



ASX Release: 7th July 2017

Corporate and Calingiri Update

SUCCESSFUL CAPITAL PLACEMENT TO RAISE \$0.8m

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TO FUND BULK ORE SORTING TESTWORK WITH POTENTIAL TO SIGNIFICANTLY IMPROVE PROJECT ECONOMICS

- The Company has received commitments from investors to raise \$0.8m through the issue of **16.0m shares at an issue price of \$0.05** per share and 1 free attaching unlisted option for each 2 shares issued, exercisable at \$0.075 ("Placement").
- Mitchell River Group¹ ("MRG") have been appointed to commence a detailed study utilizing cutting-edge ore sorting technology to remove barren material from ore prior to milling and processing that may **significantly increase ore grade**.
- A desktop study completed by MRG indicates that sorting of Calingiri ore can **significantly reduce project Opex and Capex**. If testwork confirms the desktop study, the Calingiri ore grade is expected to be materially beneficiated with **significant flow through improvements to the project economics**.
- MRG have committed to subscribe for 9.0m shares (\$450,000) in the Placement which will **fully fund the study and short-term working capital requirements**.

Caravel Minerals Limited (ASX: CVV) ("Caravel" or "the Company") is pleased to announce the commencement of a detailed ore sorting study and a share placement to raise \$0.8m.

Caravel Chief Executive, Marcel Hilmer, said "The investment by the MRG group, will see them become our largest shareholder's and reflects their confidence in the commercial application of the advanced ore sorting technology. We are excited by the prospects for greatly improving the already significant and robust Scoping Study findings which may also be improved by the recently announced and newly defined prospects that have the potential to significantly add to the project's existing large inventory of copper-molybdenum Resources.

"Based on the potential implications to the project's economics from a positive study outcome, Caravel has decided to delay the search for a strategic partner and has deferred completion of the Pre-Feasibility Study. The Caravel team remain excited at the prospect of progressing **Western Australia's second largest contained copper project** to the next stage of development."

Executive Director of Mitchell River Group, Mr Alasdair Cooke, said "We are pleased to have the opportunity to support Caravel and assist with the successful development of the Calingiri Project. We believe there is an opportunity to introduce new technology into the Calingiri Project to improve the project economics as well as reduce the project environmental footprint. As one of the largest undeveloped copper resources in Australia and with some very favourable mining and processing

1 – The Mitchell River Group (MRG) are a leading independent mining investment partnership and technical services consultancy in the minerals and energy sectors.

characteristics, as well as an excellent location, **the Calingiri Project has great potential to become a long-life low-cost copper producer.**"

Bulk Ore Sorting

1. Technology and Benefits

Bulk ore sorting is a proven pre-concentration technology in which barren gangue is separated from mineralisation based on the grade as measured or inferred from a sensor measurement. With bulk ore sorting, ore that previously didn't qualify for processing may be upgraded, making it economic to treat and improving the resource utilization. More valuable metal may be extracted from the resource while the processing plant treats less tonnes at higher feed grade, reducing consumption of water and power as well as lower tailings output. Significant capital reductions may also be achieved through smaller back end milling and processing requirements.

The technology is based on industry proven, high capacity industrial sorting machines from major international equipment suppliers, with well established businesses in industrial minerals, material recycling and food processing.



Figure 1: Ore Sorting Equipment

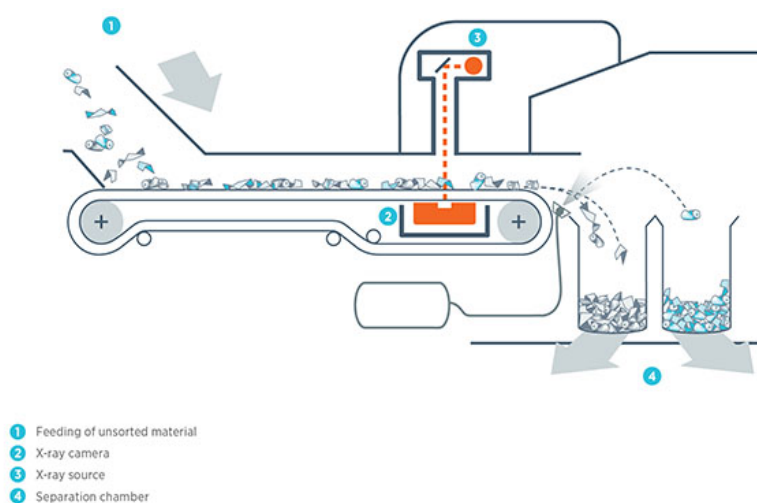


Figure 2: Ore Sorting Flow Diagram

2. Program of Works, Timetable and Budget

A program of works has been prepared and the budget to complete across a number of activities approximates \$350,000. The activities and associated timeframes are as follows:

Activity	Provider	2017 Projected Completion
Desktop Study – high-level evaluation	MRG	Completed
Diamond drilling	Orbit Drilling	July
Comminution testwork	SGS	August
Ore sorting and assessment	MRG	August - September
Metallurgical laboratory testwork	SGS/Arnofio	October - November
Results and Reporting	MRG and CVV	November - December

Private Placement

The Company is pleased to announce that it has received commitments from investors to raise \$0.8m through the issue of 16.0m shares at an issue price of \$0.05 per share ("Placement"). Subject to shareholder approval, investors participating in the Placement will be issued 1 free attaching unlisted option exercisable at \$0.075 for each 2 shares issued, expiring in August 2019.

Funds raised will be used to fund the Calingiri ore sorting study and associated testwork and for working capital.

The Placement will occur in two tranches:

- Tranche 1 will comprise the issue of approximately 13.554M shares to raise approximately \$677,200; and
- Tranche 2, which will be subject to shareholder approval, will comprise the issue of approximately 2.446M shares to raise approximately \$122,300 and all the attached unlisted options.

A total of 6.775m shares in Tranche 1 will be issued under the Company's Listing Rule 7.1A capacity approved by Shareholders at its 2016 Annual General Meeting. The remaining shares in Tranche 1 will be issued under the Company's Listing Rule 7.1 capacity.

Settlement of Tranche 1 of the Placement is expected to occur on 13th July 2017.

Commitments for 1.8m shares and attaching options on the same terms as the Placement have been received from Directors, Senior Management, staff and related entities.



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Shareholder approval will be sought for the issue of Tranche 2 shares, including issues to Directors or related entities and the issue of the attaching options to investors in the Placement. This approval will be sought at a Company Extraordinary General Meeting expected to be held on or around 22nd August 2017

Mr Hilmer, Caravel's CEO, thanked participating investors, including all Caravel Board members and staff, for their support in what continues to be a challenging capital raising market. "We are very pleased with the support from existing shareholders" said Mr Hilmer. "Shareholders should note that all staff and directors have participated meaningfully in the Placement, subject to shareholder approval at the upcoming EGM."

Bridge Street Capital Partners managed the Placement for the Company. Bridge Street Capital Partners is a Sydney based corporate advisory firm that is focused on resources and emerging growth companies (<http://bridgestreetcapital.com.au/>).

For further information, please contact:

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Calingiri Project Status

The Company released a Scoping Study for Calingiri on 28 June 2016. The study has determined that Calingiri demonstrates robust project fundamentals with low technical risk. It contemplates the co-development of three open pits, located 120km to the northeast of Perth in Western Australia (Figure 2). Central to the project is the construction of a stand-alone 15 million tonne per annum (Mtpa) ore processing facility. The Company considers the project is economically viable based on its ability to pay back project start-up capital and provide ongoing positive operational cash flows.

The study was completed by CSA Global in conjunction with Caravel and indicated an initial 20 year LOM for 710,000 tonnes (1.6B/lbs) of copper produced. Existing infrastructure within and adjacent to the project, coupled with industry-standard mining and treatment options available to Caravel, make the project a standout new Australian undeveloped copper project.

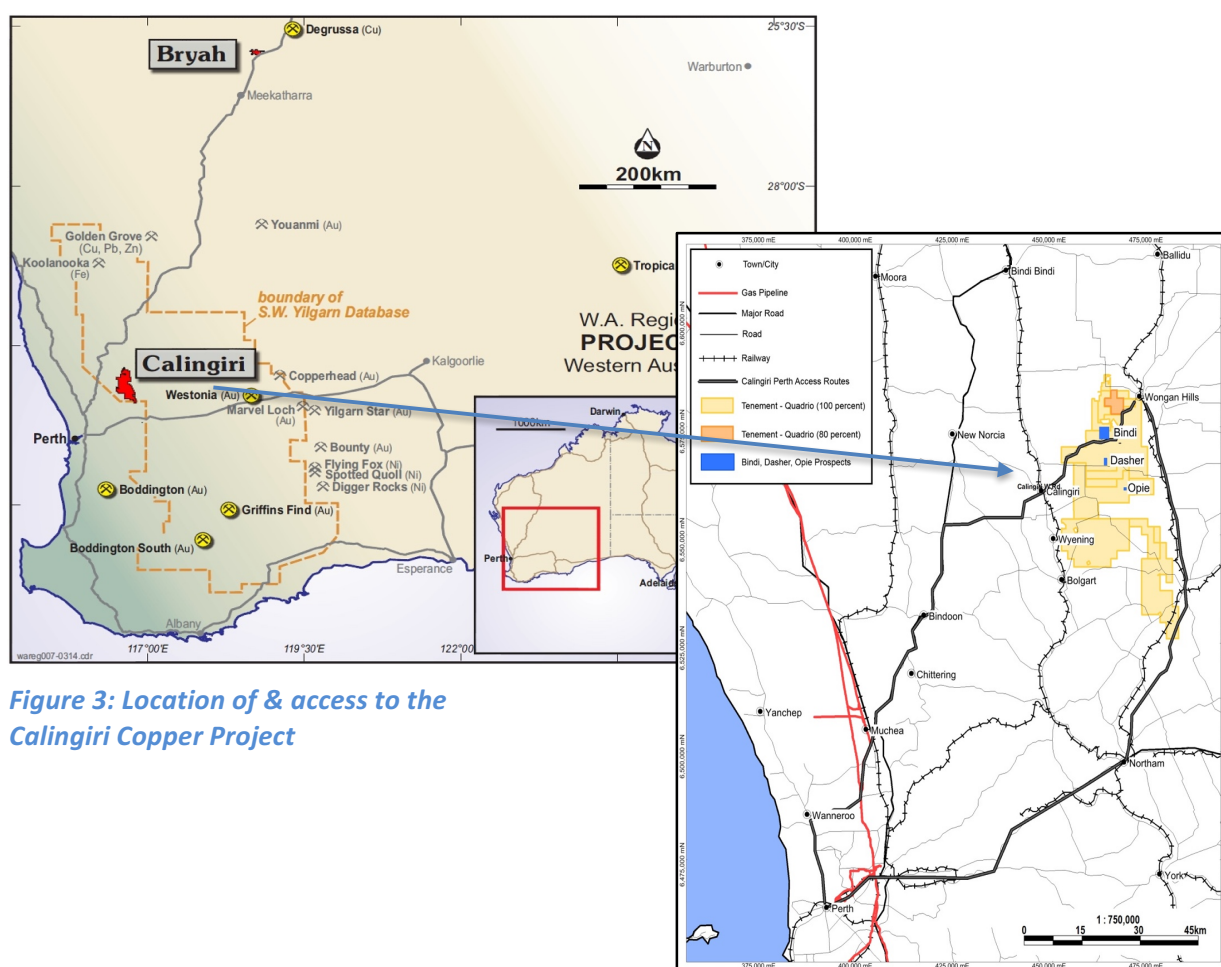


Figure 3: Location of & access to the Calingiri Copper Project

About Caravel Minerals Limited

Caravel Minerals is a gold, copper and base metals exploration and resource development company with projects located in Western Australia. Caravel has a technically strong and well established exploration and mine development team.



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Competent Person's Statement

The information in this report that relates to the Calingiri Mineral Resource estimates is extracted from an ASX Announcement dated 4 April 2016, (see ASX Announcement – 4 April 2016 “Calingiri Maiden JORC Resource”, 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.

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Tony Poustie, a Competent Person who is a full-time employee of Caravel Minerals Limited and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Poustie has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Poustie consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Production Targets and Financial Information

Information in relation to the Calingiri Project Scoping Study, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 28 June 2016, (see ASX Announcement – 28 June 2016, “Scoping Study Confirms Outstanding WA Copper Project”, www.caravelminerals.com.au and www.asx.com.au. The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 28 June 2016 continue to apply and have not materially changed.

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.

Disclaimer

This release may include forward-looking statements. Such forward-looking statements may include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements inherently involve subjective judgement and analysis and are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Caravel. Actual results and developments may vary materially from those expressed in this release. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Caravel makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release. All information in respect of Exploration Results and other technical information should be read in conjunction with Competent Person Statements in this release. To the maximum extent permitted by law, Caravel and any of its related bodies corporate and affiliates and their officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this release, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).



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