



22 August 2019

Elizabeth Harris
Principal Adviser, Listings Compliance (Perth)
ASX Limited Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

by email to listingscomplianceperth@asx.com.au

Dear Ms Harris,

Caravel Minerals Limited ("CVV") is in receipt of your letter dated 20 August 2019 regarding the Company's Quarterly Report for the period ended 30 June 2019.

The Company responds to your questions as follows:

1. Does CVV expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

Due to the nature of its exploration and development activities, CVV expects to continue to have negative operating cashflows in future periods. Outflows for the next two quarters will likely be less than the prior two quarters.

2. Has CVV taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Following the completion of a successful scoping study in June 2019, the Board has engaged with a range of potential investors including mining investment funds, mining companies and copper smelters and has engaged in discussions regarding funding structures for the next stages of feasibility studies. Whilst proposals have been offered to CVV they remain subject to ongoing negotiation.

The Board believes that CVV has the means to raise additional capital as and when necessary based this engagement and previous ability to raise funds when required.

3. Does CVV expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

CVV expects to be able to continue its operations and to meet its business objectives based on the ability to raise additional capital as outlined in question 2.

- 4. Please confirm that CVV is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.**

CVV confirms that it is in compliance with Listing Rule 3.1. There is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market

- 5. Please confirm that CVV's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CVV with delegated authority from the board to respond to ASX on disclosure matters.**

CVV confirms that the response above have been authorised and approved by its Board.

Yours faithfully,

For and on behalf of Caravel Minerals Limited

A handwritten signature in dark ink, appearing to read 'DM Davis', is positioned above the printed name and title.

Daniel Davis
Company Secretary



20 August 2019

Reference: ODIN05723

Mr Daniel Davis
Company secretary
Caravel Minerals Ltd
Suite 1
245 Churchill Avenue
Subiaco WA 6008

By email: daniel@caravelminerals.com.au

Dear Mr Davis

Caravel Minerals Ltd ('CVV'): Appendix 5B Query

ASX refers to CVV's Appendix 5B quarterly report for the period ended 30 June 2019 lodged with ASX Market Announcements Platform on 31 July 2019 (the 'Appendix 5B').

ASX notes that CVV has reported:

- negative net operating cash flows for the quarter of \$624,000;
- cash at the end of the quarter of \$713,000; and
- estimated cash outflows for the next quarter of \$455,000.

It is possible to conclude, based on the information in the Appendix 5B that if CVV were to continue to expend cash at the rate indicated by the Appendix 5B, CVV may not have sufficient cash to continue funding its operations.

In view of that, ASX asks CVV to respond separately to each of the following questions and requests for information:

1. Does CVV expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has CVV taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does CVV expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that CVV is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that CVV's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CVV with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3:00 PM AWST Thursday, 22 August 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CVV's securities under Listing Rule 17.3. You

should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CVV's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to CVV's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CVV's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CVV's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Elizabeth Harris
Manager, Listings Compliance (Perth)