



ASX Release: 31 July 2020

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 30 JUNE 2020

HIGHLIGHTS

- Caravel Minerals Limited ("Caravel" or the "Company", ASX:CVV) has generated three new exploration projects through the highly prospective South-West Yilgarn Block.
- Subsequent to the end of the quarter, Caravel completed a share placement raising \$1.15M at 4.0c per share, with a Share Purchase Plan initiated to raise up to a further \$0.5M.
- Funds raised will be used to undertake exploration activities across Caravel's portfolio with a drilling programme planned to commence in August.
- Engagement continued with potential strategic partners regarding an investment in the Company's flagship Caravel Copper Project. Discussions are ongoing.

HEALTH & SAFETY

The Company did not record any safety incidents during the quarter.

CORPORATE

Since the previous quarterly report;

- 26,250,000 shares were issued at 4.0c to raise \$1,050,000
- 2,500,000 additional shares are proposed for issue to Alasdair Cooke, a director, to raise \$100,000. The issue of these options is subject to shareholder approval
- Announced a Share Purchase Plan to raise up to \$500,000 at 4.0c per share
- 400,000 unlisted options exercisable at \$0.10 expired

At the date of this report, the Company had;

- 223,422,691 shares on issue
- 16,900,000 unlisted options exercisable at \$0.08 expiring September 2021
- \$1.21m held in cash reserves
- Nil debt

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CARAVEL COPPER PROJECT

Caravel is currently engaged in feasibility studies for the development the Caravel Copper Project, a greenfields copper mining and processing project located 150km from Perth in Western Australia's Wheatbelt region (Figure 1).

The project is based on an Indicated and Inferred Mineral Resource of 661.9Mt @ 0.28% Cu (at 0.15% Cu cut-off) for a total of 1.86Mt contained copper. This makes the Caravel Project one of the largest copper resources in Western Australia and in the top ten largest copper projects in Australia.

Metallurgical test work demonstrates the copper mineralisation can be processed utilising standard sulphide flotation methods with very high recoveries. Initial copper concentrate analyses demonstrate a very clean product with low level of impurities. The Caravel concentrate is anticipated to comply with smelter specifications and be free from penalties due to deleterious elements. Such a concentrate is likely to be attractive to smelter customers globally to blend with more complex concentrates from other sources.

A Scoping Study completed in 2019 by Caravel Minerals and MSP Engineering demonstrated a strong economic model for the Project and recommended proceeding with more advanced feasibility studies. Due to the size of the Project, the Company is currently investigating options for involving a strategic partner to assist with funding requirements.

No activities relating to mining production or development have been undertaken during the reporting period.

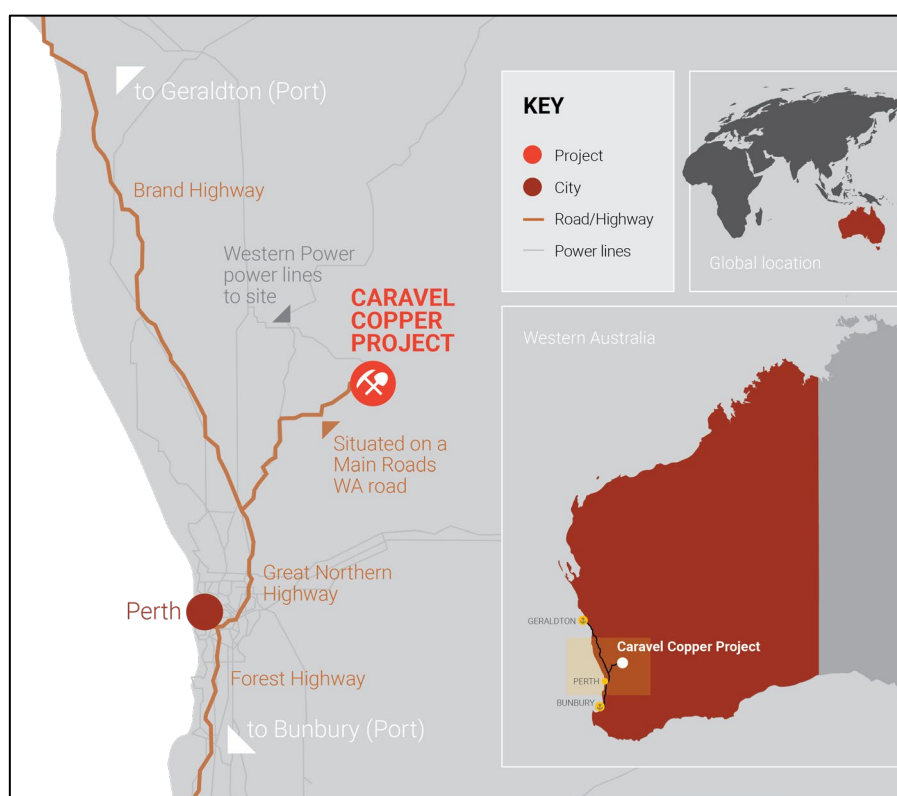


Figure 1: Location Diagram for the Caravel Copper project

EXPLORATION PROJECT GENERATION

An evaluation of new target areas utilising Caravel’s exploration databases commenced in 2018 and has been ongoing over the last 18 months. This work, combined with recently renewed exploration interest the South West Yilgarn Block has resulted in Caravel securing tenure over several new areas of interest (Figure 2).

Due to limitations on travel and fieldwork resulting from the impacts of Covid19, the company focussed on desktop evaluation and no substantive field exploration was undertaken during the quarter.

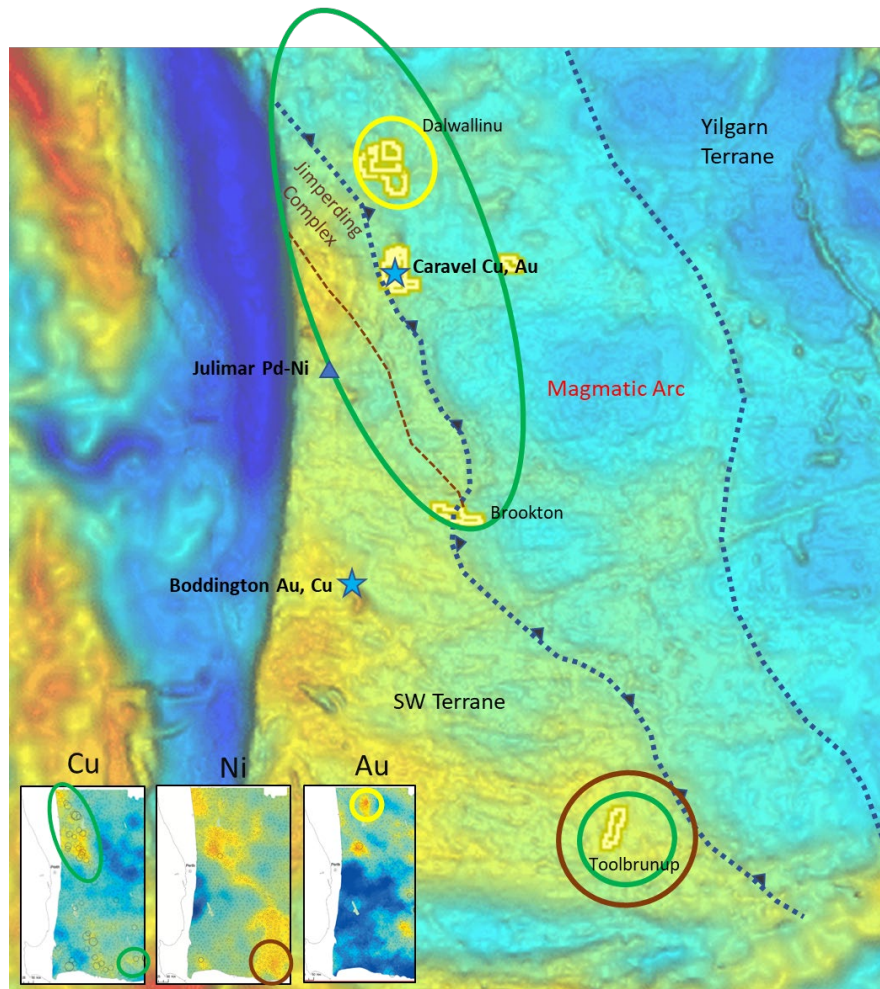


Figure 2: Location of Caravel projects in the emerging SW Yilgarn Block mineral province. Image of regional gravity (Geological Survey of Western Australia)

The mineral potential of the South-West Yilgarn Block has been highlighted by the recent high-grade Pd-Ni-Cu discovery at the Julimar Prospect by Chalice Gold Mines Ltd. The Julimar discovery, about 60km to the southwest of the Caravel Copper Project, has shown that significant mineralisation may be concealed below the surface weathering zone with no surface indications except subtle geochemical responses. The Caravel copper deposits were discovered in 2010 by the same process of surface sampling and identification of low level anomalous geochemical responses.

Caravel owns the most comprehensive database of surface samples over the South-West Yilgarn Block, comprising approximately 250,000 samples of which over 100,000 samples have been collected

by Caravel and its predecessor Dominion Mining. The geochemical database, along with Caravel's models for surface expressions of mineralisation zones based on the Caravel deposits, have been used to identify other areas of interest with the region.

EXPLORATION PROJECTS

Dalwallinu Cu-Au Project

The Dalwallinu Copper-Gold Project is located on a northern extension of the same major structural corridor as the Caravel Copper Project. This structure is interpreted by Caravel as a tectonic plate boundary between the South West Yilgarn Terrane and the Eastern Yilgarn Terrane. Porphyry copper deposits, such as the Caravel Copper Project, are related to these types of convergent plate boundaries within the associated volcanic arcs and series of such deposits may be distributed along such boundaries over large distances. These types of settings are host to most of the world's largest copper and gold projects, such as along the Andes volcanic arc through Chile and Peru in South America.

The Dalwallinu project shows many of the geological features consistent with known porphyry copper deposits, with multiple granite intrusions and potentially large alteration systems interpreted from magnetic data. Regional geochemical programmes (GSWA and Dominion) show the area to be one of the most significant broad scale copper and gold anomalies in the region.

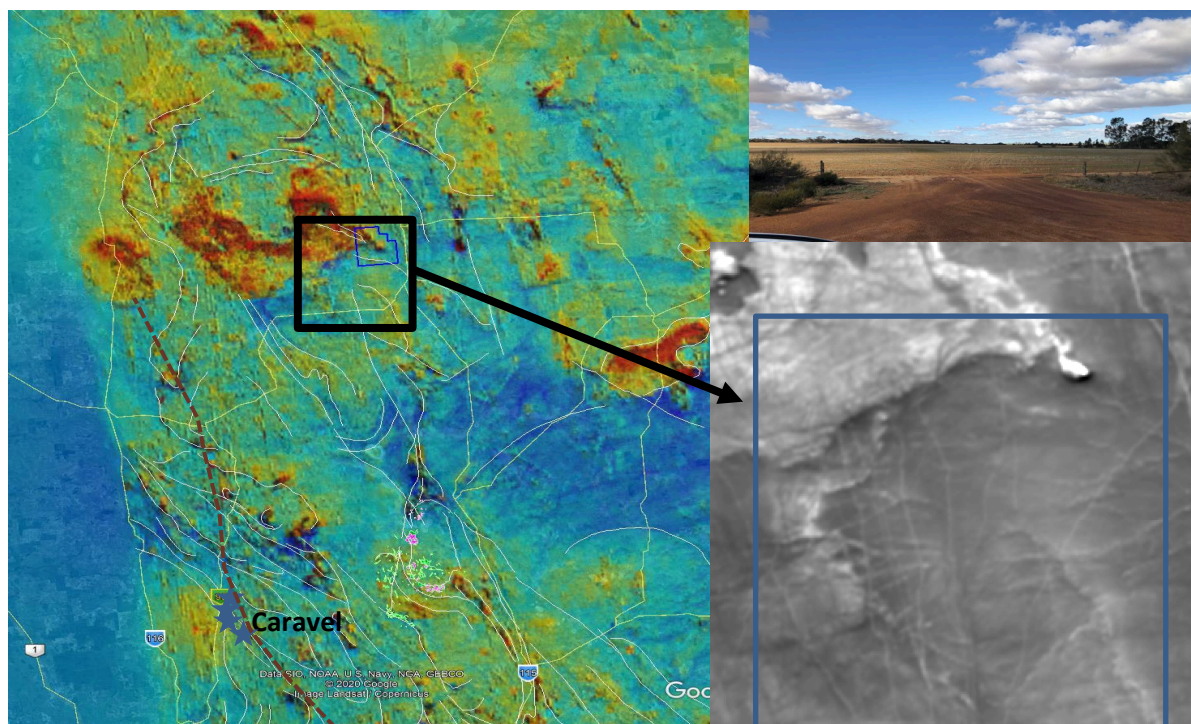


Figure 3: Location of Dalwallinu Cu-Au Project shown on regional magnetic image

There are no outcrops of fresh rock near the target areas so all sampling is from weathered regolith materials. The anomalies in this area for both gold and copper are consistent with the Caravel exploration models for targeting over deeply weathered mineralisation. Of particular interest is a large magnetic anomaly which is concealed under laterite and has never been drill tested. This

feature occurs at the apex of a major granite intrusion and has similar appearance to other examples of magnetic anomalies associated with major Cu-Au deposits.

A programme of shallow auger drilling is currently being planned in consultation with the local landowners to fit around their current cropping programme. It is expected the first phase of drilling will be undertaken in the next quarter.

Brookton Cu-Au (Zn) Project

The Brookton Copper-Gold project comprises two main prospective areas which shows outcropping gossans over approximately 6km strike and a broad geochemical anomaly (rock chip and soils >300ppm Cu) over a similar area and 0.5km width. The geology, alteration and surface geochemistry are interpreted to be similar to those at the Ninan Prospect within the Caravel Copper Project, with parallels also drawn with the deposits at Golden Grove, Western Australia and Noranda, Canada. The area was initially explored in the 1970's and 1980's by Otter Exploration NL and then Shell, but has received no systematic modern exploration.

A field programme will be undertaken after landowner consultations. Based on the current understanding of the area it is likely that airborne EM will be used in the next phase to identify direct drilling targets.

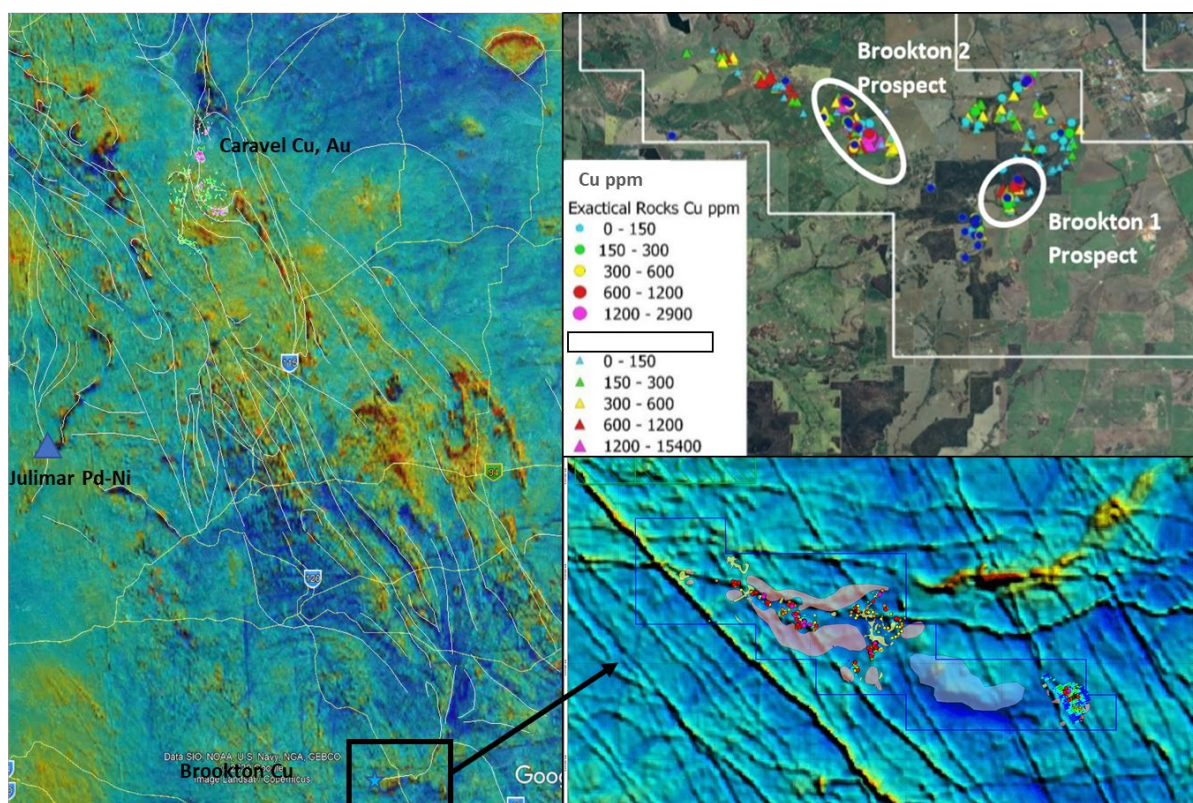


Figure 4: Location of Brookton Project. Also showing location of historical rock chip samples

Toolbrunup Ni-Cu-PGM Project

The Toolbrunup project is based on a previously unrecognised sill or dyke structure identified from recent airborne magnetic surveys. The structure is approximately 10km long but has no surface exposure due to surface weathering and shallow cover. Geochemical sampling results from both open

file reports and the proprietary Caravel database shows significant anomalies for both nickel, copper and platinum over the magnetic anomaly. The magnetic anomaly is similar in style and scale to that seen at the Julimar intrusive complex, which also has similar levels of anomalous geochemistry within the surface weathering zone.

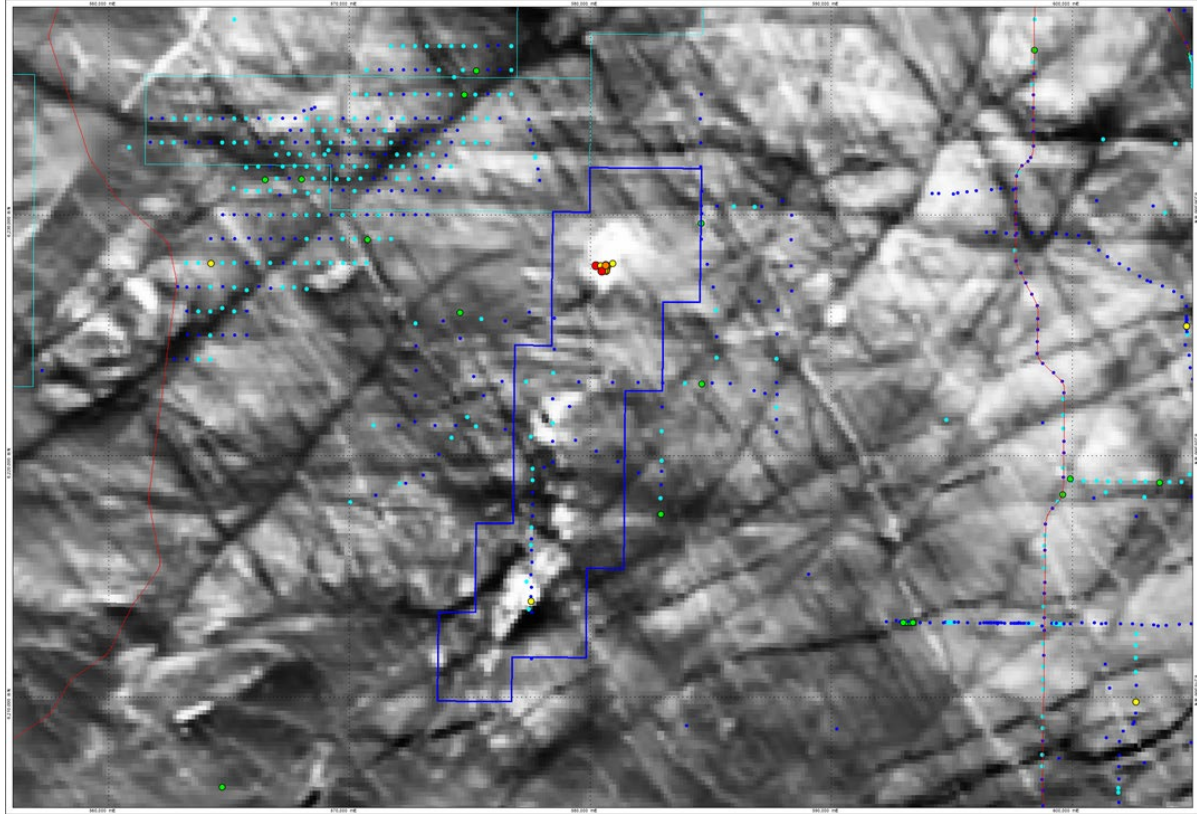


Figure 5: Toolbrunup project location, shown on airborne magnetic image (TMI, Geological Survey of Western Australia) and surface Cu geochemistry

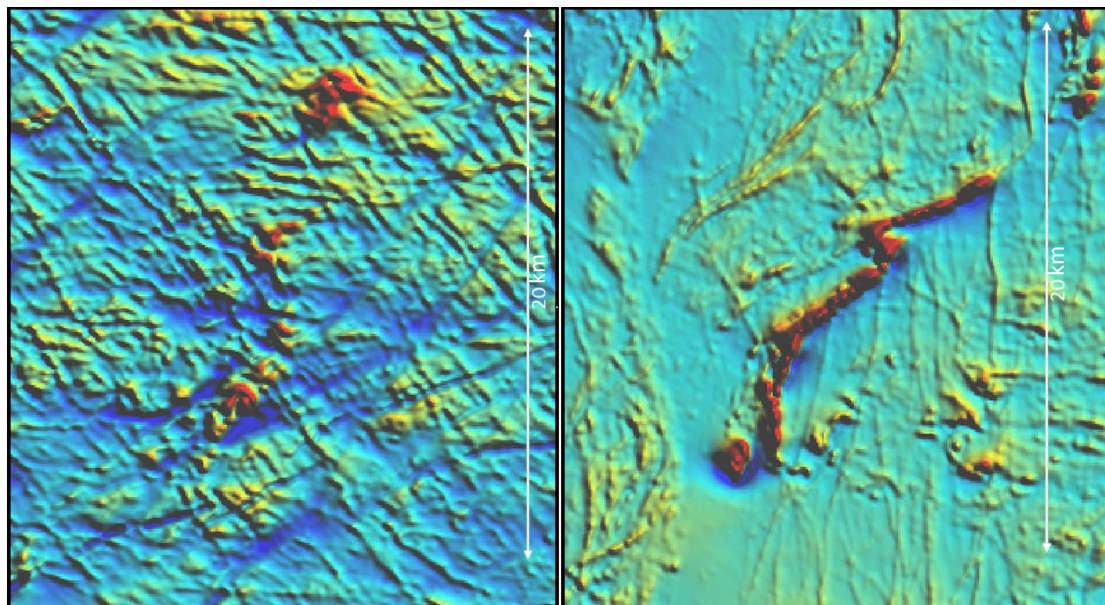


Figure 6: Magnetic images of the Toolbrunup project (left) vs Julimar sill (right) shown at the same scale (TMI, Geological Survey of Western Australia)

Following landowner consultations the initial work programme at Toolbrunup will comprise shallow auger drilling to sample through the regolith. Subject to results of the auger drilling confirming the surface sampling anomalies it is expected the area will be surveyed with EM for direct targeting of magmatic sulphide bodies.

Caravel Copper Project: Ninan and Opie Prospect Areas

In addition to the new project areas, a programme of exploration drilling is planned to target higher grade mineralisation at the Ninan and Opie areas within the Caravel Copper Project. Both prospect areas have previous wide drilling intercepts over 0.5% copper and potential exists for expanding the known areas of mineralisation.

At Ninan a review of previous work has highlighted significant EM anomalies to the east of the main mineralised system with coincident geochemical anomalies in copper and cobalt. Previous drilling in this area has shown anomalous results but did not test the EM target.

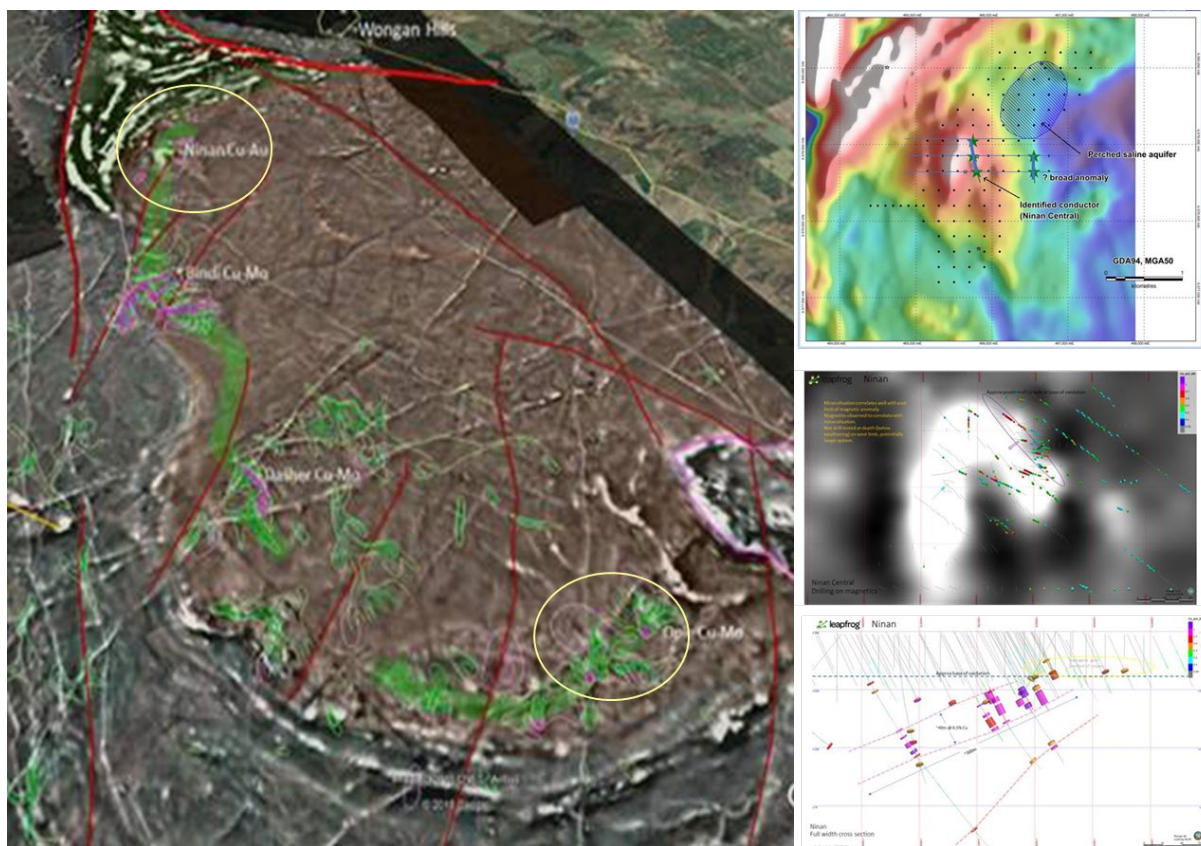


Figure 7: Opie and Ninan exploration areas at the Caravel Copper Project

At Opie a new resource model has highlighted potential extensions of the current resource that have not been drilled. Similar to the extensions of the resource at Bindi and Dasher, the testing of the new model at Opie has potential to add significantly to current resources, with particular focus on the higher grade zones.

Planning is in progress for drilling of both these areas. Further details on these programmes will be released when available.

This report has been approved for release by the Managing Director of Caravel Minerals Limited.

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

APPENDIX A - TENEMENT SCHEDULE

| Project | Location | Tenement | Equity at 1 Apr 2020 | Equity at 30 Jun 2020 | Changes During Quarter |
|-----------------|------------------------|-----------|-------------------------|--------------------------|---|
| Calingiri | Wongan | E70/2343 | 80 | - | Converted to retention licence R70/0060 |
| Calingiri | Wongan/Victoria Plains | E70/2788 | 100 | 100 | - |
| Calingiri | Goomalling | E70/2789 | 100 | 100 | - |
| Calingiri | Wongan | E70/3674 | 100 | 100 | - |
| Calingiri | Goomalling | E70/3680 | 100 | 100 | - |
| Calingiri | Goomalling | E70/3755 | 100 | 100 | - |
| Calingiri | Goomalling | E70/4732 | 100 | 100 | - |
| Calingiri | Wongan | E70/4675 | 100 | - | Expired |
| Calingiri | Wongan | E70/4676 | 100 | - | Expired |
| Calingiri | Wongan | E70/5228 | 100 | 100 | - |
| Calingiri | Wongan | E70/5229 | 100 | 100 | - |
| Dalwallinu | Dalwallinu | E70/5400 | - | 100 | - |
| Dalwallinu | Moora | EA70/5417 | - | - | - |
| Koorda | Koorda / Dowerin | EA70/5425 | - | - | Withdrawn |
| Lake Toolbrunup | Tambellup | EA70/5462 | - | - | - |
| Brookton | Brookton | EA70/5506 | - | - | - |
| Dalwallinu | Dalwallinu | EA70/5511 | - | - | - |
| Dalwallinu | Dalwallinu | EA70/5512 | - | - | - |
| Calingiri | Wongan | R70/0060 | 80 | 80 | - |

APPENDIX B - MINERAL RESOURCES

The following table presents the Caravel Copper Project Mineral Resources Estimate and the 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 Exploration Results is based on and fairly represents information compiled by Mr Lachlan Reynolds. Mr Reynolds is a consultant to Caravel Minerals and is a member of both the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr Reynolds has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reynolds consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd). Mr Barnes is a shareholder of Caravel Minerals. Mr Barnes is a member of both the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr Barnes has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

2. Previous Disclosure The information in this report is based on the following Caravel Minerals ASX Announcements, which are available from the Caravel Minerals website www.caravelminerals.com.au and the ASX website www.asx.com.au :

- 29 April 2019 "Caravel Copper Resource and Project Update"
- 01 July 2020 "New Exploration Project Areas and Investor Presentation"
- 15 July 2020 "New Exploration Project Areas – Additional Information"

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 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.

3. 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.

APPENDIX 5B***Mining exploration entity or oil and gas exploration entity
quarterly cash flow report****Name of entity*

Caravel Minerals Limited

ABN

41 120 069 089

Quarter ended ("current quarter")

30 June 2020

| <i>Consolidated statement of cash flows</i> | | Current quarter (3-months) \$A'000 | Year to date (12-months) \$A'000 |
|--|---|---|---|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation (if expensed) | (9) | (210) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (55) | (551) |
| | (e) administration and corporate costs | (19) | (381) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | (1) |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | 62 | 62 |
| 1.8 | Other (provide details if material) | - | - |
| 1.9 | Net cash from / (used in) operating activities | (22) | (1,081) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) entities | - | - |
| | (b) tenements | (44) | (44) |
| | (c) property, plant and equipment | - | - |

| Consolidated statement of cash flows | | Current quarter (3-months) \$A'000 | Year to date (12-months) \$A'000 |
|---|---|---|---|
| | (d) exploration & evaluation (if capitalised) | - | - |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from the disposal of: | - | - |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 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 | (44) | (44) |

| | | | |
|-------------|---|----------|------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 660 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (17) |
| 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 (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | 643 |

| Consolidated statement of cash flows | | Current quarter (3-months) \$A'000 | Year to date (12-months) \$A'000 |
|---|--|---|---|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 297 | 713 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (22) | (1,081) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (44) | (44) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 643 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 232 | 232 |

| | | | |
|------------|--|------------------------------------|-------------------------------------|
| 5. | Reconciliation of cash and cash equivalents <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i> | Current quarter \$A'000 | Previous quarter \$A'000 |
| 5.1 | Bank balances | 212 | 277 |
| 5.2 | Call deposits | 20 | 20 |
| 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) | 232 | 297 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

43

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payment of director fees and to Mitchell River Group for administration and technical staff and provision of a serviced office.

| | | |
|--|---|--|
| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | - | |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| <div style="border: 1px solid black; height: 50px;"></div> | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|---------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (22) |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | - |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (22) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 232 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 232 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 10.7 |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity 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?

Answer:

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

Answer:

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.

Date: 31 July 2020

Authorised by: Managing Director

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.