Carnaby

# Carnaby Resources to be acquired by Evolution Mining

Carnaby Resources Ltd (ASX: CNB) ("**Carnaby**" or the "**Company**") is pleased to announce that it has entered into a binding Scheme Implementation Deed ("**SID**") with Evolution Mining Limited (ASX: EVN) ("**Evolution**"), under which it is proposed that Evolution will acquire 100% of the issued shares in Carnaby by way of a scheme of arrangement (the "**Scheme**" or "**Transaction**"). Under the proposed Scheme, Carnaby shareholders will receive consideration of 0.0682 Evolution shares per Carnaby share, representing an implied value[1] of A$0.77[2] per Carnaby share ("**Scheme Consideration**").

## Highlights

- Carnaby shareholders to receive consideration of 0.0682 Evolution shares with an implied value[1] of A$0.77[2] per Carnaby share.
- Implied value[1] of A$0.77[2] per Carnaby share indicates an approximate A$213 million equity value on a fully diluted basis[3] and represents:
  - a 60.4% premium to Carnaby's last closing price of A$0.48 per share on 24 July;
  - a 46.2% premium to Carnaby's 15-day VWAP of A$0.53 per share prior to this announcement; and
  - a 31.4% premium to Carnaby's 30-day VWAP of A$0.59 per share prior to this announcement.
- **The board of Carnaby considers the transaction to be in the best interests of Carnaby shareholders, including:**
  - Receiving a significant and immediate premium, compared to the trading value of their Carnaby shares;
  - De-risking the development and funding of Greater Duchess through Evolution's expertise and strong balance sheet;
  - Exposure to future dividends in accordance with Evolution's dividend policy;
  - Gaining exposure to Evolution's world-class gold and copper portfolio;
  - Retaining the opportunity to share in the potential future upside in Greater Duchess, including potential synergies derived from the processing of ore at Ernest Henry.
- **The Carnaby Board unanimously recommends that Carnaby shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal (as defined in the SID) and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Carnaby shareholders.**
- All the directors of Carnaby's Board (who together hold approximately 7.3% of Carnaby's total issued shares) have confirmed their intention to vote in favour of the Scheme, subject to those same qualifications.

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[1] Implied value is based on the last closing price of Evolution of $11.29 per share on 24 July 2026.
[2] The implied offer price is rounded up to the nearest whole cent from $0.769978.
[3] Fully diluted equity value based on implied Scheme consideration of $0.77[2] per share for Carnaby's 276,119,864 fully paid ordinary shares and cash consideration for cancellation via private option for Carnaby's 5,520,000 unlisted options, prior to Subscription Shares issued to Glencore.

**ASX Announcement**

**27 July 2026**

Fast Facts

Shares on Issue 276.1M

Market Cap (@ 48.0 cents) $133M

Cash $13.0M[1]

*[1]As at 31 March 2026*

Directors

Peter Bowler, Non-Exec Chairman

Rob Watkins, Managing Director

Greg Barrett, Non-Exec Director

Paul Payne, Non-Exec Director

Company Highlights

- Proven and highly credentialed management team.
- Tight capital structure and strong cash position.
- Greater Duchess Copper Gold Project, numerous camp scale IOCG deposits over 1,900 km$^2$ of tenure.
- Mineral Resource Estimate at Greater Duchess: 29Mt @ 1.5% CuEq for 441kt CuEq.
- Greater Duchess Probable Ore Reserve: 8.4Mt @ 1.9% CuEq for 164kt CuEq.
- Mount Hope, Trekelano, Nil Desperandum and Lady Fanny Iron Oxide Copper Gold deposits within the Greater Duchess Copper Gold Project, Mount Isa inlier, Queensland.
- Gold projects near to Northern Star Resources Ltd's Hemi Development Project on 397 km$^2$ of highly prospective tenure.

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**Carnaby's Managing Director, Rob Watkins, commented:**

*"Following the release of the Greater Duchess PFS, Carnaby was well positioned to explore multiple pathways to advance the project, with one option being M&A. Evolution's offer follows a comprehensive strategic review undertaken by the Board and its advisers, focused on identifying partners with the capability and expertise to develop Carnaby's discoveries and maximise long-term value for all shareholders.*

*After carefully assessing the alternatives, including a standalone development scenario, the Carnaby Board has determined the Evolution proposal represents the most compelling risk-adjusted value for Carnaby shareholders. This has driven the Carnaby Board's unanimous recommendation for shareholders to vote in favour of the Transaction, subject to customary qualifications. The Transaction we have entered into with Evolution represents a highly compelling outcome for Carnaby shareholders, delivering a de-risked, attractive and substantial upfront premium, while gaining exposure to an ASX-50 leading gold and copper producer with a portfolio of high-quality assets and track record of paying consistent dividends. Shareholders also retain ongoing participation in the future upsides of the Greater Duchess project, which is de-risked by Evolution's demonstrated operational expertise and development track record.*

*I would like to thank the Carnaby employees and my fellow Directors for their tireless work and achievements over the last seven years. From the original discovery at Nil Desperandum in 2021 to the great recent exploration success at Trekelano, we have built a high grade mine development mostly through exploration success, which has created significant shareholder value, and have now de-risked Greater Duchess by unlocking an exciting transaction of this nature."*

## Transaction summary

A summary of the proposed Transaction is provided below:

- Evolution to provide 0.0682 shares per Carnaby share, for all Carnaby shares on issue as at the record date for the Scheme. The implied consideration of A$0.77[2] per Carnaby share values Carnaby at approximately A$213 million on a fully diluted basis[3].
- Carnaby unlisted options to be cancelled for cash consideration as part of the Scheme.
- The Transaction will be implemented by way of a court-approved scheme of arrangement pursuant to Part 5.1 of the Corporations Act 2001 (Cth) ("**Corporations Act**").
- The Scheme is subject to approval by Carnaby shareholders at a Scheme Meeting expected to be held in late October 2026 to early November.
- The Scheme is subject to certain conditions that are customary for a transaction of this nature (including the required regulatory and Court approvals (including ACCC merger clearance), no Carnaby material adverse effect, no Carnaby prescribed event and Carnaby representations and warranties being materially true and correct) and other conditions that are described in further detail below.
- Upon implementation of the Scheme, Carnaby shareholders will hold approximately 0.9% of the Evolution shares on issue[4].

[4] Pro-forma ownership in Evolution is based on the exchange ratio of 0.0682 Evolution shares for Carnaby's 276,119,864 fully ordinary shares, prior to Subscription Shares issued to Glencore.

The SID sets out the terms and conditions on which the Scheme will be implemented and related matters. A copy of the SID is attached to this announcement.

### Board recommendation

The proposed Transaction has the unanimous support of the Carnaby Board.

The Carnaby Board considers the Scheme to be in the best interests of Carnaby shareholders and the Carnaby Board unanimously recommends that Carnaby shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of[3]:

- a Superior Proposal; or
- the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Carnaby shareholders.

Each Carnaby Director intends to vote (or cause to be voted) all Carnaby shares in which he has a relevant interest in favour of the Scheme (representing approximately 7.3% of the Carnaby shares issued and outstanding), subject to the qualifications described above[5].

### Benefit to Carnaby shareholders

For Carnaby shareholders, the Carnaby Directors believe the Transaction will deliver significant benefits summarised below:

- **Value proposition –** Delivery of an immediate, substantial and attractive premium to the current Carnaby share price as well as a range of Carnaby's historic share price trading ranges;
- **De-risking –** Reduces the development and funding risks to Carnaby shareholders in delivering the Greater Duchess project
- **Liquidity event for shareholders –** Evolution's twelve-month daily average traded value was approximately A$114m and is over 247 times that of Carnaby over the same period, which is a significant advantage, particularly in volatile markets;
- **Evolution exposure –** Evolution is an ASX-50 leading gold and copper producer, with a portfolio of high-quality operating assets, highly experienced management team, strong access to capital and track record of paying consistent dividends;
- **Ongoing participation –** In the future upside of Greater Duchess and broader Mt Isa exploration through ownership in Evolution;
- **Tax –** Potential capital gains tax rollover relief for eligible Carnaby shareholders[6]; and
- **Processing solution –** Value achieved through this transaction is compelling when compared with alternative options to toll treat or build a standalone processing facility at Greater Duchess.

### Transaction implementation

The Transaction will be implemented by way of a scheme of arrangement under Part 5.1 of the Corporations Act.

[5] In addition to their holdings of Carnaby shares, Carnaby Directors collectively hold 1,780,000 options.
[6] Subject to tax advice and individual circumstances. Carnaby shareholders should seek their own tax advice on the availability of scrip for scrip rollover relief.

Under the terms of the Scheme, Evolution will acquire 100% of the issued shares in Carnaby at a fixed exchange ratio of 0.0682 new Evolution shares for each Carnaby share.

The Scheme is subject to certain conditions, including:

- an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Carnaby shareholders;
- Carnaby shareholders approving the Scheme at the Scheme Meeting by the requisite majorities under the Corporations Act;
- the requisite Court approvals;
- Carnaby entering into option cancellation deeds with holders of all outstanding Carnaby options for the cancellation of those Carnaby options; and
- other conditions customary for a public control transaction of this nature, including receipt of regulatory approvals (including ACCC merger clearance), no material adverse change or prescribed events occurring to Carnaby and no breach of any representations and warranties provided by Carnaby under the SID.

The SID contains customary exclusivity and deal protection provisions, including no talk, no shop and no due diligence restrictions (subject to exceptions to enable Carnaby Directors to comply with their fiduciary duties), notification obligations and matching rights for Evolution in the event of a superior competing proposal.

The SID also details circumstances under which a break fee may be required to be paid by Carnaby or Evolution where the Transaction is terminated in specified circumstances.

Full details of the terms and conditions of the Scheme are set out in the SID, a copy of which is attached to this announcement.

## Glencore arrangements

Carnaby is presently party to tolling and offtake agreements with Glencore International AG ("**Glencore**") (together, the "**Glencore Agreements**"). Carnaby and Glencore have agreed, if the Scheme proceeds, to terminate the Glencore Agreements, in consideration for which Carnaby is to issue approximately 28.6 million Carnaby shares (the "**Subscription Shares**") to Glencore pursuant to its existing placement capacity per ASX listing rule 7.1, representing approximately 9.4% of Carnaby's issued share capital on a post-issue basis.

The Subscription Shares will be issued on the business day after the Effective Date of the Scheme (but prior to the Record Date), so that Glencore will be entitled to receive the Scheme Consideration for the Subscription Shares, in addition to its existing shareholding. As the Subscription Shares will be issued after the Scheme Meeting, they will carry no right to vote on the Scheme.

Termination of the Glencore Agreements will take effect upon the issue of the Subscription Shares.

Further details of the Glencore arrangements will be set out in the Scheme Booklet (as defined below).

## Greater Duchess Feasibility Study

Carnaby has been advancing the Greater Duchess Feasibility Study (Feasibility Study), which is based on a tolling solution with Glencore. Under the proposed Transaction, Evolution intends to develop Greater Duchess through the processing of Greater Duchess ore at Ernest Henry and as such the Glencore tolling and offtake agreements will be terminated.

Under the SID, Carnaby and Evolution have agreed that Carnaby will continue to progress the critical workstreams required to support development of the Greater Duchess project prior to implementation of the Transaction, while deferring certain non-essential activities, including finalisation of the Feasibility Study.

Following implementation of the Scheme, Evolution intends to complete an updated Feasibility Study, building on the significant work undertaken by Carnaby to date. The update will assess the optimal approach for integration of Greater Duchess into Ernest Henry Operations, leveraging latent processing capacity and existing infrastructure to support copper production growth.

## Meeting of Carnaby shareholders

Carnaby shareholders do not need to take any action at this time.

Carnaby will seek Court approval to convene a meeting of Carnaby shareholders to approve the Scheme ("**Scheme Meeting**").

For the Scheme to proceed, the resolutions at the Scheme Meeting must be approved by at least 75% of all votes cast by Carnaby shareholders and a majority by number of all Carnaby shareholders present and voting (in person or by proxy) at the Scheme Meeting.

Subject to Court approval, Carnaby intends to distribute a Scheme Booklet to shareholders containing information in relation to the Scheme including reasons for the unanimous recommendation of Carnaby Directors, and an independent expert's report providing an assessment as to whether the Scheme is in the best interests of Carnaby shareholders, and other matters relevant to Carnaby shareholders ("**Scheme Booklet**").

**Table 1: Indicative timetable for completion**[7]

| | |
|---|---|
| Draft Scheme Booklet lodged with ASIC | Early September 2026 |
| First Court Hearing to convene Scheme Meeting and approve Scheme Booklet | Mid September 2026 |
| Dispatch Scheme Booklet to Carnaby shareholders for the Scheme Meeting | Mid - late September 2026 |
| Scheme Meeting | Late October 2026 – early November 2026 |
| Second Court Hearing to approve the Scheme | Early November 2026 |
| Effective Date of the Scheme | Mid November 2026 |
| Record Date (two business days after the Effective Date) | Mid November 2026 |

[7] All dates are subject to change. Court dates are subject to court availability.

| | |
|---|---|
| Implementation of Scheme (three business days after the Record Date) | Mid November 2026 |

## Treatment of Carnaby options

As a condition to the Scheme, Carnaby intends to enter into private option cancellation deeds with holders of unlisted Carnaby options under which holders agree to cancel all of their Carnaby options in exchange for cash consideration (to be paid or funded by Evolution), subject to receipt of usual ASX waivers and to the Scheme becoming effective.

## Information on Evolution

Evolution Mining is a leading, globally relevant gold miner. Evolution operates six mines, being five wholly owned mines – Cowal in New South Wales, Ernest Henry and Mt Rawdon in Queensland, Mungari in Western Australia, and Red Lake in Ontario, Canada – and an 80% share in Northparkes in New South Wales. Evolution achieved Financial Year 2026 group production of 715koz of gold and 66kt of copper, generating Group operating mine cash flow of $3,394 million, including $547 million from Ernest Henry, at an All-in Sustaining Cost of A$1,717/oz[8].

## Advisors to the Transaction

Macquarie Capital (Australia) Limited is acting as corporate adviser and Steinepreis Paganin as legal adviser to Carnaby.

This announcement has been authorised for release by the Board of Directors.

Further information regarding the Company can be found on the Company's website:

www.carnabyresources.com.au

**For additional information please contact:**
**Robert Watkins, Managing Director**
**+61 8 6500 3236**

[8] Refer to Evolution Mining's release to the ASX on 15 July 2026 titled "June 2026 Quarterly Report"

**Competent Person Statement**

The information in this document that relates to exploration results is based upon information compiled by Mr Robert Watkins. Mr Watkins is a Director of the Company and a Member of the AUSIMM. Mr Watkins consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears. Mr Watkins has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code).

**References to Mineral Resources, Ore Reserves and PFS**

There is information in this announcement relating to:

i. the Ore Reserve Estimate for the Greater Duchess Copper Gold Project, which was previously announced on 16 March 2026; and
ii. the updated 2026 Mineral Resource Estimate for the Greater Duchess Copper Gold Project, which was previously announced on 27 January 2026.

Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in relation to the estimates of the Company's Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements. All references to the Pre-Feasibility Study and its outcomes in this announcement relate to the announcement of 16 March 2026 titled "Greater Duchess Pre-Feasibility Study and Maiden Ore Reserve". Please refer to that announcement for full details and supporting information.

**Metal Equivalents**

Metal equivalents for exploration results have been calculated using the formula CuEq=Cu% + (Au_ppm * 0.85) and is based on December 2024 consensus forecast prices of US$8,505/t for copper, US$2,520/oz for gold and an AUD:USD exchange rate of 0.63. Metal recoveries of 95% for copper and 85% for gold have been applied as demonstrated in preliminary metallurgical test work carried out in 2023 and allowances for including the Trekelano deposits into the PFS. It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

Metal equivalents for all Ore Reserves and MREs at Mount Hope, Trekelano, Nil Desperandum, Lady Fanny and Mohawk have been calculated using the formula CuEq=Cu% + (Au_ppm * 0.85) and is based on a review of December 2024 consensus forecast prices of US$8,505/t for copper and US$2,520/oz for gold, exchange rate of 0.63 and recovery of 95% copper and 85% gold as demonstrated in preliminary metallurgical test work carried out in 2023. Metal equivalents for MREs at Duchess and Mount Birnie have been calculated using the formula CuEq=Cu% + (Au_ppm * 0.7) and is based on September 2023 spot prices of US$8,500/t for copper and US$1,950/oz for gold, exchange rate of 0.67 and recovery of 95% copper and 90% gold as demonstrated in preliminary metallurgical test work carried out in 2023. Individual mineral resource estimate grades for the metals are set out at Table A of this announcement. It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

**Disclaimer**

References may have been made in this announcement to certain ASX announcements, including references regarding exploration results, mineral resources and ore reserves. For full details, refer to said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and the mentioned announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Exploration Target(s) or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

**Recently released ASX Material References that relate to this announcement include:**

| | |
|---|---|
| Miniboom and Trek 1 Discoveries Update | 9 June 2026 |
| Mount Hope Miniboom Discovery | 2 June 2026 |
| Trek 1 Footwall Lode Discovery Continues To Grow | 21 May 2026 |
| Trek 1 Footwall Lode Discovery - 19m @ 7.1% CuEq | 14 May 2026 |
| 3000m Drilling Program Commences at Greater Duchess | 21 April 2026 |

| | |
|---|---|
| Exceptional High Grade Breccia Drill Results from Trek 1 | 25 March 2026 |
| Greater Duchess Pre-Feasibility Study and Maiden Ore Reserve | 16 March 2026 |
| Trek 2 Opens Up 18m @ 5.0% CuEq | 3 March 2026 |
| Shallow High Grade Results Bolster Trek 1: 7m @ 8.9% CuEq | 12 February 2026 |
| Greater Duchess Mineral Resource Update | 27 January 2026 |

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## Table A

**Carnaby Resources Limited Greater Duchess Copper Project - Cu Equivalent Cut-off**

**Mineral Resource Inventory as at 27 January 2026**

| Deposit | COG | Indicated | | | | | | | Inferred | | | | | | | Total | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | CuEq% | Tonnes | Cu | Au | CuEq | Cu | Au | CuEq | Tonnes | Cu | Au | CuEq | Cu | Au | CuEq | Tonnes | Cu | Au | CuEq | Cu | Au | CuEq |
| | | Mt | % | g/t | % | Tonnes | Ounces | Tonnes | Mt | % | g/t | % | Tonnes | Ounces | Tonnes | Mt | % | g/t | % | Tonnes | Ounces | Tonnes |
| Mount Birnie[1] | 0.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.44 | 1.4 | 0.2 | 1.5 | 6,300 | 2,300 | 6,800 | **0.44** | **1.4** | **0.2** | **1.53** | 6,300 | 2,300 | 6,800 |
| Duchess[1] | 0.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3.66 | 0.7 | 0.1 | 0.8 | 26,300 | 11,300 | 28,800 | **3.66** | **0.7** | **0.1** | **0.79** | 26,300 | 11,300 | 28,800 |
| Nil Desperandum OP[2] | 0.5 | 2.42 | 0.7 | 0.1 | 0.9 | 18,100 | 10,400 | 20,800 | 0.08 | 0.8 | 0.1 | 0.9 | 700 | 300 | 700 | **2.50** | **0.7** | **0.1** | **0.86** | 18,700 | 10,700 | 21,600 |
| Nil Desperandum UG[2] | 1 | 0.81 | 2.5 | 0.4 | 2.9 | 20,600 | 10,200 | 23,300 | 1.03 | 1.5 | 0.4 | 1.8 | 15,200 | 12,500 | 18,500 | **1.84** | **1.9** | **0.4** | **2.27** | 35,800 | 22,800 | 41,800 |
| Lady Fanny[2] | 0.5 | 1.58 | 1.2 | 0.2 | 1.3 | 18,600 | 10,000 | 21,300 | 1.11 | 1.1 | 0.2 | 1.3 | 12,400 | 8,900 | 14,700 | **2.69** | **1.2** | **0.2** | **1.34** | 31,000 | 18,900 | 36,000 |
| Burke & Wills[2] | 0.5 | 0.30 | 2.7 | 0.3 | 2.9 | 7,900 | 2,800 | 8,700 | 0.20 | 1.0 | 0.2 | 1.1 | 2,000 | 1,100 | 2,300 | **0.50** | **2.0** | **0.2** | **2.18** | 9,900 | 3,900 | 11,000 |
| Mount Hope OP[2,3,4] | 0.5 | 2.94 | 1.3 | 0.2 | 1.5 | 39,100 | 15,600 | 43,300 | 1.33 | 1.1 | 0.1 | 1.3 | 15,100 | 6,300 | 16,800 | **4.27** | **1.3** | **0.2** | **1.41** | 54,300 | 22,000 | 60,100 |
| Mount Hope UG[2] | 1 | 5.52 | 1.8 | 0.3 | 2.1 | 99,800 | 58,900 | 115,300 | 1.44 | 1.2 | 0.2 | 1.4 | 17,400 | 10,200 | 20,200 | **6.96** | **1.7** | **0.3** | **1.95** | 117,200 | 69,100 | 135,500 |
| Mohawk[2] | 0.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.82 | 0.9 | 0.2 | 1.1 | 7,800 | 5,900 | 9,300 | **0.82** | **0.9** | **0.2** | **1.13** | 7,800 | 5,900 | 9,300 |
| Inheritance OP[2] | 0.5 | 1.91 | 1.3 | 0.3 | 1.6 | 24,700 | 20,200 | 30,100 | 0.64 | 1.0 | 0.3 | 1.3 | 6,400 | 6,200 | 8,100 | **2.55** | **1.2** | **0.3** | **1.50** | 31,200 | 26,400 | 38,200 |
| Inheritance UG[2] | 1 | 0.17 | 1.3 | 0.4 | 1.6 | 2,300 | 2,200 | 2,800 | 0.31 | 1.3 | 0.6 | 1.8 | 4,000 | 5,900 | 5,500 | **0.48** | **1.3** | **0.5** | **1.74** | 6,200 | 8,100 | 8,400 |
| Trek 1 OP[2] | 0.5 | 0.74 | 1.7 | 0.5 | 2.1 | 12,400 | 11,100 | 15,400 | 0.54 | 1.4 | 0.4 | 1.7 | 7,500 | 6,200 | 9,100 | **1.28** | **1.6** | **0.4** | **1.91** | 19,900 | 17,400 | 24,500 |
| Trek 1 UG[2] | 1 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | 0.21 | 2.3 | 0.6 | 2.8 | 4,700 | 3,900 | 5,700 | **0.21** | **2.3** | **0.6** | **2.78** | 4,700 | 3,900 | 5,700 |
| Trek 2 OP[2] | 0.5 | 0.58 | 1.0 | 0.2 | 1.2 | 6,000 | 4,200 | 7,200 | 0.37 | 1.3 | 0.3 | 1.6 | 4,900 | 3,600 | 5,800 | **0.95** | **1.2** | **0.3** | **1.37** | 10,900 | 7,700 | 13,000 |
| **CNB Total** | | **17.0** | **1.5** | **0.3** | **1.7** | **249,600** | **145,700** | **288,100** | **12.2** | **1.1** | **0.2** | **1.3** | **130,700** | **84,500** | **152,400** | **29.2** | **1.3** | **0.2** | **1.5** | **380,300** | **230,200** | **440,500** |

*Note:* *Rounding discrepancies may occur.*

*Reference 1:* *The CuEq calculation is CuEq=Cu% + (Au_ppm * 0.7) and is based on September 2023 spot prices of US$8,500/t for copper and US$1,950/oz for gold, exchange rate of 0.67 and recovery of 95% copper and 90% gold as demonstrated in preliminary metallurgical test work. It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.*

*Reference 2:* *The CuEq calculation is CuEq=Cu% + (Au_ppm * 0.85) and is based on review of consensus forecast prices of US$8,505/t for copper and US$2,520/oz for gold, exchange rate of 0.63 and recovery of 95% copper and 85% gold as demonstrated in preliminary metallurgical test work. It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.*

*Reference 3:* *98% of the combined Mount Hope Central and North deposits occur on ML90240, 100% owned by Carnaby Resources Ltd. The Inferred mineral resource includes 0.2Mt @ 0.9% Cu and 0.1g/t Au for 1.0% CuEq occurring outside ML90240 and within EPM26777 that is under Joint Venture with Hammer Metals Limited (ASX: HMX) and where Carnaby holds 51% of the deposit with a right to earn up to 70%.*

*Reference 4:* *The South Hope deposit Inferred Mineral Resource of 0.3Mt @ 1.7% Cu, 0.3g/t Au, 2.0% CuEq for 5,600 CuEq tonnes occurs outside of ML90240 on EPM26777 which is under a Joint Venture with Hammer Metals Limited (ASX: HMX) where Carnaby holds 51% of the deposit with a right to earn up to 70%.*

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# Table B

Carnaby Resources Limited Greater Duchess Copper Project

Ore Reserve as at 16 March 2026

| Category | Asset | Tonnes | Grade | | | Contained Metal | | |
|---|---|---|---|---|---|---|---|---|
| | | | Cu | Au | CuEq | Cu | Au | CuEq |
| | | Mt | % | g/t | % | kt | koz | kt |
| Proved | **Proved Open Pit** | - | - | - | - | - | - | - |
| | **Proved Underground** | - | - | - | - | - | - | - |
| | **Proved Total** | - | - | - | - | - | - | - |
| Probable | Inheritance | 1.2 | 1.5 | 0.4 | 1.8 | 18.8 | 15.3 | 22.8 |
| | Trekelano 1 | 0.5 | 1.5 | 0.4 | 1.9 | 8.3 | 7.3 | 10.2 |
| | Trekelano 2 | 0.3 | 1.3 | 0.3 | 1.5 | 4.2 | 2.8 | 4.9 |
| | Mount Hope Central | 1.1 | 1.5 | 0.2 | 1.6 | 15.8 | 5.5 | 17.2 |
| | Lady Fanny | 0.8 | 1.4 | 0.2 | 1.6 | 11.2 | 6.1 | 12.8 |
| | Burke & Wills | 0.2 | 2.3 | 0.2 | 2.5 | 5.1 | 1.8 | 5.6 |
| | **Probable Open Pit** | **4.2** | **1.5** | **0.3** | **1.7** | **63.3** | **38.8** | **73.6** |
| | Mount Hope Central Underground | 3.6 | 1.8 | 0.3 | 2.0 | 64.4 | 36.1 | 73.9 |
| | Nil Desperandum Underground | 0.6 | 2.4 | 0.4 | 2.7 | 14.9 | 7.2 | 16.8 |
| | **Probable Underground** | **4.2** | **1.9** | **0.3** | **2.1** | **79.3** | **43.3** | **90.7** |
| | **Probable Total** | **8.4** | **1.7** | **0.3** | **1.9** | **142.6** | **82.1** | **164.3** |
| Proved & Probable | Inheritance | 1.2 | 1.5 | 0.4 | 1.8 | 18.8 | 15.3 | 22.8 |
| | Trekelano 1 | 0.5 | 1.5 | 0.4 | 1.9 | 8.3 | 7.3 | 10.2 |
| | Trekelano 2 | 0.3 | 1.3 | 0.3 | 1.5 | 4.2 | 2.8 | 4.9 |
| | Mount Hope Central | 1.1 | 1.5 | 0.2 | 1.6 | 15.8 | 5.5 | 17.2 |
| | Lady Fanny | 0.8 | 1.4 | 0.2 | 1.6 | 11.2 | 6.1 | 12.8 |
| | Burke & Wills | 0.2 | 2.3 | 0.2 | 2.5 | 5.1 | 1.8 | 5.6 |
| | **Proved and Probable Open Pit** | **4.2** | **1.5** | **0.3** | **1.7** | **63.3** | **38.8** | **73.6** |
| | Mount Hope Central Underground | 3.6 | 1.8 | 0.3 | 2.0 | 64.4 | 36.1 | 73.9 |
| | Nil Desperandum Underground | 0.6 | 2.4 | 0.4 | 2.7 | 14.9 | 7.2 | 16.8 |
| | **Proved and Probable Undergroun** | **4.2** | **1.9** | **0.3** | **2.1** | **79.3** | **43.3** | **90.7** |
| | **Total** | **8.4** | **1.7** | **0.3** | **1.9** | **142.6** | **82.1** | **164.3** |

*Notes: The reported Mineral Resources are inclusive of the Ore Reserves.*

[1] *Ore Reserve Estimate effective as at 16 March 2026.*

[2] *Due to rounding some numbers in this table may not add up.*

[3] *The Ore Reserve for the Greater Duchess open pits has been estimated using cut-off NSRs based on a copper price of A$14,000/t Cu and gold price of A$3,500/oz Au.*

[4] *The Ore Reserve for the Greater Duchess undergrounds has been estimated using cut-off NSRs based on a copper price of A$15,000/t Cu and gold price of A$4,500/oz Au.*

[5] *The Ore Reserve for the Trekelano open pits has been estimated using cut-off NSRs based on a copper price of A$15,000/t Cu; and gold price of A$4,500/oz Au.*

[6] *All Inferred Mineral Resources within the mine plan have been treated as waste and are excluded from the Ore Reserve Estimate.*

[7] *Ore Reserves are reported as dry tonnes. The Ore Reserves are defined as the ore delivered to the processing plant.*

[8] *The Ore Reserve is based on the Mineral Resource as at 16 March 2026.*

[9] *The CuEq calculation is CuEq=Cu% + (Au_ppm * 0.85) and is based on prices of US$8,505/t for copper and US$2,520/oz for gold, exchange rate of 0.63 and recovery of 95% copper and 85% gold as demonstrated in preliminary metallurgical test work. It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.*

**EVOLUTION MINING LIMITED**
**ACN 084 669 036**

**and**

**CARNABY RESOURCES LIMITED**
**ACN 610 855 064**

# SCHEME IMPLEMENTATION DEED

STEINEPREIS PAGANIN

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**THIS DEED** is made 26 July 2026.

**BETWEEN**

**EVOLUTION MINING LIMITED (ACN 084 669 036)** of Level 24, 175 Liverpool Street, Sydney, New South Wales 2000 (**Bidder**);

AND

**CARNABY RESOURCES LIMITED (ACN 610 855 064)** of 78 Churchill Avenue, Subiaco, Western Australia 6008 (**Carnaby**).

**RECITALS**

**A.** The parties have agreed that the Bidder will acquire all of the Scheme Shares by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Carnaby and the Scheme Shareholders.

**B.** The parties have agreed that Carnaby will propose the Scheme to Carnaby Shareholders and, if approved, the parties will implement the Scheme on and subject to the terms and conditions of this Deed.

**IT IS AGREED** as follows:

# 1. DEFINITIONS AND INTERPRETATION

## 1.1 Definitions

In this Deed, the following definitions apply:

**Accounting Standards** means at any time:

(a) the requirements of the Corporations Act about the preparation and contents of financial reports;

(b) the accounting standards approved under the Corporations Act; and

(c) generally accepted accounting principles policies, practices and procedures in Australia to the extent not inconsistent with the accounting standards described in paragraph (b).

**Adviser** means any person who is engaged to provide external professional advice of any kind (including, legal, accounting, tax, consulting or financial advice) to a party (or a Related Body Corporate) in connection with the Transaction.

**Announcement** means the public announcement referred to in clause 10.1.

**ACCC** means the Australian Competition and Consumer Commission.

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

**ASIC Regulatory Guide** means a regulatory guide issued by ASIC.

**Associate** has the meaning set out in section 12 of the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691), or the market operated by it, as the context requires.

**Australian Resident** has the meaning given to that term in the Tax Act.

**Authorisations** means any permit, licence, consent, approval, registration, accreditation, certification, exemption, order, direction, determination or other authorisation given or issued by any Government Agency.

**Bidder Board** means the board of directors of the Bidder.

**Bidder Confidentiality Agreement** means the Confidentiality Agreement between the Bidder and Carnaby dated 13 January 2026.

**Bidder Counterproposal** has the meaning given in clause 12.61.1(b)(v).

**Bidder Director** means a duly appointed director of the Bidder.

**Bidder Group** means the Bidder and each of its Subsidiaries and a reference to a '**Bidder Group Member**' or a '**member of the Bidder Group**' is to the Bidder or any of its Subsidiaries.

**Bidder Information** means information relating to the Bidder Group, the Merged Group and the Scheme Consideration provided by or on behalf of the Bidder to Carnaby or its Representatives for inclusion in the Scheme Booklet, in each case, excluding any information relating to the Carnaby Group provided by or on behalf of Carnaby to the Bidder or its Representatives and used by the Bidder in connection with the preparation of the information regarding the Merged Group.

**Bidder Insolvency Event** means:

(a) a material member of the Bidder Group resolving that it be wound up or the making of an application or order for the winding up or dissolution of that member other than where the application or order (as the case may be) is set aside within 14 days;

(b) a liquidator or provisional liquidator of a material member of the Bidder Group being appointed;

(c) a court making an order for the winding up of a material member of the Bidder Group;

(d) an administrator of a material member of the Bidder Group being appointed under the Corporations Act;

(e) a material member of the Bidder Group is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act unless that member has, or has access to, committed financial support from its parent entity such that it is able to pay its debts;

(f) a material member of the Bidder Group executing a deed of company arrangement;

(g) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a material member of the Bidder Group; or

(h) an event analogous to any of the foregoing in any jurisdiction outside of Australia.

**Bidder Interested Parties** means the Bidder, its Subsidiaries, and all of their respective directors, officers and employees.

**Bidder Prescribed Event** means, except to the extent contemplated by this Deed or the Scheme, the occurrence of any of the following events:

(a) the Bidder converting all or any of its shares into a larger or smaller number of shares;

(b) any member of the Bidder Group resolving to reduce its share capital in any way or resolving to reclassify, combine, split or redeem or repurchase directly or indirectly any of its shares;

(c) any member of the Bidder Group (other than a direct or indirect wholly owned subsidiary of Bidder):

(i) entering into a buy-back agreement other than an on-market buy-back of Bidder Shares in an amount not exceeding 10% of the total number of Bidder Shares on issue as at the date of this Deed, conducted through the normal trading system of ASX at prevailing market prices; or

(ii) resolving to approve the terms of a buy-back agreement other than a resolution to approve the terms of an on-market buy back as set out in paragraph (i);

(d) the Bidder issues shares, grants an option or performance security convertible into new shares or agrees to make such an issue or grant such an option or performance security where such issue or grant (when aggregated with all other such issues or grants) would result (including upon exercise of such options or conversion of such performance securities) an increase of 5% or more in the Bidder's issued share capital as at the date of this Deed, other than:

(i) as part of any dividend re-investment plan that the Bidder has in place as at the date of this Deed; or

(ii) as scrip consideration for any merger, acquisition or corporate transaction;

(e) a Bidder Insolvency Event occurs; or

(f) any member of the Bidder Group authorising, committing, announcing or agreeing to take any of the actions referred to in the paragraphs above,

other than an event:

(g) required by law or a Government Agency;

(h) required to be done or procured by the Bidder under this Deed or the Scheme;

(i) that Carnaby has expressly consented to, in writing; or

(j) that has been Fairly Disclosed by the Bidder in writing to Carnaby prior to the date of this Deed.

**Bidder Representations and Warranties** means the representations and warranties of the Bidder in Schedule 4.

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

**Bidder Shareholder** means each person who is registered as the holder of one or more Bidder Shares.

**Budget** means the budget approved by the Bidder and Carnaby in writing on or before the execution of this Deed.

**Business Day** means a business day as defined in the Listing Rules, provided that day is not a day on which banks in Perth, Western Australia, are authorised or required to close.

**Carnaby Board** means the board of directors of Carnaby.

**Carnaby Data Room** means each of the online electronic data rooms entitled:

(a) 'CNB Stage 1 Data Room';

(b) 'CNB Stage 2 Data Room'; and

(c) 'CNB Stage 2 Data Room Employees',

each administered by Carnaby in connection with the Transaction established and maintained by or on behalf of Carnaby.

**Carnaby Director** means a duly appointed director of Carnaby.

**Carnaby Disclosure Materials** means the written information, documents and responses disclosed or made available to the Bidder or its Representatives by or on behalf of Carnaby in the Carnaby Data Room (including written responses to questions in the Carnaby Data Room) no later than 5:00pm on 22 July 2026 (an index of which has been provided by Carnaby's Representatives to the Bidder's Representatives before execution of this Deed for the purposes of identification).

**Carnaby ESIP** means the 'Employee Incentive Securities Plan' adopted by Carnaby at its annual general meeting on 25 November 2025.

**Carnaby Financial Statements** means:

(a) the audited consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of Carnaby for the financial year ended 30 June 2025, together with the accompanying notes; and

(b) the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of Carnaby for the half-year ended 31 December 2025, together with the accompanying notes.

**Carnaby Group** means Carnaby and each of its Subsidiaries and a reference to a '**Carnaby Group Member**' or a '**member of the Carnaby Group**' is to Carnaby or any of its Subsidiaries.

**Carnaby Information** means all the information in the Scheme Booklet other than the Bidder Information and the Independent Expert's Report, and includes any information about the Carnaby Group:

(a) provided by Carnaby to the Bidder in writing for use in the preparation of the information regarding the Merged Group; or

(b) obtained by the Bidder from an announcement made by Carnaby to ASX or from a publicly available document lodged by Carnaby with ASIC (to the extent such information has not been superseded by later announcements made by Carnaby to ASX or publicly available documents lodged by Carnaby with ASIC), and used in the preparation of the information regarding the Merged Group.

**Carnaby Insolvency Event** means:

(a) a material member of the Carnaby Group resolving that it be wound up or the making of an application or order for the winding up or dissolution of that member other than where the application or order (as the case may be) is set aside within 14 days;

(b) a liquidator or provisional liquidator of a material member of the Carnaby Group being appointed;

(c) a court making an order for the winding up of a material member of the Carnaby Group;

(d) an administrator of a material member of the Carnaby Group being appointed under the Corporations Act;

(e) a material member of the Carnaby Group is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act unless that member has, or has access to, committed financial support from its parent entity such that it is able to pay its debts;

(f) a material member of the Carnaby Group executing a deed of company arrangement;

(g) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a member of the Carnaby Group; or

(h) an event analogous to any of the foregoing in any jurisdiction outside of Australia.

**Carnaby Interested Parties** means Carnaby, its Subsidiaries, and all of their respective directors, officers and employees.

**Carnaby Material Adverse Effect** means an event, circumstance, occurrence or matter that occurs before, on or after the date of this Deed which has, has had, or is reasonably likely to have, either individually or when aggregated with any other events, circumstances, occurrences or matters of a similar kind or category that have occurred or are reasonably likely to occur:

(a) the effect of diminishing the consolidated net assets of the Carnaby Group (taken as a whole) by $10 million or more by reference to the consolidated net assets contained in Carnaby's financial statements based on the value of Carnaby's exploration and evaluation assets only for the half year ended 31 December 2025;

(b) the effect or result of any material Carnaby Tenement being revoked, cancelled, forfeited, suspended, terminated, not renewed or allowed to lapse or expire, or any of the material terms of, or rights attaching to, any material Carnaby Tenement being materially adversely varied or amended;

(c) the effect or result of any Carnaby Tenement Application listed under 'Mining Leases' in Part 3 of Schedule 2 not being granted to a member of the Carnaby Group, or being granted with conditions that are materially adverse to the Carnaby Group; or

(d) the effect or result of any Material Authorisation being revoked, cancelled, forfeited, suspended, terminated, not renewed or allowed to lapse or expire, or any of the material terms of, or rights attaching to, such Material Authorisation being materially adversely varied or amended.

but does not include any event, circumstance, occurrence or matter:

(a) which is required or expressly permitted to be done or procured by Carnaby pursuant to this Deed or the Scheme or is required by the Transaction;

(b) which is Fairly Disclosed in the Carnaby Disclosure Materials;

(c) to the extent it was Fairly Disclosed in an announcement made by Carnaby to the ASX in the 12 months prior to the date of this Deed or the Carnaby Relevant Searches;

(d) to the extent it was actually known to the Bidder Group prior to the date of this Deed (which does not include knowledge of the generic risk of the relevant fact, matter, event or circumstance occurring, but does include knowledge of a specific risk of the relevant fact, matter, event or circumstance occurring);

(e) which the Bidder has previously approved, consented to or requested in writing;

(f) relating to the payment of Transaction Costs which have been Fairly Disclosed in the Carnaby Disclosure Materials; or

(g) which result or arise from or in connection with:

   (i) changes in rates relating to Tax, or changes in exchange rates or interest rates;

   (ii) changes or developments in general economic, political, trading or business conditions, or changes to them, including changes or disruptions to, or fluctuations in, domestic or international financial markets or consumer demand, or changes in interest rates, foreign currency exchange rates or commodity prices, other than where such matters have a materially disproportionate effect on the Carnaby Group as compared to other businesses operating in the same market segments as the Carnaby Group;

   (iii) any generally applicable change in any laws or the interpretation or non-application of any laws by any Government Agency; or

   (iv) any change in Accounting Standards or the interpretation of them,

   each occurring after the date of this Deed.

**Carnaby Option Consideration** means, in respect of a Carnaby Option, the fixed value attributed to that Carnaby Option by reference to the class in which that Carnaby Option falls, as set out in Schedule 1.

**Carnaby Option Deed** means a deed between Carnaby, a Carnaby Optionholder and the Bidder (in a form agreed between the parties) under which those parties agree to cancel all of the Carnaby Options held by that Carnaby Optionholder with effect on the Implementation Date, conditional on the Scheme becoming Effective, for the Carnaby Option Consideration.

**Carnaby Optionholder** means a holder of Carnaby Options.

**Carnaby Options** means the unlisted options granted by Carnaby as at the date of this Deed, as further described in Schedule 6.

**Carnaby Prescribed Event** means, except to the extent contemplated by this Deed or the Scheme, the occurrence of any of the following events:

(a) any member of the Carnaby Group converting all or any of its shares into a larger or smaller number of shares;

(b) any member of the Carnaby Group resolving to reduce its share capital in any way or resolving to reclassify, combine, split or redeem or repurchase directly or indirectly any of its shares;

(c) any member of the Carnaby Group (other than a direct or indirect wholly owned subsidiary of Carnaby):

  (i) entering into a buy-back agreement; or

  (ii) resolving to approve the terms of a buy-back agreement;

(d) any member of the Carnaby Group declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its shareholders (other than a direct or indirect wholly owned subsidiary of Carnaby declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to Carnaby or to another direct or indirect wholly owned subsidiary of Carnaby);

(e) a member of the Carnaby Group issuing securities, including without limitation shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, including pursuant to a dividend reinvestment or other share plan, other than an issue of any shares or other securities:

  (i) under and in accordance with the Glencore Subscription Agreement;

  (ii) by a direct or indirect wholly owned subsidiary of Carnaby to Carnaby or to another direct or indirect wholly owned subsidiary of Carnaby; or

  (iii) where the Bidder consents in writing (in its absolute discretion);

(f) a member of the Carnaby Group issuing or agreeing to issue securities convertible into shares, including pursuant to a dividend reinvestment or other share plan;

(g) Carnaby makes any amendment to the Carnaby ESIP or to the terms of issue of any Carnaby Options, or makes any determination or exercises any discretion under the Carnaby ESIP or the terms of issue of any Carnaby Option, where, as a consequence, any one or more of the following occurs:

  (i) the period for vesting or exercise of any Carnaby Option is extended;

  (ii) the number of Carnaby Options that are exercisable or vested at any time is increased;

  (iii) the earliest date for vesting or exercise of any Carnaby Option is brought forward;

  (iv) the exercise price of any Carnaby Option is reduced; or

(v) the number of Carnaby Shares to be issued on exercise of any Carnaby Option is increased,

other than in accordance with the Scheme or this Deed.

(h) Carnaby making any change to its constitution without the consent of the Bidder;

(i) any member of Carnaby Group disposes, or agrees to dispose, of shares in a Related Body Corporate of Carnaby;

(j) any member of the Carnaby Group:

(i) acquires, leases or disposes of;

(ii) agrees to acquire, lease or dispose of; or

(iii) offers, proposes or announces a bid or tenders for,

any entity, business or assets, other than:

(iv) trading inventories and consumables in the ordinary and usual course of business; or

(v) as legally committed in any contract Fairly Disclosed in the Carnaby Disclosure Material,

where the value of such entity, business or assets, or the amount involved in the relevant transaction, exceeds $500,000 (either individually or, in the case of related businesses or classes of assets or a series of related transactions, collectively);

(k) a member of the Carnaby Group creating, or agreeing to create, any mortgage charge, lien or other encumbrance over any material asset;

(l) any member of the Carnaby Group relinquishing, surrendering, forfeiting or failing to renew any Carnaby Tenement or Material Authorisation;

(m) a Carnaby Tenement Application listed under 'Mining Leases' in Part 3 of Schedule 2 or Carnaby Tenement Renewal Application is withdrawn, surrendered, forfeited, refused or rejected;

(n) other than as legally committed in any contract Fairly Disclosed in the Carnaby Disclosure Material, any member of the Carnaby Group enters into any contract or commitment (or any series of related contracts or commitments) that:

(i) is for a period of 1 year or more; or

(ii) requires or may result in:

(A) expenditure by Carnaby (either alone or together with any Subsidiary of Carnaby) of $500,000 or more in any year; or

(B) Carnaby or any Subsidiary of Carnaby undertaking capital expenditure other than in accordance with the Budget;

(o) a member of the Carnaby Group incurs any financial indebtedness or issues any debt securities, other than in the ordinary course of business or pursuant to advances under its credit facilities in existence as at the date of this Deed where the funds drawn pursuant to those advances are used in the ordinary course of business;

(p) a member of the Carnaby Group makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in Carnaby or to another direct or indirect wholly owned subsidiary of Carnaby in the ordinary course of business or to the Bidder), other than in the ordinary course of business;

(q) a member of the Carnaby Group entering, varying or terminating, or waiving any Claims or rights under, any material contract, joint venture, partnership or other commitment which is material in the context of the business of the Carnaby Group as a whole;

(r) a member of the Carnaby Group entering into or resolving to enter into a transaction with a related entity of Carnaby (as defined in the Corporations Act, but excluding transactions between members of the Carnaby Group);

(s) other than in accordance with an existing contract in place at the date of this Deed which has been Fairly Disclosed in the Carnaby Disclosure Material, or with the consent of the Bidder, Carnaby:

  (i) pays any bonus to any officer of a Carnaby Group member, other than bonuses payable to executives for the financial year ending 30 June 2026 in accordance with the employment terms of that executive in existence as at the date of this Deed and in the ordinary and usual course of business on the basis of principles consistent with those applied for the payment of bonuses by Carnaby Group Members for the year ended 30 June 2026 (provided that, for the avoidance of doubt, the payment of any bonus in accordance with such employment terms requires that the applicable performance targets or benchmarks relating to the payment of the bonus are satisfied and that any other applicable conditions are fulfilled);

  (ii) increases the remuneration of, or otherwise varies, the employment arrangements with any of its directors or employees;

  (iii) accelerates the rights of any of its directors or employees to compensation or benefits of any kind (including under any executive or employee share plans);

  (iv) grants to any officer of a Carnaby Group Member any increase in severance or termination pay or superannuation entitlements;

  (v) makes or agrees to make any material change to the terms of, or waives any Claims or rights under, or waives the benefit of any provisions of, any contract of employment with any executive of a Carnaby Group Member; or

  (vi) pays any of its directors or officers a termination or retention payment;

(t) a member of the Carnaby Group settling or compromising a material dispute;

(u) a Carnaby Insolvency Event occurs;

(v) Carnaby settles, compromises or makes any concessions in relation to any tax Claims, liabilities or disputes or makes any election in relation to tax, or otherwise engages in any transaction, act or event which gives rise to any tax liability which is outside the ordinary course of business as it was conducted prior to the date of this Deed;

(w) Carnaby agrees to amend, terminate, or transfer any of its rights or obligations under:

  (i) the Glencore Subscription Agreement; or

  (ii) the Glencore Termination Deed,

  without the prior written consent of the Bidder; or

(x) any member of the Carnaby Group authorising, committing, announcing or agreeing to take any of the actions referred to in the paragraphs above,

other than an event:

(y) required by law or a Government Agency;

(z) required to be done or procured by Carnaby under this Deed or the Scheme;

(aa) that the Bidder has expressly consented to, in writing; or

(bb) that has been Fairly Disclosed by Carnaby in writing to the Bidder prior to the date of this Deed, including in the Carnaby Disclosure Materials.

**Carnaby Registry** means Computershare Investor Services Pty Limited (ACN 078 279 277).

**Carnaby Relevant Searches** means public searches:

(a) of the ASIC companies register, in respect of members of the Carnaby Group; and

(b) of the PPSR, in respect of members of the Carnaby Group,

in each case, as at the date that is two (2) Business Days prior to the date of this Deed.

**Carnaby Representations and Warranties** means the representations and warranties of Carnaby in Schedule 5.

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

**Carnaby Share Register** means the register of members of Carnaby maintained in accordance with the Corporations Act.

**Carnaby Shareholder** means each person who is registered as the holder of one or more Carnaby Shares, as shown in the Carnaby Share Register.

**Carnaby Tenements** means the tenements comprising Carnaby's projects, namely the tenements referred to in Schedule 2, and any tenements arising from the grant of the Carnaby Tenement Applications.

**Carnaby Tenement Application** means any application for a mining tenement made by a member of the Carnaby Group under the *Mineral Resources Act 1989* (QLD) or the *Mining Act 1978* (WA), including the applications listed in Part 3 of Schedule 2.

**Carnaby Tenement Renewal Application** means any application made by a member of the Carnaby Group to renew a Carnaby Tenement.

**CCA** means the *Competition and Consumer Act 2010* (Cth).

**CHESS** means the clearing house electronic sub-register system of share transfers operated by ASX Settlement Pty Ltd (ACN 008 504 532).

**Claim** means any allegation, demand, claim, action, suit, debt, liability or proceeding of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, arising at law, in equity, under statute or otherwise.

**Competing Proposal** means a transaction, agreement or arrangement (whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction or buy back, sale, purchase or assignment of shares or assets, lease, joint venture, strategic alliance, partnership dual-listed company structure (or other economic or synthetic merger), or combination or other transaction or arrangement), other than any Transaction that may be made and implemented in accordance with this Deed, pursuant to which a Third Party (or Third Parties) will, if the transaction, agreement or arrangement is entered into or completed:

(a) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a material part of the business conducted by or assets or property of the Carnaby Group;

(b) acquire (whether directly or indirectly) or have a right to acquire control (as determined in accordance with section 50AA of the Corporations Act) of Carnaby or any member of the Carnaby Group;

(c) acquire (whether directly or indirectly) or have a right to acquire a relevant interest (as determined in accordance with sections 608 and 609 of the Corporations Act) in 20% or more of the Carnaby Shares or the share capital of any member of the Carnaby Group; or

(d) require Carnaby to abandon, or otherwise fail to proceed with, the Transaction.

**Condition** means a condition precedent set out in clause 3.

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

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Court** means the Supreme Court of Western Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by the Bidder and Carnaby.

**Deed** means this document, including any schedule or annexure.

**Deed Poll** means the deed poll to be entered into by the Bidder substantially in the form of Annexure A to this Deed.

**Duty** means any stamp, transfer, landholder, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed by any Government Agency in respect of any of those amounts.

**Effective** means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**Electing Small Parcel Shareholder** means a Small Parcel Shareholder who has not provided the Bidder with an Opt-out Notice before 5:00pm on the Business Day before the Record Date.

**End Date** means the date that is nine (9) months after the date of this Deed, or such other date as the parties may agree in writing.

**Excluded Shareholder** means any Carnaby Shareholder who is a member of the Bidder Group or any Carnaby Shareholder who holds any Carnaby Shares on behalf of, or for the benefit of, any member of the Bidder Group.

**Exclusivity Period** means the period from and including the date of this Deed to the earlier of:

(a) the termination of this Deed in accordance with its terms;

(b) the Implementation Date; and

(c) the End Date.

**Fairly Disclosed** means information disclosed in writing to the relevant party in good faith, to a sufficient extent, and in sufficient detail, so as to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Scheme and in the mining industry to identify and reasonably and properly assess the nature, scope and consequences of the relevant fact, matter, event or circumstance (including in each case, the potential financial effect of the relevant fact, matter, event or circumstance).

**First Court Date** means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act directing Carnaby to convene the Scheme Meeting is heard (or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard).

**Glencore Subscription Agreement** means the subscription agreement between Carnaby and Glencore International AG dated on or around the date of this Deed.

**Glencore Termination Deed** means the deed of termination and release between Carnaby, Carnaby Resources (Holdings) Pty Limited and Glencore International AG dated on or around the date of this Deed.

**Greater Duchess Project** means Carnaby's copper and gold project in Mount Isa.

**Government Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASX, ASIC and the Takeovers Panel).

**Hammer** means Mt Dockerell Mining Pty Ltd (ACN 009 242 997).

**Hammer JVA** means the Binding term Sheet for an Acquisition and Joint Venture dated 28 March 2024 between Carnaby, Hammer, and Hammer Metals Limited.

**Headcount Test** means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Carnaby Shareholders present and voting, either in person or by proxy.

**Implementation Date** means the third Business Day following the Record Date or such other day as the Bidder and Carnaby agree in writing or is ordered by the Court.

**Implied Offer Price** means the implied offer value of the Scheme Consideration as at the date of this Deed, being $0.769978 per Scheme Share.

**Independent Expert** means the independent expert to be appointed by Carnaby to prepare the Independent Expert's Report.

**Independent Expert's Report** means the report prepared by the Independent Expert for inclusion in the Scheme Booklet opining on whether the Scheme is in the best interests of Carnaby Shareholders (and reasons for holding that opinion), and includes any written update of, or revision, amendment, addendum or supplement to that report.

**Ineligible Foreign Shareholder** means any Scheme Shareholder whose address as shown in the Carnaby Share Register is a place outside Australia and its external territories or New Zealand, unless the Bidder determines that:

(a) it is lawful and not unduly onerous or unduly impracticable to issue that Scheme Shareholder with the New Bidder Shares on implementation of the Scheme; and

(b) it is lawful for that Scheme Shareholder to participate in the Scheme by the law of the relevant place.

**Ineligible Shareholder** means an Ineligible Foreign Shareholder or an Electing Small Parcel Shareholder.

**Life of Mine Plan** means the life of mine plan prepared for the Greater Duchess Project as set out in the document entitled 'CRB003_Greater Duchess Project DCF_Rev4 SB' located in the 'CNB Stage 1 Data Room' folder of the Carnaby Data Room, as may be updated, varied, amended or replaced from time to time after the date of this Deed in accordance with clause 6.4(a)(iii).

**Listing Rules** means the official listing rules of ASX.

**Material Authorisation** means an Authorisation the absence, loss, non-renewal or material adverse variation of which would materially delay or materially adversely affect the development of the Greater Duchess Project substantially in accordance with the Life of Mine Plan.

**Merged Group** means the Bidder Group including the Carnaby Group following implementation of the Scheme.

**Mining Information** means all geological, drill core, metallurgical, feasibility study and project development data and analyses, maps, samples and technical reports prepared for or carried out by or for each Carnaby Group Member.

**New Bidder Shares** means fully paid ordinary shares in the capital of the Bidder to be issued as consideration to Scheme Shareholders under the Scheme.

**Official List** means the official list of ASX.

**Opt-out Notice** means a notice by a Small Parcel Shareholder electing not to participate in the sale facility under clause 5.2 and requesting that the Scheme Consideration to which it is entitled be issued directly to it rather than to the Sale Agent.

**Potential Competing Proposal** means any offer, proposal or expression of interest which is not, but which could reasonably be expected to become, a Competing Proposal.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**PPSR** means the Personal Property Securities register established under section 147 of the PPSA.

**Record Date** means 5:00pm on the second Business Day after the Effective Date, or such other time and date as the Bidder and Carnaby agree in writing.

**Regulator's Draft** means the draft of the Scheme Booklet in a form which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

**Reimbursement Fee** means $2,134,412.

**Related Bodies Corporate** has the meaning given in the Corporations Act.

**Relevant Date** means in relation to a Condition, the date or time specified in this Deed for its satisfaction or, if no date or time is specified, 8:00am on the Second Court Date, subject, in either case, to extension under clause 3.4(b).

**Representative** means, in respect of a party, an employee, agent, officer, director, Adviser or financier of that party (or of a Related Body Corporate of that party), and, in the case of Advisers and financiers, includes employees, officers and agents of the Adviser or financier (as applicable).

**Reverse Reimbursement Fee** means $2,134,412.

**RG60** means Regulatory Guide 60 issued by ASIC relating to schemes of arrangement.

**Rio Tinto Tenements** means the tenements set out in Part 2 of Schedule 2.

**RTX** means Rio Tinto Exploration Pty Ltd.

**Sale Agent** means a person appointed by the Bidder (in its sole discretion, acting reasonably, and subject to any applicable regulatory requirements), to sell the Sale Shares under clause 5.2.

**Sale Proceeds** means the gross proceeds of sale of the Sale Shares under clause 5.2, less any applicable taxes and charges incurred by Bidder or the Sale Agent in connection with the sale of the Sale Shares under clause 5.2.

**Sale Shares** means the New Bidder Shares to which Ineligible Shareholders would have been entitled under the Scheme but for the operation of clause 5.2(b).

**Scheme** means the scheme of arrangement between Carnaby and the Scheme Shareholders under which all of the Scheme Shares will be transferred to the Bidder under Part 5.1 of the Corporations Act, in consideration for the Scheme Consideration, substantially in the form of Annexure B or such other form as agreed in writing between Carnaby and the Bidder subject to any alterations or conditions that are:

(a) agreed to in writing by Carnaby and the Bidder, and approved by the Court; or

(b) made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Carnaby and the Bidder.

**Scheme Booklet** means the information to be approved by the Court and despatched to the Carnaby Shareholders in relation to the Scheme, including an explanatory statement in relation to the Scheme complying with the requirements of the Corporations Act, the Corporations Regulations and RG60, the Independent Expert's Report, a notice of meeting and a proxy form.

**Scheme Consideration** means the consideration to be provided by or on behalf of the Bidder to each Scheme Shareholder (other than an Ineligible Shareholder) for the transfer of each Scheme Share under the Scheme, being, in respect of each Scheme Share, the Transaction Ratio of New Bidder Shares.

**Scheme Meeting** means the meeting of Carnaby Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider the Scheme, including any adjournment or postponement thereof.

**Scheme Share** means a Carnaby Share held by a Scheme Shareholder as at the Record Date.

**Scheme Shareholder** means a Carnaby Shareholder (other than Excluded Shareholders) as at the Record Date.

**Second Court Date** means the first day on which an application made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard).

**Security Interest** means any mortgage, charge, pledge, lien, assignment or other security interest or any other arrangement (including a right of set off or combination) entered into for the purpose of conferring a priority, including any security interest as defined in section 51A of the Corporations Act or in the PPSA.

**Small Parcel Shareholder** means a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of Scheme Shares on the Record Date, would on implementation of the Scheme be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New Bidder Shares (assessed by reference to the last traded price of Bidder Shares on ASX on the trading day prior to the Record Date) as Scheme Consideration.

**Subsidiary** of an entity means another entity which:

(a) is a subsidiary of the first entity within the meaning of the Corporations Act; or

(b) is otherwise part of a consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.

**Superior Proposal** means a bona fide Competing Proposal (and not resulting from a breach of obligations under this Deed including, without limitation, clause 12), which the Carnaby Board, acting in good faith, and after taking written advice from its legal and financial advisors, determines:

(a) is reasonably capable of being valued and completed within a reasonable timeframe; and

(b) if completed substantially in accordance with its terms, is more favourable to its shareholders (as a whole) than the Transaction,

in each case taking into account all aspects of the Competing Proposal and the identity and reputation of the person making it, including without limitation all legal, regulatory and financial matters (including the value and type of consideration (including the liquidity and price stability of any scrip consideration offered relative to the Bidder Shares), funding, any timing considerations, any conditions precedents or other matters affecting the probability of the Competing Proposal being completed).

**Takeovers Panel** means the Australian Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

**Tax** means any past, present or future tax, levy, Duty, charge, impost, fee, deduction, goods and services tax (including GST), compulsory loan or withholding of any name, kind or description, that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, charge, fee or any other amount imposed on, or in respect of the above.

**Tax Act** means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth), or both as the context requires.

**Third Party** means a person other than Bidder, Carnaby and their respective Associates.

**Timetable** means the indicative timetable for the implementation of the Transaction set out in Schedule 3.

**Transaction** means the acquisition of all Carnaby Shares by the Bidder by means of the Scheme.

**Transaction Costs** means all third party Adviser costs (incurred or paid, or have been agreed to incur or pay, or are payable in accordance with agreements made with those Advisers prior to the date of this Deed) or other costs, fees and expenses (exclusive of GST to the extent input tax credits are available) that are incurred or paid, have been agreed to incur or pay, or are payable, in each case in connection with the transactions contemplated by the Transaction Documents.

**Transaction Documents** means this Deed, the Scheme, the Deed Poll and any other documents agreed in writing between the parties.

**Transaction Ratio** means 0.0682 New Bidder Shares for every 1 Scheme Share, representing the Implied Offer Price.

**Trekelano Water Licence** means Water Licence 189819 issued under the *Water Act 2000* (Qld).

**Trust Deeds** means:

(a) the Declaration of Trust between Carnaby and Cosmo Holdings (WA) Pty Ltd, dated February 2019; and

(b) the Declaration of Trust between Carnaby and Bowler Enterprises Pty Ltd, dated February 2019.

**Trust Tenements** means EPM 26651, E 38/3289 and E69/3509.

**Variation Notice** means a written notice (that has an expiry date on or after the Effective Date) issued, or legislative instrument made, by the Commissioner of Taxation varying a particular amount payable by the Bidder to the Commissioner of Taxation under Subdivision 14 D of Schedule 1 to the Tax Act.

**Wimberu Farm-in Agreement** means the Wimberu Farm-out and Joint Venture Term Sheet dated 1 August 2023 between Carnaby and RTX.

## 1.2 Interpretation

In this Deed:

(a) headings are for convenience only and do not affect its interpretation;

(b) specifying anything after the words "include", "including", "such as" or "for example" or similar expressions does not limit what else is included;

and, unless the context otherwise requires:

(c) the expression **person** includes an individual, the estate of an individual, a corporation, a partnership, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;

(d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;

(e) a reference to a body, other than a party to this Deed whether statutory or not:

(i) which ceases to exist; or

(ii) whose powers or functions are transferred to another body, is a reference to the body which replaces it or substantially succeed its powers or functions;

(f) a reference to any document (including this Deed) is to that document as varied, novated, ratified or replaced from time to time;

(g) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;

(h) a reference to a "material member" of either the Bidder Group or the Carnaby Group is to a member of the respective group that is material in the context of Bidder and its Subsidiaries taken as a whole, or Carnaby and its Subsidiaries taken as a whole, as the case may be;

(i) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;

(j) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;

(k) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Deed and a reference to this Deed includes any schedule, exhibit or annexure to this Deed;

(l) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

(m) a reference to time is to Western Standard Time as observed in Perth, Western Australia;

(n) if a period of time is specified and dates from a given day or the day of an event, it is to be calculated exclusive of that day;

(o) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(p) a reference to a payment is to a payment by bank cheque or such other form of cleared funds the recipient otherwise allows in the relevant lawful currency specified;

(q) a reference to **$** or **dollar** is to the lawful currency of the Commonwealth of Australia; and

(r) a reference to a party using or an obligation on a party to use reasonable endeavours or its best endeavours does not oblige that party to:

(i) pay money:

(A) in the form of an inducement or consideration to a third party to procure something (other than the payment of immaterial expenses or costs, including costs of advisers, to procure the relevant thing); or

(B) in circumstances that are commercially onerous or unreasonable in the context of this Deed;

(ii) provide other valuable consideration to or for the benefit of any person; or

(iii) agree to commercially onerous or unreasonable conditions; and

(s) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Deed.

### 1.3 Business Day

(a) If anything under this Deed must be done on a day that is not a Business Day, it must be done on or by the next Business Day.

(b) If an act prescribed under this Deed is to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day.

### 1.4 Contra proferentem excluded

No term or condition of this Deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Deed or a provision of it.

### 1.5 Parties

(a) If a party consists of more than one person, this Deed binds each of them separately and any two or more of them jointly.

(b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.

(c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

## 2. AGREEMENT TO PROPOSE AND IMPLEMENT SCHEME

### 2.1 Carnaby to propose Scheme

Carnaby agrees to propose the Scheme to the Carnaby Shareholders and implement the Scheme on and subject to the terms and conditions of this Deed.

### 2.2 Bidder to assist

The Bidder agrees to assist Carnaby in proposing and implementing the Scheme on and subject to the terms and conditions of this Deed.

### 2.3 Nominee

(a) The Bidder may nominate any wholly owned subsidiary of the Bidder which is incorporated in Australia (**Bidder Nominee**) to acquire the Scheme Shares under the Scheme by giving written notice to Carnaby which sets out the details of the Bidder Nominee on or before the date that is 10 Business Days before the First Court Date.

(b) If the Bidder nominates the Bidder Nominee to acquire the Scheme Shares under the Scheme, then:

(i) references in this Deed to the Bidder acquiring the Scheme Shares under the Scheme are to be read as references to the Bidder Nominee doing so;

(ii) other references in this Deed to the Bidder are to be read as references to the Bidder or the Bidder Nominee, other than to the extent those provisions relate to the New Bidder Shares (which will always be Bidder Shares and not shares in the Bidder Nominee);

(iii) the parties must procure that the Scheme Shares transferred under the Scheme are transferred to the Bidder Nominee, rather than the Bidder;

(iv) the parties must procure that the Scheme and Deed Poll are entered into in a form so as to reflect, or are amended to reflect, the Bidder Nominee acquiring the Scheme Shares under the Scheme;

(v) the Bidder must procure that the Bidder Nominee complies with the relevant obligations of the Bidder under this Deed and under the Scheme;

(vi) any such nomination will not relieve the Bidder of its obligations under this Deed or under the Deed Poll including the obligation to provide, or cause to be provided, the Scheme Consideration in accordance with the terms of the Scheme, provided that the Bidder will not be in breach of this Deed for failing to perform an obligation of the Bidder if that obligation is fully discharged by the Bidder Nominee; and

(vii) the undertakings, representations and warranties given by Carnaby under this Deed are given for the benefit of, and may be relied upon by, the Bidder Nominee, notwithstanding that the Bidder Nominee is not a party to this Deed.

### 2.4 No amendments to Scheme without consent

Carnaby must not consent to any modification of, or amendment to, the Scheme, or to the making or imposition by the Court of any condition in respect of the Scheme, without the prior written consent of the Bidder (such consent not to be unreasonably withheld or delayed).

## 3. CONDITIONS PRECEDENT

### *3.1* Conditions to the Scheme

Subject to this clause 3, the Scheme will not become Effective, and the obligations of the Bidder in relation to the Scheme under clause 6.2 are not binding, until each of the following Conditions are satisfied or waived to the extent and in the manner set out in clause 3.2:

| CONDITION | PARTY RESPONSIBLE | PARTY ENTITLED TO WAIVE |
|---|---|---|
| (a) **ACCC Clearance**: before 8:00am on the Second Court Date, the Bidder has received one of the following:<br>(i) (**ACCC Competition Determination**): a determination from the ACCC under section 51ABZE(1)(a) of the CCA (including a deemed determination under section 51ABZI(2) of the CCA), or under section 51ABZW(1)(a) of the CCA, that the Scheme may be put into effect, either on an unconditional basis or subject to conditions which are acceptable to the Bidder (acting reasonably and in good faith), which has been finally considered under section 51ABF of the CCA and is not stale under section 51ABG of the CCA;<br>(ii) (**Australian Competition Tribunal Review Determination**) a determination (**Review Determination**) from the Australian Competition Tribunal pursuant to section 100N(1)(a) of the CCA (whether made at first instance or following an application for judicial review under the *Administrative Decisions (Judicial Review) Act 1977* (Cth)), the effect of which is to permit the Scheme to be put into effect, either on an unconditional basis or subject to conditions which are acceptable to the Bidder (acting reasonably and in good faith) which is not stale under section 51ABG of the CCA and for which:<br>(A) the period in which an application for judicial review of the Review Determination may be brought has expired without any application by the ACCC or | The Bidder | The Bidder |

| CONDITION | | PARTY RESPONSIBLE | PARTY ENTITLED TO WAIVE |
|---|---|---|---|
| | a third party for judicial review having been lodged; or<br>(B) any application for judicial review of the Review Determination by the ACCC or third party is dismissed;<br>(iii) (**ACCC Waiver**) a determination from the ACCC under section 51ABV(1)(a) of the CCA that the Scheme is not required to be notified, which has not been withdrawn, revoked or adversely amended before 8:00am on the Second Court Date; or<br>(iv) (**Federal Court Judicial Review Determination**) an order from the Federal Court that the Scheme may be put into effect, or may be put into effect subject to conditions which are acceptable to the Bidder (acting reasonably and in good faith), under section 16 of the *Administrative Decisions (Judicial Review) Act 1977* (Cth) and which has not been set aside or adversely amended or appealed before 8:00am on the Second Court Date. | | |
| (b) | **ASIC and ASX**: before 8.00am on the Second Court Date, ASIC and ASX issue or provide all consents, approvals, modifications or waivers, or have done any other acts, which Carnaby and the Bidder agree (each acting reasonably) are necessary or desirable to implement the Scheme or any aspect of it, and those consents, approvals, modifications, waivers or other acts have not been withdrawn, cancelled or revoked at that time. | Both | Both |
| (c) | **Regulatory Approvals**: before 8:00am on the Second Court Date, all other approvals which are required by law or by any Government Agency, or which Carnaby and the Bidder agree (each acting reasonably) are necessary or desirable to implement the Scheme or any aspect of it, have been obtained and those approvals have not been withdrawn, cancelled or revoked at that time. | Both | Both |
| (d) | **No restraints or intervening action**: as at 8:00am on the Second Court Date, there is not in effect any:<br>(i) permanent or temporary restraining order, permanent or temporary injunction or other final or preliminary decision, order, decree or ruling issued by any court of competent jurisdiction or Government Agency;<br>(ii) action or investigation by any Government Agency;<br>(iii) law, rule or regulation; or<br>(iv) other legal restraint or prohibition,<br>that restrains, prohibits or materially impedes the implementation of the Scheme. | Both | Both |

| CONDITION | | PARTY RESPONSIBLE | PARTY ENTITLED TO WAIVE |
|---|---|---|---|
| (e) | **Carnaby Shareholder approval**: Carnaby Shareholders (other than Excluded Shareholders) approve the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act. | Carnaby | Cannot be waived |
| (f) | **Option Cancellation:** before 8:00am on the Second Court Date, Carnaby has entered into Option Cancellation Deeds with all holders of outstanding Carnaby Options (or has otherwise procured the exercise or cancellation of all outstanding Carnaby Options) such that there will be no outstanding Carnaby Options on or after the Implementation Date. | Carnaby | The Bidder |
| (g) | **Independent Expert**: the Independent Expert issues the Independent Expert's Report, which concludes that the Scheme is in the best interest of Carnaby Shareholders, and the Independent Expert does not withdraw, qualify or adversely change its conclusion in any written update to the Independent Expert's Report or withdraw its Independent Expert's Report before 8:00am on the Second Court Date. | Carnaby | Carnaby |
| (h) | **Court approval**: the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme (either unconditionally and without modification or with modifications or conditions consented to by the Bidder in accordance with clause 2.4). | Carnaby | Cannot be waived |
| (i) | **No Carnaby Prescribed Event**: no Carnaby Prescribed Event occurs between the date of this Deed and 8.00am on the Second Court Date. | Carnaby | The Bidder |
| (j) | **No Bidder Prescribed Event**: no Bidder Prescribed Event occurs between the date of this Deed and 8.00am on the Second Court Date. | The Bidder | Carnaby |
| (k) | **No Carnaby Material Adverse Effect**: no Carnaby Material Adverse Effect occurs between the date of this Deed and 8.00am on the Second Court Date. | Carnaby | The Bidder |
| (l) | **No breach of Carnaby Representations and Warranties**: the Carnaby Representations and Warranties are true and correct in all material respects as at the date of this Deed and each date up to and including 8:00am on the Second Court Date. | Carnaby | The Bidder |
| (m) | **No breach of Bidder Representations and Warranties**: the Bidder Representations and Warranties are true and correct in all material respects as at the date of this Deed and each date up to and including 8:00am on the Second Court Date. | The Bidder | Carnaby |
| (n) | **New Bidder Shares:** The New Bidder Shares to be issued pursuant to the Scheme are approved for official quotation by ASX before 8:00am on the Second Court Date (provided that such approval may be subject to customary conditions and to the Scheme becoming Effective) and that approval remains in full force and effect in all respects and has not been withdrawn, cancelled or revoked before 8:00am on the Second Court Date. | The Bidder | Carnaby |

### 3.2 Waiver of Conditions

(a) Where the third column of the table in clause 3.1 (**Table**) opposite a Condition states 'Cannot be waived', that Condition may not be waived. Each other Condition is only for the benefit of, and may only be waived by:

(i) if one party is specified in the third column of the Table opposite that Condition, that party; and

(ii) if both parties are specified in the third column of the Table opposite that Condition, the parties jointly.

(b) A party entitled to waive, or to join in the waiver of, a Condition may do so in its absolute discretion.

(c) If a waiver by a party of a Condition is itself made subject to a condition and the other party accepts that condition, the terms of that condition apply accordingly. If the other party does not accept a conditional waiver of a Condition, that Condition has not been waived.

(d) If a party waives the breach or non-fulfilment of a Condition, that waiver does not preclude that party from pursuing any Claim it may have against the other party for any breach of this Deed that resulted in the breach or non-fulfilment of the Condition.

(e) Unless specified in the waiver, a waiver of the breach or non- fulfilment of any Condition will not constitute a waiver of breach or non-fulfilment of:

(i) any other Condition resulting from events or circumstances giving rise to the breach or non-fulfilment of the first Condition; or

(ii) that Condition resulting from any other event or circumstance.

(f) Any waiver must be in writing.

### 3.3 Satisfaction of Conditions

Each party must:

(a) **regulatory approvals**: as soon as practicable after the date of this Deed, cooperate in good faith to develop a plan for communications with Government Agencies that are required to be approached for the purpose of procuring the satisfaction of any Condition;

(b) **procure satisfaction of Condition**: use its reasonable endeavours to procure that each Condition is satisfied as soon as practicable after the date of this Deed, including providing all reasonable assistance to the other party as is necessary to satisfy each Condition;

(c) **not prevent satisfaction of Condition**: not take any action (except as required by law including, for the avoidance of doubt, an action taken to avoid a potential breach of directors' fiduciary duties or statutory obligations) which is designed or is likely to prevent any Condition being satisfied, without the prior consent of the other party; and

(d) **promptly notify**: promptly notify the other party of the satisfaction or waiver of a Condition and must keep the other party informed of any material developments of which it becomes aware in relation to a Condition.

### 3.4 Failure of a Condition

If a Condition has not been satisfied or waived by the Relevant Date, or the Effective Date has not occurred or is incapable of occurring by the End Date, the parties:

(a) must consult in good faith to determine whether the Scheme may proceed by way of alternative means or methods; and

(b) may agree to extend the Relevant Date or the End Date, or both.

### 3.5 Scheme voted down because of Headcount Test

If the Scheme is not approved by Carnaby Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and Carnaby and the Bidder consider, acting reasonably, that the splitting by a holder of Scheme Shares into two or more parcels of Scheme Shares (whether or not it results in any change in beneficial ownership of the Scheme Shares), or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied then Carnaby must:

(a) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and

(b) make such submissions to the Court and file such evidence as counsel engaged by Carnaby to represent it in Court proceedings related to the Scheme, in consultation with the Bidder, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.

## 4. TRANSACTION STEPS

### 4.1 Proposal of Scheme

Carnaby must propose the Scheme to the Carnaby Shareholders.

### 4.2 Transfer of Scheme Shares

Under the Scheme:

(a) all of the Scheme Shares held by Scheme Shareholders will be transferred to the Bidder; and

(b) each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder.

### 4.3 Treatment of Carnaby Options

(a) Carnaby must, as soon as reasonably practicable after the date of this Deed, take all action necessary to ensure that there will be no outstanding Carnaby Options on or after the Implementation Date:

(b) Without limiting the generality of clause 4.3(a), Carnaby and the Bidder must, as soon as reasonably practicable after the date of this Deed (and, in any event, no later than the First Court Date):

    (i) take all action necessary to cause all outstanding Carnaby Options to be cancelled in accordance with a Carnaby Option Deed;

    (ii) if applicable, make any necessary waiver applications or requests for ASX consent under the ASX Listing Rules to permit the actions under this clause 4.3(b); and

    (iii) not amend, vary or waive any obligation or commitment given in a Carnaby Option Deed by a Carnaby Optionholder.

### 4.4 Timetable

(a) Each party must use all reasonable endeavours to ensure that the Scheme is implemented in accordance with the Timetable.

(b) Failure by a party to meet any timeframe or deadline set out in the Timetable will not constitute a breach of clause 4.4(a) to the extent that such failure is due to circumstances and matters outside of the party's control, including any action or omission by a Government Agency.

(c) Carnaby must keep the Bidder informed of its progress against the Timetable and consult with the Bidder on a regular basis about its progress and each party must notify the other immediately if it believes or it becomes apparent to it that any of the dates in the Timetable are not achievable.

(d) If any date in the Timetable is not able to be achieved due to events outside the control of the parties, the parties must consult in good faith with a view to amending the Timetable to the extent required to permit the Scheme to be implemented as soon as practicable and in any event before the End Date.

## 5. SCHEME CONSIDERATION

### 5.1 Scheme Consideration

(a) Each Scheme Shareholder is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder, subject to and in accordance with the terms of this Deed and the Scheme.

(b) Subject to the Scheme becoming Effective, the Bidder undertakes and warrants in favour of Carnaby (in Carnaby's own right and separately as trustee for each of the Scheme Shareholders) that, in consideration of the transfer to the Bidder of all Scheme Shares pursuant to the terms of the Scheme, the Bidder will:

(i) accept that transfer on the Implementation Date; and

(ii) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder for each Scheme Share,

in each case, on and subject to the terms of the Scheme.

### 5.2 Ineligible Foreign Shareholders and Electing Small Parcel Shareholders

(a) Each Small Parcel Shareholder will be deemed to be an Electing Small Parcel Shareholder unless they elect, by providing an Opt-out Notice to the Bidder before 5.00pm on the Business Day prior to the Record Date, not to participate in the sale facility under this clause 5.2.

(b) The Bidder has no obligation under this Deed, the Scheme or the Deed Poll to issue, and will not issue, any New Bidder Shares to any Ineligible Shareholder and instead, the Bidder must:

(i) on the Implementation Date, issue to the Sale Agent the New Bidder Shares to which Ineligible Shareholders would otherwise be entitled under the Scheme;

(ii) procure that, as soon as reasonably practicable after the Implementation Date (and in any event within 15 Business Days of the date on which the Bidder Shares are capable of being traded on ASX after the Implementation Date), the Sale Agent, acting on behalf of Ineligible Shareholders, sells (on ASX or off-market) all of the New Bidder Shares issued to it in such manner, at such price and on such other terms as the Sale Agent determines in good faith (with the outcome of such sale being at the risk of the Ineligible Holder);

(iii) procure that the Sale Agent, as soon as reasonably practicable after settlement of the sale of the Sale Shares (and in any event within 10 Business Days of such settlement) remits, or procures to be remitted, the Sale Proceeds to the Bidder; and

(iv) promptly after all of the Sale Proceeds have been remitted to the Bidder by the Sale Agent in accordance with clause 5.2(b)(iii) (following the last sale of such New Bidder Shares), pay to each Ineligible Shareholder an amount in Australian dollars equal to the proportion of the Sale Proceeds received by the Bidder to which that Ineligible Shareholder is entitled, in full satisfaction of their right to the Scheme Consideration.

(c) The Bidder must appoint the Sale Agent at least 5 Business Days prior to the Scheme Meeting.

(d) None of Carnaby, the Bidder or the Sale Agent give any assurance as to the price that will be achieved for the sale of New Bidder Shares in accordance with this clause 5.2 and the sale of New Bidder Shares will be at the risk of the Ineligible Shareholders.

**5.3 New Bidder Shares to rank equally**

(a) The Bidder undertakes and warrants in favour of Carnaby (in its own right and on behalf of each Scheme Shareholder) that:

(i) on issue, the New Bidder Shares issued under the Scheme as Scheme Consideration will:

(A) be duly issued;

(B) rank equally in all respects with all existing Bidder Shares;

(C) confer an entitlement to participate in and receive any dividends or distribution of capital paid and any other entitlements accruing in respect of Bidder Shares; and

(D) be fully paid and free from any mortgage, charge, lien, encumbrance or other Security Interest, encumbrance or third-party rights;

(ii) it will apply to ASX for the official quotation by ASX of the New Bidder Shares that comprise the Scheme Consideration on the Official List of ASX; and

(iii) it will use its best endeavours to ensure that the New Bidder Shares will be listed for quotation on the Official List of ASX with effect from the Business Day after the Effective Date (or such later date as ASX may require), initially on a deferred settlement basis and, with effect from the first Business Day after the Implementation Date, on an ordinary (T+2) settlement basis.

(b) The Bidder acknowledges that the undertakings and warranties by the Bidder in this clause 5.3 are given to Carnaby in its own right and in its capacity as trustee and nominee for each Scheme Shareholder.

**5.4 Joint holders**

In the case of Scheme Shares held in joint names, any uncertificated holding statements for Scheme Consideration to be issued will be issued in the names of the joint holders and will be forwarded to the address of the holder whose name first appears as recorded in the Carnaby Share Register on the Record Date.

**5.5 Fractional entitlements**

Where the calculation of the number of New Bidder Shares to be issued to a particular Scheme Shareholder (including an Ineligible Shareholder dealt with in accordance with clause 5.2) would result in the Scheme Shareholder becoming entitled to a part of a New Bidder Share, then any such fractional entitlement will be rounded as follows:

(a) if the fractional entitlement is less than 0.5, it will be rounded down to the nearest whole number of New Bidder Shares; and

(b) if the fractional entitlement is equal to or more than 0.5, it will be rounded up to the nearest whole number of New Bidder Shares.

**5.6 Share splitting**

If Bidder is of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares that results in rounding in accordance with the application of the Transaction Ratio) have, before the Record Date, been party to share splitting or division in an attempt to obtain unfair advantage by reference to such rounding, Bidder may give notice to those Scheme Shareholders:

(a) setting out their names and registered addresses as shown in the Carnaby Share Register;

(b) stating that opinion; and

(c) attributing the Scheme Shares held by all of them to one of them as specifically identified in the notice,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the Scheme and Deed Poll, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the Scheme and Deed Poll, be taken to hold no Scheme Shares. Bidder, in complying with the other provisions of the Scheme and Deed Poll relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme and the Deed Poll.

**5.7 Excluded Shareholders**

(a) The Bidder represents that, to the extent any Bidder Group Member is an Excluded Shareholder, that Bidder Group Member consents to be excluded from the operation of the Scheme.

(b) The parties acknowledge and agree that, to the extent there is any Excluded Shareholder, that person will not be a "Scheme Shareholder" for the purposes of this Deed and will be excluded from the operation of the Scheme.

**5.8 Australian Tax roll-over**

(a) The Bidder acknowledges that each Scheme Shareholder who is an Australian resident shareholder who holds their Scheme Shares on capital account is expected to seek roll-over relief under subdivision 124-M of the Tax Act, to the extent permitted under the Tax Act.

(b) The Bidder undertakes that it will not make a choice to deny roll-over relief to the Scheme Shareholders under subsection 124-795(4) of the Tax Act.

**5.9 Foreign Resident Capital Gains Withholding**

(a) If Bidder is required to make any withholding, deduction or payment for or on account of Tax (including under Subdivision 14-D of Schedule 1 of the Tax Act) (**Subdivision 14-D**) or by any Government Agency in respect of the acquisition of the Scheme Shares from the Scheme Shareholders, Bidder:

(i) must pay or procure the payment of the full amount of the withholding or deduction, or make or procure the making of the payment, to the appropriate Government Agency under applicable law;

(ii) is entitled to deduct the relevant amounts from provision of the Scheme Consideration to the Scheme Shareholders (including, but not limited to, by issuing such lesser number of New Bidder Shares to a Scheme Shareholder as appropriate); and

(iii) will not be required to pay any additional amount and will be deemed for all purposes to have paid the full amount of the Scheme Consideration (or other payment) required under this Deed.

(b) Subject to clause 5.9(f), Bidder acknowledges and agrees that it will not withhold or deduct any Subdivision 14-D amounts under clause 5.9(a) with respect to a Scheme Shareholder where Bidder:

(i) receives a valid declaration provided by a Scheme Shareholder in accordance with section 14-225 and section 14-210(3) of Schedule 1 to the Tax Act (**Scheme Shareholder Declaration**) from the Scheme Shareholder prior to the Effective Date and, if the Effective Date is more than six months after the date of this Deed, a further Scheme Shareholder Declaration; and

(ii) does not know any such Scheme Shareholder Declaration to be false.

(c) Carnaby agrees that Bidder may approach the ATO to obtain clarification as to the application of Subdivision 14-D to the Transaction and will provide all information and assistance that Bidder reasonably requires in making any such approach.

(d) The parties agree:

(i) that Bidder may approach the ATO to obtain clarification as to the application of Subdivision 14-D to the Scheme and to use reasonable endeavours to reach an agreement with the ATO to mitigate the withholding required under Subdivision 14-D and, where possible, reduce the circumstances where a Scheme Shareholder is required to provide a Scheme Shareholder Declaration;

(ii) that Bidder will provide Carnaby a reasonable opportunity to review the form and content of all materials to be provided to the ATO, and must incorporate Carnaby's reasonable comments on those materials; and

(iii) not to contact any Carnaby Shareholders in connection with the application of Subdivision 14-D to the Scheme without Carnaby's prior written consent (which shall not be unreasonably withheld).

(e) The parties agree to consult in good faith as to the application of Subdivision 14-D, including taking into account any clarification provided by the ATO following any of the processes described in clause 5.9(d). The parties agree to take all actions that they agree (each acting reasonably) are necessary or desirable following that consultation which may include making amendments to this Deed and the Scheme and to ensure that relevant representations are obtained from Scheme Shareholders.

(f) If, after the date this Deed is signed legislation is enacted, the effect of which is to make a Scheme Shareholder Declaration insufficient of itself to prevent a withholding otherwise required under section 14-200 of Subdivision 14-D without a further notice being given to the Commissioner of Taxation (and a further notice given to the Bidder regarding such notification to the Commissioner of Taxation), clause 5.9(b) above does not apply with respect to a Scheme Shareholder unless that Scheme Shareholder has given such further notices in compliance with and within the period required by the enacting legislation.

# 6. IMPLEMENTATION

## 6.1 Carnaby’s obligations

Carnaby must take all necessary steps to implement the Scheme as soon as reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step (and must consult with the Bidder on a regular basis about its progress in that regard), including doing any acts it is authorised and able to do, on behalf of Carnaby Shareholders, and including each of the following:

(a) **Carnaby Board recommendation for Announcement**: include a statement in the Announcement on the basis of statements made to Carnaby by each member of the Carnaby Board) that each member of the Carnaby Board:

(i) unanimously considers that the Scheme is in the best interests of Carnaby Shareholders;

(ii) unanimously recommends that Carnaby Shareholders vote in favour of the Scheme and approve the Scheme; and

(iii) will vote (or will procure the voting of) all Carnaby Shares held or controlled by or on their behalf in favour of the Scheme, subject to there being no Superior Proposal in respect of Carnaby, and subject to the Independent Expert concluding and continuing to conclude that the Scheme is in the best interests of Carnaby Shareholders (other than Excluded Shareholders);

(b) **Prepare Carnaby Shareholder engagement policy**: as soon as practicable after the date of this Deed, prepare a Carnaby Shareholder engagement policy and consult with the Bidder as to the content of that policy prior to engaging with Carnaby Shareholders in connection with the Scheme;

(c) **Preparation of Scheme Booklet**: prepare and despatch the Scheme Booklet in accordance with all applicable laws and in particular with the Corporations Act, the Corporations Regulations, RG60 and the Listing Rules;

(d) **Prepare information regarding the Merged Group:** prepare and promptly provide to the Bidder any information regarding the Carnaby Group that the Bidder reasonably requires or requests in order to prepare information regarding Merged Group for inclusion in the Scheme Booklet;

(e) **Consultation with the Bidder in relation to Scheme Booklet**: consult with the Bidder as to the content and presentation of the Scheme Booklet (save to the extent such content and presentation is prescribed by the Corporations Act) including:

(i) providing to the Bidder drafts of the Scheme Booklet and the Independent Expert's Report for the purpose of enabling the Bidder to review and comment on those draft documents. In relation to the Independent Expert's Report, the Bidder's review is to be limited to a factual accuracy review;

(ii) taking all comments made by the Bidder, received within a reasonable time, into account and in good faith when producing revised draft(s) of the Scheme Booklet;

(iii) providing to the Bidder a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and to enable the Bidder to review the Regulator's Draft before the date of its submission; and

(iv) obtaining written approval from the Bidder for the form and content in which the Bidder Information appears in the Scheme Booklet prior to lodging the Regulator's Draft with ASIC;

(f) **Accuracy of Carnaby Information**: confirming to the Bidder that Carnaby has reasonable grounds to believe, and does believe, that the Carnaby Information in the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;

(g) **Carnaby Board recommendation in Scheme Booklet**: include in the Scheme Booklet a statement by the Carnaby Board:

(i) unanimously recommending that Carnaby Shareholders (other than Excluded Shareholders) vote in favour of the Scheme at the Scheme Meeting; and

(ii) that each Carnaby Director will vote, or procure the voting of any Carnaby Shares held or controlled by or on his behalf at the date of this Deed in favour of the Scheme at the Scheme Meeting,

in the absence of a Superior Proposal in respect of Carnaby or unless there has been a change of recommendation permitted by clause 6.7;

(h) **Update Scheme Booklet**: promptly update the Scheme Booklet with any information that arises after the Scheme Booklet has been dispatched and until the date of the Scheme Meeting that is necessary to ensure that the Scheme

Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;

(i) **Section 411(17)(b) statement**: apply to ASIC for the production of:

(i) indication of intent letters stating that it does not intend to appear before the Court on the First Court Date; and

(ii) statements under section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme;

(j) **Court directions**: apply to the Court for orders pursuant to section 411(1) of the Corporations Act directing Carnaby to convene the Scheme Meeting;

(k) **Appeal process:** if the Court refuses to make any orders directing Carnaby to convene the Scheme Meeting or approving the Scheme:

(i) consult with the Bidder in good faith as to whether to appeal the Court's decision;

(ii) appeal the Court decision unless the parties agree otherwise there is no reasonable prospect of success before the End Date; and

(iii) bear the costs of any appeal, provided that the Bidder will contribute to costs only to the extent that it elects to participate in the appeal or causes the scope of the appeal to be broadened beyond what would otherwise be reasonably required.

(l) **Apply for ASX and ASIC relief**: use its reasonable endeavours to obtain all waivers, exemptions and modifications from ASX and ASIC as may be required to facilitate implementation of the Scheme;

(m) **Liaison with ASX and ASIC**:

(i) permit the Bidder to attend and participate in any meetings or discussions between Carnaby and ASIC or ASX regarding the content or approval of the Scheme Booklet, to the extent those meetings concern the Bidder Information or any aspect of the Scheme that concerns the Bidder;

(ii) provide the Bidder with drafts of all material correspondence to be sent by Carnaby to ASIC or ASX regarding the Scheme Booklet for the Bidder's review and comment before sending; and

(iii) provide the Bidder with copies of all substantive correspondence received from ASIC or ASX regarding the Scheme Booklet within one Business Day of receipt;

(n) **Scheme Meeting**: convene the Scheme Meeting to agree to the Scheme in accordance with orders made by the Court pursuant to section 411(1) of the Corporations Act;

(o) **Representation**: procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b);

(p) **Court documents**: consult with the Bidder in relation to the content of the documents required for the purpose of each of the Court hearings held for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from the Bidder and its Representatives on those documents;

(q) **Court approvals**: if the resolution approving the Scheme is passed by the requisite majorities of Carnaby Shareholders at the Scheme Meeting under section 411(4)(a)(ii) of the Corporations Act, as soon as practicable after such time, apply to the Court for orders approving the Scheme as agreed to by the Carnaby Shareholders at the Scheme Meeting;

(r) **Certificate**: at the hearing on the Second Court Date provide to the Court a certificate confirming whether or not the Conditions in clause 3.1 (other than the Conditions in clause 3.1(h) has been satisfied or waived in accordance with this Deed. A draft of such certificate shall be provided by Carnaby to the Bidder by 4:00pm on the Business Day prior to the Second Court Date;

(s) **Lodge copy of Court order**: lodge with ASIC an office copy of the Court order in accordance with section 411(10) of the Corporations Act approving the Scheme (if made) on the day such office copy is received (or such later date as agreed in writing by the Bidder);

(t) **Scheme Consideration**: close the Carnaby Share Register as at the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme and the Deed Poll;

(u) **Scheme Consideration registration**: subject to the Bidder having issued the Scheme Consideration in accordance with the Scheme and the Deed Poll, register all transfers of Scheme Shares held by Scheme Shareholders to the Bidder on or as soon as practicable after the Implementation Date;

(v) **Scheme transfer**: promptly execute proper instruments for the transfer of, and register all transfers of, Scheme Shares to the Bidder in accordance with the Scheme;

(w) **Shareholder information**: provide all necessary information, or procure that the Carnaby Registry provides all necessary information, in each case in a form reasonably requested by the Bidder, about the Scheme, and Scheme Shareholders to the Bidder and its Representatives which the Bidder reasonably requires in order to:

(i) canvass agreement to the Scheme by Scheme Shareholders (including the results of directions by Carnaby to Scheme Shareholders under Part 6C.2 of the Corporations Act); or

(ii) facilitate the provision by, or on behalf of, Bidder of the Scheme Consideration.

Carnaby must comply with any reasonable request of Bidder for Carnaby to give directions to Scheme Shareholders pursuant to Part 6C.2 of the Corporations Act from time to time for one of the purposes referred to in (i) or (ii) above;

(x) **Proxy information**: between the date commencing 5 Business Days after the Scheme Booklet is sent and the day prior to the Scheme Meeting, on a daily basis or otherwise as reasonably requested by the Bidder, provide the Bidder with details of proxies received in relation to the resolutions to be considered at the Scheme Meeting;

(y) **ASIC and ASX review**: keep the Bidder informed of any matters raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction, and use reasonable endeavours to take into consideration in resolving such matters any issues raised by the Bidder;

(z) **Independent Expert**: promptly appoint the Independent Expert in connection with the preparation of the Independent Expert's Report, and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet (including any updates to such report) and any other materials to be prepared by them for inclusion in the Scheme Booklet (including any updates thereto);

(aa) **Other experts**: provide all assistance and information reasonably requested by any experts appointed by Carnaby and/or the Bidder in connection with the Scheme;

(bb) **Compliance with laws**: do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction (including, without limitation, doing everything reasonably within its powers to ensure the Transaction complies with all applicable securities law; or is otherwise exempt therefrom);

(cc) **Carnaby Prescribed Event**: ensure that no Carnaby Prescribed Event occurs between the date of this Deed and 8:00am on the Second Court Date;

(dd) **ASX listing**: must use its best endeavours to ensure that Carnaby continues to be listed on the ASX, and that the Carnaby Shares continue to be quoted on ASX, until the close of business on the day all transfers of Scheme Shares to the Bidder have been registered, including making appropriate applications to ASX and ASIC; and

(ee) **Other things necessary**: promptly do all other things reasonably within its power to lawfully give effect to the Scheme and the orders of the Court approving the Scheme.

### 6.2 Bidder's obligations

The Bidder must take all necessary steps to implement the Scheme as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step (and consult with Carnaby on a regular basis about its progress in that regard), including doing each of the following:

(a) **Bidder Information for Scheme Booklet:**

(i) prepare and promptly provide to Carnaby the Bidder Information for inclusion in the Scheme Booklet, including information regarding the Bidder Group required by all applicable laws and in particular by the Corporations Act, the Corporations Regulations, RG60 and the Listing Rules;

(ii) consent to the inclusion of Bidder Information in the Scheme Booklet; and

(iii) confirm to Carnaby that the Bidder has reasonable grounds to believe, and does believe, that the Bidder Information in the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;

(b) **Assist Independent Expert**: subject to the Independent Expert entering reasonable confidentiality arrangements with the Bidder, provide any information reasonably requested by the Independent Expert in connection with the Independent Expert's Report;

(c) **Update Bidder Information**: promptly provide Carnaby with any Bidder Information that arises after the Scheme Booklet has been dispatched and until the date of the Scheme Meeting that is necessary to ensure that the Bidder Information in the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;

(d) **Review of Scheme Booklet**: review the drafts of the Scheme Booklet prepared by Carnaby and provide comments promptly on those drafts in good faith;

(e) **Deed Poll**: by no later than the Business Day prior to the First Court Date, enter into the Deed Poll;

(f) **Scheme Share transfer**: if the Scheme becomes Effective, accept a transfer of the Scheme Shares as contemplated by clause 4.2;

(g) **Experts**: provide all assistance and information reasonably requested by any experts appointed by Carnaby and/or Bidder in connection with the Scheme;

(h) **Compliance with laws**: do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction (including, without limitation, doing everything reasonably within its powers to ensure the Transaction complies with all applicable securities laws or is otherwise exempt therefrom);

(i) **Bidder Scheme Consideration**: if the Scheme becomes Effective, provide the Scheme Consideration in the manner and amount contemplated by clause 5 and the terms of the Scheme;

(j) **Bidder Prescribed Event**: ensure that no Bidder Prescribed Event occurs between the date of this Deed and 8:00am on the Second Court Date;

(k) **ASX listing**: must use its best endeavours to ensure that Bidder continues to be listed on the ASX, and that the Bidder Shares continue to be quoted on ASX, until the close of business on the day all transfers of Scheme Shares to the Bidder have been registered, including making appropriate applications to ASX and ASIC; and

(l) **Other things necessary**: promptly do all other things reasonably within its power to give effect to the Scheme.

### 6.3 Preparation of Scheme Booklet

(a) (**Dispute as to Scheme Booklet**) If, after a reasonable period of consultation and compliance by Carnaby with its obligations under clause 6.1(e), Bidder and Carnaby, acting reasonably and in good faith, are unable to agree on the form or content of the Scheme Booklet, then:

(i) if the disagreement relates to the form or content of the Bidder Information (or any information solely derived from, or prepared solely in reliance on, the Bidder Information), Carnaby will, acting in good faith, make such amendments to that information in the Scheme Booklet as the Bidder may reasonably require; and

(ii) if the disagreement relates to the form or content of the Carnaby Information, Carnaby will, acting in good faith, decide the final form of that information in the Scheme Booklet.

(b) (**Consent of Bidder**) Without limiting clause 6.3(a), Carnaby must obtain written consent from the Bidder in relation to the form and context in which any Bidder Information (and any information solely derived from, or prepared solely in reliance on, the Bidder Information) is used, such consent not to be unreasonably withheld by the Bidder.

(c) (**Verification**) Carnaby must undertake appropriate verification processes in relation to the Carnaby Information included in the Scheme Booklet, and Bidder must undertake appropriate verification processes in relation to the Bidder Information included in the Scheme Booklet.

### 6.4 Conduct of business of Carnaby

(a) Subject to clause 6.4(b) and without limiting any other obligations of Carnaby under this Deed, from the date of this Deed up to and including the Implementation Date, Carnaby must, and must cause each member of the Carnaby Group to conduct its businesses in the ordinary and usual course generally consistent with the manner in which each such business and operations have been conducted in, and otherwise as Fairly Disclosed by Carnaby (but subject to the remainder of this clause 6.4), in the 12 month period prior to the date of this Deed, and must, and procure that each member of the Carnaby Group must:

(i) keep the Bidder informed of any material developments concerning the conduct of its business;

(ii) promptly deliver to the Bidder any Mining Information generated after the date of this Deed;

(iii) not update, vary, amend or replace the Life of Mine Plan without the prior written consent of the Bidder;

(iv) not:

(A) amend, terminate or transfer any of its rights or obligations under:

(I) the Glencore Subscription Agreement; or

(II) the Glencore Termination Deed,

or agree to any such amendment, termination or transfer, without the prior written consent of the Bidder; or

(B) take or permit any action that would result in the Glencore Subscription Agreement or the Glencore Termination Deed not being performed and completed in accordance with their respective terms;

(v) keep the Bidder informed of, and provide copies of (where relevant) any correspondence with RTX in relation to the Wimberu Farm-in Agreement or the Rio Tinto Tenements;

(vi) in circumstances where RTX provides Carnaby with any proposal relating to the disposal of Carnaby's rights under the Wimberu Farm-in Agreement (**Disposal Proposal**), consult promptly and in good faith with the Bidder, and take account of all reasonable comments provided by the Bidder in relation to a Disposal Proposal;

(vii) keep the Bidder reasonably informed of the status of applications for any new Material Authorisation (which shall include providing copies of all relevant correspondence with any Government Agency) and reasonably consult in good faith with the Bidder in respect of any proposed conditions that will be attached to the grant of any new Material Authorisation, and take account of all reasonable comments provided by the Bidder in relation to such conditions;

(viii) not incur capital expenditure in excess of the Budget or undertake any mining activities which are not expressly provided for in the Budget;

(ix) not, in relation to any officers, directors, other executives or employees of Carnaby or a Carnaby Group Member:

(A) enter into or amend any employment, consulting, severance or similar agreement or arrangement;

(B) increase their remuneration; or

(C) accelerate their rights to compensation or benefits of any kind;

(x) not, pay any of its directors or employees a termination or retention payment other than in accordance with contractual arrangements in effect on the date of this Deed and which have been Fairly Disclosed in the Carnaby Disclosure Materials;

(xi) not, waive any non-compete rights against Carnaby Group executives;

(xii) not, enter into any enterprise bargaining agreement or industrial instrument other than in the ordinary course of business;

(xiii) not enter or agree to enter into any agreement in respect of the employment or engagement of a person as a senior executive unless:

(A) the agreement includes a probationary period of at least three months;

(B) the agreement does not include any change of control or termination or bonus provision which would be triggered by the Scheme;

(C) Bidder is provided with a reasonable opportunity to interview the prospective employee or consultant; and

(D) Carnaby takes into consideration any reasonable comments of Bidder prior to determining whether to enter into such agreement; and

(xiv) not, without the prior written consent of the Bidder, enter into or otherwise agree to enter into, waive any rights in relation to, terminate or amend any agreement or arrangement material to Carnaby's business, including:

(A) any native title agreement, cultural heritage agreement, landholder compensation agreements; or

(B) any profit sharing arrangement with Hammer, pursuant to the Hammer JVA;

(xv) take all necessary steps to (in the case of clauses 6.4(a)(xv)(A), 6.4(a)(xv)(B), 6.4(a)(xv)(C) and 6.4(a)(xv)(G)) and make all reasonable efforts to (in the case of clauses 6.4(a)(xv)(D), 6.4(a)(xv)(E) and 6.4(a)(xv)(F)) to:

(A) maintain the granted Carnaby Tenements in good standing and in full force and effect;

(B) maintain and comply with all Material Authorisations;

(C) without limiting clauses 6.4(a)(xv)(A) or 6.4(a)(xv)(B):

(I) make all applications for the renewal of the granted Carnaby Tenements and Material Authorisations by the due date for those applications under, and progress those applications in accordance with, all applicable laws and regulatory requirements; and

(II) progress each Carnaby Tenement Application and each Carnaby Tenement Renewal Application in accordance with all applicable laws and regulatory requirements;

(D) preserve and maintain the value of businesses and assets within the Carnaby Group;

(E) keep available the services of their directors, officers and employees;

(F) maintain and preserve the relationships of each Carnaby Group Member with Government Agencies, customers, suppliers, licensors, licensees, native title holders and registered native title claimants and others having business dealings with Carnaby and any other member of the Carnaby Group (including, using reasonable endeavours to obtain consents from third parties to any change of control provisions which Bidder reasonably requests in contracts or arrangements to which a member of the Carnaby Group is a party in accordance with clause 6.6); and

(G) not enter into any lines of business or other activities in which the Carnaby Group is not engaged as at the date of this Deed;

(xvi) comply with all applicable laws, the Listing Rules and Authorisations; and

(xvii) take all necessary steps to:

(A) procure the transfer of 100% of the legal title in the Trust Tenements to Carnaby and to terminate each of the Trust Deeds; and

(B) procure the transfer the Trekelano Water Licence to Carnaby,

in each case:

(C) at nil cost to, or for nil consideration payable by, the Carnaby Group, including for the avoidance of doubt, any Tax which arises out of the result of the steps contemplated above; and

(D) on terms reasonably acceptable to the Bidder,

provided that reasonable legal costs not exceeding $25,000 arising as a result of the steps contemplated in clause 6.4(a)(xvii)(A) may be borne by the Carnaby Group; and

(b) Nothing in clause 6.4(a) restricts the ability of Carnaby to take any action which:

(i) is required by or expressly acknowledged by this Deed, the Budget, or the Scheme, including in response to any Competing Proposal in accordance with clause 12;

(ii) is expressly accounted for, or expressly contemplated by, in the Budget;

(iii) has been agreed to in writing by the Bidder; or

(iv) has been Fairly Disclosed in the Carnaby Disclosure Materials or announcements made by Carnaby to the ASX in the 24 month period prior to the date of this Deed,

or, where Carnaby can reasonably demonstrate to the Bidder's satisfaction, or the Bidder reasonably determines that complying with the restriction would cause a breach of applicable laws.

**6.5 Carnaby Board and management changes**

(a) Carnaby represents and warrants to Bidder that it has been advised by each Carnaby Director that they will on the Implementation Date:

(i) resign from their office as a Carnaby Director by providing to the Carnaby Board their resignation in writing (such resignation to include a statement to the effect that the outgoing director has no Claim outstanding against any member of the Carnaby Group;

(ii) resign from their office as a director of the relevant subsidiary of Carnaby by providing to the board of the relevant subsidiary of Carnaby their resignation in writing (such resignation to include a statement to the effect that the outgoing director has no Claim outstanding against any member of the Carnaby Group); and

(iii) procure that those persons nominated by Bidder are appointed to the Carnaby Board and the board of any Subsidiaries of the Carnaby Group and procure the resignations of the existing directors of any member of the Carnaby Group, as required by Bidder,

and Carnaby must procure that such changes to the Carnaby Board and the boards of Carnaby's Subsidiaries occur on the Implementation Date.

(b) The obligations in clause 6.5(a) are subject to and conditional on:

(i) the Scheme Consideration having been provided in full to the Scheme Shareholders in accordance with the Scheme; and

(ii) the receipt by Bidder of signed consents to act as directors of the relevant entity from those persons nominated by Bidder.

**6.6 Change of control consents**

As soon as practicable after the date of this document, Carnaby and the Bidder must use all reasonable endeavours to identify any change of control or unilateral termination rights in material contracts to which any member of the Carnaby Group is a party which may be triggered or exercised in response to the implementation of the Scheme and shall use reasonable endeavours to obtain the consent or waiver of such third party.

**6.7 Carnaby Board recommendation**

(a) Subject to clause 6.7(b), the Carnaby Board must unanimously recommend that Carnaby Shareholders (other than Excluded Shareholders) vote in favour of:

(i) the Scheme; and

(ii) the resolutions relevant to Carnaby Shareholders in the Scheme Booklet,

at the Scheme Meeting in the absence of a Superior Proposal in respect of Carnaby.

(b) The Carnaby Board collectively and the members of the Carnaby Board individually, must not change:

(i) withdraw or modify its, his or her recommendation in favour of the Scheme; or

(ii) support or endorse a Competing Proposal in respect of Carnaby or recommend that Carnaby Shareholders accept or vote in favour of a Competing Proposal in respect of Carnaby,

unless:

(iii) in respect of the Scheme, the Independent Expert provides a report to Carnaby which concludes (and continues to conclude) that the Scheme is not in the best interests of Carnaby Shareholders (other than Excluded Shareholders); or

(iv) Carnaby has received a Competing Proposal which is a Superior Proposal, provided that the Bidder Counterproposal provisions have been complied with in accordance with clauses 12.6(b) and 12.6(c).

(c) If the Carnaby Board proposes to change its recommendation in accordance with clause 6.7(b):

(i) the Carnaby Board must notify Bidder in writing as soon as reasonably possible and in any event within 24 hours if it is proposing to announce a change, withdrawal or modification of its recommendation; and

(ii) the parties must consult in good faith for 5 Business Days after the date on which the notification in clause 6.7(c)(i) is given to consider and determine whether the recommendation in place at that time can be maintained. That recommendation cannot be withdrawn or changed until the end of the consultation period and Carnaby must use all reasonable endeavours to ensure that the Carnaby Director does not publicly make any statement inconsistent with that recommendation until the end of the consultation period.

**6.8 Conduct of Court proceedings**

(a) Carnaby and the Bidder are entitled to separate representation at all Court proceedings affecting the Transaction.

(b) This Deed does not give Carnaby or the Bidder any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent.

(c) Carnaby and the Bidder must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Transaction as contemplated by this Deed.

### 6.9 Responsibility statements

The Scheme Booklet will contain a responsibility statement to the effect that:

(a) the Bidder is responsible for the Bidder Information contained in the Scheme Booklet; and

(b) Carnaby is responsible for the Carnaby Information contained in the Scheme Booklet.

## 7. ACCESS TO INFORMATION

(a) Between the date of this Deed and the Implementation Date, Carnaby must cause each of its Subsidiaries to promptly afford the Bidder and its Representatives reasonable access to information (subject to any existing confidentiality obligations owed to third parties), premises or such senior executives of any member of the Carnaby Group as reasonably requested, at mutually convenient times and afford the Bidder reasonable co-operation for the sole purpose of:

(i) keeping the Bidder informed as to the status and conduct of the business of Carnaby (including, without limitation, in relation to proposed and completed drilling, the status of any Carnaby Tenements or Authorisations, communications with Government Agencies, regulatory compliance, actual or potential breaches or disputes with contractors, joint venture partners or regulators, feasibility or other study updates, permit application status etc);

(ii) implementation of the Scheme and the performance of its obligations under this Deed, provided that nothing in this sub-clause will require Carnaby to provide information concerning Carnaby's directors and management's consideration of the Scheme, any Competing Proposal, or any Potential Competing Proposal; or

any other purpose agreed between the parties,

provided that:

(iii) such requests do not result in unreasonable disruptions to Carnaby's business; and

(iv) Carnaby may provide its records to the Bidder at a place other than at its business premises.

(b) Without limiting clause 7(a), between the date of this Deed and the Implementation Date, Carnaby must schedule, and make available its senior management for, meetings with the Bidder (or its Representatives) no less frequently than once per calendar month to discuss Carnaby's performance against the Budget;

(c) Carnaby must provide, and must cause other members of the Carnaby Group to provide:

(i) Bidder and its Representatives with reasonable access (at times mutually agreeable to the parties) to Carnaby's auditors, accountants, books and records (including financial reports, audited or otherwise) for the purpose of preparation of the financial statements (including pro forma statements for the Merged Group, if any) for inclusion in the Scheme Booklet (and any updates);

(ii) Bidder, its Representatives, and any qualified persons appointed by Bidder with reasonable access (at times mutually agreeable to the parties) to Carnaby's properties and technical and scientific information on Carnaby's properties for the purpose of preparation of any technical report required to support disclosure in the Scheme Booklet; and

(iii) Bidder and its Representatives with reasonable access (at times mutually agreeable to the parties) to inspect the assets, premises, books and records of, and to have reasonable access to the senior management of, the Carnaby Group.

## 8. REPRESENTATIONS AND WARRANTIES

### 8.1 Bidder Representations and Warranties

Bidder represents and warrants to Carnaby each of the Bidder Representations and Warranties.

### 8.2 Qualifications on Bidder Representations and Warranties

The Bidder Representations and Warranties made or given under clause 8.1 are each subject to matters which:

(a) are expressly provided for in this Deed;

(b) have been Fairly Disclosed in an announcement made by the Bidder to the ASX in the 24 month period prior to the date of this Deed; or

(c) are within the actual knowledge of Carnaby, which for these purposes is taken to include (and be limited to) the facts, matters and circumstances of which a Carnaby Director is actually aware as at the date of this Deed.

### 8.3 Awareness of Bidder Representations and Warranties

Where a Bidder Representation and Warranty is given 'to the best of the Bidder Directors' knowledge', or 'so far as the Bidder Directors are aware' or with a similar qualification as to the awareness or knowledge of the Bidder Directors, the Bidder Directors will be deemed to know or be aware of a particular fact, matter or circumstance if any Bidder Director is actually aware of that fact, matter or circumstance as at the date of this Deed or would reasonably be expected to be aware of that fact, matter or circumstance if, on the date the Bidder Representation and Warranty is given, they had made due and reasonable enquiries as to the accuracy of the Bidder Representation and Warranty.

### 8.4 Carnaby Representations and Warranties

Carnaby represents and warrants to Bidder each of the Carnaby Representations and Warranties.

### 8.5 Qualifications on Carnaby Representations and Warranties

The Carnaby Representations and Warranties made or given under clause 8.4 are each subject to matters which:

(a) are expressly provided for in this Deed;

(b) have been Fairly Disclosed in:

(i) the Carnaby Disclosure Materials;

(ii) an announcement made by Carnaby to the ASX in the 24 month period prior the date of this Deed; or

(iii) the Carnaby Relevant Searches; or

(c) are within the actual knowledge of Bidder, which for these purposes is taken to include (and be limited to) the facts, matters and circumstances of which a Bidder Director is actually aware as at the date of this Deed.

### 8.6 Awareness of Carnaby Representations and Warranties

Where a Carnaby Representation and Warranty is given 'to the best of the Carnaby Directors' knowledge', or 'so far as the Carnaby Directors are aware' or with a similar qualification as to the awareness or knowledge of the Carnaby Directors, the Carnaby Directors will be deemed to know or be aware of a particular fact, matter or circumstance if any Carnaby Director is actually aware of that fact, matter or circumstance as at the date of this Deed or would reasonably be expected to be aware of that fact, matter or circumstance if, on the date the Carnaby Representation and Warranty is given, they had made due and reasonable enquiries as to the accuracy of the Carnaby Representation and Warranty.

### 8.7 Timing of representations and warranties

Each representation and warranty made or given under clauses 8.1 or 8.4 is given:

(a) at the date of this Deed;

(b) at 8:00am on the Second Court Date; and

(c) where expressed to be given at a particular time, at that time.

### 8.8 Survival of representations and warranties

Each representation and warranty in clauses 8.1 and 8.4:

(a) is severable;

(b) survives termination of this Deed;

(c) subject to this Deed, is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this Deed;

(d) is to be construed independently of all other representations and warranties; and

(e) is not limited by reference to any other representation or warranty.

### 8.9 No representation or reliance

(a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation, warranty or other inducement to it to enter into this Deed, except for representations, warranties or inducements expressly set out in this Deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this Deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.

(b) Each party acknowledges and confirms that it does not enter into this Deed in reliance on any representation, warranty or other inducement by or on behalf of any other party, except for any representation, warranty or inducement expressly set out in this Deed.

(c) Each party acknowledges and confirms that clauses 8.9(a) and 8.9(b) do not prejudice any rights a party may have in relation to information which has been announced by the other party to ASX or lodged by it with ASIC.

### 8.10 Notification of breach

Each party must promptly notify the other party in writing if it becomes aware of any fact, matter or circumstance that constitutes, or is reasonably likely to constitute, a breach of any representation or warranty given by it under this Deed (including under clauses 8.1 or 8.4 (as applicable)), specifying in reasonable detail the relevant fact, matter or circumstance giving rise to the breach.

## 9. RELEASES

### 9.1 Carnaby directors and officers

(a) Bidder releases all its rights, and agrees with Carnaby that it will not make a Claim, against any Carnaby Interested Party (other than Carnaby and its Related Bodies Corporate) as at the date of this Deed and from time to time in connection with:

(i) any breach of any representations, covenants and warranties of Carnaby or any member of the Carnaby Group in this Deed; or

(ii) any disclosures containing any statement which is false or misleading whether in content or by omission; or

(iii) any failure to provide information in connection with this Deed or the Scheme,

except where the Carnaby Interested Party has not acted in good faith or has engaged in wilful misconduct, wilful concealment or fraud.

(b) This clause is subject to any statutory restriction and will (if and to the extent required) be read down accordingly.

(c) Carnaby receives and holds the benefit of this clause to the extent it relates to each Carnaby Interested Party as agent for and on behalf of each of them.

### 9.2 Bidder directors and officers

(a) Carnaby releases all its rights, and agrees with Bidder that it will not make a Claim, against any Bidder Interested Party (other than Bidder and its Related Bodies Corporate) as at the date of this Deed and from time to time in connection with:

(i) any breach of any representations, covenants and warranties of Bidder or any member of the Bidder Group in this Deed; or

(ii) any disclosure containing any statement which is false or misleading whether in content or by omission; or

(iii) any failure to provide information in connection with this deed or the Scheme,

except where the Bidder Interested Party has not acted in good faith or has engaged in wilful misconduct, wilful concealment or fraud.

(b) This clause is subject to any statutory restriction and will (if and to the extent required) be read down accordingly.

(c) Bidder receives and holds the benefit of this clause to the extent it relates to each Bidder Interested Party as agent for and on behalf of each of them.

## 10. PUBLIC ANNOUNCEMENT

### 10.1 Announcement of Transaction

Immediately after the execution of this Deed, Carnaby must issue a public announcement in a form agreed to in writing between the Bidder and Carnaby (**Announcement**).

### 10.2 Public announcements

Subject to clause 10.3, no public announcement or disclosure of the Transaction or any other transaction the subject of this Deed or the Scheme may be made other than in a form approved by each party (acting reasonably), but each party must use all reasonable endeavours to provide such approval as soon as practicable, except where:

(a) the announcement is being made in connection with a Competing Proposal or Superior Proposal for Carnaby, a change in recommendation of the Carnaby Board or in connection with a dispute between the parties regarding the Scheme; or

(b) the announcement is being made in connection with a Competing Proposal or Superior Proposal for Bidder, or in connection with a dispute between the parties regarding the Scheme.

**10.3 Required disclosure**

Where a party is required by applicable law, the Listing Rules or by ASX, ASIC or the Court to make any announcement or to make any disclosure in connection with the Transaction or any other transaction the subject of this Deed or the Scheme, it must use reasonable endeavours, to the extent reasonably practicable and lawful, to consult with the other party prior to making the relevant disclosure.

## 11. DEEDS OF INDEMNITY, ACCESS AND INSURANCE

(a) Subject to the Scheme becoming Effective and the Transaction completing, Bidder undertakes in favour of Carnaby and each other person who is a Carnaby Interested Party that it will:

(i) for a period of 7 years from the Implementation Date, ensure that the constitutions of Carnaby and each other member of the Carnaby Group continue to contain such rules as are contained in those constitutions at the date of this Deed that provide for each company to indemnify each of its previous directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the Carnaby Group; and

(ii) procure that Carnaby and each member of the Carnaby Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time.

(b) Notwithstanding any other provision of this Deed, Carnaby may with the prior written consent of the Bidder, prior to the Implementation Date, enter into an arrangement to secure directors' and officers' run-off insurance for up to seven years from the Implementation Date, provided that:

(i) Carnaby obtains, prior to the Second Court Date, at least two proposals for directors' and officers' run-off insurance from reputable insurers that have a rating that is similar to or better than the rating of the insurers for Carnaby's directors' and officers' insurance policy in place as at the date of this Deed for the current financial year, which directors' and officers' run-off insurance policy:

(A) has substantially the same coverage;

(B) has substantially the same deductible or excess; and

(C) is otherwise on terms substantially similar to,

the directors' and officers' insurance policies in place for the current directors of Carnaby (it being acknowledged that the market for cover is dynamic and reasonable regard is to be had to the extent to which the level and type of cover in place under the directors' and officers' insurance policies in place for the current directors of Carnaby, is available for the extended run-off);

(ii) Carnaby keeps the Bidder reasonably informed of all material developments in the process outlined in clause 11(b)(i) and provides a copy of the proposals received; and

(iii) the directors' and officers' run-off insurance policy entered into by Carnaby:

(D) is entered into before 5pm on the Business Day before the Second Court Date; and

(E) is the lowest cost policy (inclusive of the costs of brokerage, stamp duty and any other transaction costs) of the two proposals received which complies with the requirements in clause 11(b)(i).

(c) The Bidder must ensure that such run-off insurance cover is maintained on terms no less favourable to the directors and officers than was the case on the Implementation Date.

(d) The provisions contained in this clause 11 are subject to any Corporations Act restriction and will be read down accordingly.

## 12. EXCLUSIVITY OBLIGATIONS

### 12.1 No existing discussions

Carnaby represents and warrants to the Bidder that, as at the date of this Deed, it and each of its Representatives:

(a) are not a party to any agreement, arrangement or understanding with a Third Party entered into for the purpose of facilitating a Competing Proposal;

(b) have ceased, and is not currently party to, any discussions, negotiations or other communications with any Third Party in relation to a Competing Proposal or a Potential Competing Proposal;

(c) have ceased to provide or make available any non-public information in relation to it to a Third Party where such information was provided for the purpose of facilitating a Competing Proposal, and has enforced all rights it has to call for the immediate return and/or destruction of that non-public information; and

(d) have agreed not to waive the provisions of any confidentiality or standstill agreement with any Third Party.

### 12.2 No shop restriction

During the Exclusivity Period, Carnaby must not, and must procure that each of its respective Representatives does not, directly or indirectly:

(a) solicit, invite, encourage or initiate any Competing Proposal or any Potential Competing Proposal with any Third Party; or

(b) assist, encourage, procure or induce any person to do any of the things referred to in clause 12.2(a) on its behalf.

### 12.3 No talk restriction

Subject to clause 12.8, during the Exclusivity Period, Carnaby must not, and must procure that each of its respective Representatives does not, directly or indirectly:

(a) enter into, facilitate, participate in or continue any negotiations or discussions with any Third Party in relation to a Competing Proposal or Potential Competing Proposal;

(b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal or Potential Competing Proposal;

(c) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 12.3; or

(d) assist, encourage, procure or induce any person to do any of the things referred to in the preceding paragraphs of this clause 12.3 on its behalf,

even if the Competing Proposal or Potential Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Carnaby or any of its Representatives or has been publicly announced.

### 12.4 No due diligence restriction

Subject to clause 12.8, during the Exclusivity Period Carnaby must not, and must procure that each of its Representatives does not, directly or indirectly:

(a) solicit, initiate, invite, encourage, facilitate or permit any Third Party to undertake due diligence investigations in respect of Carnaby or any member of the Carnaby Group or any of their respective businesses, affairs or operations;

(b) make available to any Third Party, or cause or permit any Third Party (other than a Government Agency that has the right to obtain that information and has sought it) to receive, any non-public information relating to Carnaby or any of its Related Entities that may reasonably be expected to assist such Third Party in formulating, developing or finalising a Competing Proposal or a Potential Competing Proposal; or

(c) assist, encourage, procure or induce any person to do any of the things referred to in the preceding paragraphs of this clause 12.4 on its behalf.

### 12.5 Notification obligations

(a) During the Exclusivity Period, Carnaby must as soon as possible, and in any event within 1 Business Day, notify Bidder in writing if it or any of its Representatives become aware of:

(i) any offer or request to do any of the things referred to in clauses 12.3 or 12.4;

(ii) any approach, inquiry, expression of interest, discussion, proposal or other communication made by any person to it or any of its Representatives, to initiate any discussions or negotiations, or any intention to make such approach, that concern a Competing Proposal or Potential Competing Proposal; or

(iii) any request made by any person to it or any of its Representatives, for any non-public information relating to it, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal or Potential Competing Proposal,

in each case whether direct or indirect, whether solicited or unsolicited and whether oral or in writing.

(b) Subject to clause 12.8, a notice given under clause 12.5(a) must be accompanied by all material terms and conditions (including price, form of consideration, conditions precedent, proposed deal protection arrangements, timetable and break free if any) to the extent then known to Carnaby, and the identity of the proponent of the Competing Proposal or Potential Competing Proposal.

(c) During the Exclusivity Period, Carnaby must promptly provide to the Bidder with:

(i) in the case of written materials, a copy of; or

(ii) in any other case, a written statement of or reasonable access to,

any material non-public information regarding the assets or operations of the Carnaby Group provided or otherwise made available by it to any person in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal or Potential Competing Proposal and which has not previously been provided or made available to the Bidder.

(d) Without limiting clauses 12.1, 12.2, 12.3, 12.4 and 12.8 if, during the Exclusivity Period a Carnaby Group Member (or any Representative of a Carnaby Group Member) provides any information relating to its Group to any person in connection with or for the purposes of a Competing Proposal, it must promptly provide to Bidder a complete copy of that information to the extent that the other party has not already received that information.

**12.6 Response to Competing Proposal and Bidder Counterproposal**

(a) If Carnaby is permitted by virtue of clause 12.8 to engage in activity that would otherwise breach any of clauses 12.3 or 12.4, it must enter into a confidentiality agreement with the person who has made the applicable Competing Proposal or Potential Competing Proposal on terms no more favourable to Carnaby that the terms of the Bidder Confidentiality Agreement.

(b) Carnaby must not and must procure that each of its Representatives do not enter into any agreement, commitment, arrangement or understanding (whether or not in writing) relating to any Competing Proposal (other than a confidentiality agreement contemplated by clause 12.6(a)) unless each of the following conditions is satisfied:

(i) the Carnaby Directors acting in good faith, have determined that the Competing Proposal is a Superior Proposal and that the failure to take an action specified in clause 12.6(b) above would likely breach the statutory or fiduciary duties of the members of the Carnaby Board;

(ii) Carnaby has given Bidder written notice of the proposal to enter into the relevant agreement, commitment, arrangement or understanding;

(iii) Carnaby has given Bidder all information that would be required by clause 12.5(b) together with the identity of the proponent of the Competing Proposal;

(iv) for at least 5 clear Business Days after the date of the provision of the information referred to in this 12.6(b)(iii), Carnaby and Bidder have negotiated in good faith, to the extent Bidder wishes to negotiate, to enable Bidder to provide an equivalent or superior proposal to the terms of the Competing Proposal; and

(v) by (but not before) the expiry of any negotiation period under clause 12.6(b)(iv), if the Carnaby Board has received a written proposal to Carnaby from Bidder to improve the Scheme Consideration or otherwise alter the terms of the Transaction (**Bidder Counterproposal**) and, acting reasonably and in good faith, after receiving written advice from its external legal advisers and advice from its financial advisers has determined as soon as reasonably practicable (and in any event within 2 Business Days of receiving the Bidder Counterproposal), that the Bidder Counterproposal would not produce an equivalent or superior outcome for Carnaby Shareholders (when considered as a whole) as compared to the Competing Proposal, taking into account all terms and conditions and other aspects of:

(A) the Bidder Counterproposal (including the value and type of consideration, funding, any timing considerations, any conditions precedent or other matters affecting the probability of the Bidder Counterproposal being completed compared to the Competing Proposal or other relevant matters); and

(B) the Competing Proposal.

(c) If, in accordance with clause 12.6(b)(v), Bidder provides a Bidder Counterproposal, Carnaby must procure that the Carnaby Board considers the Bidder Counterproposal and determines, as soon as reasonably practicable (and in any event within 2 Business Days of receiving the Bidder Counterproposal), whether, acting reasonably and in good faith, after receiving written advice from its external legal advisers and advice from its financial advisers, the Bidder Counterproposal would provide an equivalent or superior outcome to Carnaby

Shareholders (when considered as a whole) as compared with the Competing Proposal. Following that determination, Carnaby must:

(i) procure that the Carnaby Board promptly (and in any event within 24 hours) notifies Bidder of the determination in writing, stating reasons for that determination; and

(ii) if the determination is that:

(A) the Bidder Counterproposal would provide an equivalent or superior outcome to Carnaby Shareholders (when considered as a whole) as compared with the Competing Proposal, then:

(I) for a period of not less than 2 Business Days after Carnaby delivers to Bidder the notice referred to in clause 12.6(c)(i) above (or such other period agreed by the parties), Carnaby and Bidder must use their best endeavours to agree the transaction documentation required to implement the Bidder Counterproposal as soon as reasonably practicable; and

(II) Carnaby must procure that the Carnaby Board unanimously recommends that Carnaby Shareholders vote in favour of the Bidder Counterproposal, subject to the Independent Expert concluding, and continuing to conclude, that the Bidder Counterproposal is in the best interests of Carnaby Shareholders and there being no further Superior Proposal; or

(B) the Bidder Counterproposal would not provide an equivalent or superior outcome to Carnaby Shareholders (when considered as a whole) as compared with the Competing Proposal, then Carnaby must immediately (and in any event within 1 Business Day) notify Bidder in writing of the determination and the reasons for making the determination.

(b) Any information provided by Bidder to Carnaby in connection with a Bidder Counterproposal (including the terms of the Bidder Counterproposal) is confidential and must not be disclosed by Carnaby or any of its Representatives to any Third Party (including the proponent of any Competing Proposal), except to the extent required by law, the Listing Rules or with the prior written consent of Bidder.



**12.7 Revisions to a Competing Proposal**

Any and each successive material modification or variation to any Competing Proposal will be deemed to make that proposal a new Competing Proposal in respect of which Carnaby must separately comply with its obligations under clauses 12.5 and 12.6.

**12.8 Fiduciary exception**

(a) The restrictions in clauses 12.3 and 12.4 do not apply to the extent they restrict Carnaby or any Carnaby Director from taking or refusing to take any action with respect to a Competing Proposal (in relation to which there has been no contravention of clause 12.2) provided that:

(i) the Competing Proposal is bona fide and is made by or on behalf of a person that the Carnaby Directors consider is of sufficient commercial standing to implement the Competing Proposal; and

(ii) the Carnaby Directors have determined in good faith after consultation with its external legal and (if applicable) financial advisors that:

(A) the Competing Proposal is or may reasonably be expected to become a Superior Proposal; and

(B) having taken written advice from its external legal advisers, failing to take the action or refusing to take the action (as the case may be) with respect to the Competing Proposal would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of the Carnaby Board.

(b) Carnaby must immediately notify the other party of each action or inaction by it, or its representatives, in reliance on this clause 12.8.

### 12.9 Normal provision of information

Nothing in this clause 12 prevents Carnaby from:

(a) taking any action in good faith to comply with its disclosure requirements at law (including to satisfy its obligations of disclosure to any Government Agency) or its continuous disclosure obligations under the Listing Rules;

(b) providing information to its auditors, customers or suppliers acting in that capacity in the ordinary course of business; or

(c) continuing to make normal presentations to, and to respond to bona fide enquires from brokers, portfolio investors and analysts in the ordinary course in relation to business generally.

### 12.10 Compliance with law

(a) If it is finally determined by a court or the Takeovers Panel that the agreement by Carnaby under this clause 12 or any part of it:

(i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the members of the Carnaby Board;

(ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or

(iii) was, or is, or would be unlawful for any other reason,

then, to that extent (and only to that extent) Carnaby will not be obliged to comply with that provision of this clause 12.

(b) The parties must not make or cause or permit to be made on their behalf, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 12.10(a).

### 12.11 Warranty and representation

Carnaby represents and warrants to the Bidder that it has received legal advice in relation to the operation of this clause 12.

## 13. REIMBURSEMENT OF COSTS

### 13.1 Background to Reimbursement Fee and Reverse Reimbursement Fee

(a) Each party acknowledges that, if they enter into this Deed and the Scheme is subsequently not implemented, Bidder and Carnaby will incur significant costs, including significant opportunity costs.

(b) In the circumstances referred to in clause 13.1(a), Bidder and Carnaby have each requested provision be made for the payment outlined in clause 13.2 and 13.3 (as applicable), without which Bidder and Carnaby (as applicable) would not have entered into this Deed or otherwise agreed to implement the Scheme.

(c) Carnaby confirms that the Carnaby Board has acknowledged that:

(i) it has received legal advice in relation to this Deed and the operation of this clause 13;

(ii) it believes the implementation of the Scheme will provide significant benefits to Carnaby and Scheme Shareholders, such that it is reasonable and appropriate for Carnaby to agree to the Reimbursement Fee in order to secure Bidder's participation in the Transaction; and

(iii) the Reimbursement Fee represents a genuine and reasonable pre-estimate of cost and loss that would be suffered by Bidder if this Deed was entered into and the Scheme are subsequently not implemented.

(d) Bidder confirms that the Bidder Board has acknowledged that:

(i) it has received legal advice in relation to this Deed and the operation of this clause 13;

(ii) it believes the implementation of the Scheme will provide significant benefits to Bidder and its shareholders, such that it is reasonable and appropriate for Bidder to agree to the Reverse Reimbursement Fee in order to secure Carnaby's participation in the Transaction; and

(iii) the Reverse Reimbursement Fee represents a genuine and reasonable pre-estimate of cost and loss that would be suffered by Carnaby if this Deed was entered into and the Scheme are subsequently not implemented.

**13.2 Payment of the Reimbursement Fee by Carnaby**

Subject to clause 13.6, Carnaby must pay the Reimbursement Fee to Bidder, without set-off or withholding, if:

(a) **failure to provide or change of Carnaby Board recommendation**: any member of the Carnaby Board fails to make the recommendation in the manner described in clause 6.1(a) or prior to the Second Court Date, any member of the Carnaby Board withdraws or adversely modifies, revises or qualifies his or her support of the Scheme or his or her recommendation that Carnaby Shareholders (other than Excluded Shareholders) vote in favour of the Scheme, or makes a public statement indicating that they no longer support the Transaction or that they support a Competing Proposal (including support by way of accepting or voting, or by way of stating an intention to accept or vote in respect of any Carnaby Shares), other than as a result of:

(i) Carnaby being entitled to terminate this Deed in accordance with:

(A) clause 14.1(f)(ii) (material breach); or

(B) clauses 14.1(a) or 14.1(b), provided that Carnaby has not breached its obligations under clause 3.3,

and in circumstances where Carnaby has given notice under clause 14.1; or

(ii) the Independent Expert concluding in the Independent Expert's Report (including any update of, or revision, amendment or supplement to, that report) that the Scheme is not in the best interests of Carnaby Shareholders (other than Excluded Shareholders), other than where that conclusion is due wholly or partly due to the existence of a Competing Proposal;

(b) **Competing Proposal completes**: during the Exclusivity Period, Carnaby or any of its Representatives, directly or indirectly, was aware of, becomes aware of or receives from a Third Party an approach in relation to an actual, proposed or potential Competing Proposal and that Competing Proposal (or any related Competing Proposal or Competing Proposal arising out of that Competing Proposal) is completed at any time prior to the first anniversary of the date of the public announcement of such Competing Proposal;

(c) **Superior Proposal**: at any time during the Exclusivity Period, Carnaby receives or publicly announces a Superior Proposal and Carnaby terminated this Deed in accordance with clause 14.1(e);

(d) **Exclusivity obligations**: there is a breach of clause 12 by Carnaby; or

(e) **Carnaby material breach**: Bidder is entitled to terminate this Deed in accordance with clause 14.1(f)(i) (material breach) and has given notice under clause 14.1.

**13.3 Payment of the Reverse Reimbursement Fee by Bidder**

Subject to clause 13.6, Bidder must pay the Reverse Reimbursement Fee to Carnaby, without set-off or withholding, if Carnaby is entitled to terminate this Deed in accordance with clause 14.1(f)(ii) (material breach) and has given notice under clause 14.1.

**13.4 Written demand by Bidder or Carnaby**

A party must pay the Reimbursement Fee or the Reverse Reimbursement Fee (as applicable) to the other party without withholding or set-off within 10 Business Days after receiving a written demand from Bidder or Carnaby (as applicable). The demand for payment of the Reimbursement Fee or the Reverse Reimbursement Fee (as applicable) can only be made after the occurrence of an event referred to in clause 13.2 or 13.3 (as applicable). The written notice must state the circumstances which give rise to the demand and nominate an account for payment. A party is only liable to pay the Reimbursement Fee or the Reverse Reimbursement Fee (as applicable) once.

**13.5 Nature of payment**

The amount payable by a party under clause 13.2 or 13.3 (as applicable) is an amount to compensate the other party for:

(a) advisory costs (including costs of advisors other than success fees);

(b) costs of management and directors' time;

(c) out-of-pocket expenses; and

(d) reasonable opportunity costs incurred by the other party in pursuing the Scheme or in not pursuing other alternative acquisitions or strategic initiatives which the other party could have developed to further its business and objectives.

**13.6 Compliance with law**

(a) No amount shall be payable by a party under clause 13.2 or 13.3 (as applicable) if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 13.2. To the extent that any amount has already been paid under clause 13.2 or 13.3 (as applicable) and the Scheme becomes Effective, such amount shall be immediately refunded to Carnaby or Bidder (as applicable).

(b) This clause 13 does not impose an obligation on a party to pay all or any part of the Reimbursement Fee or the Reverse Reimbursement Fee (as applicable) to the extent (and only to the extent) that the obligation to pay the fee:

(i) constitutes unacceptable circumstances as declared by the Takeovers Panel; or

(ii) is held to be unenforceable by one party against another as determined by a court,

after all proper avenues of appeal and review, whether judicial or otherwise, have been exhausted. The parties must take all reasonable steps to ensure that any such determination applies to the minimum extent possible.

(c) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 13.6(b).

### 13.7 Other Claims

Where an amount becomes payable to a party under clause 13.2 or 13.3 (as applicable) and is actually paid, the amount of any loss or damage caused in relation to any breach by the other party shall be reduced by the amount paid under clause 13.2 or 13.3 (as applicable) to Bidder or Carnaby (as applicable).

### 13.8 Limitation of liability

(a) Subject to clause 13.8(b), but otherwise despite anything else in this Deed, the maximum aggregate amount which a party is required to pay in relation to a breach of this Deed by a party is the Reimbursement Fee or the Reverse Reimbursement Fee (as applicable), and in no event will the aggregate liability of a party under or in connection with a breach of this Deed exceed the Reimbursement Fee or the Reverse Reimbursement Fee (as applicable).

(b) The limit in clause 13.8(a) will not prevent Bidder from:

(i) seeking orders from a court of competent jurisdiction for the specific performance by Carnaby of any obligations under this Deed; or

(ii) recovering the actual costs it incurs in connection with:

(A) this Deed and the Scheme (to the extent such costs exceed the Reimbursement Fee) if Carnaby has breached its obligations to register all transfers of Scheme Shares to Bidder in accordance with clause 4.2;

(B) liability for fraud or intentional or wilful breach of this Deed; or

(C) liability in connection with a breach by Carnaby of clause 12.

(c) Subject to clause 13.8(d), but otherwise despite anything else in this Deed, the maximum aggregate amount which Bidder is required to pay in relation to a breach of this Deed by Bidder is an amount equal to the Reverse Reimbursement Fee, and in no event will the aggregate liability of Bidder under or in connection with a breach of this Deed exceed the Reverse Reimbursement Fee.

(d) The limit in clause 13.8(c) will not prevent Carnaby from:

(i) seeking orders from a court of competent jurisdiction for the specific performance by Bidder of any obligations under this Deed; or

(ii) recovering the actual costs it incurs in connection with:

(A) this Deed and the Scheme (to the extent such costs exceed the Reverse Reimbursement Fee) if Bidder has breached its obligations to provide the Scheme Consideration in accordance with clause 5.1; or

(B) liability for fraud or intentional or wilful breach of this Deed;

## 14. TERMINATION

### 14.1 When a party may terminate

This Deed may be terminated at any time before 8:00am on the Second Court Date by the provision of notice in writing to the other party:

(a) **before Relevant Date if Condition cannot be satisfied**: by either party, if, before the Relevant Date, a Condition solely or jointly for its benefit cannot be satisfied and is not waived by the time required in this Deed for it to be satisfied or waived;

(b) **after Relevant Date if Condition has not been satisfied**: by either party, if, after the Relevant Date applicable to a Condition solely or jointly for its benefit or for the benefit of neither party, that Condition has not been satisfied or waived at that time;

(c) **after End Date**: subject to clause 3.4, by either party, if the Effective Date has not occurred by the End Date;

(d) **change of Carnaby Board recommendation** by Bidder if any member of the Carnaby Board publicly changes (including by attaching qualifications to) or withdraws (including by abstaining) their statement that they consider the Scheme to be in the best interests of Carnaby Shareholders or their recommendation that Carnaby Shareholders approve the Scheme;

(e) **Superior Proposal**: by either party if:

(i) a Competing Proposal for Carnaby is received; and

(ii) the Carnaby Board publicly announces that it has determined that that Competing Proposal is a Superior Proposal,

provided that, in the case of Carnaby purporting to terminate pursuant to this clause, Carnaby has not materially breached its exclusivity obligations under clause 12; or

(f) **termination for breach**:

(i) by Bidder – if Carnaby is in breach of this Deed (including a breach of a Carnaby Representation and Warranty) and that breach is material in the context of the Scheme and is not remedied by Carnaby within 10 Business Days (or such shorter period ending at 5:00pm on the Business Day before the Second Court Date) of Carnaby receiving written notice from Bidder of the details and relevant circumstances of the breach and stating its intention to terminate this Deed; and

(ii) by Carnaby – if Bidder is in breach of this Deed (including a Bidder Representation and Warranty) and that breach is material in the context of the Scheme and is not remedied by Bidder within 10 Business Days (or such shorter period ending at 5:00pm on the Business Day before the Second Court Date) of Bidder receiving written notice from Carnaby of the details and relevant circumstances of the breach and stating its intention to terminate this Deed,

provided that neither party will be entitled to terminate this Deed for a breach of a representation to the extent that the facts, matters and circumstances giving rise to the breach:

(A) are disclosed in this Deed; or

(B) have been Fairly Disclosed:

(I) in writing by the Bidder before the date of this Deed;

(II) the Carnaby Disclosure Materials; or

(III) announcements made by the Bidder or Carnaby (as applicable) to the ASX in the 24 month period prior to the date of this Deed.

### 14.2 Termination by Bidder

Bidder may terminate this Deed, with immediate effect, at any time before 8:00am on the Second Court Date by notice in writing to Carnaby if:

(a) a Carnaby Director including any new Carnaby Director appointed after the date of this Deed):

(i) withdraws, changes or modifies their support of the Scheme or their recommendation that Carnaby Shareholders (other than Excluded Shareholders) vote in favour of the Scheme; or

(ii) recommends, endorses or supports any Competing Proposal for Carnaby; or

(b) a Competing Proposal in respect of Carnaby is received or announced and the Competing Proposal requires as a condition that this Transaction not be implemented, and any member of the Carnaby Board makes a public statement to the effect that they no longer support this Transaction or that they recommend the Competing Proposal; or

(c) a Third Party that does not have a 20% or more Relevant Interest in Carnaby at the date of this Deed obtains a Relevant Interest in Carnaby of 20% or more (or if a Third Party that has a Relevant Interest of 20% or more in Carnaby at the date of this Deed increases their Relevant Interest in Carnaby by more than 1%).

**14.3 Terminable in writing**

This Deed is terminable if agreed to in writing by Bidder and Carnaby.

**14.4 Effect of termination**

If this Deed is terminated by either party in accordance with this Deed, except if the termination results from a breach by either party of its obligations under this Deed, this Deed will become void and have no effect, without any liability or obligation on the part of any party, other than in relation to rights and obligations that accrued prior to termination and other than in relation to the provisions of this clause 14 and:

(a) clause 8 (*Representations and Warranties*);

(b) clause 13 (*reimbursement of costs*);

(c) clause 15 (*duty, costs and expenses*);

(d) clause 16 (*GST*);

(e) clause 17.2 (*no merger*);

(f) clause 17.4(*notices*);

(g) clause 18 (*governing law*),

which will remain in force after termination.

**14.5 Termination**

Where a party has a right to terminate this Deed, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this Deed and the provision under which it is terminating the Deed.

## 15. DUTY, COSTS AND EXPENSES

**15.1 Stamp duty**

Bidder must pay all Duty that may be payable on or in connection with this Deed, the Scheme or the steps to be taken under this Deed or the Scheme.

**15.2 Costs and expenses**

Except as otherwise provided in this Deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this Deed and the proposed, attempted or actual implementation of this Deed and the Transaction.

## 16. GST

(a) Any consideration or amount stated as payable under this Deed, including the value of any non-monetary consideration (**Consideration**) is exclusive of GST.

(b) If GST is or becomes payable on a Supply made under or in connection with this Deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST laws.

(c) The Additional Amount payable under clause 16(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.

(d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 16(b):

(i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;

(ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and

(iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.

(e) Despite any other provision in this Deed if an amount payable under or in connection with this Deed (whether by way of indemnity, reimbursement or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.

(f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.

(g) Any term starting with a capital letter that is not defined in this Deed has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth) unless otherwise defined.

## 17. GENERAL

### 17.1 No representations on reliance

(a) Each party acknowledges that no party (nor any person acting or its behalf) has made any representation or other inducement to it to enter into this Deed, except for representations or inducements expressly set out in this Deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this Deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.

(b) Each party acknowledges and confirms that it does not enter into this Deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this Deed.

(c) Each party acknowledges and confirms that clauses 17.1(a) and 17.1(b) do not prejudice any rights a party may have in relation to information which has been filed by the other party with ASIC or ASX (as the case may be).

## 17.2 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

## 17.3 Consents

Any consent referred to in, or required under, this Deed from any party may not be unreasonably withheld, unless this Deed expressly provides for that consent to be given in that party's absolute discretion.

## 17.4 Notices

(a) Any notice or other communication including, but not limited to, any request, demand, consent or approval, to or by a party under this Deed:

(i) must be in legible writing and in English;

(ii) if the recipient is Bidder, addressed in accordance with the following details or as specified to the sender by Bidder by notice:

**Address:** Level 24, 175 Liverpool Street<br>Sydney, New South Wales 2000

**Attention:** Kirron Schmidt and Evan Elstein

**Email:** kirron.schmidt@evolutionmining.com<br>evan.elstein@evolutionmining.com

With a copy to be sent to:

**Address:** Allens<br>Level 11, 5 Spring Street<br>Perth, Western Australia 6000

**Attention:** Alex Ninkov

**Email:** alexander.ninkov@allens.com.au

(iii) if the recipient is Carnaby, addressed in accordance with the following details or as specified to the sender by Carnaby by notice:

**Address:** 78 Churchill Avenue<br>Subiaco, Western Australia 6008

**Attention:** Rob Watkins and Steven Bowler

**Email:** rob.watkins@carnabyresources.com.au<br>steven.bowler@carnabyresources.com.au

With a copy to be sent to:

**Address:** Steinepreis Paganin<br>Level 14, QV1 Building<br>250 St Georges Terrace<br>Perth, Western Australia 6000

**Attention:** Jonathan Murray

**Email:** jmurray@steinpag.com.au

(iv) must be signed by an officer of or under the common seal of the sender; and

(v) any such notice or communication is regarded as being given by the sender and received by the addressee:

(A) if by delivery in person, when delivered to the addressee;

(B) if by post, on delivery to the addressee; or

(C) if by email, when the email (including any attachment) comes to the attention of the addressee,

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (addressee's time) it is regarded as received at 9.00 am on the following Business Day.

(b) Any such notice or other communication can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.

(c) This clause 17.4 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

**17.5 Waivers**

Without limiting any other provision of this Deed, the parties agree that:

(a) failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this Deed by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this Deed;

(b) a waiver given by a party under this Deed is only effective and binding on that party if it is given or confirmed in writing by that party; and

(c) no waiver of a breach of a term of this Deed operates as a waiver of another breach of that term or of a breach of any other term of this Deed.

**17.6 Amendment**

This Deed may only be amended in writing signed by each of the parties.

**17.7 Assignment**

No party may assign, novate or otherwise transfer any of its rights or obligations under this Deed without the prior written consent of the other party.

**17.8 Counterclaim, set-off, deduction, withholding**

Unless otherwise provided for under this Deed, any payment made under this Deed must be made free and clear of any counterclaim, set-off, deduction or withholding, except where that set-off, deduction or withholding is required or compelled by law.

**17.9 Acknowledgement**

Each party acknowledges that the remedy of damages may be inadequate to protect the interests of the parties for a breach of clause 12 and that Bidder is entitled to seek and obtain without limitation injunctive relief if Carnaby breaches clause 12.

**17.10 No third party beneficiary**

This Deed shall be binding on and inure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this Deed is intended to or shall confer on any other person, other than the Bidder Interested Parties and the Carnaby Interested Parties, to the extent set forth in clause 8, and any third party beneficiary rights.

**17.11 Further Acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to give effect to this Deed.

### 17.12 Entire deed

This Deed constitutes the entire understanding of the parties with respect to the subject matter and replaces all other agreements (whether written or oral) between the parties.

### 17.13 Counterparts

(a) This Deed may be executed in any number of counterparts. All counterparts will be taken to constitute one instrument. Electronic signatures are taken to be valid and binding to the same extent as original signatures.

(b) In this clause 17.13, **electronic signature** means a digital signature or a visual representation of a person's handwritten signature or mark, which is placed on a physical or electronic copy of this Deed, by electronic or mechanical means.

(c) The parties consent to this Deed being signed by or on behalf of a party by an electronic signature.

(d) Where this Deed is electronically signed by or on behalf of a party, the party warrants and agrees that the electronic signature has been used to identify the person signing and to indicate that the party intends to be bound by the electronic signature.

(e) This Deed may be electronically signed in any number of counterparts, which together will constitute the one document.

(f) Each party consents to the exchange of counterparts of this Deed by delivery by email or such other electronic means as may be agreed in writing.

(g) Each party must upon request, promptly deliver a physical counterpart of this Deed with the handwritten signature or signatures of the party and all written evidence of the authority of a person signing on their behalf, but a failure to comply with the request does not affect the validity of this Deed.

## 18. GOVERNING LAW AND JURISDICTION

### 18.1 Jurisdiction

(a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this Deed.

(b) Each party also irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any Claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where the venue falls within clause 18.1(a).

### 18.2 Governing Law

This Deed is governed by and will be construed in accordance with the laws of Western Australia.

## SCHEDULE 1 – VALUATION OF CARNABY OPTIONS

| OPTION TRANCHE EXPIRY DATE | 24-NOV-26 | 19-SEP-27 | 15-DEC-29 | 22-APR-30 |
|---|---|---|---|---|
| Number of Options | 1,200,000 | 2,520,000 | 1,500,000 | 300,000 |
| Exercise price (A$/s) | $0.95 | $1.10 | $0.59 | $0.70 |
| Value per Option (A$/s) | $0.0006 | $0.0648 | $0.3774 | $0.3495 |
| **Total value (A$)** | **$733** | **$163,374** | **$566,030** | **$104,863** |

## SCHEDULE 2 – TENEMENTS

**Part 1: Carnaby Tenements**

| | TENEMENT | NAME | LOCATION | OWNERSHIP |
|---|---|---|---|---|
| **Mount Isa Inlier Copper and Gold Projects** | | | | |
| EPSL01703913 (IGR) | ML90240 | Mount Hope | Queensland | 100% |
| Trekelano | ML90125 | | Queensland | 100% |
| | ML90128 | | Queensland | 100% |
| | ML90183 | | Queensland | 100% |
| EPSX00847513 (Syndicated/Latitude) | EPM9083 | Burke River | Queensland | 100% |
| | EPM11013 | Monastery | Queensland | 100% |
| | EPM14366 | Bushy Park | Queensland | 100% |
| | EPM14369 | Dronfield | Queensland | 100% |
| | EPM17637 | Revenue | Queensland | 100% |
| | EPM18223 | Bronzewing Bore | Queensland | 100% |
| | EPM18980 | Mayfield | Queensland | 100% |
| | EPM19008 | Duchess | Queensland | 100% |
| | EPM25435 | Mt Erie | Queensland | 100% |
| | EPM25439 | Mt Erie #2 | Queensland | 100% |
| | EPM25853 | Mt. Birnie/Southern Hub Extended | Queensland | 100% |
| | EPM25972 | Duchess North | Queensland | 100% |
| EA0000948 (Cosmo) | EPM26651 | | Queensland | 100% |
| EA0001554 (Carnaby) | EPM27101 | Big Beauty | Queensland | 100% |
| | EPM27822 | Razorback Creek | Queensland | 100% |
| EA100195807 | EPM28238 | Makbat | Queensland | 100% |
| | EPM28239 | Magna Lynn | Queensland | 100% |
| | EPM28634 | One Tree | Queensland | 100% |
| | EPM26777 | (Sub-blocks CLON958Y, CLON1030D and CLON1030J only) | Queensland | 51% |
| **Yilgarn Margin Projects** | | | | |
| Bowler -held in trust by Bowler Enterprises for the benefit of Carnaby | E69/3509 | Malmac | Western Australia | 100% |
| | E69/4200 | Wells | Western Australia | 100% |
| Cosmo - COSMO HOLDINGS (WA) for the benefit of Carnaby | E38/3289 | Throssel Gold | Western Australia | 100% |
| | E38/4016 | | Western Australia | 100% |

| | TENEMENT | NAME | LOCATION | OWNERSHIP |
|---|---|---|---|---|
| **Pilbara Projects** | | | | |
| | E45/5743 | Sisters Well | Western Australia | 100% |
| LPI | E45/4638 | Strelley | Western Australia | 100% |
| Shumwari | E45/5622 | Mount Grant | Western Australia | 80% |
| | E45/5822 | Goldsworthy | Western Australia | 100% |
| Lawla | E45/4801 | Big Hill | Western Australia | 100% |

**Part 2: Rio Tinto Tenements**

| TENEMENT | LEASE NAME | LEASE STATUS | AREA | GRANT DATE | EXPIRY DATE | SECURITY HELD |
|---|---|---|---|---|---|---|
| EPM 14955 | Devoncourt | Renewal Pending | 50 s/b | 29/06/2006 | 28/06/2026 | $500 |
| EPM 17805 | | Renewal Pending | 4 s/b | 21/04/2011 | 20/04/2026 | $500 |
| EPM 26800 | | Granted | 9 s/b | 11/04/2019 | 10/04/2024 | Nil |
| EPM 27363 | | Granted | 99 s/b | 08/04/2020 | 07/04/2025 | $500 |
| EPM 27364 | | Granted | 49 s/b | 09/04/2020 | 08/04/2025 | $500 |
| EPM 27365 | | Granted | 32 s/b | 24/03/2020 | 23/03/2025 | $500 |
| EPM 27424 | | Granted | 2 s/b | 07/12/2020 | 06/12/2025 | $500 |
| EPM 27465 | | Granted | 8 s/b | 28/07/2020 | 27/07/2025 | $500 |

**Part 3: Carnaby Tenement Applications**

| TENEMENT | OWNERSHIP |
|---|---|
| **Exploration Permits for Minerals/Exploration Licenses** | |
| EPM 29353 | 100% |
| EPM 29443 | 100% |
| EPM 29449 | 100% |
| EPM 29564 | 100% |
| EPM 29566 | 100% |
| EPM 29576 | 100% |
| EPM 29610 | 100% |
| **Mining Leases** | |
| ML 100468 | 100% |
| ML 100469 | 100% |
| ML 100470 | 100% |
| ML 100471 | 100% |
| ML 100472 | 100% |
| ML 100500 | 51% |

## SCHEDULE 3 – TIMETABLE

| EVENT | DATE |
|---|---|
| Announcement of Transaction | 27 July 2026 |
| Lodge draft Scheme Booklet with ASIC and ASX | early September 2026 |
| First Court Date | mid September 2026 |
| Scheme Booklet dispatched to Carnaby Shareholders | mid-late September 2026 |
| Scheme Meeting | late October – early November 2026 |
| Second Court Date | early November 2026 |
| Effective Date | mid November 2026 |
| **If the Scheme is approved by the Court and becomes Effective** | |
| Record Date | mid November 2026<br>*(Two Business Days after Effective Date)* |
| Implementation Date | mid November 2026<br>*(Three Business Days after Record Date)* |

## SCHEDULE 4 – BIDDER REPRESENTATIONS AND WARRANTIES

Bidder represents and warrants to Carnaby that:

(a) **Validly existing**: Bidder is a validly existing corporation registered under the laws of Australia and that each Bidder Group Member is a validly existing corporation under the laws of the country in which it was incorporated.

(b) **Authority**: The execution and delivery of this Deed has been properly authorised by all necessary corporate action of Bidder.

(c) **Power**: Bidder has full corporate power and lawful authority to execute, deliver and perform this Deed in accordance with its terms.

(d) **Deed binding**: This Deed is a valid and binding obligation on Bidder enforceable in accordance with its terms, subject to laws generally affecting creditors' rights and principles of equity.

(e) **No default**: This Deed does not conflict with or result in the breach of or a default under:

(i) Bidder's constitution; or

(ii) any writ, order or injunction, judgement, law, rule or regulation to which it is party or by which it is bound.

(f) **Continuous disclosure**: Bidder:

(i) has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1; and

(ii) as at the date of this Deed and other than for this Transaction, is not relying on the carve-out in Listing Rule 3.1 to withhold any material information from public disclosure.

(g) **Solvency:** Neither Bidder nor any other material member of the Bidder Group nor any business in which the Bidder Group has an interest is affected by a Bidder Insolvency Event.

(h) **Scheme Booklet:** The Bidder Information in the form consented by Bidder provided for inclusion in the Scheme Booklet will:

(i) be prepared and provided in good faith and on the understanding that each of the Carnaby Interested Parties will rely on that information to prepare the Scheme Booklet; and

(ii) not, at the date of the Scheme Booklet, contain any statement which is materially misleading or deceptive including by way of omission.

(i) **Independent Expert**: All information provided by or on behalf of Bidder to the Independent Expert to enable their report to be prepared will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing their report for inclusion in the Scheme Booklet.

(j) **New Bidder Shares**: The New Bidder Shares to be issued in accordance with the Transaction will be duly authorised and validly issued, fully paid and free of all security interests and third party rights and will rank equally with all other Bidder Shares then on issue.

## SCHEDULE 5 – CARNABY REPRESENTATIONS AND WARRANTIES

Carnaby represents and warrants to Bidder (in its own right and separately as trustee or nominee for each of the other Bidder Interested Parties) that:

(a) **Validly existing**: Carnaby is a validly existing corporation registered under the laws of Australia and that each Carnaby Group Member is a validly existing corporation under the laws of the country in which it was incorporated.

(b) **Authority**: The execution and delivery of this Deed has been properly authorised by all necessary corporate action of Carnaby.

(c) **Power**: Carnaby has full corporate power and lawful authority to execute, deliver and perform this Deed in accordance with its terms.

(d) **Deed binding:** This Deed is a valid and binding obligation on Carnaby enforceable in accordance with its terms, subject to laws generally affecting creditors' rights and principles of equity.

(e) **No default**: This Deed does not conflict with or result in the breach of or a default under:

(i) Carnaby's constitution; or

(ii) any writ, order or injunction, judgement, law, rule or regulation to which it is party or by which it is bound.

(f) **Capital structure**: Its capital structure including all issued securities as at the date of this Deed is as set out in Item 2 of Schedule 6 and it has not issued or agreed to issue any other securities, options, warrants, rights or instruments which are still outstanding, other than under and pursuant to the Glencore Subscription Agreement.

(g) **Continuous disclosure:** Carnaby:

(i) has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1;

(ii) other than for this Transaction, it is not relying on the carve-out in Listing Rule 3.1 to withhold any material information from public disclosure; and

(iii) no member of the Carnaby Group has received any notice, finding or determination from ASX or ASIC, including any listing rule breach notice or infringement notice.

(h) **Financial matters**:

(i) The Carnaby Financial Statements were prepared in accordance with the Accounting Standards, consistently applied, and fairly present in all material respects the consolidated financial condition of Carnaby at the respective dates indicated and the results of operations of Carnaby for the periods covered on a consolidated basis.

(ii) No member of the Carnaby Group has any liability (including, without limitation, liabilities to fund any operations or work or exploration program, to give any guarantees or for taxes other than taxes not yet due, any rehabilitation, closure or environmental remediation obligations, contingent liabilities, guarantees, indemnities or other off-balance sheet arrangements), whether accrued, absolute, contingent or otherwise, not reflected in the Carnaby Financial Statements, except liabilities incurred in the ordinary course of business since 31 December 2025, which liabilities relate to budgeted expenditures disclosed to Bidder or would not reasonably be expected to result in a Carnaby Material Adverse Effect.

(i) **Carnaby Disclosure Material**:

(i) Carnaby has collated and prepared the Carnaby Disclosure Materials in good faith for the purposes of a due diligence exercise by Bidder and with all reasonable care and skill.

(ii) To the best of the Carnaby Directors' knowledge, the documents contained in the Carnaby Disclosure Materials do not, as of the date of the relevant document, contain an untrue statement of a material fact or omit to state a material fact required to be stated to prevent the statement made from being false or misleading in the circumstances in which it was made.

(iii) Carnaby has not withheld from the Carnaby Disclosure Materials any information that has been requested to be disclosed by Bidder.

(iv) Carnaby has not withheld from the Carnaby Disclosure Materials any information that is known, or ought reasonably to be known, to Carnaby to be material to Bidder in light of the Transaction and as a purchaser of the Carnaby Group as a whole.

(j) (**external costs**) Carnaby's total external costs paid and payable pursuant to binding engagement letters entered into on or prior to the date of this Deed in relation to the Scheme or the transactions contemplated by this Deed (including any legal and financial advisory costs) have been Fairly Disclosed in the Carnaby Disclosure Materials.

(k) **Increases to remuneration, and retention and termination payments**: Other than as disclosed to Bidder prior to the date of this Deed, there is no arrangement or agreement to increase the remuneration of, make any bonus payment, retention payment or termination payment to, or otherwise change the terms and conditions of an existing employment agreement of any Carnaby Director or any employee of any member of the Carnaby Group).

(l) **Restrictions on business activities:** To the best of the Carnaby Directors' knowledge, there is no agreement, judgment, injunction, order or decree binding on Carnaby or any member of the Carnaby Group or any business in which the Carnaby Group has an interest that has or would be likely to have the effect of prohibiting, restricting or materially impairing after the Effective Date any business of Carnaby or any member of the Carnaby Group or any business in which the Carnaby Group has an interest.

(m) **Approvals**: To the best of the Carnaby Director's knowledge, the members of the Carnaby Group have complied in all material respects with all Government Agencies having jurisdiction over them and have all material licences, environmental approvals, permits and other consents necessary for them to conduct their respective business as presently being conducted.

(n) **Compliance with laws**: To the best of the Carnaby Directors' knowledge, the members of the Carnaby Group have complied in all material respects with the requirements imposed by any applicable laws and regulations (including without limitation, any mining, environmental, cultural heritage, health, safety and employment laws and regulations)

(o) **Litigation**: To the best of the Carnaby Directors' knowledge:

(i) there are no material actions, suits, arbitrations, legal or administrative proceedings pending or threatened against any material member of the Carnaby Group or any business in which the Carnaby Group has an interest;

(ii) no member of the Carnaby Group or any business in which the Carnaby Group has an interest is the subject of any material pending or material threatened investigation;

(iii) no member of the Carnaby Group or any business in which the Carnaby Group has an interest nor the respective assets, properties or businesses of Carnaby or any member of the Carnaby Group is subject to any judgment, order, writ, injunction or decree of any court, Government Agency or arbitration tribunal; and

(iv) no member of the Carnaby Group is subject to any material industrial action, work health and safety Claim, investigation or proceeding, or any proceeding before the Fair Work Commission.

(p) **Solvency**: Neither Carnaby nor any other material member of the Carnaby Group nor any business in which the Carnaby Group has an interest is affected by a Carnaby Insolvency Event.

(q) **Scheme Booklet**: The Carnaby Information in the Scheme Booklet will:

(i) be prepared in good faith and not, at the date of the Scheme Booklet, contain any statement which is materially misleading or deceptive, including by way of omission; and

(ii) comply with all applicable laws and ASIC Regulatory Guides applicable to schemes of arrangement.

(r) **Independent Expert**: All information provided by or on behalf of Carnaby to the Independent Expert to enable their report to be prepared will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing their report for inclusion in the Scheme Booklet.

(s) **Carnaby Tenements**:

(i) the Carnaby Tenements are:

(A) solely legally and beneficially owned by a Carnaby Group Member other than in respect to E45/5622 (which is 80% legally and beneficially owned by a Carnaby Group Member) and as Fairly Disclosed in the Carnaby Disclosure Materials;

(B) solely registered in the name of a member of the Carnaby Group;

(C) in good standing, valid and enforceable;

(D) free and clear of any Security Interest or third party right, and no royalty is payable in respect of them except as Fairly Disclosed in the Carnaby Disclosure Materials; and

(E) not subject to any pending or, to the best of the Carnaby Directors' knowledge, threatened objection, challenge or revocation proceedings; and

(ii) Carnaby has not done, or permitted to be done, anything which would or would reasonably be expected to cause any:

(A) Authorisation;

(B) Carnaby Tenement;

(C) Carnaby Tenement Application; or

(D) Carnaby Tenement Renewal Application

to be revoked, forfeited, terminated, cancelled or suspended for any reason;

(iii) in respect of any Carnaby Tenement which is due to be renewed on or before the Effective Date, Carnaby will have applied for the same to be renewed on or before the Effective Date;

(iv) to the best of Carnaby's knowledge, there is no fact matter or circumstance which would be likely to cause:

(A) any Carnaby Tenement which is due to be renewed before the Effective Date not to be renewed; or

(B) any Carnaby Tenement Application or Carnaby Tenement Renewal Application not to be granted; and

(v) the application for mining lease ML 1005000 is not in respect of any of the area covered by mining lease ML 90240.

(t) **Rio Tinto Tenements:**

(i) to the best of Carnaby's knowledge:

(A) the Rio Tinto Tenements are:

(I) in good standing, valid and enforceable; and

(II) not subject to any pending or threatened objection, challenge or revocation proceedings; and

(B) there is no fact, matter or circumstance in existence that would or would reasonably be expected to result in a Rio Tinto Tenement being forfeited, terminated, cancelled or suspended for any reason.

(u) **Tenements:**

(i) no other mineral rights or other property rights are necessary for the conduct of the Carnaby Group's business as it is currently being conducted;

(ii) there are no material restrictions on the ability of the Carnaby Group to use, transfer or otherwise exploit any of the Carnaby Tenements except as required by applicable law;

(iii) no Carnaby Group Member has received any notice of any material Claim of any sort that has been asserted by anyone adverse to the rights of the Carnaby Group under any of the Carnaby Tenements, or affecting or questioning the rights of the Carnaby Group to the continued possession of the Carnaby Tenements; and

(iv) no Carnaby Group Member has any legal or equitable interest in any tenement, mineral right or property rights other than the Carnaby Tenements.

(v) **Mineral Resources:**

(i) The estimated mineral resources publicly disclosed by Carnaby have been prepared and disclosed in all material respects in accordance with sound mining, engineering, geoscience, and other applicable industry standards (including the JORC Code), and in accordance with all applicable laws, and so far as Carnaby is aware, there has been no material reduction in the aggregate amount of estimated mineral resources from the amounts disclosed publicly by Carnaby to the ASX;

(ii) The information provided by Carnaby to the 'Competent Persons' (within the meaning of the JORC Code) in connection with the preparation of such mineral resources estimates was complete and accurate in all material respects at the time such information was furnished; and

(iii) All material information regarding Carnaby's estimated mineral resources, including drill results, technical reports and studies, that are required to be disclosed pursuant to the requirements of the ASX Listing Rules, have been disclosed to ASX.

(w) **Environmental:** No Carnaby Group Member:

(i) has received any order, written request or written notice from any Government Agency or person alleging a material violation of any environmental law which has not been discharged, determined, settled or satisfied (as applicable) in all material respects;

(ii) is a party to any Claim, or to the knowledge of Carnaby, no Claim is threatened against it or its property or assets, which in either case asserts or alleges that the relevant Carnaby Group Member has materially violated applicable environmental laws; and

(iii) has entered into any agreement with a Third Party to assume the liabilities of any other person under any environmental law.

## SCHEDULE 6 – CAPITAL STRUCTURE DETAILS

### 1. Bidder Issued Capital

| SECURITY | NUMBER |
|---|---|
| Shares | 2,031,090,542 |
| Share Rights | 53,971 |
| Performance Rights | 29,502,135 |

### 2. Carnaby Issued Capital

| SECURITY | NUMBER |
|---|---|
| **Shares** | **276,119,864** |
| Options | |
| Options with an exercise price of $0.95 and expiring on 24 November 2026 | 1,200,000 |
| Options with an exercise price of $1.10 and expiring on 19 September 2027 | 2,520,000 |
| Options with an exercise price of $0.59 and expiring on 15 December 2029 | 1,500,000 |
| Options with an exercise price of $0.70 and expiring on 22 April 2030 | 300,000 |
| **Total Unlisted Options on issue:** | **5,520,000** |

**EXECUTED** by the parties as a deed.

**EXECUTED** by )
**EVOLUTION MINING LIMITED** )
**ACN 084 669 036** )
in accordance with section 127 of the )
*Corporations Act 2001* (Cth): )

[redacted]

Signature of director

[redacted]

Signature of ~~director~~/company secretary*

Lawrence Conway

Name of director

Evan Elstein

Name of ~~director~~/company secretary*

*please delete as applicable

**EXECUTED** by )
**CARNABY RESOURCES LIMITED** )
**ACN 610 855 064** )
in accordance with section 127 of the )
*Corporations Act 2001* (Cth): )

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

**EXECUTED** by the parties as a deed.

**EXECUTED** by )
**EVOLUTION MINING LIMITED** )
**ACN 084 669 036** )
in accordance with section 127 of the )
*Corporations Act 2001* (Cth): )

| | |
|---|---|
| Signature of director | Signature of director/company secretary* |
| Name of director | Name of director/company secretary* |

*please delete as applicable

**EXECUTED** by )
**CARNABY RESOURCES LIMITED** )
**ACN 610 855 064** )
in accordance with section 127 of the )
*Corporations Act 2001* (Cth): )

| | |
|---|---|
| [redacted] | [redacted] |
| Signature of director | Signature of ~~director~~/company secretary* |
| Rob Watkins | Steven Bowler |
| Name of director | Name of ~~director~~/company secretary* |

*please delete as applicable

**EVOLUTION MINING LIMITED**
**ACN 084 669 036**

**IN FAVOUR OF EACH SCHEME SHAREHOLDER**

# DEED POLL

STEINEPREIS PAGANIN

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**THIS DEED POLL** is dated 2026.

**BETWEEN**

**Evolution Mining Limited (ACN 084 669 036)** of Level 24, 175 Liverpool Street, Sydney, New South Wales 2000 (**Bidder**)

In favour of each Scheme Shareholder

**RECITALS**

**A.** The directors of Carnaby Resources Limited (ACN 610 855 064) (**Carnaby**) have resolved that Carnaby should propose the Scheme.

**B.** The effect of the Scheme will be that all Scheme Shares will be transferred to the Bidder.

**C.** The Bidder and Carnaby have entered into the Scheme Implementation Deed.

**D.** In the Scheme Implementation Deed, the Bidder agreed (amongst other things) to provide the Scheme Consideration to the Scheme Shareholders, subject to the satisfaction of certain conditions.

**E.** The Bidder is entering into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations in relation to the Scheme.

**IT IS AGREED** as follows:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this deed poll, the following definitions apply:

**Scheme** means the scheme of arrangement between Carnaby and the Scheme Shareholders, substantially in the form of Annexure B of the Scheme Implementation Deed, under which all of the Scheme Shares will be transferred to the Bidder under Part 5.1 of the Corporations Act, in consideration for the Scheme Consideration, subject to any alterations or conditions that are:

(a) agreed to in writing by Carnaby and the Bidder, and approved by the Court; or

(b) made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Carnaby and the Bidder.

**Scheme Implementation Deed** means the scheme implementation deed between the Bidder and Carnaby dated 26 July 2026 under which, amongst other things, Carnaby has agreed to propose the Scheme to the Scheme Shareholders, and each of Carnaby and Bidder has agreed to take certain steps to give effect to the Scheme.

All other words and phrases used in this deed poll have the same meaning as given to them in the Scheme, unless the context otherwise requires.

### 1.2 Interpretation

Clause 1.2 of the Scheme applies to the interpretation of this deed poll, except that references to "this Scheme" are to be read as references to "this deed poll".

### 1.3 Nature of deed poll

The Bidder acknowledges and agrees that:

(a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it; and

(b) under the Scheme, each Scheme Shareholder irrevocably appoints Carnaby and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against the Bidder in accordance with its terms.

## 2. CONDITIONS PRECEDENT AND TERMINATION

### 2.1 Conditions

The obligations of the Bidder under this deed poll are subject to the Scheme becoming Effective.

### 2.2 Termination

The obligations of the Bidder under this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect if:

(a) the Scheme Implementation Deed is terminated in accordance with its terms; or

(b) the Scheme has not become Effective on or before the End Date,

unless the Bidder and Carnaby otherwise agree in writing (and, if required, as approved by the Court).

### 2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

(a) the Bidder is released from any obligation to further perform this deed poll except those obligations contained in clause 6 of this deed poll; and

(b) each Scheme Shareholder retains the rights, powers or remedies it has against the Bidder in respect of any breach of this deed poll which occurs before it is terminated.

## 3. SCHEME CONSIDERATION

### 3.1 Scheme Consideration

Subject to clause 2, the Bidder undertakes in favour of each Scheme Shareholder to:

(a) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme;

(b) in satisfaction of the Bidder's obligation to provide such Scheme Consideration to the Scheme Shareholders under clause 3.1(a), issue, or procure the issue of, the Scheme Consideration to the Scheme Shareholders; and

(c) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme,

in each case subject to and in accordance with the terms of the Scheme.

### 3.2 New Bidder Shares to rank equally

The Bidder undertakes in favour of each Scheme Shareholder that all New Bidder Shares issued to each Scheme Shareholder or the Sale Agent in accordance with the Scheme will:

(a) be duly issued;

(b) rank equally in all respects with all other Bidder Shares then on issue; and

(c) be fully paid and free from any mortgage, charge, lien, encumbrance or other Security Interest or third-party rights.

## 4. REPRESENTATIONS AND WARRANTIES

The Bidder represents and warrants in favour of each Scheme Shareholder that:

(a) it is validly existing under the laws of its place of incorporation or registration;

(b) it has full corporate power and lawful authority to execute, deliver and perform this deed poll and to carry out the transactions contemplated by this deed poll;

(c) it has taken all necessary corporate action to authorise its entry into and performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) this deed poll constitutes its legal, valid and binding obligations and is enforceable against it in accordance with its terms;

(e) the execution and performance of this deed poll will not result in a breach of any Bidder Group Member's constitution or other constituent documents or any agreement or deed or any writ, order or injunction, rule or regulation to which any Bidder Group Member is a party or to which they are bound or require any consent, approval, authorisation or permit from any Government Agency; and

(f) no Bidder Insolvency Event has occurred in relation to it or any other Bidder Group Member nor has any regulatory action of any nature of which it is aware been taken or threatened to be taken that would prevent or restrict its ability to fulfil its obligations under this deed poll.

## 5. CONTINUING OBLIGATIONS

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

(a) the Bidder has fully performed its obligations under this deed poll; or

(b) termination of this deed poll under clause 2.2.

## 6. STAMP DUTY

The Bidder:

(a) must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this Deed, the Scheme or the steps to be taken under this Deed or the Scheme; and

(b) indemnifies each Scheme Shareholder against, and agrees to reimburse and compensate each Scheme Shareholder for, any liability arising from or in connection with any failure by the Bidder to comply with clause 6(a).

## 7. NOTICES

### 7.1 Form

Any notice or other communication including, but not limited to, any request, demand, consent or approval, to the Bidder in connection with this deed poll:

(a) must be in legible writing and in English;

(b) addressed in accordance with the following details or as specified to the sender by the Bidder by notice:

| | |
|---|---|
| **Address:** | Level 24, 175 Liverpool Street<br>Sydney, New South Wales 2000 |
| **Attention:** | Kirron Schmidt and Evan Elstein |
| **Email:** | kirron.schmidt@evolutionmining.com<br>evan.elstein@evolutionmining.com |

With a copy to be sent to:

| | |
|---|---|
| **Address:** | Allens<br>Level 11, 5 Spring Street<br>Perth, Western Australia 60000 |
| **Attention:** | Alex Ninkov |
| **Email:** | alexander.ninkov@allens.com.au |

(c) must be signed by an officer of or under the common seal of the sender; and

(d) any such notice or communication is regarded as being given by the sender and received by the addressee:

(i) if by delivery in person, when delivered to the addressee;

(ii) if by post, on delivery to the addressee; or

(iii) if by email, when the email (including any attachment) comes to the attention of the addressee,

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (addressee's time) it is regarded as received at 9.00 am on the following Business Day.

### 7.2 Reliance

Any such notice or other communication can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.

## 8. GOVERNING LAW AND JURISDICTION

### 8.1 Jurisdiction

(a) The Bidder irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this deed poll.

(b) The Bidder also irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where the venue falls within clause 8.1(a).

### 8.2 Governing law

This deed poll is governed by and will be construed in accordance with the laws of Western Australia.

### 8.3 Serving documents

Without preventing any other method of service, any document in an action in connection with this deed poll may be served on the Bidder by being delivered or left at Bidder's address set out in clause 7.1(b).

## 9. GENERAL

### 9.1 Variation

A provision of this deed poll or any right created under it may not be varied, altered or otherwise amended unless:

(a) if before the First Court Date, the variation is agreed to by Carnaby and the Bidder in writing (which agreement may be given or withheld without reference to or approval by any Scheme Shareholder); and

(b) if the variation occurs on or after the First Court Date, the variation is agreed to by Carnaby and the Bidder in writing and the Court indicates (either at the hearing on the First Court Date, an interlocutory hearing or the hearing on the Second Court Date) that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event the Bidder must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

### 9.2 Waiver

(a) The Bidder may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

(b) No Scheme Shareholder may rely on words or conduct of the Bidder as a waiver of any right unless the waiver is in writing and signed by the Bidder. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

(c) Failure to exercise or enforce a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

### 9.3 Rights cumulative

The rights, powers and remedies of the Bidder and each Scheme Shareholder under this deed poll are in addition to other rights, powers and remedies given by law independently of this deed poll.

### 9.4 Assignment and other dealings

(a) The Bidder and each Scheme Shareholder may not assign or otherwise deal with its rights under this deed poll or allow any interest in them to arise or be varied without the consent of the Bidder and Carnaby.

(b) Any purported dealing in contravention of clause 9.4(a) is invalid.

### 9.5 Further action

The Bidder agrees to do anything including executing all documents and doing all things (on its own behalf or on behalf of each Scheme Shareholder) necessary to give full effect to this deed poll and the Scheme and the transactions contemplated by this deed poll and the Scheme.

### 9.6 Severance

Any provision, or the application of any provision, of this deed poll that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this deed poll in that or any other jurisdiction.

**EXECUTED** as a deed poll.

| | |
|---|---|
| **EXECUTED** by | ) |
| **EVOLUTION MINING LIMITED** | ) |
| **ACN 084 669 036** | ) |
| in accordance with section 127 of the | ) |
| *Corporations Act 2001* (Cth): | ) |

| | |
|---|---|
| Signature of director | Signature of director/company secretary* |
| Name of director | Name of director/company secretary* |

*please delete as applicable

**CARNABY RESOURCES LIMITED**
**ACN 610 855 064**

**AND**

**SCHEME SHAREHOLDERS**

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# SCHEME OF ARRANGEMENT

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STEINEPREIS PAGANIN

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**THIS SCHEME** is dated 2026.

**BETWEEN**

**CARNABY RESOURCES LIMITED (ACN 610 855 064)** of 78 Churchill Avenue, Subiaco, Western Australia 6008 (**Carnaby**).

Each person registered on the Carnaby Share Register as a holder of Carnaby Shares as at the Record Date (**Scheme Shareholders**).

**RECITALS**

**A.** Carnaby has agreed in the Scheme Implementation Deed to propose this Scheme the effect of which will be that all Scheme Shares, and all rights and entitlements attaching to them as at the Implementation Date, will be transferred to the Bidder and the Bidder will provide, or procure the provision of, the Scheme Consideration to Scheme Shareholders.

**B.** The Bidder has executed the Deed Poll under which it has covenanted in favour of Scheme Shareholders to provide, or procure the provision of, the Scheme Consideration to the Scheme Shareholders and to perform certain of its other obligations under the Scheme.

**IT IS AGREED** as follows:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this Scheme, the following definitions apply:

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

**ASX** means ASX Limited (ACN 008 624 691), or the market operated by it, as the context requires.

**ASX Settlement** means ASX Settlement Pty Limited (ACN 008 504 532).

**ASX Settlement Operating Rules** means the settlement rules of the settlement facility operated by ASX Settlement.

**Bidder** means Evolution Mining Limited (ACN 084 669 036).

**Bidder Group** means the Bidder and each of its Subsidiaries and a reference to a '**Bidder Group Member**' or a '**member of the Bidder Group**' is to the Bidder or any of its Subsidiaries.

**Bidder Registry** means MUFG Corporate Markets (AU) Limited (ACN 083 214 537).

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

**Bidder Share Register** means the register of members of the Bidder maintained in accordance with the Corporations Act.

**Business Day** means a business day as defined in the Listing Rules, provided that day is not a day on which banks in Perth, Western Australia, are authorised or required to close.

**Carnaby Registry** means Computershare Investor Services Pty Limited (ACN 078 279 277).

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

**Carnaby Share Register** means the register of members of Carnaby maintained in accordance with the Corporations Act.

**Carnaby Shareholder** means each person who is registered as the holder of one or more Carnaby Shares, as shown in the Carnaby Share Register.

**CHESS** means the clearing house electronic sub-register system of share transfers operated by ASX Settlement.

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

**Court** means the Supreme Court of Western Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by the Bidder and Carnaby.

**Deed Poll** means the deed poll to be entered into by the Bidder substantially in the form of Annexure A to the Scheme Implementation Deed.

**Duty** means any stamp, transfer, landholder, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed by any Government Agency in respect of any of those amounts.

**Effective** means, when used in relation to the Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411 (4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**Electing Small Parcel Shareholder** means a Small Parcel Shareholder who has not provided the Bidder with an Opt-out Notice before 5:00pm on the Business Day before the Record Date.

**End Date** means the date that is nine (9) months after the date of this Scheme, or such other date as the Bidder and Carnaby may agree in writing.

**Excluded Shareholder** means any Carnaby Shareholder who is a member of the Bidder Group or any Carnaby Shareholder who holds any Carnaby Shares on behalf of, or for the benefit of, any member of the Bidder Group.

**First Court Date** means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act directing Carnaby to convene the Scheme Meeting is heard (or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard).

**Government Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASX, ASIC and the Takeovers Panel).

**Implementation Date** means the third Business Day following the Record Date or such other day as the Bidder and Carnaby agree in writing or is ordered by the Court.

**Ineligible Foreign Shareholder** means any Scheme Shareholder whose address as shown in the Carnaby Share Register is a place outside Australia and its external territories or New Zealand, unless the Bidder determines that:

(a) it is lawful and not unduly onerous or unduly impracticable to issue that Scheme Shareholder with the New Bidder Shares on implementation of the Scheme; and

(b) it is lawful for that Scheme Shareholder to participate in the Scheme by the law of the relevant place.

**Ineligible Shareholder** means an Ineligible Foreign Shareholder or an Electing Small Parcel Shareholder.

**Listing Rules** means the official listing rules of ASX.

**New Bidder Shares** means fully paid ordinary shares in the capital of the Bidder to be issued as consideration to Scheme Shareholders under the Scheme.

**Official List** means the official list of ASX.

**Opt-out Notice** means a notice by a Small Parcel Shareholder electing not to participate in the sale facility under clause 6.6 and requesting that the Scheme Consideration to which it is entitled be issued directly to it rather than to the Sale Agent.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**Record Date** means 5:00pm on the second Business Day after the Effective Date, or such other time and date as the Bidder and Carnaby agree in writing.

**Registered Address** means in relation to a Scheme Shareholder, the address of that Scheme Shareholder shown in the Carnaby Share Register.

**Sale Agent** means a person appointed by the Bidder (in its sole discretion, acting reasonably, and subject to any applicable regulatory requirements), to sell the Sale Shares in accordance with clause 6.6.

**Sale Proceeds** means the gross proceeds of sale of the Sale Shares under clause 6.6, less any applicable taxes and charges incurred by the Bidder or the Sale Agent in connection with the sale of the Sale Shares under clause 6.6.

**Sale Shares** means the New Bidder Shares to which Ineligible Shareholders would have been entitled under the Scheme but for the operation of clause 6.6(b) of this Scheme.

**Scheme** means this scheme of arrangement between Carnaby and the Scheme Shareholders under which all of the Scheme Shares will be transferred to the Bidder under Part 5.1 of the Corporations Act, in consideration for the Scheme Consideration, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by the Bidder and Carnaby in accordance with this Scheme.

**Scheme Implementation Deed** means the scheme implementation deed between the Bidder and Carnaby dated 26 July 2026 under which, amongst other things, Carnaby has agreed to propose the Scheme to the Scheme Shareholders, and each of Carnaby and Bidder has agreed to take certain steps to give effect to the Scheme.

**Scheme Consideration** means the consideration to be provided by or on behalf of the Bidder to each Scheme Shareholder (other than an Ineligible Shareholder) for the transfer of each Scheme Share under this Scheme, being, in respect of each Scheme Share, the Transaction Ratio of New Bidder Shares.

**Scheme Meeting** means the meeting of Carnaby Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider the Scheme, including any adjournment or postponement thereof.

**Scheme Share** means a Carnaby Share held by a Scheme Shareholder as at the Record Date.

**Scheme Shareholder** means a Carnaby Shareholder (other than Excluded Shareholders) as at the Record Date.

**Scheme Transfer** means for each Scheme Shareholder, a duly completed proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

**Second Court Date** means the first day on which an application made to the Court for orders under section 411(4)(b) of the Corporations Act approving this Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard).

**Security Interest** means any mortgage, charge, pledge, lien, assignment or other security interest or any other arrangement (including a right of set off or combination) entered into for the purpose of conferring a priority, including any security interest as defined in section 51A of the Corporations Act or in the PPSA.

**Small Parcel Shareholder** means a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of Scheme Shares on the Record Date, would on implementation of this Scheme be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New Bidder Shares (assessed by reference to the last traded price of Bidder Shares on ASX on the trading day prior to the Record Date) as Scheme Consideration.

**Subsidiary** of an entity means another entity which:

(a) is a subsidiary of the first entity within the meaning of the Corporations Act; or

(b) is otherwise part of a consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.

**TAA** means the *Tax Administration Act* 1953 (Cth).

**Tax** means any past, present or future tax, levy, Duty, charge, impost, fee, deduction, goods and services tax (including GST), compulsory loan or withholding of any name, kind or description, that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, charge, fee or any other amount imposed on, or in respect of the above.

**Tax Act** means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth), or both as the context requires.

**Transaction Ratio** means 0.0682 New Bidder Shares for every 1 Scheme Share.

**1.2 Interpretation**

In this Scheme:

(a) headings are for convenience only and do not affect its interpretation;

(b) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;

(c) specifying anything after the words "include", "including", "such as" or "for example" or similar expressions does not limit what else is included;

and, unless the context otherwise requires:

(d) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;

(e) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;

(f) a reference to a body, other than a party to this Scheme whether statutory or not:

    (i) which ceases to exist; or

    (ii) whose powers or functions are transferred to another body,

    is a reference to the body which replaces it or substantially succeed its powers or functions;

(g) a reference to any document (including this Scheme) is to that document as varied, novated, ratified or replaced from time to time;

(h) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;

(i) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;

(j) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Scheme and a reference to this Scheme includes any schedule, exhibit or annexure to this Scheme;

(k) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

(l) a reference to time is to Western Standard Time as observed in Perth, Western Australia;

(m) if a period of time is specified and dates from a given day or the day of an event, it is to be calculated exclusive of that day;

(n) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(o) a reference to a payment is to a payment by bank cheque or such other form of cleared funds the recipient otherwise allows in the relevant lawful currency specified;

(p) a reference to **$** or **dollar** is to the lawful currency of the Commonwealth of Australia; and

(q) a reference to a party using or an obligation on a party to use reasonable endeavours or its best endeavours does not oblige that party to:

(i) pay money:

(A) in the form of an inducement or consideration to a third Party to procure something (other than the payment of immaterial expenses or costs, including costs of advisers, to procure the relevant thing); or

(B) in circumstances that are commercially onerous or unreasonable in the context of this Scheme;

(ii) provide other valuable consideration to or for the benefit of any person; or

(iii) agree to commercially onerous or unreasonable conditions.

### 1.3 Business Day

(a) If anything under this Scheme must be done on a day that is not a Business Day, it must be done on or by the next Business Day.

(b) If an act prescribed under this Scheme is to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day.

### 1.4 Parties

(a) If a party consists of more than one person, this Scheme binds each of them separately and any two or more of them jointly.

(b) An agreement, covenant, obligation, representation or warranty in favor of two or more persons is for the benefit of them jointly and each of them separately.

(c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

## 2. PRELIMINARY

### 2.1 Carnaby

Carnaby is:

(a) a public company limited by shares;

(b) incorporated in Australia and registered in Western Australia; and

(c) admitted to the Official List of the ASX and Carnaby Shares are officially quoted on the stock market conducted by the ASX.

### 2.2 Bidder

The Bidder is:

(a) a public company limited by shares;

(b) incorporated in Australia and registered in New South Wales; and

(c) admitted to the Official List of the ASX and Bidder Shares are officially quoted on the stock market conducted by the ASX.

**2.3 Scheme Implementation Deed**

The Bidder and Carnaby have agreed by executing the Scheme Implementation Deed to implement the terms of this Scheme on and subject to the terms and conditions of the Scheme Implementation Deed.

**2.4 Deed Poll**

This Scheme attributes actions to Bidder but does not itself impose an obligation on the Bidder to perform those actions. The Bidder has executed the Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform, or procure the performance of, the obligations attributable to the Bidder as contemplated by this Scheme, including to provide, or cause to be provided, the Scheme Consideration to the Scheme Shareholders.

**2.5 If Scheme becomes Effective**

If this Scheme becomes Effective:

(a) in consideration of the transfer of each Scheme Share to the Bidder, the Bidder will provide, or cause to be provided, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of this Scheme and the Deed Poll;

(b) all Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to the Bidder on the Implementation Date; and

(c) Carnaby will enter the name of the Bidder in the Carnaby Share Register in respect of all Scheme Shares transferred to the Bidder in accordance with the terms of this Scheme and the Deed Poll.

## 3. CONDITIONS PRECEDENT

**3.1 Conditions precedent to the Scheme**

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(a) as at 8:00am on the Second Court Date, all of the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent in clause 3.1(h) of the Scheme Implementation Deed relating to the Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed;

(b) as at 8:00am on the Second Court Date, neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms;

(c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Carnaby and the Bidder having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act;

(d) subject to clause 11.1, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to in writing by Carnaby and the Bidder having been satisfied or waived; and

(e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to the Scheme on or before the End Date (or any later date Carnaby and the Bidder agree in writing in accordance with the Scheme Implementation Deed).

**3.2 Conditions precedent and operation of clauses 5 to 7**

The satisfaction of each condition of clause 3.1 is a condition precedent to the operation of clauses 5 to 7.

**3.3 Certificate in relation to conditions precedent**

(a) The Bidder and Carnaby must each provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not the conditions precedent set out in clauses 3.1(a) and 3.1(b) and of this Scheme have been satisfied or waived.

(b) The certificates referred to in clause 3.3(a) will constitute conclusive evidence (in the absence of manifest error) of whether the conditions precedent referred to in clauses 3.1(a) and 3.1(b) have been satisfied or waived.

**3.4 Lodgement of Court orders with ASIC**

If the conditions precedent set out in clause 3.1 (other than the condition precedent in clause 3.1(e)) are satisfied, Carnaby must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than the Business Day after the date on which the Court order was made (or such later date as agreed in writing with the Bidder).

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**4. SCHEME**

**4.1 Effective Date**

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

**4.2 End Date**

Without limiting any rights or obligations under the Scheme Implementation Deed, this Scheme will lapse and be of no further force or effect if:

(a) the Effective Date does not occur on or before the End Date or any later date the Court with the consent of the Bidder and Carnaby, may order; or

(b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with their respective terms,

unless Carnaby and the Bidder otherwise agree in writing (and, if required, as approved by the Court).

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**5. IMPLEMENTATION OF SCHEME**

**5.1 Transfer and registration of Scheme Shares**

Subject to the Scheme becoming Effective, on the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with clause 6 and the Bidder having provided Carnaby with written confirmation of the provision of the Scheme Consideration:

(a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to the Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by Carnaby as attorney and agent for Scheme Shareholders under clause 7.2), by:

   (i) Carnaby delivering to the Bidder a duly completed and executed Scheme Transfer executed on behalf of the Scheme Shareholders by Carnaby, for registration; and

   (ii) the Bidder duly executing the Scheme Transfer and delivering it to Carnaby, for registration; and

(b) immediately after receipt of the duly executed Scheme Transfer, Carnaby must enter, or procure the entry of, the name of the Bidder in the Carnaby Share Register in respect of all Scheme Shares transferred to the Bidder in accordance with the terms of this Scheme.

**5.2 Entitlement to Scheme Consideration**

On the Implementation Date, in consideration for the transfer to the Bidder of the Scheme Shares, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6.

**5.3 Title and rights in Scheme Shares**

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder (other than Ineligible Foreign Shareholders and Electing Small Parcel Shareholders), Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme, pending registration by Carnaby of the Bidder in the Carnaby Share Register as the holder of the Scheme Shares.

**5.4 Transfer free of Security Interests**

To the extent permitted by law, all Scheme Shares (including any rights and entitlements attaching to them) which are transferred to the Bidder under this Scheme will, at the date of the transfer of them to the Bidder, vest in the Bidder free from all Security Interests and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

## 6. SCHEME CONSIDERATION

**6.1 Consideration under this Scheme**

On the Implementation Date, the Bidder:

(a) must provide, or procure the provision of, the Scheme Consideration to the Scheme Shareholders (or to the Sale Agent in accordance with clause 6.6) in accordance with this clause 6; and

(b) agrees to (in satisfaction of the Bidder's obligations to provide such Scheme Consideration to the Scheme Shareholders under clause 6.1(a)) issue, or cause to be issued, the Scheme Consideration in accordance with this clause 6.

**6.2 Scheme Consideration**

Subject to the terms and conditions of this Scheme (including clause 6.6 in relation to Ineligible Foreign Shareholders and Electing Small Parcel Shareholders), the Scheme Consideration will be provided by the issue by the Bidder of the Scheme Consideration to Scheme Shareholders on the Implementation Date.

**6.3 Provision of Scheme Consideration (other than Ineligible Shareholders)**

Subject to the other provisions of this clause 6, the obligations of the Bidder to provide, or procure the provision of, the Scheme Consideration to the Scheme Shareholders will be satisfied by the Bidder procuring that:

(i) the name and address of each such Scheme Shareholder (other than Ineligible Foreign Shareholders and Electing Small Parcel Shareholders) is entered into the Bidder Share Register on the Implementation Date in respect of the New Bidder Shares to which it is entitled under this clause 6; and

(ii) a holding statement (or equivalent document) is sent to the Registered Address of each such Scheme Shareholder (other than Ineligible Foreign Shareholders and Electing Small Parcel Shareholders) representing the number of New Bidder Shares issued to the Scheme Shareholder pursuant to this Scheme.

**6.4 Fractional entitlements**

Where the calculation of the number of New Bidder Shares to be issued to a particular Scheme Shareholder (including an Ineligible Shareholder dealt with in accordance with clause 6.6) would result in the Scheme Shareholder becoming entitled to a part of a New Bidder Share, then any such fractional entitlement will be rounded as follows:

(a) if the fractional entitlement is less than 0.5, it will be rounded down to the nearest whole number of New Bidder Shares; and

(b) if the fractional entitlement is equal to or more than 0.5, it will be rounded up to the nearest whole number of New Bidder Shares.

**6.5 Share splitting**

If the Bidder is of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares that results in rounding in accordance with clause 6.4 or each of whom holds less than or equal to the number of Carnaby Shares required to classify as a Small Parcel Shareholder) have, before the Record Date, been party to share splitting or division in an attempt to obtain unfair advantage by reference to such rounding, the Bidder may give notice to those Scheme Shareholders:

(a) setting out their names and registered addresses as shown in the Carnaby Share Register;

(b) stating that opinion; and

(c) attributing the Scheme Shares held by all of them to one of them as specifically identified in the notice,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of this Scheme, be taken to hold no Scheme Shares. The Bidder, in complying with the other provisions of this Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of this Scheme.

**6.6 Ineligible Foreign Shareholders and Electing Small Parcel Shareholders**

(a) Each Small Parcel Shareholder will be deemed to be an Electing Small Parcel Shareholder unless they elect, by providing an Opt-out Notice to the Bidder, before 5.00pm on the Business Day prior to the Record Date, not to participate in the sale facility under this clause 6.6.

(b) The Bidder has no obligation under this Scheme or the Deed Poll to issue, and will not issue, any New Bidder Shares to any Ineligible Shareholder and instead, the Bidder must issue (subject to clauses 6.4 and 6.9) the New Bidder Shares that would otherwise have been issued to the Ineligible Shareholder (**Relevant Bidder Shares**) to the Sale Agent.

(c) The Bidder will procure that, as soon as reasonably practicable after the Implementation Date (and in any event within 15 Business Days of the date on which the Bidder Shares are capable of being traded on the ASX after the Implementation Date), the Sale Agent:

  (i) in consultation with the Bidder, sells or procures the sale of all of the Relevant Bidder Shares on the financial market conducted by ASX in such manner, at such price and on such terms as the Sale Agent determines in good faith (and at the risk of the Ineligible Shareholders); and

  (ii) remits to the Bidder the proceeds of sale (after deducting any applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges).

(d) Promptly after the last sale of Relevant Bidder Shares in accordance with clause 6.6(c) and receiving the net proceeds of such sale, the Bidder must pay, or procure the payment, to each Ineligible Shareholder the amount calculated in accordance with the following formula and rounded down to the nearest cent:

(A ÷ B) x C

Where:

**A** is the number of Relevant Bidder Shares that would otherwise have been issued to that Ineligible Shareholder if they had not been an Ineligible Shareholder, and which were issued to the Sale Agent for sale in accordance with clause 6.6(c);

**B** is the total number of Relevant Bidder Shares which would have been issued to all Ineligible Shareholder, and which were issued to the Sale Agent for sale in accordance with clause 6.6(c); and

**C** is the proceeds of sale (after deducting any applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges), being the amount referred to in clause 6.6(c)(ii).

(e) Each Ineligible Shareholder acknowledges and agrees that:

(i) none of the Bidder, Carnaby or the Sale Agent give any assurance as to the price that will be achieved for the sale of the Relevant Bidder Shares described in clause 6.6(c); and

(ii) the Bidder, Carnaby and the Sale Agent each expressly disclaim any fiduciary duty to any Ineligible Shareholder which may arise in connection with this clause 6.6.

(f) The Bidder must pay or procure that each Ineligible Shareholder is paid any amounts owing under clause 6.6(c) by either (in the absolute discretion of the Bidder):

(i) making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Ineligible Shareholder (as applicable) to Carnaby (or the Carnaby Registry) and recorded in or for the purposes of the Carnaby Share Register at the Record Date; or

(ii) dispatching, or procuring the dispatch, to that Ineligible Shareholder (as applicable) by prepaid post to the Registered Address (as at the Record Date) of that Ineligible Shareholder (as applicable), a cheque in the name of that Ineligible Shareholder (as applicable) (in the case of joint holders, the cheque will be drawn in the name of the joint holders and dispatched in accordance with the procedures set out in clause 6.12),

for the relevant amount, with that amount being denominated in Australian dollars.

(g) Each Ineligible Shareholder appoints Carnaby, and each director and officer of Carnaby, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Agent is required to provide to the Ineligible Shareholder (as applicable) under the Corporations Act or any other applicable law.

(h) Payment of the relevant amounts calculated in accordance with clause 6.6(d) satisfies in full the Bidder's obligations to the Ineligible Shareholder (as applicable) under this Scheme in respect of the Scheme Consideration.

### 6.7 Unclaimed monies

(a) The Bidder may cancel a cheque issued under this clause 6 if the cheque:

(i) is returned to the Bidder; or

(ii) has not been presented for payment within 6 months after the date on which the cheque was sent.

(b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Carnaby, the Carnaby Registry or the Bidder, the Bidder must as soon as practicable reissue a cheque that was previously cancelled under clause 6.7(a)(ii).

(c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration that becomes "unclaimed money" (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).

**6.8 Withhholding**

(a) The Bidder acknowledges and agrees that if the Bidder is required to make any withholding, deduction or payment for or on account of Tax (including under Subdivision 14-D of Schedule 1 of the TAA (**Subdivision 14-D**) or by any Government Agency in respect of the acquisition of the Scheme Shares from the Scheme Shareholders, the Bidder:

(i) must pay or procure the payment of the full amount of the withholding or deduction, or make or procure the making of the payment, to the appropriate Government Agency under applicable law;

(ii) is entitled to deduct the relevant amounts from provision of the Scheme Consideration to the Scheme Shareholders (including, but not limited to, by issuing such lesser number of New Bidder Shares to a Scheme Shareholder as appropriate); and

(iii) will not be required to pay any additional amount and will be deemed for all purposes to have paid the full amount of the Scheme Consideration (or other payment) required under the Scheme Implementation Deed.

(b) Subject to clause 6.8(f), the Bidder acknowledges and agrees that it will not withhold or deduct any Subdivision 14-D amounts under clause 6.8(a) with respect to a Scheme Shareholder where the Bidder:

(i) receives a valid declaration provided by a Scheme Shareholder in accordance with section 14-225 and section 14-210(3) of Schedule 1 to the TAA (**Scheme Shareholder Declaration**) from the Scheme Shareholder prior to the Effective Date and, if the Effective Date is more than six months after the date of the Scheme Implementation Deed, a further Scheme Shareholder Declaration; and

(ii) does not know any such Scheme Shareholder Declaration to be false.

(c) Carnaby acknowledges and agrees that Bidder may approach the ATO to obtain clarification as to the application of Subdivision 14-D to the Scheme and will provide all information and assistance that Bidder reasonably requires in making any such approach.

(d) Carnaby and the Bidder agree:

(i) that the Bidder may approach the ATO to obtain clarification as to the application of Subdivision 14-D of the Scheme and to use reasonable endeavours to reach an agreement with the ATO to mitigate the withholding required under Subdivision 14-D and, where possible, reduce the circumstances where a Scheme Shareholder is required to provide a Scheme Shareholder Declaration;

(ii) that the Bidder will provide Carnaby a reasonable opportunity to review the form and content of all materials to be provided to the ATO, and must incorporate Carnaby's reasonable comments on those materials; and

(iii) not to contact any Carnaby Shareholders in connection with the application of Subdivision 14-D to the Scheme without Carnaby's prior written consent (which shall not be unreasonably withheld).

(e) Carnaby and the Bidder agree to consult in good faith as to the application of Subdivision 14-D, including taking into account any clarification provided by the ATO following any of the processes described in clause 6.8(d). Carnaby and the Bidder agree to take all actions that they agree (each acting reasonably) are necessary or desirable following that consultation which may include making amendments to the Scheme Implementation Deed and the Scheme and to ensure that relevant representations are obtained from Scheme Shareholders.

(f) If, after the date the Scheme Implementation Deed is signed, legislation is enacted, the effect of which is to make a Scheme Shareholder Declaration insufficient of itself to prevent a withholding otherwise required under section 14-200 of Subdivision 14-D without a further notice being given to the Commissioner of Taxation (and a further notice given to the Bidder regarding such notification to the Commissioner of Taxation), clause 6.8(b) above does not apply with respect to a Scheme Shareholder unless that Scheme Shareholder has given such further notices in compliance with and within the period required by the enacting legislation.

**6.9 Orders of a court or Government Agency**

If written notice is given to Carnaby (or the Carnaby Registry) or the Bidder (or the Bidder Registry) of an order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency that:

(a) requires consideration which would otherwise be provided to a Scheme Shareholder in accordance with this clause 6 to instead be paid or provided to a Government Agency or other third party (either through payment of a sum or the issuance of a security), then Carnaby or the Bidder (as applicable) shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Shareholder); or

(b) prevents consideration being provided to any particular Scheme Shareholder in accordance with this clause 6, or the payment or provision of such consideration is otherwise prohibited by applicable law, Carnaby or the Bidder (as applicable) shall be entitled to (as applicable) direct the Bidder not to issue (or procure the issue of), or to issue or provide to a trustee or nominee, such number of New Bidder Shares as that Scheme Shareholder would otherwise be entitled to under this clause 6, until such time as payment or provision of the consideration in accordance with this clause 6 is permitted by that order or direction or otherwise by law.

**6.10 Australian Tax roll-over**

(a) The Bidder acknowledges that each Scheme Shareholder who is an Australian resident shareholder who holds their Scheme Shares on capital account is expected to seek roll-over relief under subdivision 124-M of the Tax Act, to the extent permitted under the Tax Act.

(b) The Bidder undertakes that it will not make a choice to deny roll-over relief to the Scheme Shareholders under subsection 124-795(4) of the Tax Act.

**6.11 Status of New Bidder Shares**

The Bidder covenants in favour of Carnaby (in its own right and on behalf of the Scheme Shareholders) that, subject to this Scheme becoming Effective:

(a) the New Bidder Shares will, upon their issue, rank equally in all respects with all other Bidder Shares then on issue;

(b) it will do everything reasonably necessary to ensure that the New Bidder Shares will be quoted on the Official List of ASX and commence trading on a normal settlement basis no later than the first Business Day after the Implementation Date;

(c) the New Bidder Shares will be duly and validly issued in accordance with applicable laws and the Bidder's constitution and other constituent documents; and

(d) on issue, each New Bidder Share will be fully paid and free from any Security Interest.

**6.12 Joint holders**

In the case of Scheme Shares held in joint names:

(a) any New Bidder Shares to be issued under this Scheme must be issued and registered in the names of the joint holders and entry in the Bidder Share Register must take place in the same order as the holders' names appear in the Carnaby Share Register;

(b) any cheque required to be sent under this Scheme must be payable to the joint holders and sent to the holder whose name appears first in the Carnaby Share Register on the Record Date; and

(c) any document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Carnaby, the holder whose name appears first in the Carnaby Share Register as at the Record Date or to the joint holders.



## 7. SCHEME SHAREHOLDERS

**7.1 Appointment of Bidder as sole proxy**

(a) Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6, on and from the Implementation Date until Carnaby registers the Bidder as the holder of all of the Scheme Shares in the Carnaby Share Register, each Scheme Shareholder:

(i) is deemed to have irrevocably appointed Carnaby as attorney and agent (and directs Carnaby in such capacity) to appoint the Bidder and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 7.1(a)(i));

(ii) must take all other actions in the capacity of the registered holder of Scheme Shares as the Bidder directs; and

(iii) acknowledges and agrees that in exercising the powers referred to in clause 7.1(a)(i), the Bidder and any director or corporate representative nominated by Bidder under clause 7.1(a)(i) may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

(b) Carnaby undertakes in favour of each Scheme Shareholder that it will appoint the Bidder and each of its directors from time to time (jointly and each of them individually) as that Scheme Shareholder's proxy or, where applicable, corporate representative in accordance with clause 7.1(a)(i).

**7.2 Appointment of Carnaby as sole attorney and agent**

On this Scheme becoming Effective, each Scheme Shareholder, without the need for any further act by any Scheme Shareholder, irrevocably appoints Carnaby and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

(a) executing any document, or doing or taking any other act, necessary, desirable or expedient, or incidental to give effect to this Scheme and the transactions contemplated by it including executing and delivering any executed Scheme Transfer and any other deed or document reasonably required by the Bidder, that causes each Scheme Shareholder (or the Sale Agent, if applicable) to become a shareholder of the Bidder or holder of New Bidder Shares and to be bound by the terms of the constitution of the Bidder; and

(b) enforcing the Deed Poll against the Bidder,

and Carnaby accepts such appointment and undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against the Bidder on behalf of and as agent and attorney for the Scheme Shareholders. Carnaby as attorney and agent of each Scheme Shareholder may sub-delegate its functions, authorities or powers under this clause 7.2 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

**7.3 Scheme Shareholder's agreements**

Under this Scheme, each Scheme Shareholder (and, to the extent relevant, the Sale Agent) irrevocably and without the need for any further act by the Scheme Shareholder:

(a) subject to the provision of the Scheme Consideration for the Scheme Shares held by Scheme Shareholders in accordance with clause 6:

(b) agrees for all purposes to the transfer of its Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;

(c) agrees to the variation, cancellation or modification of the rights attached to its Scheme Shares constituted by or resulting from this Scheme; and

(d) agrees to, on the direction of the Bidder, destroy any holding statements or share certificates relating to its Scheme Shares;

(e) agrees, in the case of Scheme Shares held in a CHESS holding:

(i) to the conversion of those Scheme Shares to an issuer sponsored holding and that Carnaby is irrevocably appointed and authorised to do anything necessary or expedient (whether required by the ASX Settlement Operating Rules or otherwise) to effect or facilitate such conversion (including, causing a message to be transmitted to ASX Settlement in accordance with the ASX Settlement Operating Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS sub-register to the issuer sponsored sub-register operated by Carnaby or the Carnaby Registry); and

(ii) Carnaby is irrevocably appointed and authorised to complete and sign on behalf of the Scheme Shareholder any required form of Scheme Transfer;

(f) agrees, in the case of Scheme Shares held in the issuer sponsored sub-register operated by Carnaby or the Carnaby Registry, Carnaby is irrevocably appointed and authorised to complete and sign on behalf of the Scheme Shareholder any required form of Scheme Transfer;

(g) if the Scheme Shareholder is not an Ineligible Foreign Shareholder or an Electing Small Parcel Shareholder, agrees to become a member of the Bidder, to have its name entered in the Bidder Share Register, accepts the New Bidder Shares issued to it and agrees to be bound by the Bidder's constitution;

(h) agrees and acknowledges that the issue of New Bidder Shares in accordance with clause 6.3 or the provision of the Sale Proceeds in accordance with clause 6.6 constitutes satisfaction of all its entitlements to Scheme Consideration under this Scheme;

(i) acknowledges that this Scheme binds Carnaby and all of the Scheme Shareholders from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Carnaby;

(j) appoints Carnaby, and each director and officer of Carnaby, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders or Electing Small Parcel Shareholders under the Corporations Act or any other applicable law; and

(k) consents to Carnaby and the Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

**7.4 Warranties by Scheme Shareholders**

(a) Each Scheme Shareholder warrants to the Bidder and is deemed to have authorised Carnaby to warrant to the Bidder as agent and attorney for the Scheme Shareholder by virtue of this clause 7.4, that:

(i) on the Implementation Date, all of its Scheme Shares (including any rights and entitlements attaching to those shares) transferred to the Bidder under this Scheme will, as at the date of the transfer, be fully paid and free from all Security Interests and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind;

(ii) on the Implementation Date, it has full power and capacity to sell and to transfer its Scheme Shares (including any rights and entitlements attaching to those shares) to the Bidder under this Scheme; and

(iii) on the Record Date, it does not have any existing right to be issued any other Scheme Shares or any other form of securities in Carnaby.

(b) Carnaby undertakes that it will provide such warranty in clause 7.4(a) to the Bidder as agent and attorney of each Scheme Shareholder.

## 8. DEALINGS IN SCHEME SHARES

**8.1 Determination of Scheme Shareholders**

To establish the identity of the Scheme Shareholders, dealings in Scheme Shares or other alterations to the Carnaby Share Register will only be recognised by Carnaby if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Carnaby Share Register as the holder of the relevant Scheme Shares on or before the Record Date; and

(b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Carnaby Share Register is kept,

and Carnaby will not accept for registration, nor recognise for any purpose any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

**8.2 Register**

Carnaby must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 8.1(b) on or before the Record Date, provided that nothing in this clause 8.2 requires Carnaby to register a transfer that would result in a Carnaby Shareholder holding a parcel of Carnaby Shares that is less than a 'marketable parcel' (as defined in the ASX Settlement Operating Rules).

**8.3 No disposals after Record Date**

(a) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that Scheme Shareholder) must not dispose of or transfer or purport or agree to dispose of or transfer any Scheme Shares or any interest in them after the Record Date in any way except as set out in this Scheme and any such disposal or transfer will be void and of no legal effect whatsoever, and Carnaby shall be entitled to disregard any such disposals or transfers

(b) Carnaby will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to the Bidder pursuant to this Scheme and any subsequent transfer by the Bidder or its successors in title).

**8.4 Maintenance of Carnaby Share Register**

For the purpose of determining entitlements to the Scheme Consideration, Carnaby will maintain the Carnaby Share Register in accordance with the provisions of clause 8 until the Scheme Consideration has been issued to the Scheme Shareholders and the Bidder has been entered in the Carnaby Share Register as the holder of all the Scheme Shares. The Carnaby Share Register in this form will solely determine entitlements to the Scheme Consideration.

**8.5 Effect of certificates and holding statements**

Subject to provision of the Scheme Consideration and registration of the transfer to the Bidder contemplated in clauses 5.1 and 8.4, any statements of holding or share certificates (or equivalent document) in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of the Bidder and its successors in title). After the Record Date, each entry current on the Carnaby Share Register as at the Record Date (other than entries in respect of the Bidder or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Carnaby Shares relating to that entry.

**8.6 Details of Scheme Shareholders**

As soon as reasonably practicable on or after the Record Date, and in any event by 5.00pm on the second Business Day after the Record Date, Carnaby will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder, as shown in the Carnaby Share Register at the Record Date, are available to the Bidder in such form as the Bidder reasonably requires.

**8.7 Quotation of Carnaby Shares**

Carnaby must apply to ASX to suspend trading on ASX of Carnaby Shares with effect from the close of trading on the Effective Date.

**8.8 Termination of quotation of Carnaby Shares**

After this Scheme has been fully implemented, on a date determined by the Bidder, Carnaby will apply:

(a) for termination of the official quotation of Carnaby Shares on ASX; and

(b) to have itself removed from the Official List of the ASX.

## 9. INSTRUCTIONS AND NOTIFICATIONS

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to Carnaby that are binding or deemed binding between the Scheme Shareholder and Carnaby relating to Carnaby or Carnaby Shares, including instructions, notifications or elections relating to:

(a) whether dividends are to be paid by cheque or into a specific bank account;

(b) payments of dividends on Carnaby Shares; and

(c) notices or other communications from Carnaby (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by the Bidder in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to the Bidder and to be a binding instruction, notification or election to, and accepted by, the Bidder until that instruction, notification or election is revoked or amended in writing addressed to Bidder at its registry.

## 10. NOTICES

### 10.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Carnaby, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Carnaby's registered office or at the office of the Carnaby Share Registry.

### 10.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Carnaby Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

## 11. GENERAL

### 11.1 Variations, alterations and conditions

(a) If the Court proposes to approve this Scheme subject to any variations, alterations or conditions under section 411(6) of the Corporations Act, Carnaby may, with the prior consent of the Bidder, by its counsel or solicitor, consent on behalf of all persons concerned to any such variations, alterations or conditions to this Scheme.

(b) Each Scheme Shareholder agrees to any such variations, alterations or conditions which Carnaby has consented to pursuant to clause 11.1(a).

### 11.2 Further action by Carnaby

Carnaby will execute all documents and do all things (on its own behalf and on behalf of each Scheme Shareholder) necessary or expedient to implement, and perform its obligations under, this Scheme and the transaction contemplated by it.

### 11.3 Authority and acknowledgement

Each of the Scheme Shareholders:

(a) irrevocably consents to Bidder and Carnaby doing all things necessary or expedient for or incidental to the implementation of this Scheme; and

(b) acknowledges that this Scheme binds Carnaby and all Scheme Shareholders (including those who do not attend the Scheme Meeting or do not vote at that Scheme Meeting or vote against the Scheme at that Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Carnaby.

### 11.4 No liability when acting in good faith

Without prejudice to the parties' rights under the Scheme Implementation Deed, neither the Bidder nor Carnaby, nor any of their respective officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

### 11.5 Stamp duty

The Bidder:

(a) must pay all stamp duty (including any fines, penalties and interest) payable in as a result of this Scheme or the transactions effected by or made under this Scheme; and

(b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 11.5(a).

## 12. GOVERNING LAW AND JURISDICTION

### 12.1 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the section of this document headed 'Parties'.

### 12.2 Jurisdiction

(a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this document.

(b) Each party also irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where the venue falls within clause 12.2(a).

### 12.3 Governing law

This document is governed by and will be construed in accordance with the laws of Western Australia.