

ASX Release: 31 August 2017

Calingiri Project Update

BULK ORE SORTING TESTWORK STATUS

- Metallurgical test program flowsheet finalised and ALS Global¹ appointed to undertake the program as detailed in Appendix 1
- Two wide diameter (HQ³) diamond core holes, providing approximately 1.9 tonnes of mineralised material from the Bindi and Dasher Prospects completed
- Approximately 300 kg of sample material has been selected which is now subject to both physical testwork and analysis prior to selection of six 30 kg individual composite samples for ore sorting testwork
- All core has been imaged and hyperspectral core scanning is underway at Core Scan¹ in Perth
- Leading global ore sorting technology group, Tomra¹ appointed to complete phase 1 of the bulk ore sorting testwork. Preliminary samples sent to their Sydney laboratory for calibration

Caravel Chief Executive, Marcel Hilmer, said “We are pleased to have progressed the program announced in early July 2017 and remain on target and within budget to complete the ‘proof of concept’ for this innovative ore sorting technology in Q4 2017. We remain 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”.

Diamond Drilling

Two vertical diamond drill holes 17CADD001 and 17CADD002 have been drilled respectively at the Bindi and Dasher Prospects (Figures 1 and 2). They were designed to intersect representative mineralisation for the ore sorting testwork program.

17CADD001 was drilled on Section 6573450mN to a depth of 160 meters and was located adjacent to the previously drilled RC hole 15CARC067 which intersected 120 metres grading 0.37% copper from 40m – 160m. Typical Calingiri style mineralisation was intersected between the expected depths.

17CADD002 was drilled on Section 6567000mN to a depth of 120 metres and again intersected mineralisation from a depth of 5 metres, as interpreted from the resource model.

HQ³ diameter coring equipment was used which returns core weighing approximately 8.0 kg per metre. Consolidating the depth of the Bindi and Dasher holes of 120 and 115 respectively, a total of 235 metres of mineralisation with a total weight of approximately 1.9 tonnes was provided.

1 – For further information see Websites for ALS: <https://www.alsglobal.com/au>, Core Scan: <http://www.corescan.com.au/> and Tomra: <https://www.tomra.com/en/solutions-and-products/sorting-solutions/mining/segments/non-ferrous-metal-sorting/copper/>

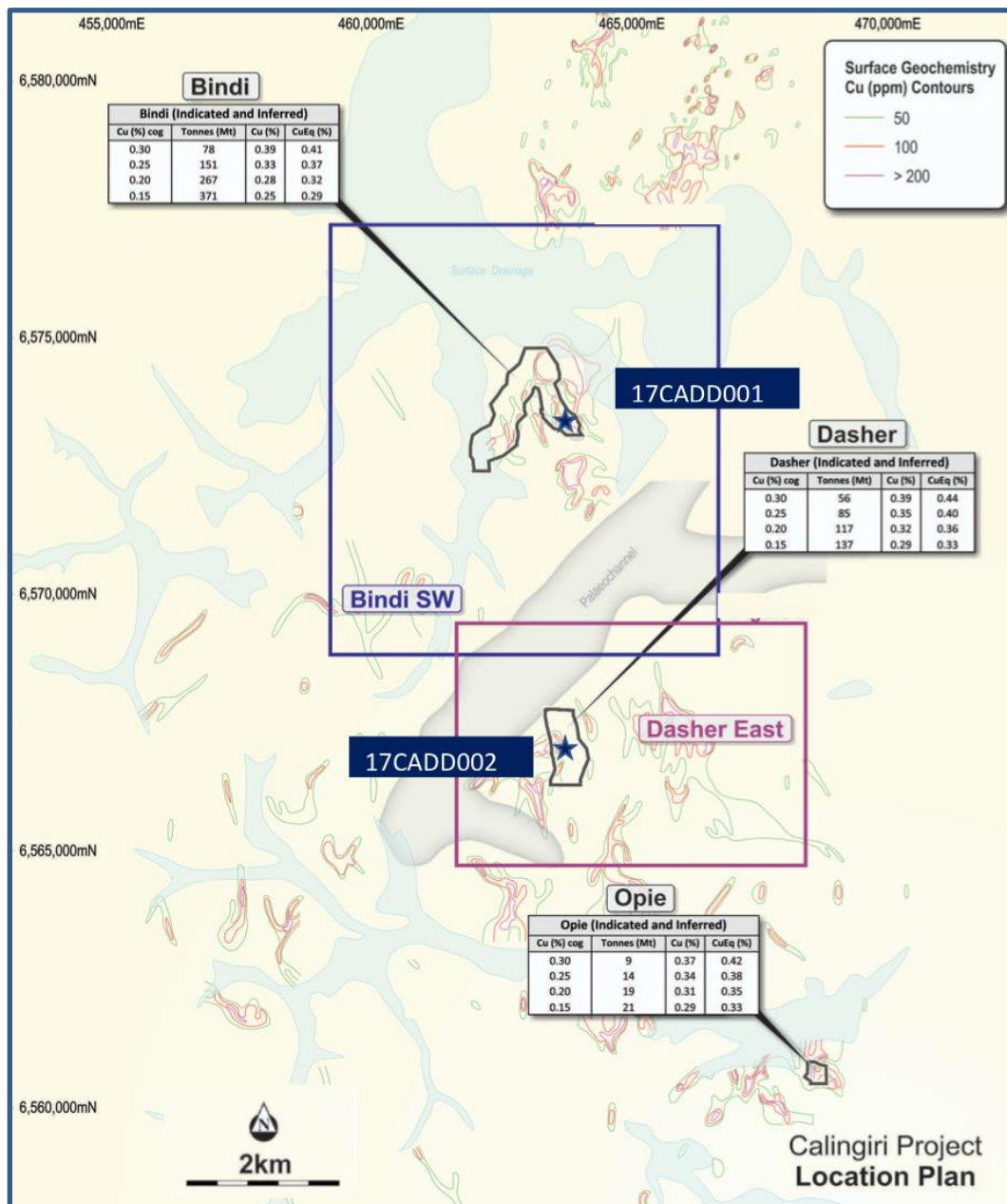


Figure 1 – Location Plan and drill holes

Hole ID	Collar Coordinates (GDA 94)		Collar Setup		Final Depth
	Northing	Easting	Dip	Azimuth	
17CADD001	6573450	463635	-90	090	159.7m
17CADD002	6567000	463685	-90	090	120.6m

Figure 2 – Calingiri Met Testing Core Holes – Collar Details

Proposed Testwork Flowsheet



Calingiri Update August 2017 (ASX:CVV)

Registered Office: Level 3, 18 Richardson Street, West Perth 6005 Western Australia

Telephone: +61 (8) 9426 6400

A detailed metallurgical testwork flowsheet has been designed in conjunction with Mitchell River Group and ALS and is detailed in Appendix 1.

Prior to selecting material for the initial ore sorting testwork approximately 36 metres of core (18 metres from each of the 2 core holes) will be filleted (i.e. approximately 33% of the core will be cut with a core saw) pulverised and sent for analysis. Following evaluation of the analytical results, the remaining non-filleted core will be composited into samples, 3 from the Bindi and 3 from the Dasher hole with each sample weighing about 30 kg. It is planned that these samples should represent both average grades of ~0.30% Cu and below average grades of 0.15% - 0.25% Cu. The weight and calculated average grade of each sample will be known and recorded.

Separately, selected core will be subject to physical testwork, involving bulk density/apparent relative density (ARD), unconfined compressive strength (UCS) and bond impact crushing work index (CWI) tests.

Prior to the ore sorting testwork, the selected core material will be crushed to a nominal +15mm/-40mm size which approximates the size range of crushed material that would be required for any plant scale ore sorting. Any fine material less than 15mm will be treated separately to recover sulphides by gravity separation. The weights of the +15mm and -15mm material for each of the 6 samples will be recorded as will the separate sulphide 'product' and waste from the -15mm material.

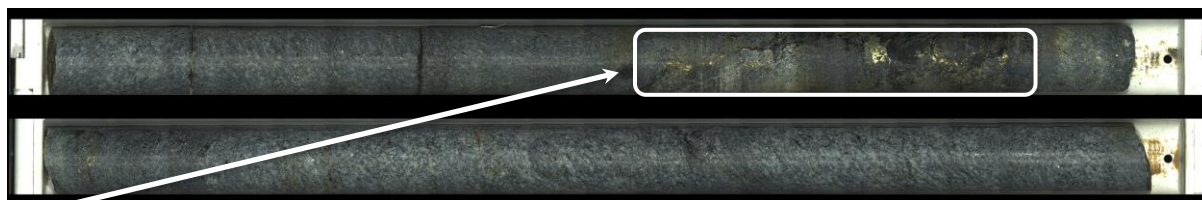
The desired outcome from ore sorting is the potential upgrading of copper grades by preferentially selecting copper sulphide mineralisation and rejecting the non-sulphide waste whilst minimising any loss of ore feed from entering the sorted waste. More detail on the technology and benefits are in Appendix 2.

It is believed that the Calingiri copper mineralisation is particularly suitable for this type of beneficiating because the mineralisation is typically concentrated in a series of 'stringers' and veins within extensive zones of silicate "waste" material. The attached photographs of core from Core Scan for holes 17CADD001 and 002 illustrate this relationship (Figures 3 to 7).



Chalcopyrite ("cpy") and other iron rich minerals (magnetite and garnet) in a 100 mm vein

Figure 3 – 17CADD001 Core from 99.8m – diameter 60 mm – length 1 m



Sinuous cpy stringer within 2 m of dominantly silicate "waste"

Figure 4 – 17CADD001 Core from 110.38m – diameter 60 mm – length 1 m



Series of 5 – 10 mm cpy stringers in dominantly silicate "waste"

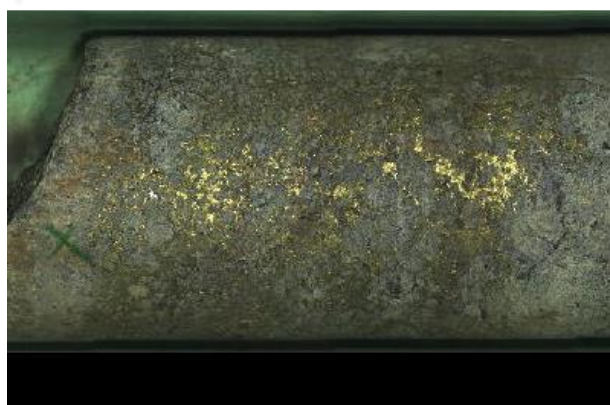
Figure 5 – 17CADD002 Core from 71.7m – diameter 60 mm – length 1 m



100 mm cpy rich vein

10 mm cpy stringer

Figure 6 – 17CADD002 Core from 76.1m – diameter 60 mm – length 1 m



Enlargement of 100 mm cpy rich vein

Figure 7 – 17CADD002 Core from 76.1m – diameter 60 mm – length 100 m m

As part of the testwork the ore sorting machine will be calibrated to give the best visual estimates of beneficiated ‘product’ and waste which will be separately bagged and weighed for each of the 6 test samples. The 6 separate product and waste bags from the ore sorting will then be combined with the respective product and waste bags from the -15mm material and sent for analysis. There will, therefore, be an accurate calculation of weights and grades of material pre and post ore sorting for all 6 test samples.

A successful testwork program (Table 1) that confirms a ‘proof of concept’ will be a forerunner to a likely requirement for further testwork to refine the ore sorting parameters.

Table 1 – Timeline and Activity Status

Activity	Provider	2017 Projected Completion
Desktop Study – high-level evaluation	MRG	Completed
Diamond drilling	Orbit Drilling	Completed
Core cutting and analyses and physical testwork	ALS	In progress and due for completion in September
Ore sorting and assessment	MRG and CVV	Commencing early September
Results and Reporting	MRG and CVV	November - December

Calingiri Project Overview



Calingiri Update August 2017 (ASX:CVV)

Registered Office: Level 3, 18 Richardson Street, West Perth 6005 Western Australia

Telephone: +61 (8) 9426 6400

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). 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.

The bulk ore sorting testwork that is underway may improve the project economics as well as reduce the project environmental footprint. This may lead to updated technical studies in 2018.

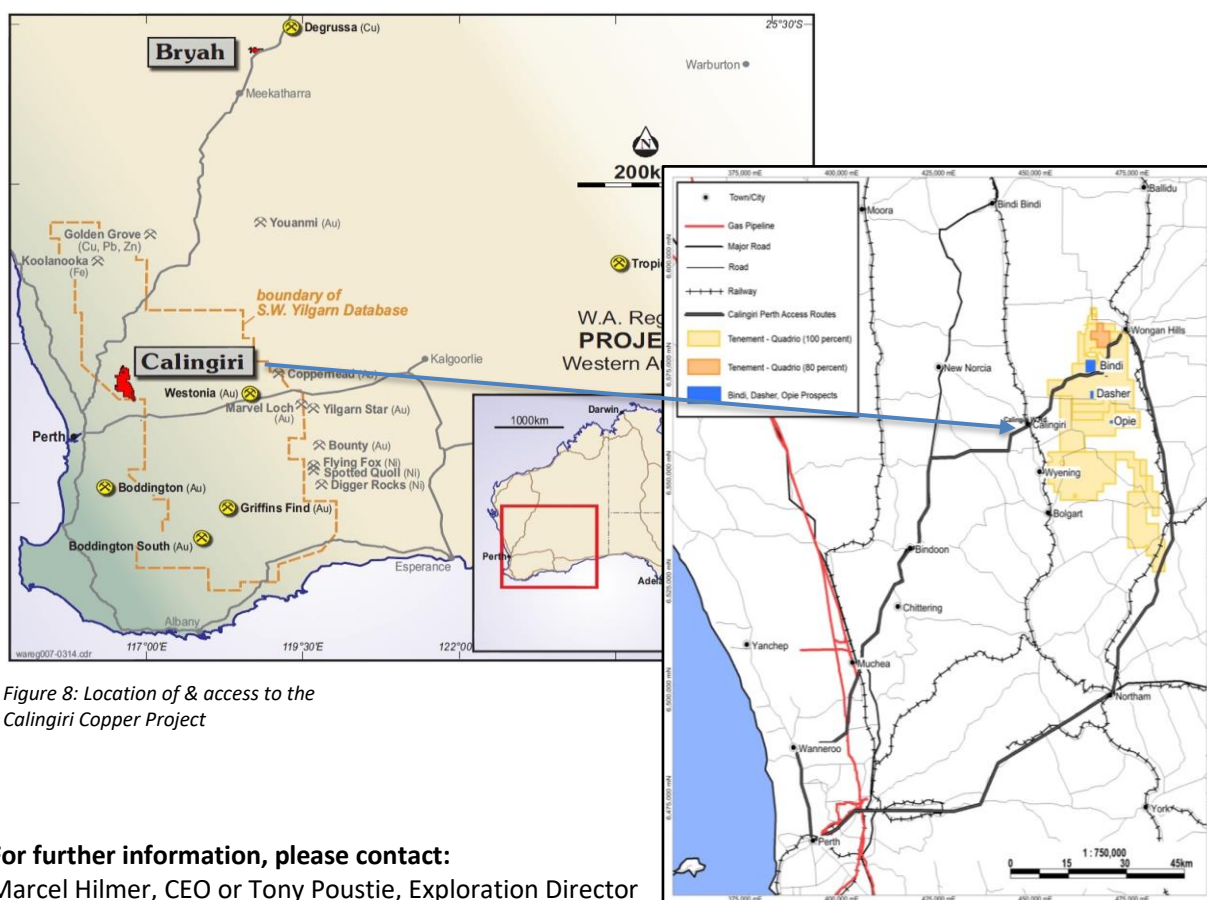


Figure 8: Location of & access to the Calingiri Copper Project

For further information, please contact:

Marcel Hilmer, CEO or Tony Poustie, Exploration Director
Caravel Minerals Limited
Level 3, 18 Richardson Street, West Perth WA 6005
Telephone: 08 9426 6400

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.



Calingiri Update August 2017 (ASX:CVV)

Registered Office: Level 3, 18 Richardson Street, West Perth 6005 Western Australia
Telephone: +61 (8) 9426 6400

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.

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 program, 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

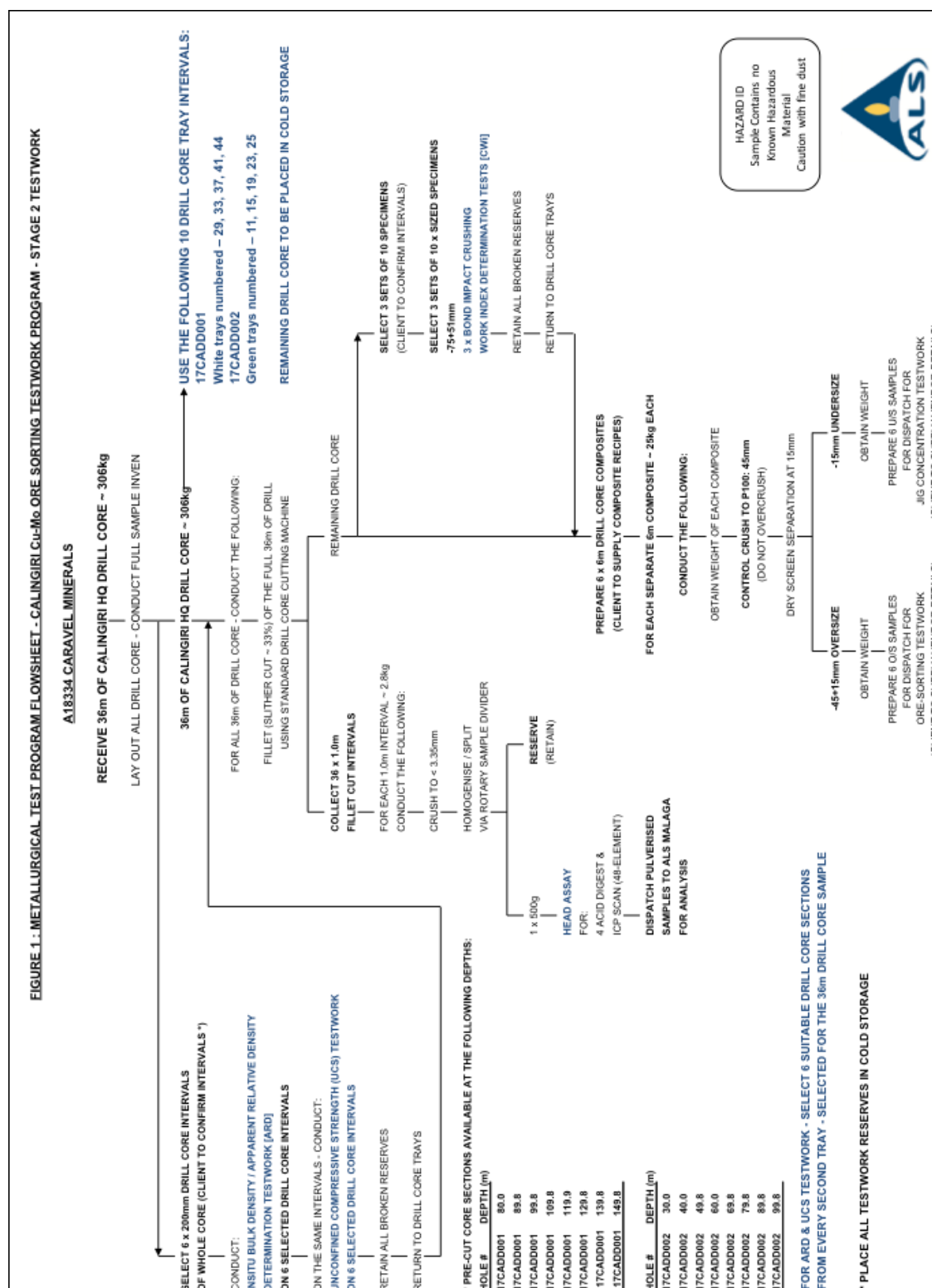
This release may include forward-looking statements. Such forward-looking statements may include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources 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).



Appendix 1

Metallurgical Test Program Flowsheet



Appendix 2

Technology and Benefits of Ore Sorting

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 9: Ore Sorting Equipment

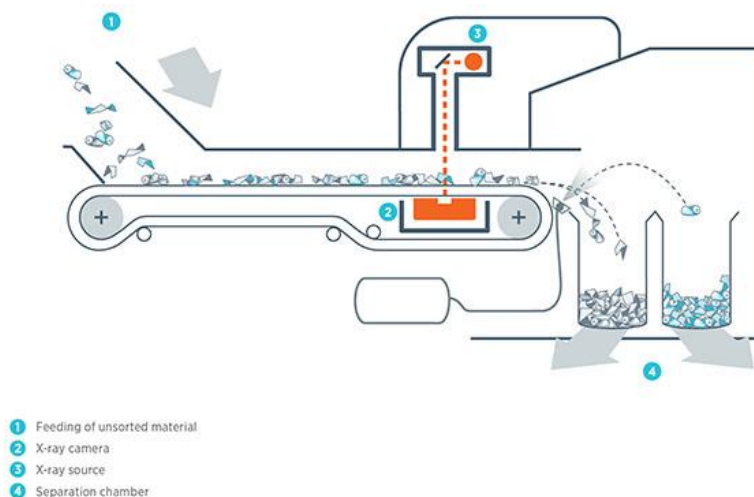


Figure 9: Ore Sorting Flow Diagram