

CARAVEL MINERALS LIMITED
ABN 41 120 069 089

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at Level 3, 18
Richardson Street West Perth, Western Australia on 11 November 2015 at 2.00 PM
(WST).**

**Shareholders are urged to attend or vote by lodging the proxy form attached to
this Notice.**

CARAVEL MINERALS LIMITED
ABN 41 120 069 089

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Caravel Minerals Limited ("**Company**") will be held at Level 3, 18 Richardson Street West Perth, Western Australia on 11 November 2015 at 2.00 PM (WST) ("**Meeting**").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 9 November 2015 at 5.00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

Financial, Directors' and Auditor's Report

To receive and consider the Financial Report, Directors' Report and Auditor's Report of the Company and its controlled entities for the financial year ended 30 June 2015.

1. Resolution 1 – Adoption of Remuneration Report

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

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Report (which is available at www.caravelminerals.com.au) be adopted."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by, or on behalf of, any of the key management personnel listed in the Remuneration Report ("**KMP**") or a KMP's closely related party. However, the Company need not disregard a vote if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

“Closely related party” is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

2. Resolution 2 – Re-election of Mr Peter Alexander as a Director

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

“That Mr Peter Alexander, who retires in accordance with Article 6.3(c) of the Constitution and, being eligible, offers himself for election, be re-elected as a Director with effect from the close of this Meeting.”

3. Resolution 3 – Approval of 10% Placement Facility

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of Equity Securities under the Additional 10% Placement Capacity and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Important note: The proposed allottees of any Equity Securities under the Additional Placement Capacity are not yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rule 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Capacity), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

4. Resolution 4 – Authority to Allocate Plan Shares to a Director – Mr Marcel Hilmer

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

"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.14, and for all other purposes, approval is given for the Allocation of up to 16,000,000 Shares under the existing Caravel Minerals Employee Share Acquisition Plan, and the provision of a loan, to Mr Marcel Hilmer for the purpose of acquiring the Shares under the Caravel Minerals Employee Share Acquisition Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Under section 250BD of the Corporations Act a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the person is either a member of the Key Management Personnel for the Company or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution, unless the person is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

5. Resolution 5 – Authority to Allocate Plan Shares to a Director – Mr James Harris

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

"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Allocation of up to 4,000,000 Shares under the existing Caravel Minerals Employee Share Acquisition Plan, and the provision of a loan, to Mr James Harris for the purpose of acquiring the Shares under the Caravel Minerals Employee Share Acquisition Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Under section 250BD of the Corporations Act a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the person is either a member of the Key Management Personnel for the Company or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution,

unless the person is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

6. Resolution 6 – Authority to Allocate Plan Shares to a Director – Mr Peter Alexander

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

"That, subject to Resolution 2 being passed, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Allocation of up to 4,000,000 Shares under the existing Caravel Minerals Employee Share Acquisition Plan, and the provision of a loan, to Mr Peter Alexander for the purpose of acquiring the Shares under the Caravel Minerals Employee Share Acquisition Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Under section 250BD of the Corporations Act a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the person is either a member of the Key Management Personnel for the Company or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution,

unless the person is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

7. Resolution 7 – Adoption of Caravel Minerals Employee Share Acquisition Plan

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

"That, for the purposes of Listing Rule 7.2 Exception 9(b), as an exception to Listing Rule 7.1, section 260C(4) of the Corporations Act and for all other purposes, the "Caravel Minerals Employee Share Acquisition Plan" (a summary of which is set out in the Explanatory Memorandum), and the issue of Shares under that plan, is approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

8. Resolution 8 – Approval of Employee Option Plan

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

"That, for the purposes of Listing Rule 7.2 Exception 9(b), as an exception to Listing Rule 7.1, the "Caravel Employee Option Plan" (a summary of which is set out in the Explanatory Memorandum), and the issue of options under that plan, is approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

9. Resolution 9 – Approval of Share Consolidation

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

"That for the purposes of section 254H of the Corporations Act, and for all other purposes, Shareholders approve and authorise the Directors to consolidate the issued capital of the Company on the basis that every 22 securities on issue be consolidated into 1 security in accordance with the Listing Rules and on the terms and conditions set out in the Explanatory Memorandum."

OTHER BUSINESS

To transact any other business that may legally be brought before the meeting.

RESOLUTION 6 IS CONDITIONAL ON RESOLUTION 2

Other than Resolution 6 being conditional on Resolution 2 being passed, the other Resolutions in this Notice are not inter-dependent.

CHAIRMAN AND CHAIRMAN'S VOTING INTENTIONS FOR UNDIRECTED PROXIES

It is proposed that the Chairman of the Meeting be James Harris. It is the Chairman's intention as Chairman of the Meeting to vote undirected proxies (i.e. open proxies) which he holds as proxy in favour of all Resolutions.

Dated 24 September 2015
By Order of the Board

A handwritten signature in black ink, appearing to read 'S. Robertson'.

Simon Robertson
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 3, 18 Richardson Street West Perth, Western Australia on 11 November 2015 at 2.00 pm (WST).

The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice. The table below details the information provided in each section of this Explanatory Memorandum.

Section 2:	Action to be taken by Shareholders
Section 3:	Financial, Directors and Auditors Reports
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr Peter Alexander
Section 6:	Resolution 3 – Approval of 10% Placement Facility
Section 7:	Resolution 4, 5 and 6 – Authority to Allocate Plan Shares to Directors
Section 8:	Resolution 7 – Adoption of Caravel Minerals Employee Share Acquisition Plan
Section 9:	Resolution 8 – Approval of Employee Option Plan
Section 10:	Resolution 9 – Approval of Share Consolidation
Schedule 1:	Definitions
Schedule 2:	Summary of Terms and Conditions of the Caravel Minerals Limited Share Acquisition Plan
Schedule 3:	Issue of Equity Securities since 12 November 2014
Schedule 4:	Terms and Conditions of Employee Share Option Plan

A Proxy Form is included with this Explanatory Memorandum.

2. Action to be taken by Shareholders

2.1 General

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is included with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Important information in respect of proxy voting on Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a closely related party of such member (which includes their spouse, child, dependent, other family members and any controlled company), including a member of the Key Management Personnel or closely related party acting as proxy for a Shareholder.

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or their closely related parties and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the Key Management Personnel.

Due to the voting exclusions that may apply to certain items of business, if you appoint a member of the Key Management Personnel or their closely related parties as your proxy then they will not be able to vote your proxy on Resolution 1 unless you have directed them how to vote or, in the case of the Chairman, if you expressly authorise him in the Proxy Form.

2.3 Important information in respect of proxy voting on Resolutions 4, 5 and 6

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on Resolutions 4, 5 and 6 as a proxy if:

- (a) the person is either:
 - (i) a member of the key personnel for the Company; or
 - (ii) a closely related party of a member of the key personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, under sub-section 250BD(2) of the Corporations Act, the restriction above does not apply if:

- (a) the person is the chair of the meeting at which the resolution is voted on; and
- (b) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

3. Financial, Directors' and Auditors Reports

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report at the Meeting. Copies of these reports can be found on the Caravel Minerals Limited website www.caravelminerals.com.au or by contacting the Company on (08) 9426 6400.

There is no requirement for Shareholders to approve the Financial Report, Director's Report and Auditor's Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2015;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

A list of the relevant written questions together with responses will be made available to Shareholders attending the Meeting. They will also be placed on the Company's website.

The following details should be included with written questions submitted by a Shareholder:

- (a) the Shareholder's Name; and
- (b) either the Shareholder's Security Reference Number (**SRN**) or Holder Identification Number (**HIN**).

4. Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act provides that if the Company's remuneration report resolution receives a "no" vote of 25% or more of votes (**Strike**) cast at the Meeting, the Company's subsequent remuneration report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, the Corporations Act provides that Shareholders will have the opportunity to remove the whole Board (except the Managing Director) if the Remuneration Report receives a Strike at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2014 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2016 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

Information on the voting exclusions applicable to Resolution 1 is set out in Section 2.2 above.

5. Resolution 2 – Re-election of Mr Peter Alexander as a Director

Listing Rule 14.4 has the effect that a director of an entity must not hold office (without re-election) past the third annual general meeting following that director's appointment or 3 years, whichever is longer.

Article 6.3(c) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number). Article 6.3(f) of the Constitution provides that a Director who retires under Article 6.3(c) is eligible for re-election.

Pursuant to Listing Rule 14.4 and Articles 6.3(c) and (f) of the Constitution, Mr Peter Alexander will retire by rotation and seek re-election.

Mr Alexander is a geologist by profession and has over 40 years' experience in mineral exploration and mining in Australia and overseas. Mr Alexander was Managing Director and Chief Executive Officer of Dominion Mining Ltd from 1997 until his retirement in January 2008, at which time he continued as a Non-Executive Director until the takeover by Kingsgate Consolidated Limited in 2010. Mr Alexander is currently a Non-Executive Director of Kingsgate Consolidated Limited and Non-Executive Director of Doray Minerals Limited. Mr Alexander managed the startup and operation of Dominion's Challenger gold mine in South Australia and, under his management, Dominion won the Gold Mining Journal's "Gold Miner of the Year" three years in succession.

The Board believes that Mr Peter Alexander has performed the duties and responsibilities of a Director diligently and professionally, in the best interests of all Shareholders.

The Board (except Mr Alexander) recommends that Shareholders vote in favour of this Resolution.

6. Resolution 3 – Approval of 10% Placement Facility

6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued ordinary share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting. The Company is an eligible entity.

While the Company has no current intention to use the 10% Placement Facility, the Company is now seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

The Company intends to continue to develop existing projects and seeks to acquire new resources assets and investments. The 10% Placement Facility provides additional flexibility and capacity to the fund raising alternatives that would otherwise normally be

available to the Company and the Company may use the 10% Placement Facility to develop existing projects and to acquire new resources assets and investments.

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

6.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue, Shares, Performance Shares, unlisted Options and Listed Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or

agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAMP (volume weighted average market price) of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(**"10% Placement Period"**).

6.3 Listing Rule 7.1A

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

6.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAMP (volume weighted average market price) for the Company's Equity Securities in the same class over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.003 50% decrease in Issue Price	\$0.006 Issue Price	\$0.012 100% increase in Issue Price
Current Variable 'A' 1,037,714,693 Shares*	10% voting dilution	103,771,469 Shares	103,771,469 Shares	103,771,469 Shares
	Funds raised	\$311,314	\$622,629	\$1,245,258
50% increase in current Variable 'A' 1,556,572,040 Shares	10% voting dilution	155,657,204 Shares	155,657,204 Shares	155,657,204 Shares
	Funds raised	\$466,972	\$933,943	\$1,867,886
100% increase in current Variable 'A' 2,075,429,386 Shares	10% voting dilution	207,542,939 Shares	207,542,939 Shares	207,542,939 Shares
	Funds raised	\$622,629	\$1,245,258	\$2,490,515

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed

Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (vii) The issue price is \$0.006, being the closing price of the Shares on ASX on 24 September 2015.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of Equity Securities pursuant to the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration in relation to costs associated with the acquisition of resource assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of resource assets or investments (which may include costs associated with due diligence and engagement of advisors in assessing new resource assets), and/or continued exploration and feasibility study expenditure on the Company's current assets including the Company's Calingiri Project in Western Australia.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (f) The Company has previously obtained Shareholder approval under Listing Rule 7.1A. In the 12 months preceding the date of the Meeting the Company issued a total of 441,776,006 Equity Securities which represent 44% of the total number of Equity Securities on issue at 12 November 2014. The Equity Securities issued in the preceding 12 months to the date of the Meeting are set out in Schedule 3.
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Board recommendation

The Board believes that the 10% Placement Capacity is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders approve the Resolution.

7. Resolutions 4, 5 and 6 – Authority to Allocate Plan Shares to Directors

7.1 Background

Resolution 4, 5 and 6 seeks Shareholder approval in accordance with Listing Rule 10.14 and Chapter 2E of the Corporations Act to Allocate Plan Shares to Directors of the Company under the Company's existing Share Plan, which was approved by Shareholders on 13 March 2013. The Company is seeking fresh approval of this Share Plan under Resolution 7 however, Resolutions 4, 5 and 6 relate to the Allocation of Shares to Directors under the existing version of the Share Plan.

As noted below, the issue of Shares to Directors the subject of Resolutions 4, 5 and 6 will be completed on the date of the Meeting (subject to Shareholder approval). This means that the Shares issued under Resolutions 4, 5 and 6 will be subject to the share consolidation contemplated by Resolution 9 (if approved by Shareholders).

The maximum number of Shares to be issued to each Director will be:

Marcel Hilmer	16,000,000
James Harris	4,000,000
Peter Alexander	4,000,000

The final number of Plan Shares will be Allocated to each Director will be determined by dividing a fixed dollar amount by the higher of \$0.005 and the volume weighted average market price at which Shares were traded on the ASX during the five day period up to and including the date of Allocation of the Plan Shares, being the date of the meeting (subject to obtaining Shareholder approval). The fixed dollar amounts are \$80,000 for Mr Hilmer and \$20,000 for each of Messrs Harris and Alexander.

The shares will be issued at a price calculated by multiplying the number of shares by the issue price less \$1,000 and will be subject to the sale restrictions set out below.

The principal terms of the Share Plan are summarised in Schedule 2.

The Company will provide a loan to each Director for the entire issue price of the Plan Shares. The principal terms of the loan are summarised in Schedule 2.

In the Company's present circumstances, the Board considers that the incentive to Messrs Hilmer, Harris and Alexander that will be represented by the Allocation of these Plan Shares, are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Messrs Hilmer, Harris and Alexander and are consistent with the strategic goals and targets of the Company.

The Board considers that the Allocation of Plan Shares to each of the Directors will align their interests with the interests of Shareholders. It is also usual that junior exploration companies remunerate their directors by way of share incentive plans in order to preserve cash and maximise exploration activities.

Resolutions 4, 5 and 6 are ordinary resolutions.

7.2 Approvals required

Shareholder approval is required under Listing Rule 10.14 and Chapter 2E of the Corporations Act for the proposed Allocation of the Plan Shares to Messrs Hilmer, Harris and Alexander and the provision of a loan to acquire those Plan Shares because Messrs Hilmer, Harris and Alexander are related parties of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, if this Resolution is approved the Allocation of Plan Shares to Mr Hilmer, Mr Harris and Mr Alexander will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

Listing Rule 10.14

Listing Rule 10.14 provides that the Company must not permit a Director or any of their associates from acquiring Equity Securities under an employee incentive scheme without the approval of Shareholders.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision by a public company of a "financial benefit" to a "related party". Section 208 of the Corporations Act prohibits:

- (1) a public company giving a financial benefit to a related party; or
- (2) a company which is controlled by the public company giving a financial benefit to a related party,

unless one of a number of exceptions applies, or shareholder approval is obtained.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a company issuing shares and granting options.

A "related party" includes a Director, an entity over which a Director has control and an entity which believes, or has reasonable grounds to believe, that it is likely to become a related party in the future. For the purposes of Chapter 2E of the Corporations Act, each of Mr Hilmer, Mr Harris and Mr Alexander (each a Director), is a related party of the Company.

7.3 Specific information required under Listing Rule 10.15 and Section 219 of the Corporations Act

Nature of the financial benefit

- (a) The related party in relation to Resolutions 4, 5 and 6 are Mr Marcel Hilmer, Mr James Harris and Mr Peter Alexander (respectively).
- (b) The Plan Shares will be Allocated to Messrs Hilmer, Harris and Alexander indirectly through a trust established under the Share Plan and will be held for their benefit.
- (c) The nature of the financial benefit for the purposes of Chapter 2E of the Corporations Act in relation to each Director is the Allocation of Plan Shares and the provision of each loan to acquire those Plan Shares.
- (d) The maximum number of Plan Shares that may be Allocated to:
 - (i) Mr Hilmer under Resolution 4 is 16,000,000 Shares;
 - (ii) Mr Harris under Resolution 5 is 4,000,000 Shares; and

(iii) Mr Peter Alexander under Resolution 6 is 4,000,000 Shares.

- (e) The Plan Shares will be Allocated to each Director at a total discount of \$1,000 to the total value of the Plan Shares Allocated calculated by multiplying the higher of \$0.005 and the volume weighted average market price at which Shares were traded on the ASX during the five day period up to and including the date of Allocation of the Plan Shares by the number of Plan Shares being Allotted. The value of the loan to each Director will be for the same amount.

By way of example:

	Mr Hilmer	Each of Messrs Harris and Alexander
Volume weighted average market price	\$0.005	\$0.005
Number of Plan Shares to be Allocated	16,000,000	4,000,000
Value of Plan Shares Allocated	\$80,000	\$20,000
Discount	\$1,000	\$1,000
Value at which Plan Shares are Allocated and loan amount	\$79,000	\$19,000

- (f) The Plan Shares will be subject to 2 sale restriction conditions that will each apply to 50% of the total number of Plan Shares Allocated to each Director:

	Number of Shares	Sale Restriction Date
Tranche 1	50% of total shares Allocated	One Month from the date of Allocation
Tranche 2	50% of total shares Allocated	Three Months from the date of Allocation

If the Participant leaves prior to the relevant Sale Restriction Date passing, the full loan will become repayable and interest will be charged on the portion of the loan corresponding to the class, or classes, of Plan Shares for which the relevant Sale Restriction Date has not passed.

- (g) To date there have been 61,458,968 Plan Shares Allocated under the Share Plan. Including the following issues to Directors:
- Marcel Hilmer 7,500,000 shares at an issue price of \$0.0276
 - James Harris 3,000,000 shares at an issue price of \$0.0134
 - Peter Alexander 3,000,000 shares at an issue price of \$0.0134
- (h) Under the Share Plan, only Employees (as defined in Schedule 1) are entitled to participate in the Share Plan. Messrs Hilmer, Harris and Alexander have been determined to be Employees for the purposes of the Share Plan.

- (i) The material terms of the loan in relation to the Share Plan are detailed in Schedule 2 of this Notice.
- (j) Subject to receiving approval under Resolutions 4, 5 and 6, the Company will Allocate the Plan Shares to each Director on the date of the Meeting.
- (k) No funds will be raised by the Allocation of the Plan Shares to Messrs Hilmer, Harris and Alexander.

Reasons for giving the financial benefit

The Company is a small listed company. The Company has limited funds, most of which are allocated to specific development activities. As a result, the Board has chosen to Allocate Plan Shares to Messrs Hilmer, Harris and Alexander as a key component of the incentive portion of their remuneration in order to retain their services and to provide incentive linked to the performance of the Company. The Board considers that Messrs Hilmer, Harris and Alexander have experience that will greatly assist the development of the Company. As such, the Board believes that the number of Plan Shares to be Allocated to Messrs Hilmer, Harris and Alexander is commensurate with their value to the Company.

Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of Messrs Hilmer, Harris and Alexander and the performance and value of the Company are closely related.

The Board chose the specific number of Plan Shares (and the value of each loan) for each of Messrs Hilmer, Harris and Alexander as the value will permit each of Messrs Hilmer, Harris and Alexander to subscribe for the Plan Shares and thereby allow the Company to achieve the objectives set out above.

The issue of Plan Shares and the grant of a loan to acquire those Shares to each of Messrs Hilmer, Harris and Alexander is a more cost effective incentive for the Company as opposed to the payment of additional cash compensation to each of those Directors. Alternative choices such as providing higher director fees, cash payments or cash bonuses to Messrs Hilmer, Harris and Alexander were considered however these choices were considered inappropriate because they would reduce the Company's cash position at a time when the Company wishes to minimise cash expenditure because the Company is presently carrying out substantial exploration which requires significant expenditure.

Directors' recommendation

Mr Hilmer has an interest in Resolution 4 and therefore believes it inappropriate to make a recommendation. The other Directors of the Company each recommend the Allocation of up to 16,000,000 Plan Shares to Mr Hilmer for the reasons set out above.

Mr Harris has an interest in Resolution 5 and therefore believes it inappropriate to make a recommendation. The other Directors of the Company each recommend the Allocation of up to 4,000,000 Plan Shares to Mr Harris for the reasons set out above.

Mr Alexander has an interest in Resolution 6 and therefore believes it inappropriate to make a recommendation. The other Directors of the Company each recommend the Allocation of up to 4,000,000 Plan Shares to Mr Alexander for the reasons set out above.

Dilution

The dilution effect if all of the Plan Shares issued under Resolutions 4, 5 and 6 is as follows

Current number of Shares on issue	1,037,714,693
Number of Plan Shares to be issued under Resolutions 4,5 and 6	24,000,000
Total number of Shares on issue if Resolutions 4, 5 and 6 are approved	2.26%

The issue of 16,000,000 Plan Shares to Mr Hilmer will dilute the shareholding of Shareholders by approximately 1.5%, based on the existing number of securities on issue as at the date of this Notice.

The issue of 4,000,000 Plan Shares to Mr Harris will dilute the shareholding of Shareholders by approximately 0.38%, based on the existing number of securities on issue as at the date of this Notice.

The issue of 4,000,000 Plan Shares to Mr Alexander will dilute the shareholding of Shareholders by approximately 0.38%, based on the existing number of securities on issue as at the date of this Notice.

The above calculations assume that the maximum of number of Plan Shares are issued to each of Mr Hilmer, Mr Harris and Mr Alexander.

The provision of the loan to each of Mr Hilmer, Mr Harris and Mr Alexander will have no dilution effect on the Company, other than by permitting those persons to acquire the relevant Plan Shares.

Existing relevant interest in securities of the Company

The current relevant interests in security holdings of Messrs Hilmer, Harris and Alexander is as follows:

Name of Director	Shares	Listed Options	Unlisted Options
Marcel Hilmer	30,268,345	13,333,333	4,780,220
James Harris	7,116,851	658,333	1,126,374
Peter Alexander	5,816,850	1,333,333	1,126,374

Total remuneration package

Amounts paid to Messrs Hilmer, Harris and Alexander for the period from 1 July 2014 to 30 June 2015 are as follows:

	Salary and Fees	Superannuation	Share based payments	Total
	\$	\$	\$	\$
Marcel Hilmer	174,099	37,502	-	211,601
James Harris	32,089	3,048	1,032	36,169
Peter Alexander	32,089	3,048	1,032	36,169

Valuation of the Plan Shares and each loan

The Company has calculated the fair value of the Plan Shares (and the loan) to be offered to each Director as follows, using the Black Scholes pricing model:

Mr Marcel Hilmer: \$35,989

Mr James Harris: \$8,997

Mr Peter Alexander: \$8,997

The valuation took into account the following inputs:

1. exercise price: \$0.00495
2. market price of shares at grant date: \$0.005
3. expected volatility of the Company's shares: 128%
4. risk free interest rate: 1.78%
5. time to maturity: 2 years
6. expected dividend yield: nil

The value of the Plan Shares has been calculated using a combination of a put and call option. Directors being granted the shares in effect have a put option with all of the features of a call option which has been valued using a Black Scholes pricing model. The terms of the Share Plan are as such however that the benefit of this option is reduced by the conditions during the restriction period which in effect are a put option which has also been valued using a Black Scholes pricing model. To determine the benefit provided the value of the put option is subtracted from the value of the call option. The value of the financial benefit to be provided Messrs Hilmer is \$35,989 plus foregone interest on the loan of approximately \$2,970 based on the 2 year loan term and applying an interest rate of 1.88% per annum and assuming repayment of principal is made at the end of the loan term and to each of Messrs Harris and Alexander the financial benefit to be provided will be \$8,997 plus foregone interest on the loan of approximately \$752 based on the 2 year loan term and applying an interest rate of 1.88% per annum and assuming repayment of principal is made at the end of the loan term. If the price of the Shares increases, each or Messrs Hilmer, Harris and Alexander will benefit from the price increase. However, the Company will not receive any additional benefit.

Trading history

Historical share price information for the last twelve months is as follows:

	Price	Date
Highest	\$0.018	26 September 2014
Lowest	\$0.005	18 September 2015
Last	\$0.006	24 September 2015

Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 4, 5 and 6.

A voting exclusion statement for each of Resolutions 4, 5 and 6 is set out in the Notice.

8. Resolution 7 – Adoption of Caravel Minerals Employee Share Acquisition Plan

8.1 Introduction

Resolution 7 seeks Shareholder approval of the Caravel Minerals Employee Share Acquisition Plan (**Share Plan**) for the purposes of:

- (a) Listing Rule 7.2, Exception 9 relating to the Company's 15% placement capacity; and
- (b) Section 260C(4) of the Corporations Act relating to the Company granting financial assistance to a person to enable that person to subscribe for Shares.

The existing Share Plan

The Company previously obtained Shareholder approval for this plan on 13 March 2013 and the Share Plan summarised in this Notice contains the same material terms as the previously approved Share Plan.

Under the existing Share Plan, 61,458,968 Shares have been issued. Other than the Shares proposed to be issued to Directors as set out in Resolutions 4, 5 and 6 above, no further Shares will be issued under this plan.

Any further shares proposed to be issued under the Company's incentive schemes will be issued under the new Share Plan (subject to its approval).

The new Share Plan

The Board has the view that the most effective way to align the interests of the eligible Employees and Shareholders of the Company is for the Employees to be Shareholders.

The aim of this plan is to allow the Board to assist eligible Employees, who in the Board's opinion are dedicated and will provide ongoing commitment and effort to the Company. Eligible Employees are full-time or permanent part-time Employees of the Company or its subsidiaries (which includes executive and non-executive Directors).

The Company intends to loan funds to certain eligible Employees in order to purchase Shares under the Share Plan. The Board will determine on a case by case basis whether an Employee is eligible for a loan and will determine the loan terms and conditions.

The key features of the Share Plan and the loan are as follows:

- (a) The Board will determine the number of Plan Shares to be Allocated to eligible Employees and the issue price of the Plan Shares in its sole discretion.
- (b) The Company will be permitted to loan funds to eligible Employees to purchase Plan Shares.
- (c) The loan will be a limited recourse loan provided the Employee remains employed by the Company, or a subsidiary of the Company, for a period, or periods, as determined by the Board.

- (d) The loan will be interest free provided the Employee remains employed by the Company, or a subsidiary of the Company, for a period, or periods, as determined by the Board.
- (e) In the event that the Employee leaves before the interest free period determined by the Board, interest will be charged equal to the market rate of interest that would have accrued on the loan from the date of advance of the funds to the repayment date.
- (f) The Plan Shares will be allocated at a small discount either through the issue of new Shares or the purchase of Shares on-market.
- (g) Plan Shares may be subject to a sale restriction for a certain period.
- (h) A Trust has been set up as the holding mechanism for Plan Shares Allocated under the Share Plan. The Trustee will hold the Plan Shares on trust for the eligible Employee until the loan is repaid (or any other vesting conditions are satisfied).
- (i) During the term of the loan, dividends will be retained by the Trustee and offset against the Employee's outstanding loan balance. A portion of the dividend may be released to the Employee to cover any tax liability as a result of the dividend.
- (j) Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the Share Plan as it sees fit.

A detailed overview of the terms of the Share Plan is attached in Schedule 2.

This approval will be effective for a period of 3 years from the date the passing by Shareholders of Resolution 7.

8.2 Approvals required

Listing Rules

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue, or agree to issue, during any 12 month period any Equity Securities if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

An exception to Listing Rule 7.1 is set out in Exception 9(b) of Listing Rule 7.2 – an issue under an “employee incentive scheme” if, within 3 years before the date of issue, Shareholders approve the issue of securities under the “employee incentive scheme” as an exception to Listing Rule 7.1.

This Resolution proposes that Shareholders approve the issue of any Shares under the Share Plan within 3 years after the date of the meeting (at which this resolution is proposed), so that such issue will be excluded from the application of Listing Rule 7.1.

Corporations Act requirements relating to granting financial assistance

Pursuant to section 260A of the Corporations Act, a company may financially assist persons to acquire shares in itself only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by the company's shareholders in accordance with Section 260B of the Corporations Act; or

- (c) the assistance is exempt under Section 260C of the Corporations Act.

Under section 260C(4) of the Corporations Act, the granting of assistance will not require shareholder approval if it is made under an “employee share scheme” (as defined in section 9 of the Corporations Act) that has been previously approved by shareholders of the company. Section 9 of the Corporations Act defines “employee share scheme” to mean a scheme under which shares (or units in shares) in a company or a holding company may be acquired by, or for the benefit of:

- (a) employees of the company, or of a related body corporate; or
- (b) directors of the company, or of a related body corporate, who hold a salaried employment or office in the company or in the related body corporate.

As the Company’s non-executive Directors do not hold salaried employment in the Company, any proposed financial assistance will only be provided to them in relation to acquiring Shares under the Share Plan if the financial assistance does not materially prejudice the interests of the Company or its Shareholders or the Company’s ability to pay its creditors

Effect of granting financial assistance on the Company

Shareholder approval of this Resolution will permit loans to be granted with respect to Shares issued under the Share Plan. As the funds loaned to the Employees under the Share Plan will be used for payment of the share subscription price payable on acquiring the Shares, the funds will be immediately returned to the Company in the form of subscription money. Therefore, the granting of loans under the Share Plan will have no effect on the Company’s cash flow (other than in respect of any costs associated with the granting of the loans which are not expected to be material).

The main negative effect the financial assistance may have is where a loan made under the Share Plan, is not repaid in full by an Employee. Any such loss of the Company will need to be included in its accounts.

The Directors do not consider that the provision of loans under the Share Plan will materially affect the Company’s ability to pay its creditors, as it does not involve any actual payments of cash, nor does it involve the Company disposing of any assets. For these reasons, the Directors do not consider that the giving of the financial assistance under the Share Plan will be likely to materially prejudice the interests of the Company or its Shareholders or the Company’s ability to pay its creditors.

Reasons for providing financial assistance

The financial assistance will assist those participants to participate in the Share Plan by assisting them to subscribe for Shares.

The success of the Company and its Shareholders depends greatly on the people employed by the Company. To maintain and improve performance, the Company has an ongoing need to motivate, incentivise and retain an excellent and dedicated management team and key employees and to recognise the significant past contributions of key employees.

The provision of the financial assistance when used as part of the Share Plan provides additional means to achieve this goal and will continue to (among other things) provide an incentive to Employees to work to improve the performance of the Company.

9. Resolution 8 – Approval of Employee Option Plan

Resolution 8 seeks Shareholder approval in accordance with Listing Rule 7.2 for the establishment of the Caravel Minerals Limited Employee Option Scheme and the issue of Options pursuant to that plan.

Resolution 8 is an ordinary resolution.

The Directors of the Company are not eligible to participate in the plan.

The two main purposes of the plan are to give an incentive to the 'Eligible Employees' (as defined in Schedule 4) to provide dedicated and ongoing commitment and effort to the Company aligning the interests of both employees and Shareholders and for the Company to reward Eligible Employees for their efforts. The plan contemplates the issue to Eligible Employees of options to subscribe for Shares.

Listing Rule 7.1 places restrictions on the number of equity securities, including options, which a listed company may issue in any 12 months. However, certain issues are exempt from this Listing Rule and are effectively disregarded for the purposes of counting the number of securities which a company may issue.

Exempt issues include an issue of securities to persons participating in an employee option scheme where Shareholders have approved the issue of securities under the scheme as an exemption from Listing Rule 7.1. Shareholder approval must be given in a general meeting held not more than 3 years before the date of issue where the Notice contains or is accompanied by certain prescribed information (set out below).

In order to take advantage of the exemption from Listing Rule 7.1 and allow the Company greater flexibility to issue securities, Shareholders are requested to approve the Scheme as an exemption from Listing Rule 7.1.

This approval will be effective for a period of 3 years from the date the passing by Shareholders of Resolution 8.

The Company had in place an employee share option plan dated 29 August 2011. However, this plan is no longer effective as 3 years have passed since its last approval. Accordingly, the Company is seeking Shareholder approval for a new plan on the same material terms as the previous plan. Under the previous employee share option plan 4,650,000 Options were issued. None of these Options remain on issue having all expired.

For the purpose of Listing Rule 7.2 Exception 9, the terms of the plan are in Schedule 4.

10. Resolution 9 – Approval of Share Consolidation

Resolution 9 seeks Shareholder approval for the Company to undertake a consolidation of the number of Shares on issue on the basis that every 22 Shares held be consolidated into one Share. This will apply to the Shares issued or to be issued to Directors under Resolutions 4, 5 and 6 (if passed).

Similarly, the number of Options and Performance Shares on issue will be consolidated on the basis of one Option and Performance Share for every 22 Options or Performance Shares. The exercise price of Options will increase according to the Consolidation ratio.

The result of the Consolidation is that each Security holding will be reduced by 22 times its current level. Each Shareholder's proportional interest in the Company's share capital

will remain unchanged as a result of the Consolidation. Any fractional entitlements of Security holders as a consequence of the Consolidation will be rounded up.

The change in capital structure of the Company following the Consolidation, which is subject to adjustments for rounding, is as follows:

Class of Security	Number on Issue (Pre- Consolidation)	Approximate number on Issue (Post- Consolidation)
Shares	1,061,714,693 ⁽¹⁾	48,259,759
Options	446,185,544	20,281,161
Performance Shares	2,000,000	90,909

(1) Includes 24,000 000 Shares to be issued if resolutions 4, 5, and 6 are approved

Details of Options:

Details of Options	Number on Issue (Pre- Consolidation)	Approximate number on Issue (Post- Consolidation)
Listed options exercisable at \$0.035 on or before 31 May 2016	166,595,588	7,572,527
Unlisted Options @ \$0.10 Expiry 26 March 2016 subject to escrow conditions.	20,000,000	909,091
Unlisted Options @ \$0.021 expiring 16 October 2016.	750,000	34,091
Unlisted Options @ \$0.035 expiring 31 December 2016	83,333,333	3,787,878
Unlisted Options @ \$0.02 expiring 16 October 2016.	55,384,616	2,517,483
Unlisted Options @ \$0.013 expiring 31 January 2017	115,710,007	5,259,545
Unlisted Options \$ \$0.0075 expiring 31 January 2015	4,412,000	200,545

Details of Performance Shares:

Unlisted Performance Shares B. Convertible to shares 30 April 2016 subject to milestone achievement	2,000,000	90,909
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The Consolidation will take effect from the second Business Day after Shareholder approval is received pursuant to the Notice of Meeting.

As from the day that is four Business Days after the date of Shareholder approval (**Approval Date**), the Company may not register transfers on a pre-Consolidation basis. In the case of certificated holdings, this is the last day for the Company to accept transfers accompanied by certificates issued before the Consolidation.

The Company will send a notice to all security holders not earlier than the fifth Business Day after the Approval Date and not later than the ninth Business Day after the Approval Date advising of the number of securities held by each security holder both before and after the capital Consolidation.

Uncertificated security holding statements or certificates (as applicable) for the securities will be sent to security holders not earlier than the fifth Business Day after (but not including) the Approval Date and not later than the ninth Business Day after (but not including) the Approval Date.

The Company will, from the date that is five Business Days after the Approval Date, reject transfers accompanied by a certificate or holding statement that was issued before the Consolidation.

Where a security holder has sold his or her securities in the Company prior to the Consolidation and the Company receives a valid transfer executed by the security holder together with a certificate (if applicable) for those securities, the Company will send an uncertificated security holding statement or certificate (as applicable) for the new securities to the transferee named in the transfer.

Based upon the above, an indicative timetable assuming Shareholder approval is obtained will be as follows:

Date	Event
11/11/2015	Following shareholder approval Company announces shareholder approval of Consolidation.
12/11/2015	Last day for trading pre- Consolidation securities.
13/11/2015	Trading in post-Consolidation securities commences on a deferred settlement basis.
17/11/2015	Last day to register transfers on a pre-Consolidation basis.
18/11/2015	First day to register transfers on a post-Consolidation basis.
24/11/2015	Latest date for Company to send notice to each Security holder of pre and post-Consolidation holdings.

Schedule 1 - Definitions

In this Explanatory Memorandum, Notice and Proxy Form:

"10% Placement Facility" has the meaning given in the Explanatory Memorandum for Resolution 3.

"10% Placement Period" has the meaning given in in the Explanatory Memorandum for Resolution 3.

"Additional Placement Facility" has the meaning given in the Explanatory Memorandum for Resolution 3.

"Allocation" means the allocation of a beneficial interest in newly issued Shares to a Participant by the Trustee or the transfer of a beneficial interest in Shares already held by the Trustee to a Participant following instruction from the Company in accordance with the terms of an Invitation and **Allocate** and **Allocated** have the corresponding meaning.

"Annual Report" means the Directors' Report, the Financial Report and the Auditor's Report thereon, in respect of the financial year ended 30 June 2015.

"Article" means an article of the Constitution.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means ASX Limited and where the context permits the Australian Securities Exchange operated by ASX Limited.

"Auditor's Report" means the auditor's report on the Financial Report.

"Board" means the board of Directors.

"Business Day" means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

"Chair or Chairman" means the person appointed to chair the Meeting convened by this Notice.

"Company" means Caravel Minerals Limited ABN 41 120 069 089.

"Constitution" means the constitution of the Company.

Consolidation means a consolidation of the number of securities on issue on the basis that every 22 securities held be consolidated into oneseurity.

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

"Director" means a director of the Company.

"Directors' Report" means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

“Employee” means a person who is a full-time or permanent part-time employee or officer or director of the Company and for whom the Company, or subsidiary of the Company, is required to deduct PAYG withholding payments under section 12-35, 12-40 or 12-45 of schedule 1 to the Taxation Administration Act 1953.

“Equity Securities” has the same meaning as in the Listing Rules.

"Explanatory Memorandum" means the explanatory memorandum to the Notice.

"Financial Report" means the 2015 annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

“Invitation” means a written invitation to an Employee to participate in the Share Plan.

"Key Management Personnel" means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

“Listed Options” means listed options of the Company each with an exercise price of \$0.035 and expiry date of 31 May 2016

"Listing Rules" means the Listing Rules of ASX.

"Meeting" has the meaning given in the introductory paragraph of the Notice.

"Notice" means this notice of meeting.

"Option" means an option which entitles the holder to subscribe for one Share.

"Participant" means an Employee who has accepted invitation to participate in the Share Plan.

"Performance Share" means a performance share in the capital of the Company

"Plan Shares" means Shares issued under the Share Plan.

"Proxy Form" means the proxy form attached to the Notice.

"Remuneration Report" means the remuneration report of the Company contained in the Directors' Report.

"Resolution" means a resolution contained in this Notice.

"Schedule" means a schedule to this Notice.

"Section" means a section contained in this Explanatory Memorandum.

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

"Share Plan" means (as the case requires) the existing Caravel Minerals Employee Share Acquisition Plan approved by Shareholders on 13 March 2013 or the new Caravel Minerals Employee Share Acquisition Plan the subject of Resolution 7.

"Shareholder" means a shareholder of the Company.

“Trading Day” means a day determined by ASX to be a Trading Day in accordance with the Listing Rules.

"Trustee" means the trustee of the trust established by the Company for the purpose of acquiring, holding and selling the Plan Shares on behalf of the Participants.

"VWAMP" means volume weighted average market price.

"WST" means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and visa versa.

Schedule 2 – Summary of the Caravel Minerals Employee Share Acquisition Plan

1. Outline of Operation of the Share Plan

The objective of the Plan is to provide an incentive to Employees to share in the performance of the Company by the Company assisting Employees to acquire Shares under the Plan.

The Company has set up a trust (as the mechanism for acquiring, holding and selling Shares under the Plan on behalf of Employees participating in the Plan. The Trustee will be bound by the rules of the Plan and a trust deed appointing and giving powers to the Trustee).

The Company will Allocate Shares to Employees in accordance with an invitation to participate. When an Employee accepts an Invitation and is Allocated Shares he or she becomes a Participant. The acquisition of the Plan Shares will be financed by a loan from the Company to a Participant.

The Company will Allocate Plan Shares to Employees, subject to specified restrictions.

At the Company's sole discretion, the Plan Shares to be Allocated to Participants will be acquired by the Trustee on the ASX market or issued by the Company.

An offer of Plan Shares may only be made under the Plan if, at the time of making the offer, the Company has reasonable grounds to believe that the number of Plan Shares when aggregated with:

- (a) the number of Plan Shares which would be issued if an offer pursuant to the Plan or any other incentive scheme was to be accepted; and
- (b) the number of Plan Shares issued during the previous 3 years pursuant to the Plan (or any other incentive scheme),

but disregarding an offer made, or Plan Shares issued by way of or as a result of:

- (a) an offer to a person situated at the time of receipt of the offer outside Australia;
- (b) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (c) an offer made under a disclosure document,

does not exceed 5% (or such other maximum permitted under any ASIC Class Order providing relief from the disclosure regime of the Corporations Act) of the total number of issued Shares as at the time of the offer. For the avoidance of doubt, where an offer of Plan Shares lapses without being accepted, the Plan Shares concerned shall be ignored in the above calculation.

2. Terms and Conditions of the Share Plan and terms on which Invitations may be made

Invitations will be made to Participants on such terms and conditions as the Board in its absolute discretion determines. Invitations will generally be made to Participants on terms and conditions including the following:

- (a) An Invitation may specify that the Plan Shares to be Allocated under the Plan will be:
 - (i) acquired by the Trustee as a result of an issue of new Shares;

- (ii) acquired by the Trustee on market;
- (iii) Plan Shares held by the Trustee but which have not been Allocated to a Participant; or
- (iv) acquired by the Trustee off-market generally or from another Participant who is disposing of Shares in accordance with any restrictions.

The Trustee may acquire Plan Shares in advance of making an Allocation using short term loans funds extended by the Company to the Trustee. Such loans will be repaid from the payment on Allocation of Plan Shares to the Participant.

- (b) If there are more acceptances than Plan Shares available, the Board can scale back Allocations under the Invitation at its absolute discretion.
- (c) It is the current intention of the Board that Plan Shares will be Allocated at a nominal discount to the volume weighted average market price at which the Shares were traded on the ASX during the week leading up to and including the date of Allocation of the Plan Shares unless otherwise determined by the Board, or another acceptable taxation valuation method for shares issued under an employee share scheme (as determined by the Board). The Board can determine to Allocate Plan Shares at a greater discount.
- (d) Participants must pay for the Plan Shares Allocated to them with the proceeds of the loan provided to them by the Company.
- (e) A loan may be provided on such terms as determined by the Board. The Company currently proposes to loan funds to Participants on the terms in item 3 below.
- (f) Participants have no right to, or an interest in, Plan Shares under the Plan until the Plan Shares have been Allocated to them. A Participant has no right against the Company if Plan Shares under the Plan are not Allocated to them.
- (g) Allocations of Plan Shares under the Plan may be made progressively at such times as and when such Plan Shares become available.
- (h) If, for whatever reason, there are insufficient Plan Shares to satisfy the Allocations there is no requirement on the Company or the Trustee to Allocate the Plan Shares.
- (i) No Allocation of Plan Shares will be made to Participants to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.
- (j) On Allocation, Participants will be entitled to exercise all rights of a shareholder attaching to the Plan Shares, subject to specified terms and restrictions.
- (k) The Company may impose such restrictions on Plan Shares under the Plan as it sees fit for such period as it sees fit. The Plan provides for the release of restrictions in the event of a change of control event of the Company.
- (l) Participants may request the Trustee to sell their Plan Shares if there are no restrictions on the Plan Shares and the value of the Plan Shares is greater than the loan. In this event the Trustee must sell the Plan Shares and the net proceeds of sale will be used to repay the loan and the balance, if any, paid to the Participant. In such circumstances the Trustee may sell the Plan Shares on market or off market or acquire the shares itself to be held pending their future Allocation under the Plan.
- (m) The Invitation is personal to a Participant and may only be accepted by the Participant.

- (n) Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the Plan as it sees fit.

3. Material terms of the loan

If the Company provides a loan to a Participant such Participant must accept the terms of the loan as part of the Invitation. The loan may only be used to pay for the Allocation of Plan Shares under the Plan.

The terms and conditions of the loan will be determined by the Board in its discretion.

A Participant may, at any time, repay part all or part of the amount of the loan.

Repayment of the loan does not operate to remove the sale restrictions which will continue to apply during the specified restriction period.

Until repayment of the loan in full, Participants have no right to have the Plan Shares transferred to them.

In the event that the Participant leaves within the restricted period determined by the Board, the loan must be repaid and interest will be charged equal to the market rate of interest that would have accrued on the loan from the date of advance of the fund to the date the loan amount is repaid in full.

If, after the relevant restricted period, the Participant ceases to be employed by the Company, or requests the Trustee to sell the Plan Shares Allocated to the Participant and the value of Plan Shares Allocated to the Participant under the Plan is greater than the loan, the Participant must immediately pay the Company the loan in full and the Trustee will transfer the Plan Shares to the Participant.

If, after the relevant restricted period, the Participant ceases to be employed by the Company, or requests the Trustee to sell the Plan Shares Allocated to the Participant and the value of Plan Shares Allocated to the Participant under the Plan is less than the loan, the Trustee will transfer the Plan Shares to the Company in full satisfaction of the loan.

Dividends declared on Plan Shares will be used to repay the loan. A portion of the dividend, determined by the Company, will be paid to the Participant so that the Participant can pay any tax liability in respect of the dividend paid.

If the Participant does not repay the loan as required by the terms of the loan then the Trustee is authorised to sell the Participant's Plan Shares on market or off-market or may acquire them himself as Trustee for the purposes of the Plan. The net proceeds of sale will be used to repay the loan and the balance, if any, paid to the Participant.

The Company intends to make provisions in the loan in the event of a special circumstance, such as death or permanent incapacity of the Participant, occurring.

If a takeover is made or change of control event occurs made then restrictions in respect of the Participant's Plan Shares may be waived. In such circumstances the Participant shall be entitled to authorise the Trustee to sell the Participant's Plan Shares and the net proceeds of sale will be used to repay the loan and the balance, if any, paid to the Participant. If the takeover is not successful or the change of control event does not occur and the Plan Shares are not sold then the restrictions will continue to apply.

While the loan remains outstanding a Participant is not entitled to participate in any dividend reinvestment plan of the Company.

Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the terms and conditions of any loan as it sees fit.

Schedule 3 – Issue of Equity Securities since 12 November 2014

Date	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to market price ² on the trading day prior to the issue	Form of Consideration
Issue – 20 November 2014 Appendix 3B - 2 December 2014	10,957,368 55,384,61	Shares ³ Attaching Options exercisable at \$0.02 on or before 16 October 2016	5,384,616 to directors as approved by shareholders 5,572,752 shares issued as consideration for services provided by contractor 55,384,616 free attaching options issued to participants and directors in the placement	\$0.013 per ordinary share(Nil discount) NIL cash consideration Nil cash consideration per attaching option (free attaching to Shares)	Amount raised = \$70,000 Amount spent = \$70,000 Use of funds Working capital inclusion office rent and running costs, salaries and other corporate costs \$70,000
Issue – 11 February 2015 Appendix 3B - 12 February 2015	3,118,426	Shares ³	Shares issued to contractor for services provided	Nil cash consideration	Amount raised Nil
Issue – 30 April 2015 Appendix 3B - 30 April 2015	15,801,645	Shares ³	Shares issued to contractor for services provided	Nil cash consideration	Amount raised Nil
Issue – 17 July 2015 Appendix 3B - 17 July 2015	122,991,429	Shares ³	Issued to sophisticated and professional investors in Tranche 1 of Placement	\$0.007 per ordinary share (issued at a 24.7% discount to the 15 day VWAP of \$0.0093) Nil cash consideration per attaching option (free attaching to Shares)	Amount raised = \$860,940 Amount spent = \$860,940 Use of funds Capital Raising fees \$93,778 Loan Repayment \$202,582 Salaries \$163,848 Tenement Tenure Costs \$14,358 Exploration Field program including drilling and associated costs, assays and interpretation costs \$237,563 Working capital including office rent and other corporate costs \$148,811

Issue – 22 July 2015 Appendix 3B - 22 July 2015	17,142,862	Shares ³	Issued to sophisticated and professional investors in Tranche 1 of Placement	\$0.007 per ordinary share (issued a 12.5% discount to the market price of \$.0008)	Amount raised = \$120,000 Amount spent = \$120,000 Use of funds Working capital including office rent and other corporate costs
Issue – 28 August 2015 Appendix 3B - 28 August 2015	48,356,154 70,067,146	Shares ³ Unlisted Options exercisable at \$0.013 on or before 31 January 2017	Shares issued to First Quantum Minerals (Australia) Pty Ltd Attaching Unlisted Options issued to sophisticated and professional investors participating in Tranche one of Placement	\$0.007 per ordinary share issued on conversion of Convertible Loan Agreement as approved by shareholders Attaching Unlisted Options issued to investors in Tranche one of Placement approved by shareholders	Amount raised = Nil
Issue – 8 September 2015 Appendix 3B - 8 September 2015	68,785,719 45,642,860	Shares ³ Unlisted Options exercisable at \$0.013 on or before 31 January 2017	67,285,719 Issued to directors and sophisticated and professional investors in Tranche 2 of Placement as approved by shareholders 33,642,860 Attaching Unlisted Options issued to directors and sophisticated and professional investors participating in Tranche 2 of Placement as approved by shareholders 1,500,000 ordinary shares issued to a related party of an employee as fee for short-term advance provided 12,000,000 Unlisted Options issued to adviser to Placement as approved by shareholders	\$0.007 per ordinary share (Nil Discount)	Amount raised = \$481,500 Funds remain unspent and will be spent on Company Administration expenses to support the farm in arrangement with FQM.
Issue – 8 September 2015 Appendix 3B - 8 September 2015	34,500,000	Shares ³	issued under Loan Funded Share Scheme	Nil cash consideration	Amount raised = Nil
Issue – 8 September 2015 Appendix 3B - 8 September 2015	4,412,000	Unlisted Options exercisable at \$0.0075 on or before 31 January 2017	Issued to related entity of Company Secretary	Nil cash consideration	Amount raised = Nil

Notes:

1. Market price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: CVV (terms are set out in the Constitution).
3. In respect of Options (other than attaching option) the value is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

Schedule 4– Terms and Conditions of Employee Share Option Plan

The Directors are empowered to operate the Plan in accordance with the Listing Rules and on the following terms and conditions:

1. Subject to paragraph 4, the Directors may offer to issue Options to Eligible Employees in accordance with Class Order 14/1000, the Plan and in such manner and on such terms and conditions as they in their absolute discretion determine.
2. If the Company has offered you Options, to accept the offer complete the Acceptance Form or accept in such other form as the Directors may in their absolute discretion approve from time to time.
3. The Eligible Employees to participate in the Plan shall be as the Directors in their absolute discretion determine and shall take into account skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances.
4. Options may not be offered under this Plan without the issue of a prospectus in accordance with Chapter 6D of the Corporations Act if, at the time of making the offer, the Company has reasonable grounds to believe that the number of Options to be issued when aggregated with
 - (i) the number of Shares which would be issued if all the current Options issued under the Plan were exercised; and
 - (ii) the number of Shares which have been issued as a result of the exercise of Options issued under any employee incentive Plan, where the Options were issued during the preceding three years; and
 - (iii) all other Shares issued pursuant to any employee incentive Plan during the preceding three years;

but disregarding any offer made, Options or Shares issued by way of or as a result of:

- (i) an offer to a person situated at the time of receipt of the offer outside Australia;
- (ii)
- (iii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (iv) an offer under a disclosure document,

would exceed 5% of the then current number of Shares on issue.

5. The Directors may, in their absolute discretion, offer to Eligible Employees Options under the Plan, notwithstanding that it has previously issued more than the 5% limit in paragraph 4, up to a maximum of 10%, provided that the issue is made in accordance with the requirements of Chapter 6D of the Corporations Act.
6. Options will be issued free of charge to Eligible Employees. The exercise price of the Options shall be as the Directors in their absolute discretion determine, provided that it shall not be less than that amount which is equal to 80% of the average market price of the Shares in the 5 days in which sales in the Shares were recorded immediately preceding the day on which the Directors resolve to offer the Options.

7. The Directors may limit the total number of Options which may be exercised under the Plan in any year.
8. The Directors, in their absolute discretion, having regard to skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances, shall determine criteria to establish the periods during which the Options may be exercised.
9. All Options with a common expiry date shall have the same exercise price and rights to participate in issues of securities by the Company.
 - (a) Unless the Directors in their absolute discretion determine otherwise, Options shall lapse upon the earlier of:
 - (b) the expiry of the exercise date;
 - (c) the resignation of the Eligible Employee;
 - (d) the Option holder ceasing to be an Eligible Employee by reason of dismissal, termination of employment, office or services as a result of breach of terms of appointment; and
 - (e) a determination by the Directors that the Option holder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or an Associated Body Corporate;
10. If an Eligible Employee accepts an offer from the Company to participate in the Plan then the Company will evidence the issue of an Option to an Eligible Employee by issuing that Eligible Employee a Certificate for that Option.
11. Each Option entitles the holder to subscribe for and be issued with one Share.
12. Shares issued pursuant to the exercise of Options will in all respects, including bonus issues and new issues, rank equally and carry the same rights and entitlements as other Shares on issue.
13. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
14. The Options will not be quoted on the ASX. However, application will be made to the ASX for official quotation of the Shares issued on the exercise of the Options if the Shares are listed on the ASX at that time.
15. An application to be issued Options may be made by Eligible Employees invited to participate in the Plan in such form and on such terms and conditions concerning the closing date for applications as the Directors in their absolute discretion determine.
16. If at any time the issued capital of the Company is reconstructed, all rights of Option holders are to be changed in a manner consistent with the Listing Rules.
17. Subject to and in accordance with the Listing Rules (including any waiver issued under such Listings Rules), the Directors (without the necessity of obtaining the prior or subsequent consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of

the Terms and Conditions in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option issued before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.

18. At the absolute discretion of the Directors, the terms upon which Options will be issued may incorporate performance related factors. Such factors may reflect, inter alia, profitability levels, increases in production or decreases in production costs and may, subject to paragraph 18 above, be amended from time to time in a manner favourable to the Option holder. However such performance related factors, if included in the Option terms or so amended shall not act in any way to constitute a breach of the Terms and Conditions.
19. Notwithstanding the Terms and Conditions, upon the occurrence of a Trigger Event the Directors may determine:
 - (a) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event provided that the Directors will forthwith advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or
 - (b) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.
20. An Option may not be transferred or assigned except that a legal personal representative of a holder of an Option who has died or whose estate is liable to be dealt with under laws relating to mental health will be entitled to be registered as the holder of that Option after the production to the Directors of such documents or other evidence as the Directors may reasonably require to establish that entitlement.
21. An Option is exercisable by the holder lodging with the Company a Notice of Exercise of Option together with a cheque for the exercise price of each Option to be exercised and the relevant Option Certificate. If not all of the holder's Options are being exercised, a holder must exercise Options in multiples of 1,000.
22. Neither participation in the Plan by the Company or an Associated Body Corporate or any Eligible Employees or Option holders or anything contained in these Terms and Conditions shall in any way prejudice or affect the right of the Company or an Associated Body Corporate to dismiss any Eligible Employees or Option holder or to vary the terms of employment of any Eligible Employees or Option holder. Nor shall participation or the rights or benefits of an Eligible Employees or Option holder under the Terms and Conditions be relevant to or be used as grounds for granting or increasing damages in any action brought by an Eligible Employees or Option holder against the Company or an Associated Body Corporate whether in respect of any alleged wrongful dismissal or otherwise.
23. At all times during which Eligible Employees may subscribe for or purchase Shares upon exercise of an Option issued pursuant to the Plan, the Company shall provide, within a reasonable period of a request by Eligible Employees, the current market price of the Shares. Contact the Company Secretary to obtain this information.
24. The Plan shall be administered by the Directors who shall have power to:

- (a) determine appropriate procedures for administration of the Plan consistent with these Terms and Conditions;
- (b) resolve conclusively all questions of fact or interpretation or dispute in connection with the Plan and settle as the Directors in their absolute discretion determine expedient any difficulties or anomalies howsoever arising with or by reason of the operation of the Plan;
- (c) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of the Directors' powers or discretions arising under the Plan; and
- (d) subject to the Listing Rules, waive strict compliance with, amend or add to the Terms and Conditions of the Plan except for the provisions of clause 4, and where such actions are taken such actions shall be conclusive, final and binding on Option holders.

25. Definitions

In this Schedule the following terms shall bear the following meanings:

"Acceptance Form" means the Acceptance Form which will accompany the invitation to the Eligible Employee to participate in the Plan.

"Associated Body Corporate" means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

"ASX" means the Australian Stock Exchange Limited.

"Business Day" means those days other than a Saturday, Sunday, New Year's Day, Australia Day, Good Friday, Easter Monday, Anzac Day, Christmas Day, Boxing Day and any other day which the ASX shall declare and publish is not a business day.

"Certificate" means a certificate for any Option issued to Eligible Employees which will include all of the terms and conditions of the Option and the Notice of Exercise of Option or such other evidence of ownership that the Directors may in their absolute discretion determine from time to time.

"Company" means Caravel Minerals Limited.

"Company Group" means the Company and its Associated Bodies Corporate.

"Corporations Act" means the Corporations Act 2001 (Commonwealth).

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

"Eligible Employees" means any full or part time employees of the Company or its Associated Bodies Corporate excluding Directors.

"Listing Rules" means the official listing rules of ASX as amended from time to time.

"Notice of Exercise of Option" means the Notice of Exercise of Option which will accompany the invitation to the Eligible Employee to participate in the Plan.

"Offer Period" means the period referred to in the definition of that expression in Section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of an off-market bidder's statement on the Company in relation to that takeover bid the Offer Period shall be deemed to have commenced at the time of that announcement.

"Option" means an option to acquire a Share issued in accordance with the Plan.

"Plan" means the Caravel Minerals Limited Employee Option Plan in which Eligible Employees may be invited to participate in accordance with the Terms and Conditions.

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

"Terms and Conditions" means the terms and conditions of the employee options plan in this Schedule 4, as amended from time to time.

"Trigger Event" means:

- (a) the despatch of a notice of meeting to consider a plan of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (b) the service of a bidder's statement or a like document on the Company; or
- (c) the date upon which a person or a group of associated person becomes entitled, subsequent to the date of issue of the Option, to sufficient Shares to give it or them the ability, in general meeting to replace all, or allow a majority, of Directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

«EFT_REFERENCE_NUMBER»

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CARAVEL MINERALS LIMITED

ACN: 120 069 089

REGISTERED OFFICE:

LEVEL 3
18 RICHARDSON STREET
WEST PERTH WA 6005

+

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»

Code:

CVV

Holder Number:

«HOLDER_NUMBER»

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE PRX»

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 2:00pm WST on Wednesday 11 November 2015 at Level 3, 18 Richardson Street, West Perth, Western Australia and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain		For	Against	Abstain
1. Adoption of Remuneration Report	☐	☐	☐	7. Adoption of Caravel Minerals Employee Share Acquisition Plan	☐	☐	☐
2. Re-election of Mr Peter Alexander as a Director	☐	☐	☐	8. Approval of Employee Option Plan	☐	☐	☐
3. Approval of 10% Placement Facility	☐	☐	☐	9. Approval of Share Consolidation	☐	☐	☐
4. Authority to Allocate Plan Shares to a Director Mr Marcel Hilmer	☐	☐	☐				
5. Authority to Allocate Plan Shares to a Director Mr James Harris	☐	☐	☐				
6. Authority to Allocate Plan Shares to a Director Mr Peter Alexander	☐	☐	☐				

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 2:00pm WST on Monday 9 November 2015.

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CVV

CVVPX2111115

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My/Our contact details in case of enquiries are:

Name:

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Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

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

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 535
Applecross WA 6953 AUSTRALIA

Street Address Alexandra House
Suite 1, 770 Canning Highway
Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

