



28 November 2017

The Manager
ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Letter to Eligible Shareholders

Please find attached for release to the market a letter to eligible shareholders in relation to the Partially Underwritten Pro-Rata non-renounceable Entitlement Issue for Caravel Minerals Limited.

The letter has been sent to all eligible shareholders.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Dale Hanna", is positioned above a horizontal line.

Dale Hanna
Company Secretary



28 November 2017

Dear Shareholder

CARAVEL MINERALS LIMITED – PARTIALLY UNDERWRITTEN PRO-RATA NON-RENOUCEABLE ENTITLEMENT ISSUE

As announced on 27 November 2017, Caravel Minerals Limited (ACN 120 069 089) (**Company**) is undertaking a non-renounceable entitlement issue at a ratio of one Share for every four Shares held at an issue price of \$0.05 per Share to raise up to \$1,071,042, together with one free attaching Option for every two Shares subscribed for and issued (**New Options**) (**Offer** or **Entitlement Issue**). The Company lodged a prospectus for the Offer with the Australian Securities and Investments Commission and the Australian Securities Exchange on 27 November 2017 (**Prospectus**).

The Offer is partially underwritten by Celeste Hilmer (a related party of Mr Marcel Hilmer), Peter Alexander and Suzanne Alexander as trustees for the PA & SA Superannuation Fund, and Mr Anthony Poustie (the Company's Director of Exploration) and Mrs Rosamund Mary Poustie as trustees for the Poustie Super Fund (together, the **Joint Underwriters**) who have each underwritten A\$200,000 of the Offer. The Joint Underwriters will not be paid a fee for their underwriting.

The Company has engaged Bridge Street Capital Partners Pty Ltd, through its affiliate Bridge Street Advisers Pty Limited, to act as lead manager to the Entitlement Issue (**Lead Manager**). The Company will pay to the Lead Manager a maximum of 6.0% of the amount raised under the Offer, comprising a 2.0% (plus GST) transaction management fee on the total amount raised, and a 4.0% (plus GST) placement fee (**Placement Fee**). The Placement Fee will not be applied to amounts contributed by directors and management of the Company and their related and associated entities or persons.

The proceeds of the Offer will be used to progress the Calingiri Copper Project and to complete an upgraded Scoping Study and extend JORC Resources.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 12 December 2017, whose registered address is in Australia, New Zealand or Hong Kong.

Shares subscribed for and issued under the Offer will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue. New Options issued under the Offer will be exercisable at \$0.07 on or before 30 June 2019, and will otherwise be on the terms and conditions set out in Section 7.2 of the Prospectus.

Following completion of the Offer, the Company will have issued up to approximately 21,420,847 Shares and 10,710,423 New Options resulting in total number of Shares on issue being approximately 107,104,239 and total number of Options on issue being approximately 31,713,232.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a copy of the Prospectus together with an Entitlement and Acceptance Form no later than 15 December 2017. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.



For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded down to the nearest whole number.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for Shares pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Security Transfer Australia Pty Ltd (**Share Registry**) by no later than 5:00pm (WST) on 11 January 2018 (or by 4:00pm (WST) where payment is made by BPAY), by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept all of your Entitlement and apply for additional Shares to be issued from the shortfall pool (**Shortfall**) by following the instructions on your Entitlement and Acceptance Form. To take up all of your Entitlement and apply for Shortfall you will need to ensure your application money for your Entitlements and Shortfall you wish to apply for is received by the Share Registry by no later than 5:00pm (WST) on 11 January 2018 (or by 4:00pm (WST) where payment is made by BPAY), by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.05 per Share).
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00pm (WST) on 11 January 2018 (or by 4:00pm (WST) where payment is made by BPAY), by completing and returning your Entitlement and Acceptance Form by filling in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.05 per Share).
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.


Key dates for the Offer

Event	Date
Lodgement of Prospectus with the ASIC	27 November 2017
Lodgement of Prospectus & Appendix 3B with ASX	27 November 2017
Notice sent to Option holders	27 November 2017

Notice sent to Shareholders	28 November 2017
Ex date	11 December 2017
Record Date for determining Entitlements	12 December 2017
Prospectus despatched to Shareholders & Company announces despatch has been completed	15 December 2017
Closing Date*	11 January 2018
Securities quoted on a deferred settlement basis	12 January 2018
ASX notified of under subscriptions	16 January 2018
Despatch of holding statements and issue date	18 January 2018
Quotation of Securities issued under the Offer*	19 January 2018

If you have any queries concerning the Entitlement Issue, or the action you are required to take to subscribe for Shares, please contact your financial adviser or Mr Dale Hanna, the Company Secretary, on +61 8 9426 6400.

Yours sincerely



Dale Hanna
Company Secretary
Caravel Minerals Limited