NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE

NOTICE UNDER SECTION 708AA(2)(F) OF THE CORPORATIONS ACT 2001 (CTH)

On 23 January 2019, Caravel Minerals Limited ("**Company**") announced that it would make a non-renounceable pro-rata rights issue ("**Rights Issue**") of shares in the Company ("**New Shares**") to all shareholders with a registered address in Australia or New Zealand recorded on the Company's share register at the record date ("**Eligible Shareholders**").

The Company confirms the Rights Issue is being made without a disclosure document pursuant to section 708AA of the Corporations Act 2001 (Cth) ("**the Act**") as varied by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

Pursuant to section 708AA the Company provides the following information:

(a) the Company will offer the New Shares for subscription without disclosure to investors under Part 6D.2 of the Act;

(b) the Company is providing this notice under section 708AA(2)(f) of the Act;

(c) as at the date of this notice the Company has complied with:

(i) the provisions of Chapter 2M of the Act as they apply to the Company; and

(ii) section 674 of the Act;

(d) as at the date of this notice there is no information:

(i) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and

(ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

(1) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or

(2) the rights and liabilities attaching to the New Shares.

(e) The potential effect the issue of the New Shares will have on the control of the Company, and the consequences of that effect, will depend upon a number of factors, including the level of take up from Eligible Shareholders. The primary consequences will be as follows:

(i) If all Eligible Shareholders as at the record date take up their full entitlement, the Rights Issue will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company subject only to changes resulting from ineligible shareholders being unable to participate in the Rights Issue.

(ii) In the more likely event that not all Eligible Shareholders subscribe for their full entitlement (ie there is a shortfall), Eligible Shareholders who do not subscribe for their full entitlement under the Rights Issue and ineligible shareholders unable to participate in the Rights Issue will be diluted relative to those Eligible Shareholders who subscribe for some or all of their entitlement. The extent of the dilution will depend on the degree to which Eligible Shareholders take up their entitlement. The maximum dilution for an Eligible Shareholder that does not take up its entitlement will approach 12.5% if nearly all other Eligible Shareholders take up their entitlement in full.

(iii) By reason of existing shareholdings in the Company and the structure of the Rights Issue, no Shareholder can increase their voting power beyond 20% by reason of the Rights Issue. The Company will not issue any New Shares by reason of shortfall to Eligible Shareholders or others so they can increase their voting power beyond 20%.

(iv) By reason of the above, the Company is of the view that the Rights Issue will not materially affect the control of the Company.