

ASX Release: 18 December 2017

Calingiri Project Update

SUMMER WORK PROGRAM PROGRESS

DRILLING, BULK ORE SORTING, HYDROLOGY, ENVIRONMENTAL, METALLURGICAL AND FRONT-END FLOWSHEET

- A 5,000 metre Reverse Circulation (RC) drilling program to evaluate extensions to current JORC Resources. This is part of a planned 20,000 metre drilling program to test a series of targets within the Calingiri Project trend
- Drilling to evaluate water resources
- The second phase of the bulk ore sorting testwork utilising more than 1 tonne of representative mineralisation with core being crushed in early January 2018 and laboratory sorting to follow
- Advanced metallurgical testwork to further confirm initial positive metal recovery and concentrate results
- Culminating in a revised Calingiri Scoping Study incorporating ore sorting as part of the front-end flowsheet and integrating technical and environmental studies required for mining and development approvals

Caravel Chief Executive, Marcel Hilmer, said “Cash on hand together with expected proceeds from the Entitlement Issue will fully fund the summer work programs and ensure the Company retains sufficient mid-term working capital. We remain confident that the original ore sorting results will be replicated during the bulk ore testing, further supporting that the Calingiri mineralisation is suitable for beneficiation and a material increase in copper grade. The programs will be incorporated in a revised Scoping Study which is scheduled for release early in Q2 2018.”

A. Drilling

An extensive program of reverse circulation (RC) drilling comprising 142 holes for 20,000 metres has been planned to evaluate a series of targets within the Main Calingiri Trend (Ref Figure 1). Initially, commencing by mid-January, a program of infill and extensional drilling at the Bindi, Dasher and Opie Prospects, totalling 29 holes for 5,000 metres will be undertaken. This drilling will evaluate the potential to increase the current JORC Resources at these Prospects. Further drilling will be focused on evaluating several high priority target areas defined by previous aircore drilling (Ref ASX release of 4 April 2017). It is also planned to carry out Induced Polarisation (IP) surveying to potentially provide better defined targeting within these very large areas.

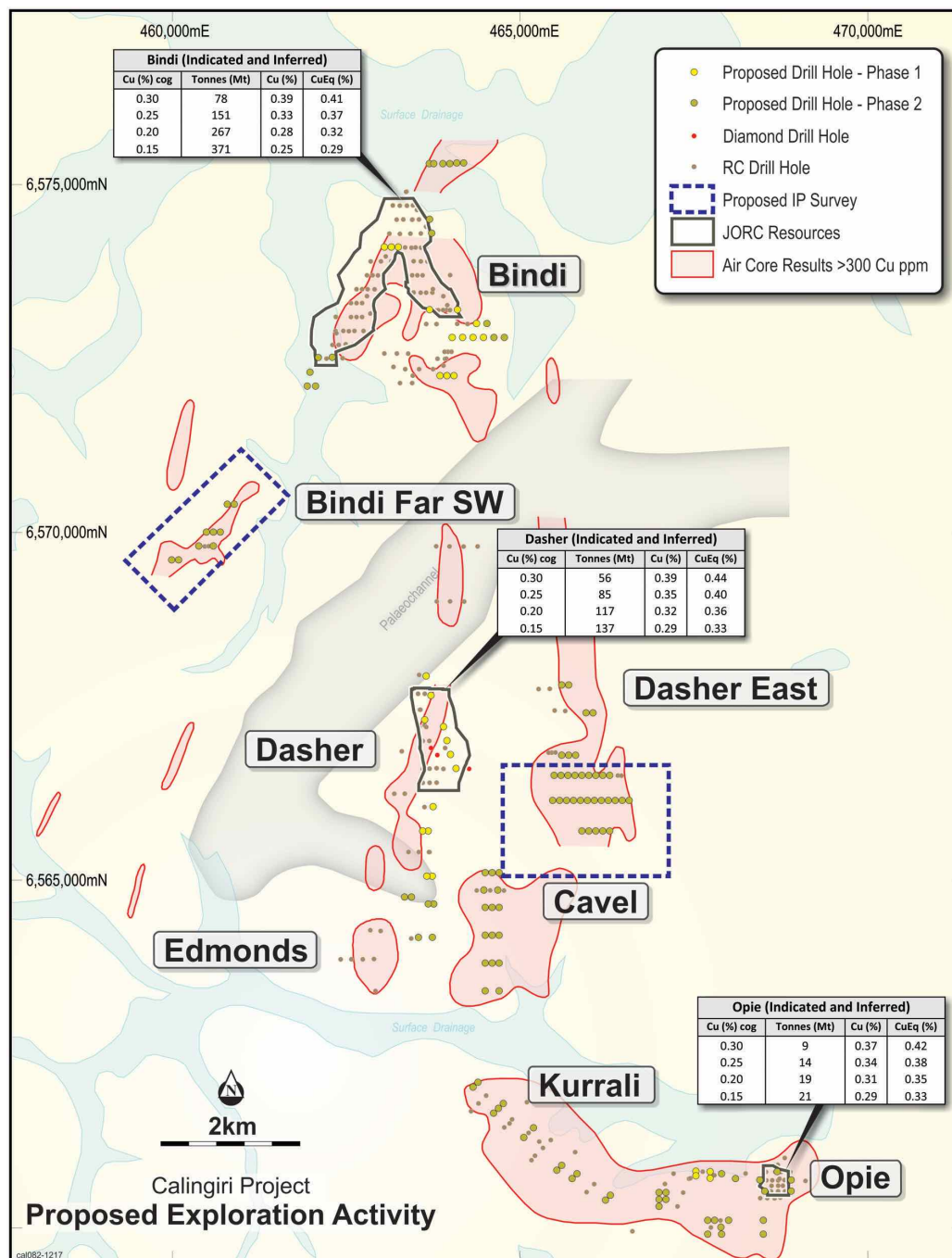


Figure 1: Calingiri project: Proposed Exploration Activity and Prospects

B. Water Supply

Evaluation of water supply options, including initial drilling and airlift testing of target areas with the potential to source project water requirements. Of particular interest is a large palaeochannel located close to the Bindi and Dasher Prospects (Ref Figure 1).

C. Bulk Ore Sorting and Revised Scoping Study

The Phase 1 Bulk Ore Sorting program successfully provided a 'proof of concept' for the application of Tomra's XRT system (Ref ASX release of 8 November 2017). The results demonstrated potential to reduce capital and operating costs and ultimately improve project economics, above and beyond the original Scoping Study completed in 2016 (Ref

ASX release of 28 June 2016). A Phase 2 Bulk Ore Sorting program comprising over 1 tonne of representative core material is being carried out in January to firm up grade beneficiation and inputs for a revised front-end flowsheet.

D. Metallurgical Testwork

Sample product from the Phase 2 Bulk Ore Sorting testwork will provide suitable material to carry out additional rougher and cleaner metallurgical testwork to firm up both metal recovery and concentrate quality inputs.

E. Flowsheet

The incorporation of front-end ore sorting before feeding ore to the mill, will require changes to the post mining development flowsheet. It is expected this will allow for higher grade feed and positive impacts for both Capex and Opex inputs. The revised Scoping Study will incorporate these changes.

F. Consultants and Other Studies

As part of the revised Scoping Study the Company is now appointing suitably qualified external consultants to assist with technical studies and related mining and processing approvals, hydrogeological consultants for the evaluation and licensing of water resources, as well as consultants to address environmental, land access and community issues and related approval requirements. These studies will be part of an ongoing process to advance the Calingiri Project to meet Feasibility Study and Decision to Mine requirements.

Calingiri Project Overview

The bulk ore sorting testwork results support the case for improved project economics as well as a reduced project environmental footprint. The various work programs underway will advance the various technical studies in Q1 and Q2 2018.

The Company previously released a Scoping Study for Calingiri on 28 June 2016. The study determined that Calingiri demonstrates robust project fundamentals with low technical risk. It contemplates the co-development of three open pits, located 120km to the northeast of Perth in Western Australia (Figure 2). The Company considers the study validation that the project is viable based on its ability to pay back project start-up capital and provide ongoing positive operational cash flows. The study was completed by CSA Global in conjunction with Caravel and indicated an initial 20 year LOM for 710,000 tonnes (1.6B/lbs) of copper produced. Existing infrastructure within and adjacent to the project, coupled with industry-standard mining and treatment options available to Caravel, make the project a standout new Australian undeveloped copper project.



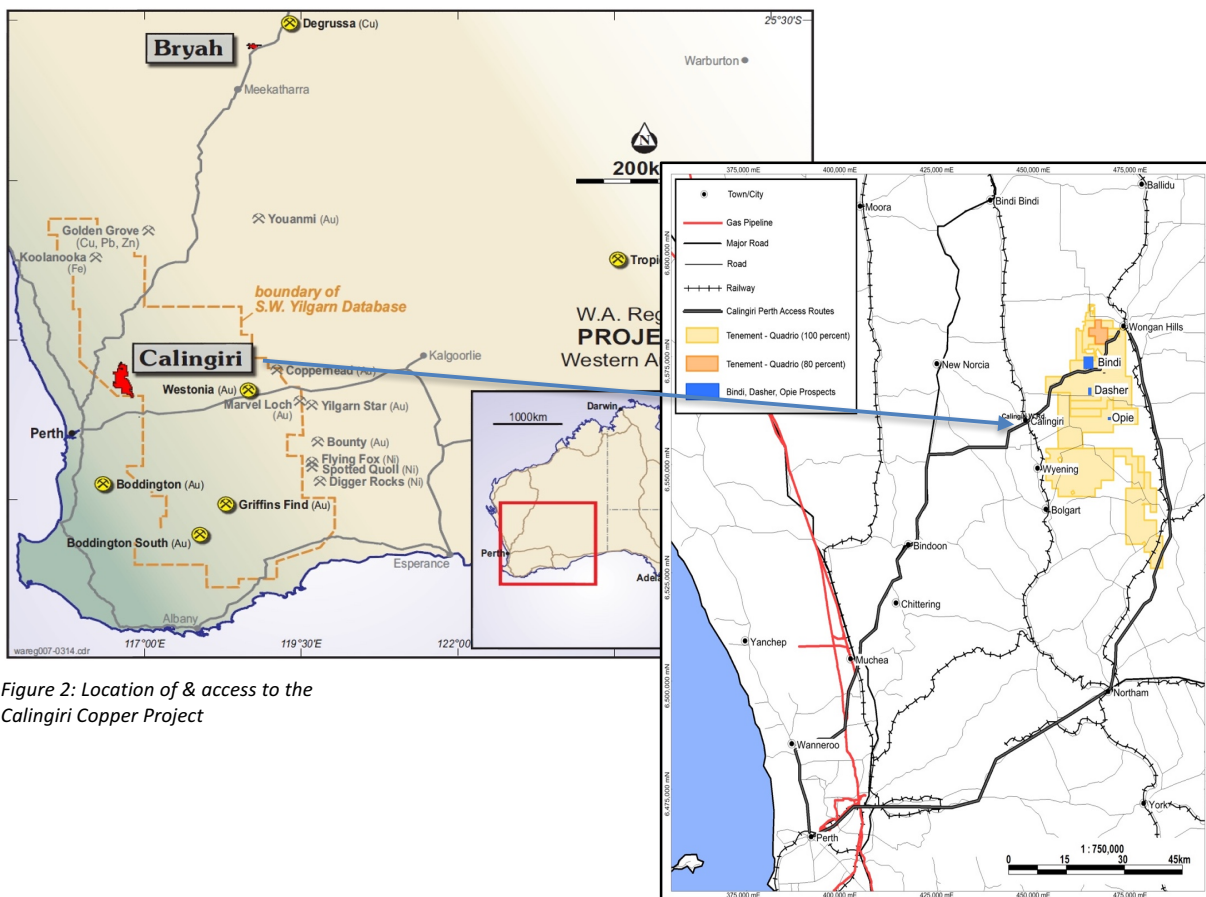


Figure 2: Location of & access to the Calingiri Copper Project

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About Caravel Minerals Limited

Caravel Minerals is a gold, copper and base metals exploration and resource development company with projects located in Western Australia. Caravel has a technically strong and well established exploration and mine development team.



Calingiri Update 18 December 2017 (ASX:CVV)

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Competent Person's Statement

The information in this report that relates to the Calingiri Mineral Resource estimates is extracted from an ASX Announcement dated 4 April 2016, (see ASX Announcement – 4 April 2016 “Calingiri Maiden JORC Resource”, www.caravelminerals.com.au and www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

Production Targets and Financial Information

Information in relation to the Calingiri Project Scoping Study, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 28 June 2016, (see ASX Announcement – 28 June 2016, “Scoping Study Confirms Outstanding WA Copper Project”, www.caravelminerals.com.au and www.asx.com.au). The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 28 June 2016 continue to apply and have not materially changed.

Forward Looking Statements.

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Caravel Minerals planned exploration program, studies and other statements that are not historic facts. When used in this document, the words such as “could”, “indicates”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward looking statements. Such statements involve risks and uncertainties, and no assurances can be provided that actual results or work completed will be consistent with these forward looking statements.

Disclaimer

This release may include forward-looking statements. Such forward-looking statements may include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements inherently involve subjective judgement and analysis and are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Caravel. Actual results and developments may vary materially from those expressed in this release. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Caravel makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release. All information in respect of Exploration Results and other technical information should be read in conjunction with Competent Person Statements in this release. To the maximum extent permitted by law, Caravel and any of its related bodies corporate and affiliates and their officers, employees, agents, associates and advisers:

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- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).



Appendix 1

Technology and Benefits of Ore Sorting

Bulk ore sorting is a proven pre-concentration technology in which barren gangue is separated from mineralisation based on the grade as measured or inferred from a sensor measurement. With bulk ore sorting, ore that previously didn't qualify for processing may be upgraded, making it economic to treat and improving the resource utilization. More valuable metal may be extracted from the resource while the processing plant treats less tonnes at higher feed grade, reducing consumption of water and power as well as lower tailings output. Significant capital reductions may also be achieved through smaller back end milling and processing requirements.

The technology is based on industry proven, high capacity industrial sorting machines from major international equipment suppliers, with well established businesses in industrial minerals, material recycling and food processing. The TOMRA technology is currently being successfully used by many large global mining groups, including:



Figure 3: Ore Sorting Equipment

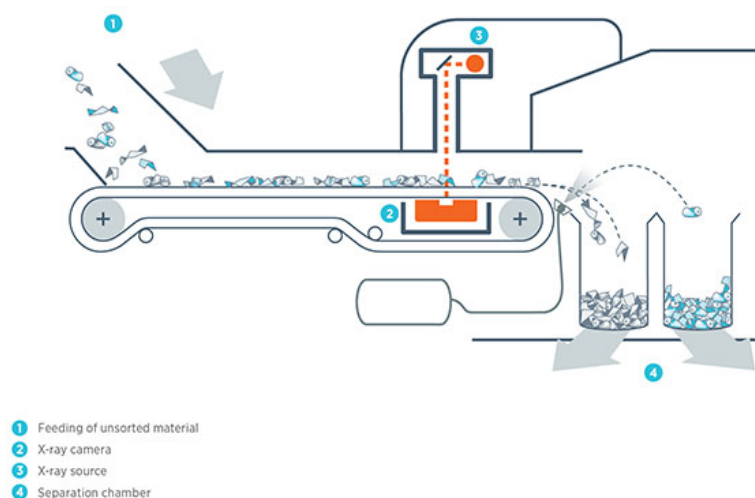


Figure 4: Ore Sorting Flow Diagram