald Hyma	100,000	0

(f) *Dilution*

The passing of the Resolutions would have the effect of issuing up to 8,000,000 Options.

If any of the Options are exercised into Shares, the effect will be to dilute the shareholding of existing Shareholders. If all the 8,000,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 1.64% based on the total number of Shares on issue at the date of this Notice of 478,684,373.

(g) *Trading history*

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	Closing Price	Date
Highest Price	38.5 cents	4 January 2022
Lowest Price	13.5 cents	12 July 2022
Latest Price	19.0 cents	14 December 2022

(h) *Valuation of Options*

The Company's independent advisers, AnLar Consulting, have valued the Options to be issued by reference to the binomial valuation model.

The following assumptions have been made regarding the inputs required for the model:

Input	Tranche 1 Options	Tranche 2 Options	Note
Number of Options	4,000,000	4,000,000	
Underlying share spot price	19 cents	19 cents	1
Exercise Price	31 cents	31 cents	2
Dividend rate	Nil	Nil	3
Risk free rate	3.07%	3.07%	4
Volatility	97.2%	97.2%	5
Life of the Options	2.88 years	2.88 years	6
Service or Performance Condition	Yes	Yes	7

Note 1: The underlying Share spot price used for the purpose of the valuation is based on the closing Share price of 19 cents on 14 December 2022.

Note 2: The exercise price is 31 cents.

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Note 3: No dividends are expected to be paid during the life of the Options.

Note 4: The risk free rate is based on the average yield on Commonwealth Treasury bonds rate for 2.88 years at 13 December 2022.

Note 5: The volatility was calculated from the Company's historical trading volatility over the previous 12 months and is 97.2%.

Note 6: The life of the Options has been assumed to be 2.88 years expiring on 31 October 2025, the final date for exercise of the Options.

Note 7: The vesting hurdle for the Tranche 1 Options includes where the delivery of a bankable feasibility study and is set out in Schedule 2. The vesting hurdle for the Tranche 2 Options includes where project finance and is set out in Schedule 2.

For the purposes of the valuation, the non-market vesting hurdle has been assumed to occur and no discount to the valuation is made due to the vesting hurdles.

Based on the above assumptions, the Options have been valued as follows:

Number and Value of Options		
	Tranche 1 Options	**Tranche 2 Options**
Donald Hyma	4,000,000 Options – 9.64 cents each ($385,600)	4,000,000 Options – 9.64 cents each ($385,600)

(i) *Other information*

The Directors do not consider that there are opportunity costs to the Company or benefits foregone by the Company in issuing the Options.

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

4.3 Listing Rule 10.14

The Company is proposing to issue Options to the Managing Director under the Employee Incentive Plan, which is an employee incentive scheme ("**Issue**").

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

(a) Listing Rule 10.14.1 – a director of the listed company;

(b) Listing Rule 10.14.2 – an associate of a director of the listed company; or

(c) Listing Rule 10.14.3 – a person whose relationship with the listed company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

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The Issue falls within Listing Rule 10.14.1 above and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

The Resolution seeks the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.14.

If the Resolution is passed, the Company will be able to proceed with the Issue and the Managing Director will be able to be issued the Options under the Employee Incentive Plan.

If the Resolution is not passed, the Company will not be able to proceed with the Issue and this incentive will not be issued to the Managing Director. No other replacement incentive is currently proposed.

4.4 Listing Rule 10.15

For Shareholders to approve the issue of the Options under and for the purposes of Listing Rule 10.14, the following information is provided to Shareholders in accordance with Listing Rule 10.15:

(a) The securities will be issued to Donald Hyma or his nominees.

(b) Donald Hyma is a Director and is a Listing Rule 10.14.1 party.

(c) The number of securities the Company will issue is up to 4,000,000 Tranche 1 Options and up to 4,000,000 Tranche 2 Options.

(d) The current total remuneration package of Donald Hyma is set out in Section 4.2(d) above.

(e) No securities have previously been issued to Donald Hyma under the Employee Incentive Plan.

(f) The securities to be issued are Tranche 1 Options with an exercise price of 31 cents and an expiry date of 31 October 2025 and Tranche 2 Options with an exercise price of 31c and an expiry date of 31 October 2025. The full terms of each of the Tranche 1 Options and Tranche 2 Options including vesting hurdles are set out in Schedule 2. Options are being issued under the Employee Incentive Plan as the Directors consider this incentive is a cost effective and efficient reward and incentive and will preserve the cash reserves of the Company as opposed to the payment of cash compensation. The value of the Options with the disclosure of the assumptions is set out in Section 4.2(h) above.

(g) The securities are intended to be issued within 1 week of the Meeting.

(h) The Options will be issued for no consideration and there is no issue price.

(i) The material terms of the Employee Incentive Plan are summarised in Schedule 1.

(j) No loan will be made to Donald Hyma in relation to the issue of the Options under the Employee Incentive Plan.

(k) Details of any securities issued under the Employee Incentive Plan to Listing Rule 10.14 parties will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

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Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Employee Incentive Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

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CARAVEL MINERALS LIMITED
ACN 120 069 089

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"**ASIC**" means Australian Securities and Investments Commission.

"**ASX**" means the ASX Limited (ACN 008 624 691).

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

"**Board**" means the Board of Directors of the Company.

"**Chair**" or "**Chairman**" means the chairperson of the Company.

"**Company**" or "**CVV**" means Caravel Minerals Limited (ACN 120 069 089).

"**Constitution**" means the constitution of the Company.

"**Corporations Act**" means Corporations Act 2001 (Cth).

"**Directors**" mean the directors of the Company from time to time.

"**Employee Incentive Plan**" means the Caravel Minerals Employee Incentive Plan approved by Shareholders at the 2022 annual general meeting, with the terms summarised in Schedule 1.

"**equity securities**" has the same meaning as in the Listing Rules.

"**Explanatory Statement**" means this Explanatory Statement.

"**General Meeting**" or "**Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Option**" means an option to subscribe for a Share.

"**Performance Right**" means a right to acquire a Share subject to the satisfaction of applicable vesting conditions.

"**Resolution**" means a resolution referred to in the Notice.

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

"**Shareholder**" means a registered holder of Shares in the Company.

"**Tranche 1 Options**" means Options with the terms set out in Schedule 2.

"**Tranche 2 Options**" means Options with the terms set out in Schedule 2.

"**WST**" means Western Standard Time, Perth, Western Australia.

"**A$**" or "**$**" means Australian dollars unless otherwise stated.

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SCHEDULE 1

Terms of Employee Incentive Plan

1.	**Purpose**	The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer Options or Performance Rights to assist with reward, retention, motivation and recruitment of eligible participants.
2.	**Eligible Participants**	Eligible participants are a full or part-time employee, or a director of the Company or a subsidiary, relevant contractors and casual employees and prospective parties in these capacities and any person who provides services to the Company ("Eligible Participants").
3.	**Offers**	Subject to any necessary Shareholder approval, the Board may offer Options or Performance Rights to Eligible Participants for nil consideration.
4.	**Expiry Date**	The expiry date of any Options or Performance Rights will be determined by the Board.
5.	**Vesting Conditions and Lapse**	An Option or Performance Right may only be exercised after it has vested and before its expiry date. The Board may determine the conditions upon the vesting of the Options or Performance Rights at its discretion. By way of example, the Board may impose Share price and/or continuous service vesting hurdles. An Option or Performance Right lapses upon various events including a vesting condition not being satisfied, a participant ceasing to be an Eligible Participant (except for certain matters such as death or permanent disablement) and upon misconduct by a participant.
6.	**Shares issued on vesting**	Each Option or Performance Right entitles the holder to one fully paid ordinary share on exercise or vesting.
7.	**Transferability and quotation**	An Option or Performance Right may not be transferred without the prior written approval of the Board or by force of law. Quotation of the Options or Performance Rights on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on the exercise of the Options or vesting of the Performance Rights.
8.	**No voting or dividend rights**	The Options or Performance Rights are personal and do not confer any entitlement to attend or vote at meetings, any entitlement to dividends or any entitlement to participate in any return of capital unless the Options or Performance Rights are vested and the underlying Shares have been issued.
9.	**No participation rights**	The Options or Performance Rights do not entitle the holder to participate in the issue of securities unless the Options or Performance Rights are exercised or vested and Shares have been issued before the record date for determining entitlements.
10.	**Limitation on number of**	Securities to be issued under the Employee Incentive Plan in any 3 year period must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be

securities	disregarded so as to not count for the 5% limit being an offer where there is no monetary consideration, any offer to a person outside Australia, an offer not requiring disclosure to investors because of section 708 of the Corporations Act or an offer made under a disclosure document.
11. Administration of the Employee Incentive Plan	The Employee Incentive Plan will be administered under the directions of the Board and the Board may determine procedures for the administration of the Employee Incentive Plan as it considers appropriate.
12. Operation	The operation of the Employee Incentive Plan is subject to the Listing Rules and the Corporations Act.
13. Application of Subdivision 83A-C of the *Income Tax Assessment Act 1997 (Cth)*	Subdivision 83A-C (deferred inclusion of gain in assessable income) of the *Income Tax Assessment Act 1997 (Cth)* applies to the Employee Incentive Plan and holders of securities issued under the Employee Incentive Plan may agree to a restriction period for the disposal or transfer of the securities including any underlying securities.

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SCHEDULE 2

Terms of Options
(Resolution 3)

Tranche 1 Options

The terms of the Tranche 1 Options are:

1. Each Option entitles the holder to one Share (fully paid ordinary share) upon exercise of the Option.

2. The exercise price of the Options is 31 cents (Exercise Price).

3. Subject to paragraph 4 below, the Options are exercisable at any time prior to 5.00 pm WST on 31 October 2025 (Expiry Date).

4. The Options vest and may only be exercised:

   (a) if the Company delivers a bankable feasibility study on the Caravel Copper Project; or

   (b) where a Takeover Event occurs,

   provided in each case that Donald Hyma is still employed as Managing Director.

5. The Options are only transferable with Board approval. The Options are not intended to be quoted.

6. The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Prior to the Expiry Date, the Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.

7. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.

8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Thereby, the Optionholder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

9. If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.

10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

For the purposes of the terms of the Options, "Takeover Event" means a takeover bid for the Company pursuant to Chapter 6 of the Corporations Act where the bidder achieves control of more than 50% of the ordinary shares or an Australian court grants an order approving a compromise or scheme of arrangement where the ordinary shares are either cancelled or transferred to a third party (not being a scheme of arrangement simply for the purposes of a corporate restructure).

Tranche 2 Options

The terms of the Tranche 2 Options are:

1. Each Option entitles the holder to one Share (fully paid ordinary share) upon exercise of the Option.

2. The exercise price of the Options is 31 cents (Exercise Price).

3. Subject to paragraph 4 below, the Options are exercisable at any time prior to 5.00 pm WST on 31 October 2025 (Expiry Date).

4. The Options vest and may only be exercised:

   (a) if the Company secures project funding on the Caravel Copper Project or a major project partner is introduced and agrees to fund the Caravel Copper Project; or

   (b) where a Takeover Event occurs,

   provided in each case that Donald Hyma is still employed as Managing Director.

5. The Options are only transferable with Board approval. The Options are not intended to be quoted.

6. The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Prior to the Expiry Date, the Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.

7. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.

8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Thereby, the Optionholder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

9. If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.

10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

For the purposes of the terms of the Options, "Takeover Event" means a takeover bid for the Company pursuant to Chapter 6 of the Corporations Act where the bidder achieves control of more than 50% of the ordinary shares or an Australian court grants an order approving a compromise or scheme of arrangement where the ordinary shares are either cancelled or transferred to a third party (not being a scheme of arrangement simply for the purposes of a corporate restructure).

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CARAVEL MINERALS

Caravel Minerals Limited | ABN 41 120 069 089

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

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Your proxy voting instruction must be received by **9.30am (WST) on Sunday, 29 January 2023,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: **https://investor.automic.com.au/#/home** Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares 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 shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, 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.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all Shareholders should sign.
Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:
Use your computer or smartphone to appoint a proxy at https://investor.automic.com.au/#/loginsah
or scan the QR code below using your smartphone
Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.

BY MAIL:
Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:
meetings@automicgroup.com.au

BY FACSIMILE:
+61 2 8583 3040

All enquiries to Automic:
WEBSITE: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 - How to vote

APPOINT A PROXY:
I/We being a Shareholder entitled to attend and vote at the General Meeting of Caravel Minerals Limited, to be held at **9.30am (WST) on Tuesday, 31 January 2023 at Suite 1, 245 Churchill Avenue Subiaco, Western Australia, 6008** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 3 (except where I/we have indicated a different voting intention below) even though Resolution 3 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2 – Your voting direction

Resolutions	For	Against	Abstain
1. Ratification of Issue of First Tranche Placement Shares Under Listing Rule 7.1			
2. Approval to Issue Second Tranche Placement Shares to Alasdair Cooke			
3. Approval to Issue Options to Donald Hyma			

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) / /

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

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