

23 October 2023

LETTER OF INTEREST RECEIVED FROM THE EXPORT AND INVESTMENT FUND OF DENMARK (EIFO)

HIGHLIGHTS

- Caravel Minerals has received a Letter of Interest (LOI) from the Export and Investment Fund of Denmark (EIFO), confirming their interest in providing equipment finance for the Caravel Copper Project in Western Australia.
- EIFO is the Danish Export Credit Agency and has expressed interest in providing financing support for equipment procured from the Danish giant FLSmidth, which is a leading full flowsheet technology and service supplier to the global mining and cement industries.
- Caravel has been evaluating key process equipment packages with FLSmidth throughout 2023, including High Pressure Grinding Rolls (HPGR's) and other key equipment items required for the 30Mtpa Caravel Processing Plant.
- EIFO financing is usually by issue of guarantees backed by the Danish State to cover loans or other debt instruments. EIFO has been involved in a significant number of projects globally to support mining transactions involving a Danish exporter in the energy transition space.
- Discussions with EIFO have also contemplated project financing support for a significant component of the capital requirement for the Project. Final details are subject to due diligence and satisfying several approvals and risk assessments.
- The EIFO LOI is an important step in Caravel's strategy to finance the development of the Project. The LOI is subject to a standard approval process for such a transaction and the parties are now working toward a detailed term sheet and preliminary credit approval.

Caravel Minerals (ASX: CVV) is pleased to advise that it has received a Letter of Interest (LOI) from the Export and Investment Fund of Denmark (EIFO), the Danish Export Credit Agency (ECA), confirming their interest in providing equipment finance and potential project finance for the Company's 100%-owned **Caravel Copper Project** in Western Australia.

The Letter of Interest from EIFO is an important step in the strategic partnering and financing process for the Project which is being progressed as part of the Caravel Project Bankable Feasibility Study (BFS). EIFO issues guarantees to cover loans or other debt instruments in conjunction with agreements to procure equipment from Danish exporters such as FLSmidth (FLS). An EIFO guarantee is backed by the Danish State and, as such, is a AAA-rated guarantee.

EIFO has extensive experience working with FLSmidth, which is a leading Denmark-based global equipment and technology supplier. EIFO has cooperated with FLSmidth for many years in the financing of projects around the world, gaining extensive experience within the field of export equipment and project finance.

Caravel has worked with FLSmidth throughout 2023 to identify key process equipment packages required for the Caravel Copper Project. FLSmidth is a global supplier of full flowsheet technologies including High Pressure Grinding Rolls (HPGR's) and can also provide most of the equipment required for the processing plant. The HPGR's are a key component of the Project and FLSmidth is a leading supplier in this field, with numerous large-scale installations around the world including units currently operating at the 40Mtpa Boddington Gold Mine, just outside of Perth, Western Australia.

Similar financing options are being discussed with potential strategic partners in relation to mining fleet, which together with the FLSmidth process plant equipment represents most of the total requirement for the Project.

EIFO indicated in the Letter of Interest that, if the Project has a sufficient level of Danish economic content, it can potentially contribute a significant part of the senior project financing component (subject to further assessments).

The LOI is non-binding and subject to further due diligence and satisfaction of several approvals and risk assessments. The parties are now working toward a more detailed term sheet and preliminary credit approval, with key next steps expected to include:

- Working with FLSmidth to further define the equipment package size and value.
- Using the Letter of Interest to advance discussions with senior debt providers.
- Continue defining key Project parameters including total investment, debt requirements and the level of Danish economic interest if FLSmidth equipment and service contracts are utilised. This in turn will provide an indication of potential EIFO guarantee exposure.

Engagement with Industry Partners and Funding Sources

The Letter of Interest from EIFO and ongoing discussions is part of engagement with potential industry partners to finance the Caravel Copper Project.

Caravel Managing Director and CEO, Don Hyma, commented: *"Our financing strategy for the Caravel Copper Project continues to focus on securing the right partners that can help us deliver this new Australian copper mine."*

"We have been working with Danish technology and service giant FLSmidth for some time on the major equipment packages for the Processing Plant. This has led to a strong working relationship with EIFO, the Danish ECA, and we are delighted to have received this Letter of Interest in support of the Project, our development strategy, and our team."

"EIFO has been involved in several significant financing transactions with FLSmidth across the globe. This model is very appealing to Caravel because of the scale of the Project and the size and significance of the equipment packages."

"We look forward to progressing our discussions with EIFO, which includes an opportunity for them to become involved in providing senior debt finance for the Project. In parallel, we are progressing discussions with potential partners in the mine fleet market where we see an opportunity to secure similar funding arrangements."

This announcement is authorised for release by the Caravel Minerals Limited Board.

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ABOUT CARAVEL MINERALS

Caravel Minerals Limited (ASX:CVV) is advancing Definitive Feasibility Studies for the Caravel Copper Project, a large-scale, long-life (25+ year) copper project located 150km north-east of Perth in Western Australia's Wheatbelt region. Feasibility studies demonstrate a robust, executable project generating strong cash flows based on low operating costs, low strip-ratio, bulk mining methods, excellent metallurgy and leveraging access to grid power. Using automation and electrification technologies for conventional open-pit mining and processing operations, Caravel will be a stable, long-term supplier of ~65ktpa of copper-in-concentrate and ~0.9ktpa molybdenum-in-concentrate to be exported via existing public roads through local ports.