

**CARAVEL MINERALS LIMITED
ACN 120 069 089**

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT**

**For the Annual General Meeting of Shareholders
to be held on 29 November 2018 at 11:00am (WST)
at Suite 1, 245 Churchill Avenue, Subiaco, Western Australia**

This is an important document. Please read it carefully.

If you are unable to attend the Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form.

TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

Venue

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

**Suite 1
245 Churchill Avenue
Subiaco, Western Australia, 6008**

**Commencing
at 11:00am (WST)
on 29 November 2018**

How to Vote

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

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 11:00am (WST).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible in accordance with the instructions on the proxy form so that it is received not later than 11:00am (WST) on 27 November 2018.

Your proxy form is enclosed.

**CARAVEL MINERALS LIMITED
ACN 120 069 089**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Caravel Minerals Limited will be held at Suite 1, 245 Churchill Avenue, Subiaco, Western Australia on 29 November 2018 at 11:00am (WST) for the purpose of transacting the following business.

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

AGENDA

GENERAL BUSINESS

ACCOUNTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' Report, the remuneration report and the auditor's report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report in the Annual Report of the Company for the financial year ended 30 June 2018."

Voting exclusion:

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, the voter may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- (d) 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 key management personnel for the entity.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – WAYNE TRUMBLE

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

"That Wayne Trumble, being a Director of the Company appointed by the Directors as an additional Director and holding office until this Meeting in accordance with article 6.3(j) of the Constitution of the Company and, being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – ALEX SUNDICH

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

"That Alex Sundich, who retires by rotation in accordance with article 6.3(c) of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."

RESOLUTION 4 – RATIFICATION OF ISSUE OF PLACEMENT SECURITIES

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 7.4 and for all other purposes, approval is given to the issue of 8,000,000 Shares and 4,000,000 Options under a placement, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associate of those persons. However, the Company will not disregard a vote cast on this Resolution 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 a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES TO ORBIT DRILLING

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 7.4 and for all other purposes, approval is given to the issue of 3,394,434 Shares to Orbit Drilling, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associate of those persons. However, the Company will not disregard a vote cast on this Resolution 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 a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 6 – RATIFICATION OF ISSUE OF OPTIONS TO FIVEMARK PARTNERS

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 7.4 and for all other purposes, approval is given to the issue of 500,000 Options to Fivemark Partners, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associate of those persons. However, the Company will not disregard a vote cast on this Resolution 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 a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 7 – ISSUE OF OPTIONS TO WAYNE TRUMBLE

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 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 500,000 Options to Mr Wayne Trumble, a director of the Company, or his nominee(s) on the terms set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company or any of their associates. However, the Company need not disregard a vote cast on this Resolution 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 chair of the Meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

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

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

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

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

RESOLUTION 8 – ISSUE OF OPTIONS TO ALASDAIR COOKE

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 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 2,000,000 Options to Mr Alasdair Cooke, a director of the Company, or his nominee(s) on the terms set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company or any of their associates. However, the Company need not disregard a vote cast on this Resolution 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 chair of the Meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

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

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

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

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

RESOLUTION 9 – ISSUE OF OPTIONS TO ALEX SUNDICH

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 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 500,000 Options to Mr Alex Sundich, a director of the Company, or his nominee(s) on the terms set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company or any of their associates. However, the Company need not disregard a vote cast on this Resolution 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 chair of the Meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

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

- (a) the proxy is either:
 - (i) a member of key management personnel for the Company; or

- (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

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

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The chair of the Meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions, including Resolutions 1, 7, 8 and 9. The proxy form expressly authorises the chair of the Meeting to exercise the proxy in relation to Resolutions 1, 7, 8 and 9 even though these resolutions are connected directly or indirectly with the remuneration of a member of key management personnel. Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties (who are not the chair) will not be voted on Resolutions 1, 7, 8 and 9.
4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 27 November 2018 at 4.00pm (WST).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board



Daniel Davis
Company Secretary and CFO

Dated: 26 October 2018

CARAVEL MINERALS LIMITED
ACN 120 069 089

EXPLANATORY STATEMENT

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

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

1. FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.caravelminerals.com.au.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2018;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2018.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting Consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

2.4 Proxy restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the key management personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2018. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – WAYNE TRUMBLE

Article 6.3(j) of the Constitution provides that any Director appointed by the Board as an additional director holds office until the next following annual general meeting and is eligible for re-election at that meeting. Additionally, Listing Rule 14.4 provides that a Director appointed as an additional director must not hold office (without re-election) past the next annual general meeting.

Mr Trumble was appointed by the Board as an additional Director on 25 May 2018.

Mr Trumble holds office until this Meeting and, being eligible, offers himself for re-election as a Director of the Company.

Mr Trumble is the non-executive chairman of the Company. Details of the qualifications and expertise of Mr Trumble are set out in the 2018 Annual Report.

The Board of the Company recommends the election of Mr Trumble as a Director.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – ALEX SUNDICH

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

Mr Sundich was elected as a Director by Shareholders at the general meeting held on 7 May 2018. Mr Sundich retires by rotation in accordance with the Constitution, and being eligible, offers himself for re-election as a Director.

Mr Sundich is a non-executive director of the Company. Details of the qualifications and experience of Mr Sundich is set out in the Company's 2018 Annual Report.

The Board of the Company recommends the re-election of Mr Sundich as a Director.

5. RESOLUTION 4 – RATIFICATION OF ISSUE OF PLACEMENT SECURITIES

This Resolution seeks Shareholder approval in relation to 8,000,000 Shares and 4,000,000 Options issued on 8 December 2017 as a placement. The placement was on the same terms as a rights issue then being conducted.

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue (or any additional 10% placement capacity under Listing Rule 7.1A) without the approval of shareholders.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity or any additional 10% placement capacity under Listing Rule 7.1A) and shareholders subsequently approve it.

The securities issued the subject of this Resolution were issued within the Company's 15% capacity. The Company seeks Shareholder approval to ratify the securities issued and refresh the Company's 15% capacity.

In accordance with Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of securities issued was 8,000,000 Shares and 4,000,000 Options.
- (b) The Shares were issued at 5 cents each. The Options were issued as free attaching Options on the basis of 1 free Option for every 2 Shares subscribed for.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued shares. The Options have an exercise price of 7 cents and an expiry date of 30 June 2019. The full terms of the Options are set out in Annexure 1.
- (d) The securities were issued to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act. None of the subscribers is a related party of the Company.
- (e) The funds raised from the issue of the Shares were used to develop the Company's project and for general working capital. No funds were raised from the issue of the Options.

6. RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES TO ORBIT DRILLING

This Resolution seeks Shareholder approval in relation to the issue of 3,394,434 Shares in 2 tranches to Orbit Drilling as consideration for the provision of drilling services.

Information about Listing Rules 7.1 and 7.4 is set out above in Section 5.

The Shares issued the subject of this Resolution were issued within the Company's 15% capacity. The Company seeks Shareholder approval to ratify the Shares issued and refresh the Company's 15% capacity.

In accordance with Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of securities issued was [*] Shares.
- (b) 907,596 Shares were issued at a deemed issue price of 5.8 cents on 20 February 2018 and 2,486,838 Shares were issued at a deemed issue price of 7.3 cents on 13 June 2018.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued shares.
- (d) The Shares were issued to [*], who is not a related party of the Company.
- (e) No funds were raised from the issue of the Shares as they were issued as consideration for the provision of drilling services.

7. RESOLUTION 6 – RATIFICATION OF ISSUE OF OPTIONS TO FIVEMARK PARTNERS

This Resolution seeks Shareholder approval in relation to the issue of 500,000 Options issued to Fivemark Partners as consideration for the provision of media advisory services.

Information about Listing Rules 7.1 and 7.4 is set out above in Section 5.

The Options issued the subject of this Resolution were issued within the Company's 15% capacity. The Company seeks Shareholder approval to ratify the Options issued and refresh the Company's 15% capacity.

In accordance with Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of securities issued was 500,000 Options.
- (b) The Options were issued for a nil issue price in consideration for the provision of media advisory services.
- (c) The Options have an exercise price of 7.5 cents and an expiry date of 31 August 2019. The full terms of the Options are set out in Annexure 2.
- (d) The Options were issued to Fivemark Partners, who is not related a party of the Company.
- (e) No funds were raised from the issue of the Options as they were issued as consideration for the provision of media advisory services.

8. RESOLUTIONS 7, 8 AND 9 – ISSUE OF OPTIONS TO DIRECTORS

8.1 Background

Resolutions 7, 8 and 9 seek Shareholder approval so that the Company may issue Options to Messrs Trumble, Cooke and Sundich under the terms of the Employee Incentive Plan.

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

The proposed issue of Options to Messrs Trumble, Cooke and Sundich as Directors in each case is a financial benefit to a related party requiring Shareholder approval under the Corporations Act in the absence of a specified exception applying.

The following information is provided to Shareholders in relation to the Resolutions.

(a) The Related Party to whom the Proposed Resolutions would permit the Financial Benefit to be given

The related parties are Wane Trumble (Resolution 7), Alasdair Cooke (Resolution 8) and Alex Sundich (Resolution 9) or their nominees.

(b) The Nature of the Financial Benefit

The proposed financial benefit to be given is the issue of up to:

- (i) 500,000 Options to Wayne Trumble (or his nominee);
- (ii) 2,000,000 Options to Alasdair Cooke (or his nominee); and
- (iii) 500,000 Options to Alex Sundich (or his nominee).

The Options have an exercise price of 8 cents and an expiry date of 30 September 2021. The full terms of the Options are set out in Annexure 3.

(c) Reasons and basis for giving the benefit and Directors Recommendation

The Board currently consists of Wayne Trumble, Alasdair Cooke and Alex Sundich.

By the Resolutions the Directors will each receive Options.

The Directors have, and continue to be paid, what the Directors consider is less than their industry peers in order to direct the maximum funds towards creating value for all Shareholders.

The number of Options to be issued to each Director and the terms of the Options was negotiated by the Directors independent of that particular Director. The Options will be issued under the Employee Incentive Plan. The Board considers the number of the Options to be issued and their terms is appropriate in light of that Director's skill and experience and their remuneration as detailed below. The Options incentivise without a cash outlay by the Company.

The Board considers the issue of Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

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

Wayne Trumble abstains from making a recommendation to Shareholders on Resolution 7 as he has a material personal interest in the outcome as the recipient of the Options.

Alasdair Cooke abstains from making a recommendation to Shareholders on Resolution 8 as he has a material personal interest in the outcome as the recipient of the Options.

Alex Sundich abstains from making a recommendation to Shareholders on Resolution 9 as he has a material personal interest in the outcome as the recipient of the Options.

(d) **Dilution**

The passing of the Resolutions would have the effect of issuing up to 3,000,000 Options.

If any of the Options are exercised into Shares, the effect would be to dilute the shareholding of existing Shareholders. If all the 3,000,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 1.92% based on the total number of Shares on issue at the date of this Notice being 153,116,465 Shares.

The actual dilution will depend on the extent of further equity raised by the Company and whether any of the Options are exercised.

(e) **Total Remuneration Package of Related Parties**

The remuneration received by Wayne Trumble is \$35,000 per annum as a Director's fee including any superannuation.

The remuneration received by Alasdair Cooke is \$150,000 per annum as an executive director including any superannuation.

The remuneration received by Alex Sundich is \$35,000 per annum as a Director's fee including any superannuation.

(f) **Existing Relevant Interests**

At the date of this Notice, Messrs Trumble, Cooke and Sundich and their associates have the following relevant interest in securities of the Company.

	Shares	Options
Wayne Trumble	0	0
Alasdair Cooke	14,187,982	4,557,408 ¹
Alex Sundich	800,001	159,507 ²

1. 2,900,000 Options have an exercise price of 7.5 cents and an expiry date of 31 August 2019 and 1,657,408 Options have an exercise price of 7 cents and an expiry date of 23 August 2020.
2. 50,000 Options have an exercise price of 12 cents and an expiry date of 15 December 2018 and 109,507 Options have an exercise price of 7 cents and an expiry date of 23 August 2020.

(g) **Trading History**

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

	Date	Closing Price
Highest Price	12 April 2018	9.5 cents
Lowest Price	26 September 2018	4.0 cents
Latest Price	23 September 2018	5.3 cents

(h) **Valuation of Options**

The Options will not be quoted on ASX.

The Company has valued the Options to be granted to the Directors or their nominees using the Black-Scholes model.

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

Input		Note
Number of Options to related parties	3,000,000	
Underlying security spot price	4 cents	1
Exercise price	8 cents	
Dividend rate	0%	2
Volatility rate	85%	3
Risk free rate	1.75%	4
Expiry Date	30 September 2021	

Note 1 The underlying security spot price used for the purposes of this valuation is based on the closing price of Shares on 26 September 2018 which was 4 cents.

Note 2 A dividend rate of 0% has been assumed as the Company has no history of dividends and is not expected to pay dividends over the life of the Options.

Note 3 A volatility rate of 85% has been adopted. This rate has been calculated by reference to the volatility of the Company's Shares over the last 12 months.

Note 4 The risk free rate is 1.75% based on the two year Commonwealth Government bond rate at 26 September 2018.

No discount rate has been applied for the lack of marketability even though the Options will not be listed on ASX and are not transferable except with the written consent of the Board.

Based on the above assumptions the Options proposed to be issued to the Directors have been valued as follows:

Number and Value of Options	
	Options
Wayne Trumble	500,000 Options – 1.56 cents per Option (total value - \$7,800)
Alasdair Cooke	2,000,000 Options – 1.56 cents per Option (total value - \$31,200)
Alex Sundich	500,000 Options – 1.56 cents per Option (total value - \$7,800)

(i) **Other Information**

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

8.3 Listing Rule 10.14

Listing Rule 10.11 provides that a company must not issue securities to a director of the company under an employee incentive scheme unless the issue has been approved by shareholders by ordinary resolution. If approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11.

Approval pursuant to Listing Rule 7.1 is not required in order to issue securities to Directors under the Resolutions as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the securities to Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

Under the Resolutions, the Company seeks approval from Shareholders for the issue of Options to Messrs Trumble, Cooke and Sundich as Directors who are each related parties of the Company.

For the purposes of Listing Rule 10.15, the following information is provided:

- (a) The Options will be issued to Wayne Trumble, Alasdair Cooke and Alex Sundich, as Directors.
- (b) The maximum number of Options that will be issued to the related parties is 3,000,000 Options.
- (c) No monetary consideration is payable for the issue of the Options.
- (d) The Employee Incentive Plan was last approved by Shareholders at a general meeting on 24 August 2017. Since this last approval, no Director or their associates have received securities under the Employee Incentive Plan other than the issue of 1,100,000 Options to Marcel Hilmer (a then Director) following Shareholder approval. The Options had an exercise price of 6 cents and an expiry date of 23 August 2020. All these Options have subsequently been cancelled on 14 August 2018.

- (e) All the Directors (being Wayne Trumble, Alasdair Cooke and Alex Sundich) are entitled to participate in the Employee Incentive Plan.
- (f) No loans will be provided to Directors in respect of the issue of the Options.
- (g) The Options will be issued no later than 12 months after the date of Shareholder approval.

CARAVEL MINERALS LIMITED
ACN 120 069 089

GLOSSARY

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

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

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

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

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

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

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

"Constitution" means the constitution of the Company.

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

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

"Employee Incentive Plan" means the Caravel Employee Option Plan last approved by shareholders on 24 August 2017.

"Explanatory Statement" means this Explanatory Statement.

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

"Option" means an option to acquire a Share.

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

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

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

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

"A\$" "AUD" or "\$" means Australian dollars unless otherwise stated.

ANNEXURE 1

Terms of Options (Resolution 4)

The terms of the Options are:

1. Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. The amount payable upon exercise of each Option will be 7 cents (Exercise Price).
3. Each Option will expire at 5:00pm (WST) on 30 June 2019 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
4. The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).
5. The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
6. A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).
7. Within 15 Business Days after the Exercise Date, the Company will:
 - (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (b) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
8. Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.
9. If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
10. There are no participation 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 without exercising the Options.
11. An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Options can be exercised.
12. The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
13. The Company will not apply for quotation of the Options.

ANNEXURE 2

Terms of Options (Resolution 6)

The terms of the Options are:

1. Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. The amount payable upon exercise of each Option will be 7.5 cents (Exercise Price).
3. Each Option will expire at 5:00pm (WST) on 31 August 2019 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
4. The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).
5. The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
6. A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).
7. Within 15 Business Days after the Exercise Date, the Company will:
 - (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (b) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
8. Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.
9. If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
10. There are no participation 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 without exercising the Options.
11. An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Options can be exercised.
12. The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
13. The Company will not apply for quotation of the Options.

ANNEXURE 3
Terms of Options
(Resolutions 7, 8 and 9)

The terms of the Options are:

1. Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. The amount payable upon exercise of each Option will be 8 cents (Exercise Price).
3. Each Option will expire at 5:00pm (WST) on 30 September 2021 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
4. The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).
5. The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
6. A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).
7. Within 15 Business Days after the Exercise Date, the Company will:
 - (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (b) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
8. Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.
9. If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
10. There are no participation 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 without exercising the Options.
11. An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Options can be exercised.
12. The Options are only transferable with Board approval.
13. The Company will not apply for quotation of the Options.

CARAVEL MINERALS LIMITED

ACN: 120 069 089

REGISTERED OFFICE:

SUITE 1
245 CHURCHILL AVENUE
SUBIACO WA 6008

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«EFT_REFERENCE_NUMBER»



«Post_zone»
«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code:

CVV

Holder Number:

«HOLDER_NUM

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

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 11:00am WST on Thursday 29 November 2018 at Suite 1, 245 Churchill Avenue, Subiaco, 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 subject to the below, 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. Ratification of Issue of Options to Fivemark Partners	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director - Wayne Trumble	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Issue of Options to Wayne Trumble	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director - Alex Sundich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Issue of Options to Alasdair Cooke	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Issue of Placement Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Issue of Options to Alex Sundich	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of Issue of Shares to Orbit Drilling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

Authority for Chair to vote undirected proxies on remuneration based resolutions (Resolutions 1, 7, 8 and 9)

If you appoint a member of the Company's key management personnel (other than the Chairperson of the Meeting) or a closely related party of a member of the Company's key management personnel as your proxy, and you do not direct your proxy how to vote in respect of Resolutions 1, 7, 8 or 9 your proxy will NOT cast your vote on these Resolutions and your votes will not be counted.

If you appoint the Chairperson of the Meeting as your proxy (or the Chairperson of the Meeting becomes your proxy by default) and you do not direct your proxy how to vote in respect of Resolutions 1, 7, 8 or 9 you hereby expressly authorise the Chairperson of the Meeting to exercise your proxy even though these Resolutions are connected directly or indirectly with the remuneration of the members of the Company's key management personnel.

Subject to the above, 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

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:00am WST on Tuesday 27 November 2018.

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CVVPX2201118



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:

- a) 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
- b) 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 Australia 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 Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 52 Collins Street West VIC 8007
Street Address	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Telephone	1300 992 916
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia 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.

