



30 April 2019

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 MARCH 2019

COMPANY OVERVIEW

Caravel Minerals Limited (ASX:CVV, “Caravel” or “Company”) is developing the Caravel Copper Project, a major new greenfields copper project located 150km from Perth in Western Australia’s well-served Wheatbelt region.

The project feasibility studies are in progress and working towards completion of Pre-Feasibility Study in H2 2019. An updated Scoping Study is due for release in May.

SUMMARY

Caravel Copper Project

- Reverse circulation drilling program confirmed the new geology model for the Bindi Hinge and Bindi East limb. Bindi East limb confirmed dipping to the west and open at depth.
- Updated Indicated and Inferred Resource estimate totalling 372 Mt @ 0.35% Cu (0.25% cut-off) for >1.3 Mt contained Cu.
- Pre-feasibility studies continued; including new resource modelling, metallurgical test work, engineering, infrastructure, groundwater, land tenure, social and environmental studies.
- The company progressed stakeholder and community engagement with key groups critical to the project development.

Corporate

- Completed a rights issue and subsequent share placement for shortfall over-subscriptions to raise \$1,222,303 (after costs).
- 2018 Research and Development tax offset of \$158,788 received in February.
- At 31 March 2019, the Company had cash reserves of approximately AU\$1.34m.

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Resource Drilling

During the quarter the Company completed a 7-hole (1,601m) reverse circulation (RC) drilling program at the Bindi deposit (**Error! Reference source not found.**). The drill holes tested the revised mineralisation model developed after the 2018 diamond drilling program.

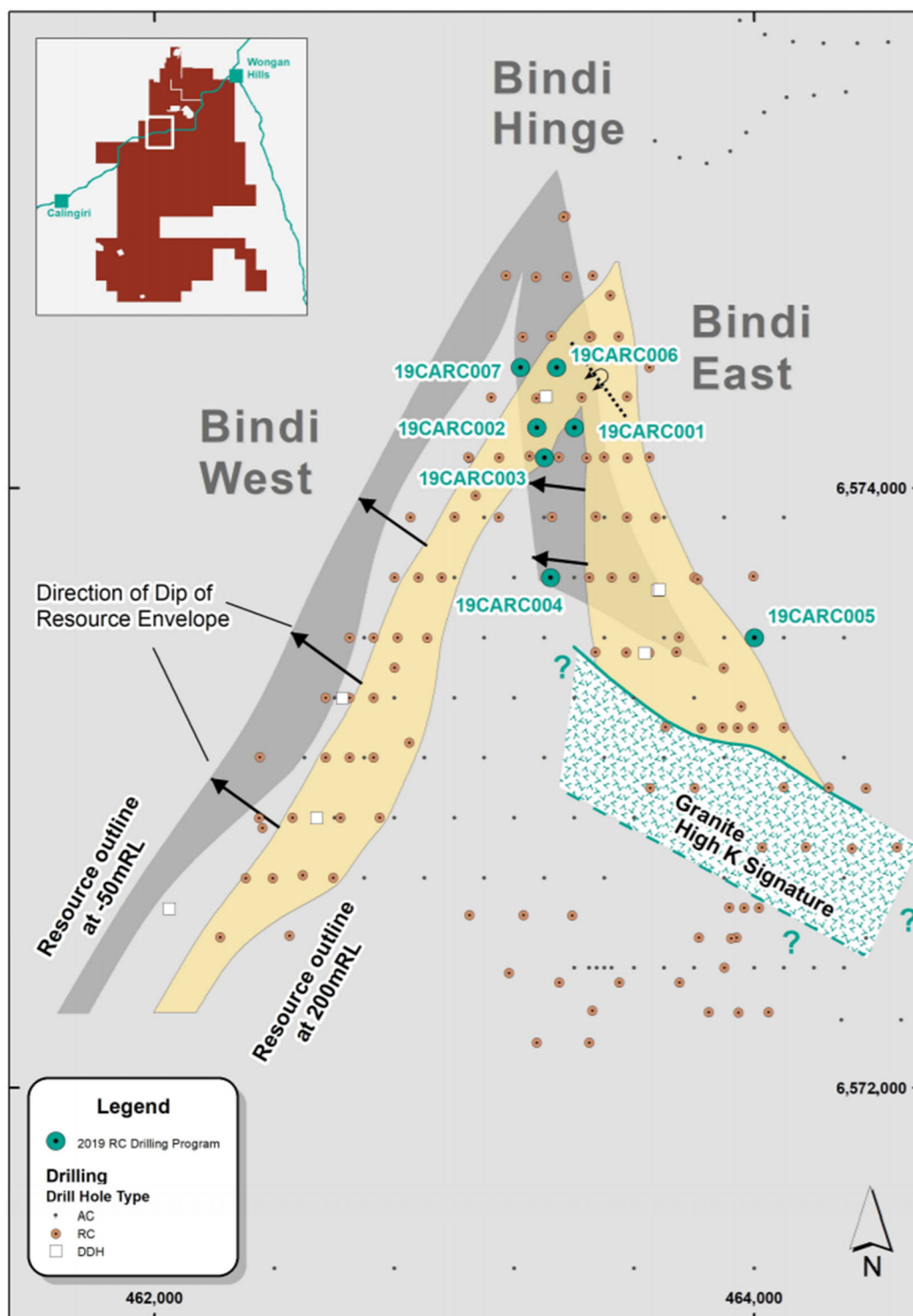


Figure 1: Location of 2019 RC holes at the Bindi deposit

The holes targeted the interpreted hinge zone at the northern end of the Bindi system and the east limb to the south of that. Structural information collected from diamond drill core in 2018 highlighted the presence of a tight fold structure in the hinge zone and indicated that the east limb of Bindi dipped moderately to the west. The previous mineralisation model had Bindi as a broad open fold with a shallow east dipping east limb.

Drilling highlights include:

- 19CARC001, 82m @ 0.27% Cu from 82m
- 19CARC002, 36m @ 0.33% Cu from 48m
- 19CARC003, 88m @ 0.25% Cu from 166m
- 19CARC004, 201m @ 0.31% Cu from 116m
- 19CARC006, 200m @ 0.31% Cu from 42m
- 19CARC007, 64m @ 0.53% Cu from 120m

Details of the assay intersections are provided in the ASX releases dated 1/02/2019, 20/2/2019 and 6/03/2019.

At the Bindi Hinge zone, two holes (19CARC001 and 002) were drilled on section 6,574,200N and two holes (19CARC006 and 007 – Figure 2) were drilled on section 6,574,400N. The sections are 100m south and north respectively of diamond core hole 18CADD005. As reported previously 18CADD005 intersected two zones of higher-grade copper mineralisation immediately below the interpreted antiformal fold hinge. Mineralisation intersected in the four RC holes is entirely consistent with the interpreted north northwest plunging antiformal fold hinge of an overturned fold that verges to the east. The closer spaced drilling into the hinge zone provides increased confidence in this part of the model which is being investigated as the location of a potential starter pit.

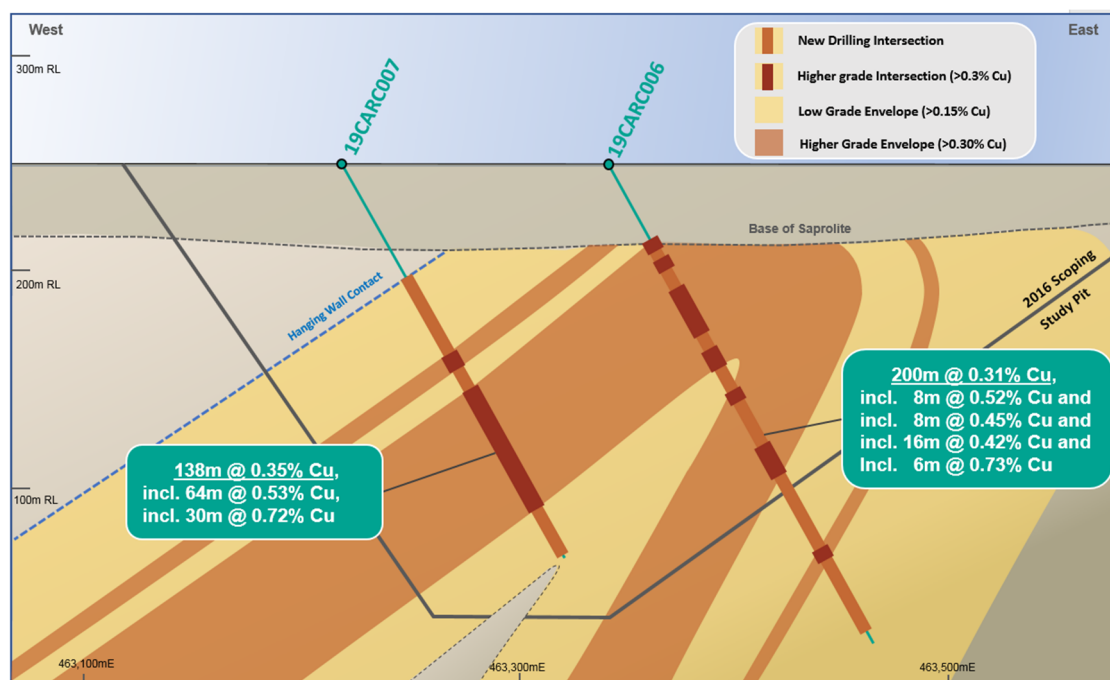


Figure 2: Cross Section through Bindi Hinge Zone (6,573,400mN)

Two deep RC holes (19CARC003 and 004 – Figure 3) drilled into the Bindi East limb intersected broad zones of copper mineralisation in positions consistent with the interpreted moderately west dipping east limb. Hole 19CARC004 intersected an unexpectedly wide mineralised interval and finished in mineralisation. The east limb appears to remain open at depth, though only limited structural information is available in this area and the wide interval may mark a parasitic fold on the east limb or a synformal fold closure at depth. Both holes were surveyed with a Televiwer instrument and once processed the Televiwer data will provide valuable structural and geotechnical information.

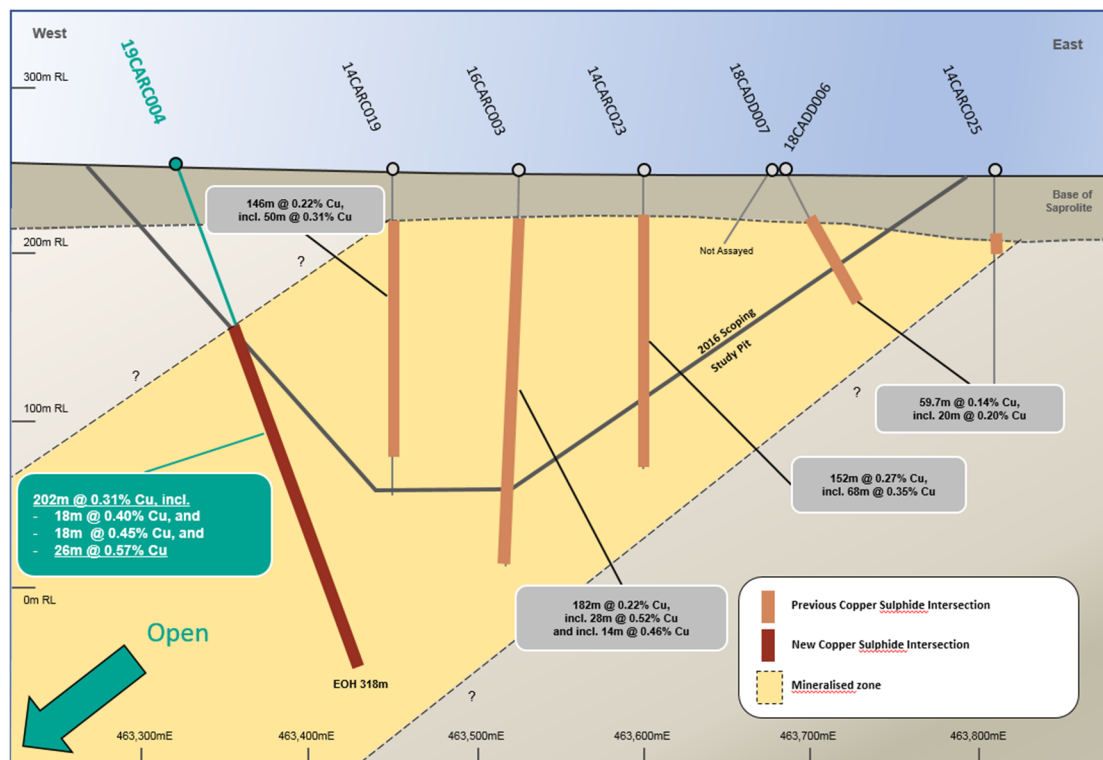


Figure 3: Cross Section through the Bindi East limb (6,573,700mN)

Hole 19CARC005 was drilled 700m east southeast of 19CARC004 into an interpreted north-northeast trending mineralised zone. There has been little previous drilling in this area but a conductive feature in previous IP geophysical data is coincident with a significant north-south trending copper anomaly in surface geochemistry and elevated copper in wide spaced shallow drilling. The hole intersected isolated high grades (2m @ 0.75% Cu from 112m) but no significant mineralised zones. Further work is required to understand what becomes of the East Limb south of section 6,573,450N where a major easterly offset in mineralisation is coincident with a potassium rich granite.

Resource Estimate

In April 2019 the Company released and updated resource estimate carried out by resource consultancy, Trepanier Pty Ltd, resulting in an updated to the estimation of Indicated and Inferred Resources at the Caravel Copper Project. The revised Indicated and Inferred Mineral Resource estimate at a 0.25% Cu cut-off is presented by

Table 1 below.

Table 1: Caravel Copper Project Mineral Resource Estimate (using 0.25% Cu cut-off)

Category	Mt	Cu (%)	Mo (ppm)	Cu (t)
Measured	-	-	-	-
Indicated	224.7	0.36	72	802,900
Inferred	147.3	0.34	65	498,700
Total	372.1	0.35	69	1,301,600

Note – appropriate rounding applied

The mineralised domain interpretations were based upon a combination of geology, supporting multi-element lithochemistry and lower cut-off grade of 0.1% Cu. Table 2 illustrates the breakdown of the resource by deposit (using a cut-off of 0.25% Cu) and

Table 3 shows the Caravel Copper Project Mineral Resource (combining the Bindi, Dasher and Opie deposits) at various Cu cut-offs. Figure 4 presents the grade vs. tonnage curves for the total Caravel Copper Project Mineral Resource (combining the Bindi, Dasher and Opie deposits).

Table 2: Caravel Copper Project Mineral Resource - breakdown by Deposit (using 0.25% Cu cut-off)

Deposit	Classification	Mt	Cu (%)	Mo (ppm)	Cu (t)
Bindi	Measured	-	-	-	-
	Indicated	142.6	0.36	79	513,200
	Inferred	80.8	0.35	69	282,900
	Total	223.4	0.36	76	796,100
Dasher	Measured	-	-	-	-
	Indicated	70.6	0.36	62	250,900
	Inferred	64.0	0.32	61	207,000
	Total	134.5	0.34	62	457,900
Opie¹	Measured	-	-	-	-
	Indicated	11.6	0.34	39	38,800
	Inferred	2.6	0.34	35	8,700
	Total	14.2	0.34	38	47,500
TOTAL	Measured	-	-	-	-
	Indicated	224.7	0.36	72	802,900
	Inferred	147.3	0.34	65	498,700
	Total	372.1	0.35	69	1,301,600

Note – appropriate rounding applied

¹ No update to Opie Mineral Resource - reported as per April 2016 announced Mineral Resource**Table 3: Caravel Copper Project¹ Mineral Resource at various Cu cut-off grades**

Cu Cut-off	Mt	Cu (%)	Mo (ppm)	Cu (t)
0.15	661.9	0.28	55	1,862,800
0.20	488.5	0.32	63	1,563,600
0.25	372.1	0.35	69	1,301,600

0.30	248.5	0.39	77	962,200
Note – appropriate rounding applied				
¹ Caravel Copper Project combines Bindi, Dasher and Opie deposits				

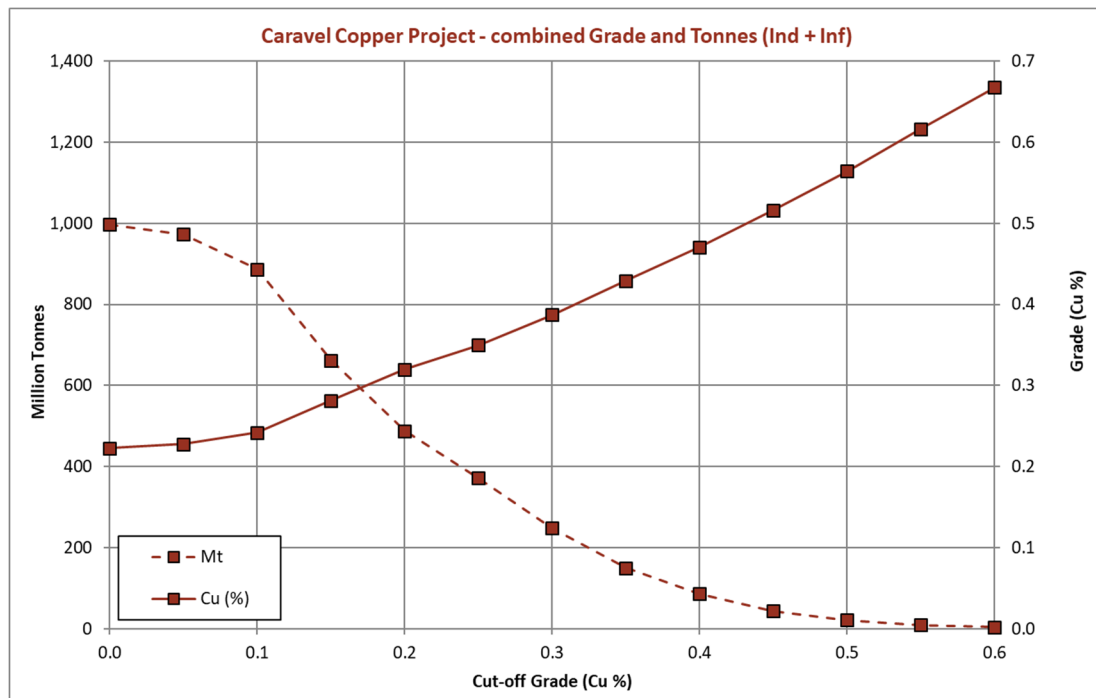


Figure 4: Grade vs. Tonnage curves for the combined Caravel Copper Project Mineral Resource

Feasibility Studies

Environmental and approvals

Caravel has progressed initial environmental studies anticipated to be required for regulatory approvals processes. The project is located on cropping farmland as well as low lying salinity affected land with the total area approximately 92% cleared. Small pockets of vegetation (within the remaining 8% of the estimated area) have been surveyed and confirmed to be in varying states of degradation, primarily due to weed infestation and historical livestock grazing.

Baseline environmental work to date has not identified any significant species that would be impacted by the project in a manner that could not be managed. The Company continues to discuss the project with stakeholders including briefings and consultation required for the environmental assessment process.



Figure 5: Spring season fauna consultant field visit – December 2018



Figure 6: Spring season flora survey team in field – November 2018

Stakeholders and Community

The Company continued to liaise with local landowners and brief key stakeholders on the Caravel Copper Project development. An information session was held in February at Wongan Hills where the Company met with and discussed the project with local community members and representatives from the Shire of Wongan-Ballidu. An encouraging level of interest in the project has been expressed at information sessions held in Calingiri and Wongan Hills and during field visits. The results of the various studies under development and securing other project requirements will be the focus of ongoing liaison and discussions with stakeholders.



Figure 7: Caravel Landowner and Stakeholder event, Wongan Hills (February 2019)

Metallurgy

A comprehensive metallurgical program is currently underway utilising diamond core from Bindi and Dasher.

Bond work index and SMC (comminution) testing has been evaluated for a number of composited samples. Table 4 below summarised the results:

Table 4: Rock Breakage Functions

	Bond					SMC								
Test	UCS	Impact	ROD	Ball	Abrasive	DWi	Mia	Mih	Mic	A	b	Axb	ta	SCSE
Unit	Mpa	kWh/t	kWh/t	kWh/t		kWh/m ³	kWh/t	kWh/t	kWh/t					kWh/t
Data Points	6	30	4	7	6	4	4	4	4	4	4	4	4	4
Max	131.7	12.9	15.0	19.8	0.3095	7.20	20.6	15.4	8.0	100.0	0.62	51.2	0.49	10.21
Min	59.9	3.6	13.3	15.7	0.2207	5.30	16.0	11.3	5.8	79.3	0.38	37.2	0.36	8.87
Avg	108.9	6.4	13.9	18.4	0.2735	6.31	18.4	13.5	7.0	89.4	0.50	43.9	0.39	9.57

The rock testing data shows the ore to be generally both competent and hard, though within normal range for comparable deposits. The relatively low UCS levels and high spread of results within the impact tests may indicate the presence of planes of weakness in the rock at a coarser size relative to harder competent ore at finer particle sizes.

The majority of flotation test work has been carried out on two master composite samples from holes 18CADD001 and 18CADD002 along with some individual samples testing for variability. The samples, at head grades between 0.28 – 0.51% copper, have been subjected to several rougher and preliminary cleaner flotation tests utilising different reagents regimes and grind sizes (106µm and 150µm) at the ALS Metallurgy laboratory in Perth, Western Australia.

Rougher recoveries varied between 90% to 99% with the average of 95.5%. These recoveries exceeded the previous test results carried out on RC samples as part of the 2016 Calingiri Scoping Study which were around 92%.

The majority of the recent tests were carried out at a grind size of 106µm, although those carried out at 150µm continued to show high recoveries, averaging 95.8% (versus 96.6% for 106µm). This data indicates that a coarse rougher grind for the project may be possible (Figure 8).

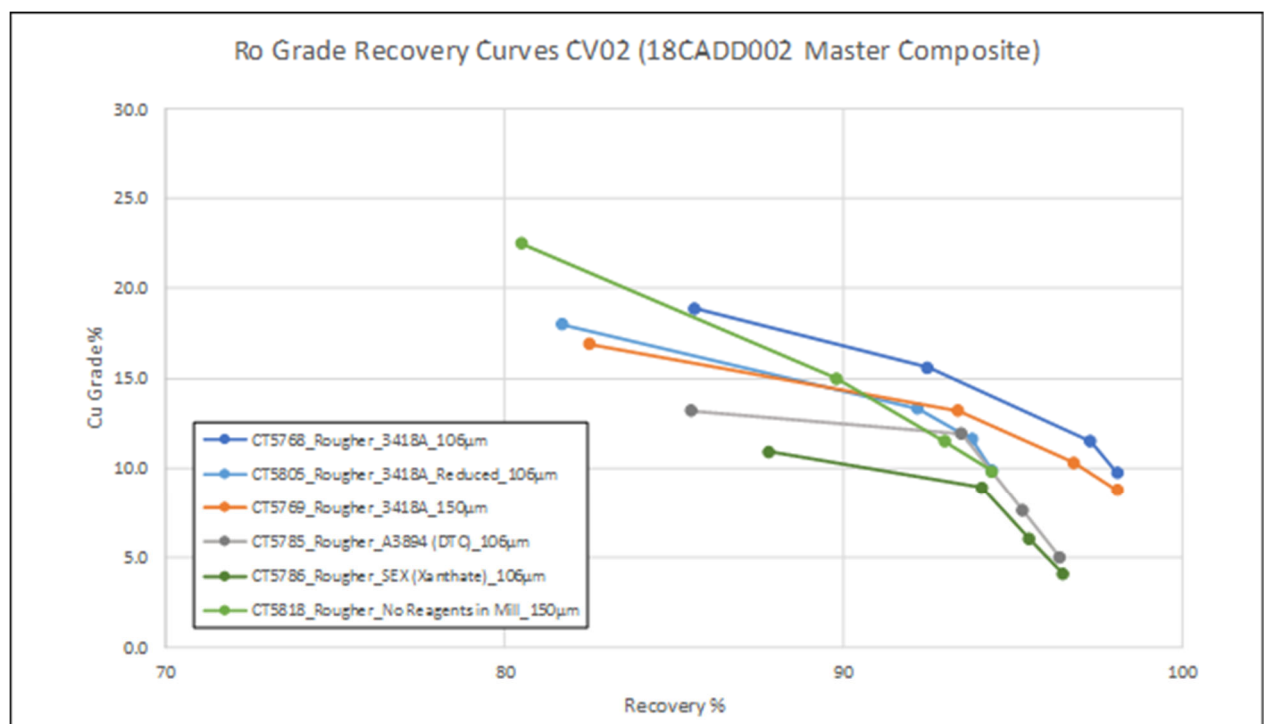


Figure 8: Example of rougher recoveries from CV02 Master Composite

The results also showed rapid kinetics with 92% (average) of the copper recovered in the first 4 minutes of the tests (Figure 9).

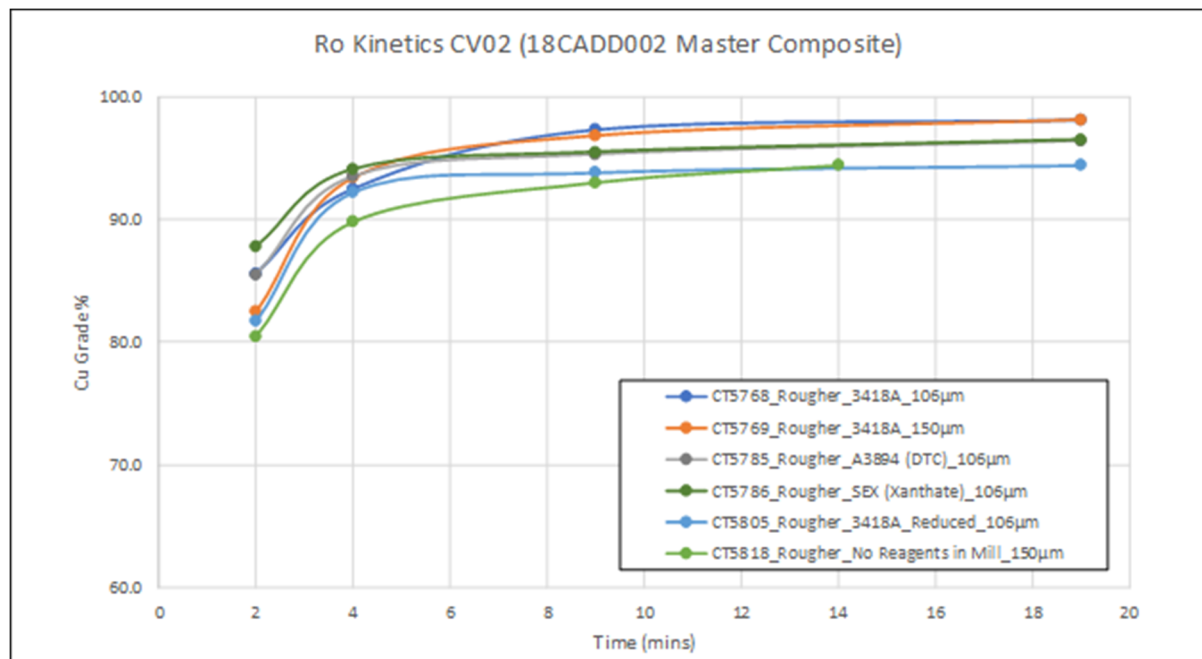


Figure 9: Example of rougher kinetics from CV02 Master Composite

As the tests progressed, it became clear that the copper minerals were highly hydrophobic and require low reagent doses to obtain high recoveries which will lower processing costs.

Preliminary cleaner flotation test work has suggested that a high grade copper concentrate can be produced. The latest batch testing after regrind have produced grades between 26.4 - 29.2% at recoveries of 80.3 – 89.7%. These figures are expected to improve as cleaner conditions are optimised and as locked cycle testing is undertaken.

Process Design

Perth-based firm MSP Engineering has undertaken a Process Optimisation Study on process and plant layout options. A number of equipment options were considered in the comminution circuit along with the impact on treatment rates.

Figure 10 indicates typical process plant throughput rates for the process circuit arrangements.

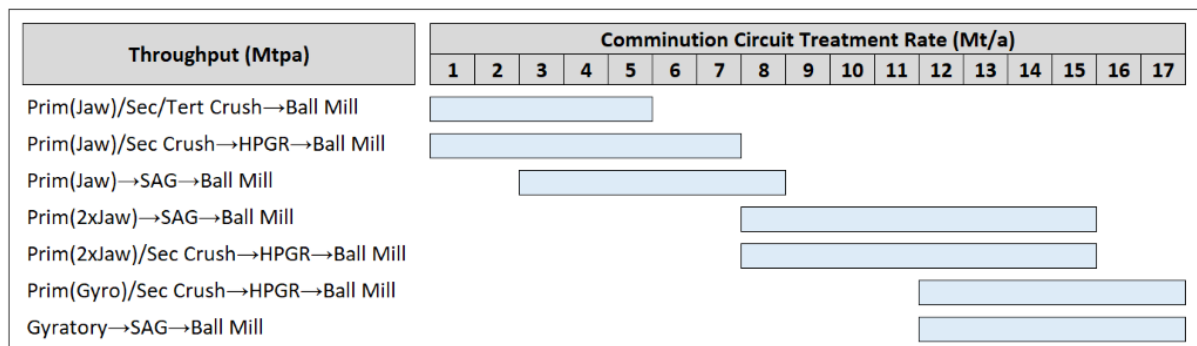


Figure 10: Typical plant throughput rates with typical comminution circuit arrangements

Each of the process options was evaluated and rated to determine the recommended process option for further investigation. The preferred comminution circuit at a throughput of 15Mtpa is: Gyratory Crusher - Secondary Crushing – HPGR – Ball Mill, prior to the ore being processed by conventional rougher-cleaner flotation. This configuration resulted in the lowest power consumption and lowest operating cost out of the options considered.

The flowsheet for the process plant would be as per Figure 11.

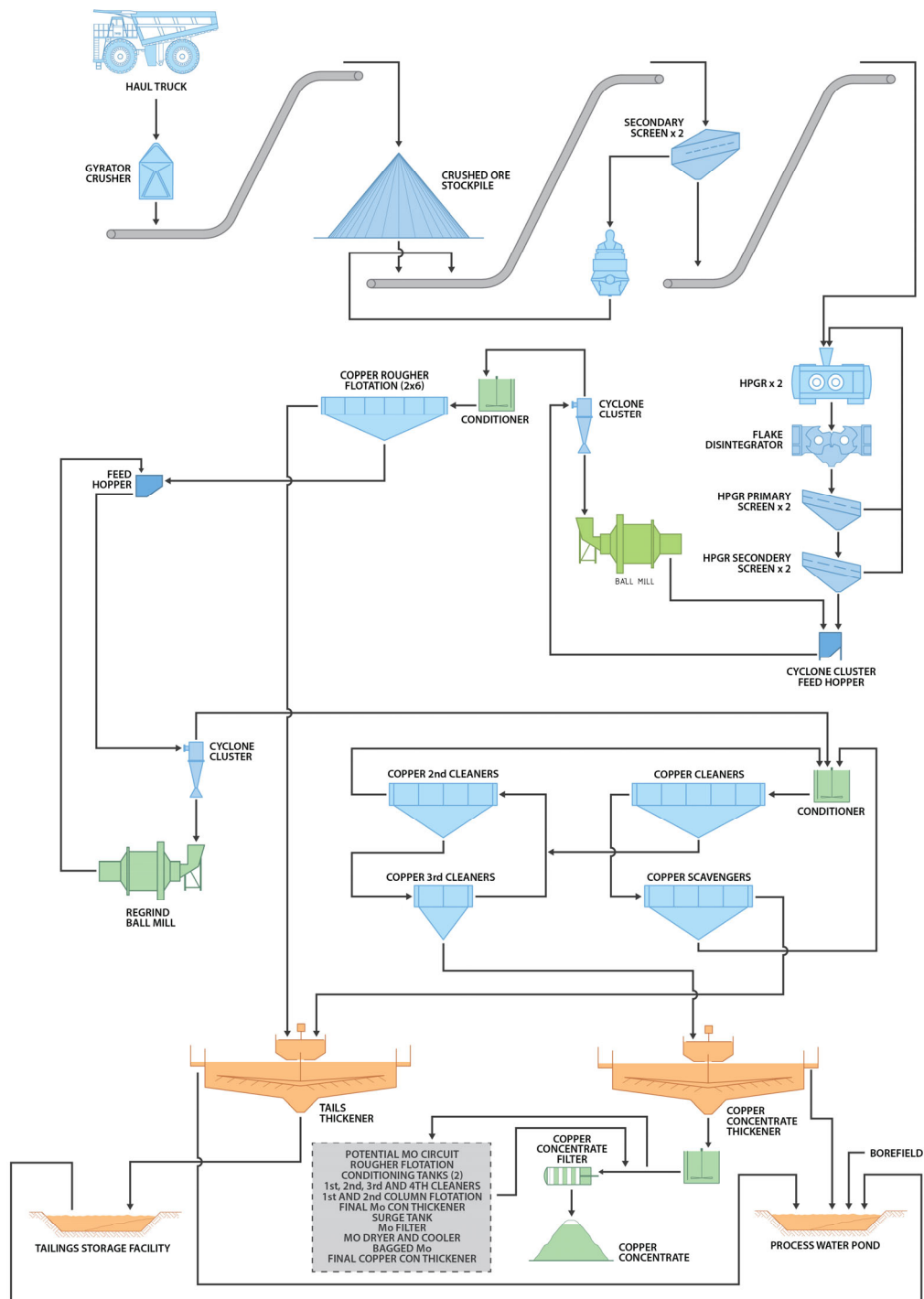


Figure 11: Process Flowsheet

Water

Potential water sources have been investigated by the study team through desktop reviews and initial consultations. Paleochannels have been identified that extend through the Wheatbelt that may be capable of contributing a significant volume of water to the Project. Caravel is also investigating aquifers with available licensable allocation to supply project water requirements.

Tailings

Global civil engineering consultants, Knight Piesold, undertook a study into the options for tailings location and design. A single cell Tails Storage Facility (TSF) has been selected as the preferred TSF layout option as opposed to the adoption of multiple cells. The proposed TSF is located towards the Bindi pits and immediately adjacent to the Bindi pit waste dump. This offers a number of key benefits including:

- Enhanced stability of the TSF main embankment through the buttressing of the waste dump.
- Availability of a local source of material (from the waste dump) for closure and rehabilitation of the TSF.

Product Transport

Qube Bulk completed a logistics study into the transport options for the haulage of copper concentrate from the Caravel site to a suitable export port. The study validated the options of transporting concentrate to Geraldton or Bunbury are viable at costs equal to or less than previously assumed in the 2016 Scoping study. The logistics study provides the basis to commence discussions with port authorities and transport related stakeholders.

FORWARD PROGRAM – 2nd QUARTER 2019

Feasibility Studies

- Mine scheduling
- Waste material characterisation
- Ongoing metallurgical test work
- Completion of updated Scoping Study
- Hydrological drilling and analysis
- Land tenure, social and environmental planning and processes
- Progression of partnership/financing options.

Health & Safety

The Company incurred zero LTI's during the quarter.

Corporate

Since the last quarterly report;

- Caravel issued 24,754,569 new shares at 5 cents per share in a non-renounceable rights issue and subsequent share placement for shortfall oversubscriptions to raise \$1.22m after costs.
- Caravel issued 1,827,020 new shares at a deemed price of 5 cents per share to Orbit Drilling as payment for drilling services provided.

At 31 March 2019 the Company had;

- 181,103,576 shares on issue
- 37,310,413 options on issue (strike price between 6.8c and 10c)
- \$1.34m held in cash reserves
- Nil debt

APPENDIX A - TENEMENT SCHEDULE

Project	Location	Tenement	Equity at 1 Jan 2019	Equity at 31 Mar 2019	Changes in Quarter
Calingiri	Wongan/Goomalling	E70/2788	100	100	-
Calingiri	Goomalling	E70/2789	100	100	-
Calingiri	Goomalling	E70/4674	100	100	-
Calingiri	Wongan	E70/3674	100	100	-
Calingiri	Goomalling	E70/3680	100	100	-
Calingiri	Goomalling	E70/3755	100	100	-
Calingiri	Goomalling	E70/4746	100	100	-
Calingiri	Goomalling	E70/4732	100	100	-
Calingiri	Wongan	EA70/5228	100	100	Y
Calingiri	Wongan	EA70/5229	100	100	Y
Calingiri	Wongan	P70/1593	100	0	Y
Calingiri	Wongan	E70/4675	100	100	-
Calingiri	Wongan	E70/4676	100	100	-
Calingiri	Wongan	E70/2343	80	80	Y

E70/5228 application replaces E70/4476, E70/5229 application replaces E70/4517 and R70/60 application will replace E70/2343. P701593 was allowed to expire on 9/02/2019.

APPENDIX B - MINERAL RESOURCES

The following table presents the Caravel Copper Project Mineral Resources' sensitivity to various lower and higher cut-off grades.

Calingiri Project Mineral Resources Categories at Various Cut-off Grades									
	Indicated			Inferred			Total Resource		
Cut-off Grade	Tonnes (Mt)	Grade Cu %	Cu Metal (t)	Tonnes (Mt)	Grade Cu %	Cu Metal (t)	Tonnes (Mt)	Grade Cu %	Cu Metal (t)
0.30	153.8	0.40	608,200	94.6	0.37	354,000	248.5	0.39	962,200
0.25	224.7	0.36	802,900	147.3	0.34	498,700	372.1	0.35	1,301,600
0.20	290.4	0.33	950,600	198.0	0.31	613,000	488.5	0.32	1,563,600
0.15	393.4	0.29	1,128,800	268.6	0.27	734,000	661.9	0.28	1,862,800

1. Competent Persons Statements The information in this report that relates to the Calingiri Mineral Resource estimates is extracted from an ASX Announcement dated 29 April 2018, (see ASX Announcement – 29 April 2019 "Caravel Copper Resource and Project Update, 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.

2. 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 programmes, 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.

For any queries please contact the Company Secretary, Mr Daniel Davis on +61 8 9426 6400

Name of entity

Caravel Minerals Limited

ABN

41 120 069 089

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows		Current quarter (3-months) \$'000	Year to date (9-months) \$'000
1. Cash flows from operating activities			
1.1 Receipts from customers			
1.2 Payments for			
(a) exploration & evaluation	(670)	(1,435)	
(b) development	-	-	
(c) production	-	-	
(d) staff costs	(142)	(432)	
(e) administration and corporate costs	(67)	(330)	
1.3 Dividends received (see note 3)	-	-	
1.4 Interest received	1	1	
1.5 Interest and other costs of finance paid	-	-	
1.6 Income taxes paid	-	-	
1.7 Research and development refunds	-	-	
1.8 Other (Refund of R&D tax offset)	159	203	
1.9 Net cash from / (used in) operating activities	(720)	(1,992)	
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment	-	(71)	
(b) tenements (see item 10)	-	-	
(c) investments	-	-	
(d) other non-current assets	-	-	
2.2 Proceeds from the disposal of:			
(a) property, plant and equipment	-	37	
(b) tenements (see item 10)	-	-	
(c) investments	-	42	
(d) other non-current assets	-	30	
2.3 Cash flows from loans to other entities	-	-	
2.4 Dividends received (see note 3)	-	-	
2.5 Other (provide details if material)	-	-	
2.6 Net cash from / (used in) investing activities	-	38	

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter (3-months) \$'000	Year to date (9-months) \$'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,238	2,862
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(15)	(134)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Refund of R&D tax offset)	-	-
3.10	Net cash from / (used in) financing activities	1,222	2,728
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	835	563
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(720)	(1,992)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	38
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,222	2,728
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,337	1,337
5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$'000	Previous quarter \$'000
5.1	Bank balances	1,337	835
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,337	835

6. Payments to directors of the entity and their associates		Current quarter \$'000
6.1	Aggregate amount of payments to these parties included in item 1.2	62
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of director fees

7. Payments to related entities of the entity and their associates		Current quarter \$'000
7.1	Aggregate amount of payments to these parties included in item 1.2	128
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mitchell River Group, a related party of Mr Alasdair Cooke, was paid \$127,651 plus GST for provision of a serviced office and technical services.

8. Financing facilities available		Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Mining exploration entity and oil and gas exploration entity quarterly report

9.	Estimated cash outflows for next quarter	\$'000
9.1	Exploration and evaluation	502
9.2	Development	-
9.3	Production	-
9.4	Staff costs	120
9.5	Administration and corporate costs	69
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	691

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	P70/1593	Direct	100%	-%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Daniel Davis

Company Secretary

Date: 30 April 2019

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.