

25 October 2021

Dear Shareholder

## **IMPACT OF COVID-19 RESTRICTIONS ON THE COMPANY'S ANNUAL GENERAL MEETING**

Carnavale Resources Limited A.C.N 119 450 243 (**Company**) advises that the Annual General Meeting ("**Meeting**") of the Company will be held in person at 2.30pm (AWST) on Friday, 26 November 2021 at Level 2, 389 Oxford Street, Mount Hawthorn, Western Australia.

The Company is closely monitoring the impact of the COVID-19 virus across Australia and following guidance from the Federal and State Governments. Having considered the current circumstances, and noting that a large number of the Company's shareholders are located in Western Australia, at this stage the Directors have made the decision that a physical meeting will be held **in Perth**. Accordingly, Shareholders will be able to attend the Meeting in person.

To assist the Company in ensuring that the Meeting is held in compliance with the COVID-19 restrictions at the time of the Meeting, it will be helpful for Shareholders who wish to attend the Meeting in person to register their attendance by contacting the Company Secretary, Paul Jurman (email: [admin@carnavaleresources.com](mailto:admin@carnavaleresources.com)) by no later than 2.30pm WST on 24 November 2021 (**Attendance Closing Date**). This will greatly assist the Company to manage any amendments required to the meeting format as a result of any changes to government restrictions which may apply at the time of the Meeting. The Company will endeavour to adopt a format that will best ensure that all Shareholders who wish to attend are able to participate.

In accordance with the Treasury Laws Amendment (2021 Measures No 1) Act 2021, the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has previously requested a hard copy. The Notice of Meeting can be viewed and downloaded on the Company's website at [www.carnavaleresources.com](http://www.carnavaleresources.com) or from the ASX website at [www.asx.com.au](http://www.asx.com.au).

The Company strongly encourages Shareholders to lodge a directed proxy form online or otherwise in accordance with the instructions set out in the proxy form prior to the Meeting and register their attendance prior to the Meeting if they intend to attend. Questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare for the Meeting, for example by preparing answers in advance to Shareholders questions. However, votes and questions may also be submitted during the Meeting.

Each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this letter, in accordance with the instructions set out on that form, by no later than 2.30pm (Perth time) on 24 November 2021. The outcome of the resolutions, including details of votes received by poll, will be released to the Company's ASX announcements platform following conclusion of the meeting.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the notice of meeting.

In order to receive electronic communications from the Company in the future, please update your Shareholder details online at [www.automic.com.au](http://www.automic.com.au) and log in with your unique shareholder identification number and postcode (or country for overseas residents), where you can find your personalised proxy form. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab.

If you are unable to access any of the Meeting documents online please contact the Company Secretary, Paul Jurman, on +618 9380 9098 or via email at [admin@carnavaleresources.com](mailto:admin@carnavaleresources.com).

The Australian government and the respective State governments are implementing a wide range of measures to contain or delay the spread of COVID-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's website at [www.carnavaleresources.com](http://www.carnavaleresources.com) and the Company's ASX Announcement Platform at [asx.com.au](http://asx.com.au) (ASX: CAV).

**By order of the board**



Mr Paul Jurman  
Company Secretary



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## **CARNAVALE RESOURCES LIMITED**

**ACN 119 450 243**

## **NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 2.30pm (WST)

**DATE:** 26 November 2021

**PLACE:** Level 2, 389 Oxford Street, Mount Hawthorn, Western Australia

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***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 Shareholders at 4pm (WST) on Wednesday 24 November 2021.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9380 9098.***

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## BUSINESS OF THE MEETING

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Notice is given that the Annual General Meeting of Shareholders of Carnavale Resources Limited will be held at 2.30pm (WST) on 26 November 2021 at Level 2, 389 Oxford Street, Mount Hawthorn, Western Australia.

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

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

## AGENDA

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### ORDINARY BUSINESS

#### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

#### Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (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, a person (the **voter**) described above may cast a vote on this Resolution as a proxy 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 this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR R GAJEWSKI

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

*“That Mr Ron Gajewski, having retired in accordance with Clause 11.3 of the Constitution of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company.”*

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**3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES TO WESTERN RESOURCES PTY LTD**

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, Shareholders ratify the issue of 50,000,000 Shares (**Western Shares**) to Western Resources Pty Ltd, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue of the Western Shares or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES TO CORPORATE & RESOURCE CONSULTANTS PTY LTD**

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, Shareholders ratify the issue of 15,200,000 Shares (**CRC Shares**) to Corporate & Resource Consultants Pty Ltd, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue of the CRC Shares or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES TO BRUCE LEGENDRE**

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, Shareholders ratify the issue of 4,800,000 Shares (**Legendre Shares**) to Bruce Legendre, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue of the Legendre Shares or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY**

To consider and, if thought fit, pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

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**Explanatory Notes**

If you wish to appoint a member of the key management personnel (which includes each of the directors and the Chair) as your proxy, please read the voting exclusion above and in the proxy form carefully. Shareholders are encouraged to direct their proxies how to vote.

**How the Chair will vote available proxies-** The Chair of the Meeting intends to vote all available proxies in favour of all of the resolutions set out in the Notice. The proxy form expressly authorises the Chair to exercise undirected proxies in favour of remuneration related resolutions (Resolution 1).

**Default to the Chair** – Any directed proxies that are not voted on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote proxies as directed.

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**DATED: 18 OCTOBER 2021**  
**BY ORDER OF THE BOARD**



**PAUL JURMAN**  
**COMPANY SECRETARY**

### **Voting by proxy**

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Shareholders are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting. Proxy votes must be received by 2.30pm (WST) on Wednesday 24 November 2021.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

### **Questions**

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Shareholders may submit questions in advance of the Meeting to the Company Secretary. Questions must be submitted by email to the Company Secretary at [admin@carnavalreresources.com](mailto:admin@carnavalreresources.com). Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its operations.

### **Enquiries**

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***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary +61 8 9380 9098.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 2.30pm (WST) on 26 November 2021 at Level 2, 389 Oxford Street, Mount Hawthorn, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company's audited financial statements for the financial year ended 30 June 2021, together with the report of the auditor thereon will be tabled at the Meeting, and shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report.

Representatives from the Company's auditors, HLB Mann Judd, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

The Annual Report is available on the Company's website at **[www.carnavaleresources.com](http://www.carnavaleresources.com)** for you to download or read online. Alternatively, you can obtain a hard copy by contacting the Company.

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### 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 a financial year.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

#### 2.2 Voting Consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will

cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **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 Annual General Meeting.

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### **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR**

In accordance with the requirements of the Company's Constitution, ASX Listing Rules and the Corporations Act, one-third of the directors of the Company (other than the Managing Director) and those who were last re-elected more than three years ago retire from office at this annual general meeting of the Company and, being eligible, offer themselves for re-election.

Mr Gajewski retires under this provision and, being eligible, offers himself for re-election.

Details of Mr Gajewski's experience and qualifications are available in the Annual Report and on the Company's website and are summarised briefly below:

Mr Gajewski is an accountant by profession, with many years of experience as a director of public listed companies and as a corporate advisor to public companies. Mr Gajewski has held directorships with mining companies listed in both Canada and Australia.

Mr Gajewski presently has an interest in 135,728,409 ordinary shares in the Company. He was previously acting as part-time Executive Chairman of the Company and for this reason, he cannot be considered an independent Director. The Board supports his re-election as a director.

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### **4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES TO WESTERN RESOURCES PTY LTD**

#### **4.1 General**

In July 2021, the Company announced that it had elected to exercise its Option pursuant to the agreement to acquire 80% of the Kookynie Gold Project, comprising tenements E40/355, P40/1380 and P40/1381 from Western Resources Pty Ltd (refer to ASX release dated 4 August 2020 for full details of the Option Agreement). The Company paid \$250,000 cash and issued 50 million ordinary shares (**Western Shares**) to Western Resources Pty Ltd. Western Resources Pty Ltd agreed to a voluntary 3 month escrow on the shares issued which are due for release on 26 October 2021 and is free carried until completion of a Bankable Feasibility Study.

#### **4.2 Listing Rule 7.1**

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

The issue of the Western Shares does not fit within any of the exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity

securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Western Shares.

#### **4.3 Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, under Resolution 3, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Western Shares.

#### **4.4 Technical information required by Listing Rule 14.1A**

If Resolution 3 is passed, the Western Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Western Shares.

If Resolution 3 is not passed, the Western Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Western Shares.

#### **4.5 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 50,000,000 fully paid ordinary shares were issued to Western Resources Pty Ltd, who is not a related party of the Company;
- (b) the Western Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (c) The Western Shares were issued on 26 July 2021 pursuant to the Company's placement capacity under ASX Listing Rule 7.1;
- (d) no funds were raised from the issue of the Western Shares, as they were issued as consideration for the exercise of the Option to acquire 80% of the Kookynie Gold Project;
- (e) a summary of key terms of the agreement to acquire the Kookynie Gold Project are set out in section 4.1 of this Explanatory Statement; and
- (f) a voting exclusion statement is included in the Notice.

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## **5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES TO CORPORATE & RESOURCE CONSULTANTS PTY LTD**

### **5.1 General**

As announced to ASX on 11 March 2021, the Company advised it had agreed to acquire 100% of the Barracuda Platinum-Palladium-Nickel-Copper (PGE-Ni-Cu) Project (granted license E58/551) located 60km east of the gold mining town of Mt Magnet in the Murchison district of Western Australia.

This Resolution seeks the approval of Shareholders pursuant to Listing Rule 7.4 of the issue of 15,200,000 Shares (**CRC Shares**) to Corporate & Resource Consultants Pty Ltd (CRC) under ASX Listing Rule 7.1.

Key terms of the Barracuda PGE-Ni-Cu Project include:

- Payment of a \$10,000 deposit by the Company on signing of the Sale and Purchase agreement. This amount was paid in March 2021;
- On settlement of the transaction on 19 April 2021, the Company paid \$40,000 in cash and issued:
  - (i) 15,200,000 Shares to CRC (which are the subject of this Resolution 4); and
  - (ii) 4,800,000 Shares to Bruce Legendre (**Legendre Shares**) (which are the subject of Resolution 5), and
- A 0.5% Net Smelter Return ('NSR') royalty on minerals produced from the tenement.

## **5.2 Listing Rule 7.1 and 7.4**

A summary of ASX Listing Rules 7.1 and 7.4 is set out in sections 4.2 and 4.3 above. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the CRC Shares.

## **5.3 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the CRC Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the CRC Shares.

If Resolution 4 is not passed, the CRC Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the CRC Shares.

## **5.4 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 15,200,000 fully paid ordinary shares were issued to Corporate & Resource Consultants Pty Ltd, who is not a related party of the Company;
- (b) the CRC Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (c) The CRC Shares were issued on 19 April 2021 pursuant to the Company's placement capacity under ASX Listing Rule 7.1;
- (d) no funds were raised from the issue of the CRC Shares, as they were issued as consideration for the acquisition for 100% of the Barracuda PGE-Ni-Cu Project (granted license E58/551);
- (e) a summary of key terms of the agreement to acquire the Barracuda PGE-Ni-Cu Project are set out in section 5.1 of this Explanatory Statement; and
- (f) a voting exclusion statement is included in the Notice.

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## **6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES TO BRUCE LEGENDRE**

### **6.1 General**

Key terms of the Barracuda PGE-Ni-Cu Project are set out in section 5.1 above.

This Resolution seeks the approval of Shareholders pursuant to Listing Rule 7.4 in respect of the issue of 4,800,000 Shares (**Legendre Shares**) to Bruce Legendre (Legendre), under Listing Rule 7.1.

### **6.2 Listing Rule 7.1 and 7.4**

A summary of ASX Listing Rules 7.1 and 7.4 is set out in sections 4.2 and 4.3 above. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Legendre Shares.

### **6.3 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Legendre Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Legendre Shares.

If Resolution 5 is not passed, the Legendre Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Legendre Shares.

### **6.4 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) 4,800,000 fully paid ordinary shares were issued to Bruce Legendre, who is not a related party of the Company;
- (b) the Legendre Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (c) The Legendre Shares were issued on 19 April 2021 pursuant to the Company's placement capacity under ASX Listing Rule 7.1;
- (d) no funds were raised from the issue of the CRC Shares, as they were issued as consideration for the acquisition for 100% of the Barracuda PGE-Ni-Cu Project (granted license E58/551);
- (e) a summary of key terms of the agreement to acquire the Barracuda PGE-Ni-Cu Project are set out in section 5.1 of this Explanatory Statement; and
- (f) a voting exclusion statement is included in the Notice.

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## **7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **7.1 General**

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

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 6 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

## **7.2 Technical information required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 6:

### **(a) Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### **(b) Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 7.2(b)(i), the date on which the Equity Securities are issued.

### **(c) Use of funds raised under the 7.1A Mandate**

The purposes for which funds raised by an issue of Equity Securities under the 7.1A Mandate may be used include the following:

- exploration activities on the Company's mineral interests;
- assessment of any future mineral property opportunities;
- assessment of any other investment opportunities; and
- ongoing future working capital purposes.

### **(d) Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 18 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

| Number of Shares on Issue<br>(Variable A in Listing Rule<br>7.1A.2) |                         | Shares<br>issued –<br>10% voting<br>dilution | Dilution        |                |                  |  |
|---|-------------------------|--|-----------------|----------------|------------------|--|
|   |                         |  | Issue Price     |                |                  |  |
|   |                         |  | \$0.0035        | \$0.007        | \$0.014          |  |
|   |                         |  | 50%<br>decrease | Issue<br>Price | 100%<br>increase |  |
|   |                         |  |                 | Funds Raised   |                  |  |
| <b>Current</b>  | 2,430,230,303<br>Shares | 243,023,030<br>Shares                        | \$850,581       | \$1,701,161    | \$3,402,322      |  |
| <b>50%<br/>increase</b>   | 3,645,345,455<br>Shares | 364,534,545<br>Shares                        | \$1,275,871     | \$2,551,742    | \$5,103,484      |  |
| <b>100%<br/>increase</b>  | 4,860,460,606<br>Shares | 486,046,061<br>Shares                        | \$1,701,161     | \$3,402,322    | \$6,804,645      |  |

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 2,430,230,303 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 18 October 2021.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 27 November 2020 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 27 November 2020, the Company issued 200,000,000 Shares under Listing Rule 7.1A.2 pursuant to the Previous Approval (**Previous Issue**), which represent approximately 9.49% of the total diluted number of Equity Securities on issue in the Company on 27 November 2020, which was 2,108,230,303.

Further details of the issue of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12-month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

|   |  |
|---|--|
| <b>Date of Issue and Appendix 2A</b>                | <b>Date of Issue:</b> 17 March 2021<br><b>Date of Appendix 2A:</b> 17 March 2021   |
| <b>Recipients</b>                                   | High net worth overseas, sophisticated and professional investors, comprising existing and new shareholders as part of a placement announced on 11 March 2021. |
| <b>Number and Class of Equity Securities Issued</b> | 200,000,000 Shares <sup>2</sup>  |

|  |   |
|--|---|
| <b>Issue Price and discount to Market Price<sup>1</sup> (if any)</b> | \$0.007 per Share (at a discount of 22.22% to Market Price <sup>1</sup> ).  |
| <b>Total Cash Consideration and Use of Funds</b>                     | <p><b>Amount raised:</b> \$1,400,000 under Listing Rule 7.1A.2.</p> <p><b>Amount spent:</b> Nil</p> <p><b>Use of funds:</b> to acquire the Barracuda Project, fund the initial exploration program at the Barracuda project, fund ongoing and planned exploration programs at the Company's existing projects and provide working capital. The exploration program will include an airborne EM survey and detailed review of the Project geochemistry and aeromagnetics.</p> <p><b>Amount remaining:</b> \$1,400,000</p> <p><b>Proposed use of remaining funds<sup>3</sup>:</b> As above.</p> |

Notes:

1. Market Price means the closing price of Shares 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: CAV (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

### 7.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

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### Cautionary Notes

The Directors recognise and acknowledge the importance of Shareholders making their decision on the basis of the best possible information. However, once this material for the Notice of Meeting and Explanatory Statement is prepared and despatched to Shareholders, the Company has no legal obligation to continuously update the content of this material nor is it practical and logistically possible to do that and inform each Shareholder individually.

By its nature, the exploration industry is subject to numerous risks and the Company's Share price is affected by a range of factors. From the time of preparing this material to the date of the General Meeting, the Company's Share price may go up or down. The Company will continue to comply with its continuous disclosure obligations and make appropriate announcements to the ASX.

Shareholders are strongly encouraged to keep track of any announcements that the Company may make and of the Company's Share price up to the date of the General Meeting as that information may have an effect on the calculations and the data that is provided in this Notice and the Explanatory Statement. If you do not understand the effect of such information, you should consult your professional advisor.

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## GLOSSARY

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**7.1A Mandate** has the meaning given in Section 7.1.

**\$** means Australian dollars.

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

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

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

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

**Board** means the current board of directors of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the *Corporations Regulations 2001 (Cth)* for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** or **Carnavale** means Carnavale Resources Limited (ACN 119 450 243).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement means** the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a holder of a Share.

**Variable A** means "A" as set out in the formula in Listing Rule 7.1A.2.

**WST** means Western Standard Time as observed in Perth, Western Australia.

# Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **2.30pm (WST) on Wednesday, 24 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



## SUBMIT YOUR PROXY VOTE BY PAPER

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

**Joint holding:** Where the holding is in more than one name, either Shareholder may sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

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

### CORPORATE REPRESENTATIVES

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

