

7 August 2023

TARGET MARKET DETERMINATION

Made by:	Caravel Minerals Limited (ACN 120 069 089) of Suite 1, 245 Churchill Avenue, Subiaco WA 6008 (Company)
Product:	Attaching options which are being issued in connection with the issue of fully paid ordinary shares in the capital of the Company (Shares) under a prospectus dated 7 August 2023 (Options)
Effective date:	7 August 2023

This target market determination (**TMD**) has been prepared by the Company in relation to an offer to issue Options made by the Company under a prospectus dated 7 August 2023 (**Prospectus**) pursuant to section 713 of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and has been designed to help investors understand who the offer of Options is most suitable for.

This TMD sets out the class of consumers for which the Options would likely be consistent with their financial objectives, the distribution conditions and restrictions imposed on the distribution of the Options, as well as reporting requirements for distributor in accordance with the requirements of section 994B of the Corporations Act.

A copy of the Prospectus is available on the Company's website, www.caravelminerals.com.au and the ASX's website, www.asx.com.au.

The offers of Options is made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wants to acquire Options under the offers will need to complete the application form that will be in, or will accompany, the Prospectus. There is no cooling off period in respect of the issue of the Options. This TMD is not a disclosure document for the purposes of the Corporations Act and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**).

This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Options.

TARGET MARKET

Factor	Target market
Investment Objective	<p>The Company expects that an investment in Options will be suitable to investors who wish to gain exposure to equities in a small-cap mining and exploration company listed on the Australian Securities Exchange (ASX) and are sophisticated and professional investors who are already familiar with or holders of the Company's securities.</p> <p>Particularly, it will be those investors that:</p> <ul style="list-style-type: none"> (a) are sophisticated and professional investors who were issued Shares under the placement that completed on 7 August 2023 (Placement); (b) are eligible shareholders who elect to participate in the share purchase plan offered by the Company on or around the date of the Prospectus (SPP); (c) are directors who have elected to participate in a conditional placement of Shares on the same terms of the Placement (Director Placement); or (d) Barrenjoey Markets Pty Ltd and Canaccord Genuity (Australia) Limited as the lead managers and brokers to the Placement. <p>The Options are not offered to the general public.</p> <p>The Company will seek quotation of the Options on ASX, subject to satisfaction of the minimum quotation conditions of the ASX Listing Rules. In the event that quotation of the Options cannot be obtained, the Options will remain unlisted.</p>
Investment timeframe	<p>The target market of investors will take a short to medium term outlook on their investment. Investors with a short-term outlook for their investment will benefit from an ability to trade the Options on ASX and/or exercise the Options and trade the underlying Shares issued on exercise should the Option exercise price of the Options be lower than the trading price of Shares. Investors with a medium-term outlook will benefit from an ability to exercise Options on or before 30 August 2025 and increase their shareholding and exposure to the potential upside in the Company's Shares into the future.</p> <p>Given the need to pay the exercise price in order to acquire Shares, investments in the target market are in a financial position that is sufficient for them to invest their funds and exercise their Options over a 2 year timeframe, during which their ability to liquidate their Options in the Company may be limited by a lack of liquidity in the Options and by the trading price of Shares.</p>
Investment metrics	<p>Whilst the Company does not have an established eligibility framework for investors based on metrics such as age, acted return or volatility, it is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment.</p> <p>The Options offer no guaranteed income or capital protection.</p>
Risk	<p>The Company considers that an investment in the Options is highly speculative, such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of</p>

Factor	Target market
	some or all of the investment. Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the risks of investing in Options as an asset class generally and the more specific risks of investing in an Australian listed mining and exploration company.

DISTRIBUTION CONDITIONS

The offer of Options under the Prospectus is being made to persons who participated in the Placement, those persons who elect to participate in the SPP or the Director Placement and to Barrenjoey Markets Pty Ltd and Canaccord Genuity (Australia) Limited in part consideration for their services as lead managers and brokers to the Placement. The Options are not offered to the general public.

The Prospectus will include jurisdictional conditions on eligibility. The Company will also include a copy of this TMD on its website.

The Company considers that these distribution conditions will ensure that persons who invest in the Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

REVIEW TRIGGERS

The Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period between the commencement of the offers of the Options and the issue of the Options after the close of the offers (**Offer Period**).

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the Options and should be reviewed, the following review triggers apply during the Offer Period:

- (a) a new offer of Options that requires preparation of a disclosure document is made after completion of the Offer Period;
- (b) any event or circumstance that would materially change a factor taken into account in making this TMD;
- (c) the existence of a significant dealing of the Options that is not consistent with this TMD. The Company does not consider that an on-sale of the Options on market is a significant dealing;
- (d) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- (e) material changes to the regulatory environment that applies to an investment in the Options.

REVIEW PERIOD

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger.

The Company will otherwise complete a review of the TMD immediately prior to the issue of Options under the offer.

INFORMATION REPORTING

The reporting requirements of all distributors is set out in the table below. Where relevant, the Company will consider any of the below matters and determine appropriate steps that will be taken including, where appropriate, reporting of matters to ASIC.

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the Options	(a) For such time as the Offer Period remains open, within 10 business days after the end of each quarter. (b) Within 10 business days after the end of the Offer Period.	(a) The number of complaints received. (b) A summary of the nature of each complaint or a copy of each complaint.
A significant dealing of the Options that is not consistent with this TMD	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	(a) Details of the significant dealing. (b) Reasons why the distributor considers that the significant dealing is not consistent with the TMD.
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD	Within 10 business days after the end of the offer of Options in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

AUTHORISATION

This announcement was approved and authorised by the Company's Board of Directors.

For further information, please contact:

Dan Davis
 Company Secretary
 Caravel Minerals Limited
 Suite 1, 245 Churchill Avenue, Subiaco WA 6010
 Telephone: 08 9426 6400
 Email: investors@caravelminerals.com.au