

CARAVEL MINERALS LIMITED
ACN 120 069 089

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.05 per Share to raise up to \$1,071,042 (based on the number of Shares on issue as at the date of this Prospectus), together with one (1) free attaching Option for every two Shares subscribed for and issued under the Offer (**New Option**) (**Offer**).

The Offer is partially underwritten by the Joint Underwriters. Refer to section 9.4(a) for details regarding the terms of the Underwriting Agreements.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.



BRIDGE STREET
CAPITAL PARTNERS

Lead Managers

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1. CORPORATE DIRECTORY

Directors

Marcel Hilmer (CEO / Executive Director)

Peter Alexander (Non-Executive Chairman)

James Harris (Non-Executive Director)

Daniel Ryan (Non-Executive Director)

Company Secretary

Dale Hanna

Share Registry*

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross, WA 6153

Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, WA 6008

Registered Office

Level 3,
18 Richardson Street
West Perth, WA 6005

Telephone: + 61 8 9426 6400
Facsimile: +61 8 9426 6448

Website: www.caravelminerals.com.au

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Lead Manager

Bridge Street Capital Partners Pty Ltd
Level 14,
234 George Street,
Sydney, NSW 2000
CAR of AFSL 456663

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not been requested nor have they consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	27 November 2017
Lodgement of Prospectus & Appendix 3B with ASX	27 November 2017
Notice sent to Optionholders	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	18 January 2018
Quotation of Securities issued under the Offer*	19 January 2018

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 27 November 2017 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 8 of this Prospectus.

4. CHAIRMAN'S LETTER



27 November 2017

Dear Investor

Invitation to participate in an entitlement issue of 21.4 million Shares at \$0.05 per Share to raise \$1.07 million plus 10.7 million free attaching New Options exercisable at \$0.07 each.

On behalf of the Board of Directors, I am pleased to offer you the opportunity to participate in the Offer as an existing Caravel Shareholder. The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by Shareholders registered at the Record Date at an issue price of \$0.05 per Share (together with one (1) free attaching New Option for every two (2) Shares subscribed for and issued).

Marcel Hilmer, our CEO and Executive Director, Tony Poustie, our Director of Exploration and myself as your Non-Executive Chairman of the Company have committed as Joint Underwriters to subscribe for a possible total of 12 million Shares (i.e. \$200,000 each: \$600,000 in total), and additionally to take-up our participation rights under the Offer.

The Calingiri Copper Project (Calingiri) is the Company's flagship project. Managed by our highly regarded and experienced team, it has been successfully advanced from limited early exploration in 2013 to reporting a JORC compliant Resource and Scoping Study in a relatively short space of time and within tight budget restraints. Further, the recently announced results of the bulk ore sorting testwork went beyond Caravel's expectations as the Calingiri style of mineralisation is amenable to the sorting technology that was applied to the bulk samples. There is every expectation that we will not only confirm the benefits of the results from testing larger samples early in 2018 but improve on them when optimisations are completed. It is expected that the Company will then progress to an advanced technical study. Furthermore, the ability to create significant higher-grade stockpiles utilising bulk ore sorting prior to feeding the mill, should significantly improve project economics in the early years and reduce environmental footprints.

This Prospectus contains detailed information about the Offer, as well as the key risks associated with an investment in Caravel. I encourage you to read this document carefully and in its entirety before making your investment decision.

On behalf of my fellow Directors, I look forward to your participation in the Offer of the Company.

Yours sincerely,

Peter Alexander
Chairman, Caravel Minerals Limited

5. DETAILS OF THE OFFER

5.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by Shareholders registered at the Record Date at an issue price of \$0.05 per Share (together with one (1) free attaching New Option for every two (2) Shares subscribed for and issued). Fractional entitlements will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 21,420,847 Shares and 10,710,423 New Options will be issued pursuant to this Offer to raise up to \$1,071,042. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 21,002,809 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 6.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 7 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 7.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in section 6.1 of this Prospectus.

5.2 Minimum subscription

The minimum subscription in respect of the Offer is the underwritten amount of \$600,000 (**Minimum Subscription**). No Securities will be issued until the Minimum Subscription has been received. If the Minimum Subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

5.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and

- (ii) attach 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
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.05 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

5.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**Caravel Minerals Limited Subscription Account**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

5.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

One (1) New Option with an exercise price of \$0.07 and an expiry date of 30 June 2019 will be issued for every two (2) Shares subscribed for and issued under the Offer.

5.6 Underwriting

The Offer is partially underwritten in the amount of \$600,000 by Celeste Hilmer (Mr Marcel Hilmer's spouse), Peter Alexander and Suzanne Alexander as trustees for the PA & SA Superannuation Fund (a related party of Mr Peter Alexander), and Mr Anthony Poustie & Mrs Rosamund Mary Poustie as trustees for the Poustie Super Fund, (Mr Tony Poustie is the Director of Exploration of the Company) (together, the **Joint Underwriters**). Refer to section 9.4(a) of this Prospectus for details of the terms of the underwriting.

5.7 Effect on control of the Company

The Company has entered into underwriting agreements with the Joint Underwriters to each underwrite 4,000,000 Shares at \$0.05 per Share, and 2,000,000 New Options for a total of \$200,000 worth of the Underwritten Securities.

The potential voting power of the Joint Underwriters in the Company as a result of their respective underwriting agreements is set out in the table below. The voting power post Offer is calculated on the basis that each Joint Underwriter takes up its Entitlement and subscribes for all of their underwriting commitment pursuant to that party's underwriting agreement.

Joint Underwriter including associates	Current Holding	Current Voting Power	Entitlement Under the Offer	Underwritten Shares	Holding Post Offer	Voting Power Post Offer ¹
Celeste Hilmer	2,903,594	3.39%	725,899	4,000,000	7,629,493	7.69%
Peter Alexander and Suzanne Alexander <PA & SA Superannuation Fund>	571,432	0.67%	142,858	4,000,000	4,714,290	4.75%
Mr Anthony Poustie & Mrs Rosamund Mary Poustie <Poustie Super Fund>	2,432,422	2.84%	608,106	4,000,000	7,040,528	6.57%

Notes:

1. Assumes that the Joint Underwriters and their associates take up their Entitlements and the full amount of their underwriting commitment, and no other securities are issued.
2. This table does not reflect the holdings of the Joint Underwriters on exercise of the New Options.

The Joint Underwriters' present relevant interests and changes under several scenarios are set out in the table below.

Event	Shares held by C Hilmer	Voting power	Shares held by PA and SA <PA & SA Super Fund>	Voting Power	Shares held by AP & RP <Poustie Super Fund>	Voting Power
Completion of Offer						
Fully subscribed ¹	3,629,493	3.39%	714,290	0.67%	3,040,528	2.84%

75% subscribed ¹	5,414,563	5.06%	2,499,361	2.33%	4,825,598	4.51%
50% subscribed ¹	7,199,634	6.72%	4,284,431	4.00%	6,610,669	6.17%
25% subscribed ¹	7,629,493	7.40%	4,714,290	4.58%	7,040,528	6.83%
0% subscribed ²	6,903,594	7.07%	4,571,432	4.68%	6,432,422	6.58%

Notes:

1. Assumes that the Joint Underwriters take up their full Entitlements under the Offer.
2. Assumes that none of the Joint Underwriters take up their Entitlements under the Offer.

The number of Shares held by the Joint Underwriters and their voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up Entitlements under the Offer. The underwriting obligation and therefore voting power of the Joint Underwriters will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by the other Shareholders in excess of 9,420,847 Shares (being the total number of Shares offered under the Offer, minus the total underwriting commitment of 12,000,000 Shares).

In the event that not all Shareholders accept their full Entitlement, the Shortfall will be dealt with in accordance with the procedure set out in Section 5.10.

5.8 Dilution

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders in circumstances where no New Options have been exercised, and alternatively where all New Options are exercised, are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer	% on exercise of New Options ¹
Shareholder 1	10,000,000	11.67%	2,500,000	10,000,000	9.34%	8.48%
Shareholder 2	5,000,000	5.84%	1,250,000	5,000,000	4.67%	4.24%
Shareholder 3	1,500,000	1.75%	375,000	1,500,000	1.40%	1.27%
Shareholder 4	400,000	0.47%	100,000	400,000	0.37%	0.34%
Shareholder 5	50,000	0.06%	12,500	50,000	0.05%	0.04%

Notes:

1. Assuming all New Options are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

5.9 Lead manager

Bridge Street Capital Partners Pty Ltd (ACN 1 64 702 005), through its affiliate Bridge Street Capital Advisers Pty Limited (ACN 614 037 302) (**Lead Manager**) has been

appointed as lead manager to the Offer. The terms of the appointment of the Lead Manager are summarised in section 9.4(b) of this Prospectus.

5.10 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.05, being the price at which Shares have been offered under the Offer and will include New Options as are being offered under the Offer.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion.

5.11 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

5.12 Issue

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

5.13 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares and New Options will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Hong Kong.

New Zealand

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under the Corporations Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under the Corporations Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Securities offered have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the **SFO**).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer and Shortfall Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice. If you (or any person for whom you are acquiring the Securities) are in Hong Kong, you (and any such person) warrant by lodging an Application Form that you are a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand and Hong Kong without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

5.14 Enquiries

Any questions concerning the Offer should be directed to Mr Dale Hanna, Company Secretary, on +61 8 9426 6400.

6. PURPOSE AND EFFECT OF THE OFFER

6.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,071,042. No funds will be raised from the issue of the New Options.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Proceeds of the Offer	Minimum Subscription (\$)	%	Full Subscription (\$)	%
Completion of Phase 2 Bulk Ore Sorting Testwork	\$75,000	12.50%	\$75,000	7.00%
Metallurgical Testwork on the products from the Ore Sorting Testwork	\$150,000	25.00%	\$150,000	14.01%
Completion of a Revised Scoping Study	\$175,000	29.17%	\$175,000	16.34%
Evaluation, including initial hydrogeological drilling and air lift testing, of potential project water resources ¹	\$115,000	19.17%	\$150,000	14.01%
Drilling to evaluate extensions to existing JORC Resources ¹	\$0	0.00%	\$265,000	24.74%
Consulting fees for search for strategic partner	\$35,000	5.83%	\$35,000	3.27%
Expenses of the Offer ²	\$41,400	6.90%	\$60,400	5.64%
Working capital	\$8,600	1.43%	\$160,642	15.00%
Total	\$600,000	100%	\$1,071,042	100%

Notes:

1. The drilling costs take into account that the drilling contractor accepts payment of 50% of the drilling costs as an equity (i.e. non-cash) payment.
2. Refer to section 9.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

In the event the Company raises more than the Minimum Subscription of \$600,000, the additional funds raised will be first applied towards increased expenses of the Offer, and then towards exploration and general working capital purposes. On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no

Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,010,642 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 85,683,391 as at the date of this Prospectus to 107,104,239 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 21,002,809 as at the date of this Prospectus to 31,713,232 Options following completion of the Offer.

6.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 September 2017 and the unaudited pro-forma balance sheet as at 30 September 2017 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	30 September 2017	Pro forma adjustments	Unaudited Consolidated Pro Forma
Current Assets			
Current Assets			
Cash and cash equivalents	703,257	1,010,642	1,713,899
Trade and other receivables	4,381		4,381
Other current assets	57,462		57,462
Total current assets	765,100		1,775,742
Non-Current Assets			
Property, plant and equipment	102,824		102,824
Exploration and evaluation expenditure	3,107,811		3,107,811
Total non-current assets	3,210,635		3,210,635
Total Assets	3,975,735		4,986,377
Current Liabilities			
Trade and other payables	49,886		49,886

Provisions	41,293		41,293
Total current liabilities	91,179		91,179
Total Liabilities	91,179		91,179
NET ASSETS	3,884,555		4,895,198
Equity			
Share Capital	40,626,580	1,010,642	41,637,222
Reserves	2,743,334		2,743,334
Accumulated loss	(39,485,359)		(39,485,359)
TOTAL EQUITY	3,884,555		4,895,198

6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	85,683,391
Shares offered pursuant to the Offer	21,420,847
Total Shares on issue after completion of the Offer¹	107,104,239

Options

	Number
Options currently on issue: ¹	
Unquoted exercisable at \$0.12 on or before 15/12/2018	9,702,809
Unquoted exercisable at \$0.068 on or before 28/03/2020	1,400,000
Unquoted exercisable at \$0.10 on or before 12/05/2020	400,000
Unquoted exercisable at \$0.075 on or before 31/08/2019	8,400,000
Unquoted exercisable at \$0.060 on or before 23/08/2020	1,100,000
New Options offered pursuant to the Offer (Unquoted exercisable at \$0.07 on or before 30 June 2019)	10,710,423
Total Options on issue after completion of the Offer	31,713,232

Notes:

- The Company is party to agreements with drilling contractors and corporate advisors pursuant to which, at its election, it may pay a portion of fees via the issue of Shares. In this event, the number of Shares on issue would increase.
- The terms of these Options provide for a change (or potential change) in exercise price in the event of a pro rata issue of Shares to existing Shareholders. Refer to the Notice of Meeting announced by the Company on 28 July 2017 for further details.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 106,686,200 Shares and on completion of the Offer (assuming all Entitlements

are accepted and no Options are exercised prior to the Record Date) would be 138,817,471 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

6.5 Details of substantial holders

Based on publicly available information as at 27 November 2017, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Capital Sanctuary Victoria P/L	6,766,163	7.9
AFR Australia P/L	5,985,886	7.0
Alasdair Campbell Cooke	6,608,182	8.06
Nestor Investment Management	4,363,306	5.1

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

7. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

7.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are two or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members

(c) Issues of further shares

The Directors may, on behalf of the Company, issue, grant Options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares

(d) Variation of Rights

At present, the Company has on issue ordinary shares. Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) **Transfer of shares**

Subject to the Constitution, the Corporations Act and the Listing Rules, ordinary shares are freely transferable.

The shares may be transferred by a proper transfer effected in accordance with the ASTC operating rules, by any other method of transferring or dealing with shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of shares (other than a proper transfer in accordance with the ASTC operating rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within five Business Days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for refusal. The Directors must decline to register a transfer of shares when required by law, by the Listing Rules or by the ASTC operating rules.

(f) **Partly paid shares**

The Directors may, subject to compliance with the Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) **Dividends**

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (excluding any amount paid in advance of calls) bears to the total issue price of the share.

(h) **Winding up**

Subject to the rights of holders of shares with special rights in a winding-up, if the Company is wound up, members will be entitled to participate in any surplus assets of the Company in proportion to the percentage of the capital paid up on their shares when the winding up begins

(i) **Dividend reinvestment and share plans**

The members of the Company, in general meeting, may authorise the Directors to implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) **Directors**

The Constitution states that the minimum number of Directors is three.

(k) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have power to manage the business of the Company and may exercise every right, power or capacity of the Company to the exclusion of the members (except to sell or dispose of the main undertaking of the Company).

(l) **Share buy backs**

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on terms and at times determined by the Directors.

(m) **Unmarketable parcels**

The Constitution permits the Board to sell the shares held by a shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the Shareholder notice of the intended sale. If a Shareholder does not want his Shares sold, he may notify the Company accordingly.

(n) **Capitalisation of profits**

The Company may capitalise profits, reserves or other amounts available for distribution to members. Subject to the Constitution and the terms of issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(o) **Capital reduction**

Subject to the Corporations Act and the Listing Rules, the Company may reduce its share capital.

(p) **Preference shares**

The Company may issue preference shares including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company

7.2 **Unlisted Options**

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.07 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Unquoted**

The Company will not apply for quotation of the Options.

8. RISK FACTORS

8.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.2 Company specific

(a) Going Concern Risk

The Company's audited financial report for the year ended 30 June 2017 includes a note to the financial statements on the financial condition of the Company and the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The report notes that:

"The ability of the Group to continue as a going concern is principally dependent upon its ability to secure funds by raising capital from equity markets or by other means, and by managing cash flows in line with available funds, and/or the successful development of its exploration assets."

The Directors are confident of the ability of the Company to potentially raise capital as and when required, and are satisfied there are sufficient funds to meet the Company's short term working capital requirements.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

(b) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 85,683,391 currently on issue to 107,104,239. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.59 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

8.3 Industry specific

(a) Additional Requirements for Capital

Should the funds raised be insufficient to fulfil the Company's planned short-term expenditure requirements, the Company may have an immediate requirement to raise further funds.

The Company's capital requirements depend on numerous factors and the Company may require further financing in addition to amounts raised under the capital raising.

Any additional equity financing may dilute shareholdings. If the Company is unable to obtain additional financing as needed, it may be required to scale back its exploration programmes.

(b) Regulatory Risks

The Company's exploration activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration and rehabilitation activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company may not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(c) Exploration Projects

The Company's mineral tenements are at various stages of exploration, and potential investors should understand that mineral exploration presents a high-risk undertaking.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the further discoveries of economic ore deposits outside of the already known Calingiri Copper Project and there is no guarantee that any discoveries can ever be economically exploited.

The Company's future exploration activities may be affected by a range of factors including geological conditions, limitations on activities due to

seasonal weather patterns, water requirements, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the Company's control.

The Company's success will also depend upon the Company having access to sufficient capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the Company's tenements, a reduction in the known resources of the Company and possible relinquishment of tenements.

The Company's exploration costs are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(d) **Copper price volatility**

If the Company achieves success leading to copper production, the Company's financial performance will be sensitive to the spot copper price. Copper prices are affected by numerous factors and events that are beyond the Company's control. These factors and events include general economic activity, world demand, forward selling activity, copper reserve movements at central banks, costs of production by other copper producers and other matters such as inflationary expectations, interest rates, currency exchange rates (particularly the strength of the US dollar) as well as general global economic conditions and political trends.

If copper prices should fall below or remain below the Company's future costs of production for any sustained period due to these or other factors and events, the Company's exploration and production could be delayed or even abandoned. A delay in exploration or production or the abandonment of one or more of the Company's projects may require the Company to write-down its copper reserves and may have a material adverse effect on the Company's production, earnings and financial position.

(e) **Copper operating and development risks**

If the Company achieves success leading to copper production, the Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of copper mining involves many risks and may be impacted by factors including ore tonnes, yield, input prices (some of which are unpredictable and outside the Company's control), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents and occupational and health hazards. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses

and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

The risks outlined above also mean that there can be no assurances as to the future development of a mining operation in relation to any of the Company's projects or which the Company may acquire in the future.

(f) **Infrastructure and transport**

As outlined above, the Company is not currently in production. If production does commence, the Company's ability to achieve production targets, receive goods and services and export concentrate products may be restricted by access to power networks, roads, rail and ports.

(g) **Impact of inflation on costs**

Higher than expected inflation rates generally, or specific to the mining industry in particular, could be expected to increase operating and development costs and potentially reduce the value of future project developments.

(h) **Title Risk**

The Company's exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

(i) **Exploitation, exploration and mining licences**

The Company's future development and mining activities are dependent upon the grant appropriate licenses. There is no assurance that such grants will be given as a matter of course.

(j) **Mineral Resource Estimates and Classification**

The Mineral Resource estimates for the Calingiri Project are estimates only and no assurances can be given that any particular levels of recovery of copper will in fact be realised. Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which are valid when originally calculated may change significantly when new information or techniques become available. In addition, by their very nature, Mineral Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

8.4 General risks

(a) Exploration success

The future profitability of the Company and the value of its securities are directly related to the results of exploration. The exploration tenements held by the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. In addition, the resources may become depleted, resulting in a reduction of the value of those tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(c) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(g) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

8.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

9. ADDITIONAL INFORMATION

9.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
27/11/2017	Rights Issue and Appointment of Corporate Advisor
20/11/2017	Director Appointment
20/11/2017	Initial Director's Interest Notice
08/11/2017	Investor Presentation
08/11/2017	Successful Bulk Ore Sorting Results
06/11/2017	Trading Halt Request
06/11/2017	Trading Halt
30/10/2017	Quarterly Cashflow Report
30/10/2017	Quarterly Activities Report
27/10/2017	Notice of Annual General Meeting/Proxy Form
09/10/2017	Ceasing to be a substantial holder
28/09/2017	Corporate Governance - June 2017 - Appendix 4G
28/09/2017	Full Year Statutory Accounts - June 2017

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.caravelminerals.com.au.

9.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.07	28, 29 September 2017 and 2, 8 October 2017
Lowest	\$0.052	28 August 2017 and 30 October 2017
Last	\$0.059	24 November 2017

9.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

(a) Underwriting Agreement

The Company has entered into an underwriting agreement with each of the Joint Underwriters, pursuant to which they have each agreed as follows:

- (i) to underwrite up to 4,000,000 Shares at an issue price of \$0.05 per Share, and 2,000,000 New Options for a total value of \$200,000 each; and
- (ii) to take up their full Entitlement of Shares under the Offer.

In the event that the Shortfall is less than the aggregate Underwritten Securities, the underwriting commitment of each Joint Underwriter will be scaled back on a pro-rata basis.

The Joint Underwriters will not be paid a fee for the underwriting.

(b) Mandate letter

The Company has executed a mandate (**Mandate**) to engage Bridge Street Capital Partners Pty Ltd, through its affiliate Bridge Street Capital Advisers Pty Limited, to act as Lead Manager of the Offer.

Material terms under the Mandate are set out below:

- (i) (**Fees**) The Company will pay to the Lead Manager a maximum of 6.0% of the amount raised under the Offer, comprising:
 - (A) a 2.0% (plus GST) transaction management fee on the total amount raised; and
 - (B) 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.

- (ii) **(Expenses):** The Company has agreed to reimburse the Lead Manager for all reasonable out of pocket expenses incurred in connection with the Offer or the engagement under the Mandate, subject to pre-approval for all expenses in excess of \$500.

9.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
its formation or promotion; or
the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
(i) the formation or promotion of the Company; or
(ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Marcel Hilmer ¹	2,903,594	1,465,492 ⁵	725,899	36,295
James Harris ²	665,734	80,211 ⁶	166,433	8,322
Peter Alexander ³	571,432	62,605 ⁷	142,858	7,143
Daniel Ryan ⁴	984,125	-	246,031	12,302

Notes:

- Held by Celeste Leonie Hilmer (Mr Hilmer's spouse), Caravel Employee Share Plan Pty Ltd (trustee for the Caravel Minerals Limited Employee Share Acquisition Plan Trust), and Marcel Erris Hilmer and Celeste Leonie Hilmer as trustees for the M&C Hilmer Superannuation Fund.
- Held by J and L Harris as trustees for the Harris Super Fund and Caravel Employee Share Plan Pty Ltd (trustee for the Caravel Minerals Limited Employee Share Acquisition Plan Trust).

3. Held by Peter Alexander and Suzanne Alexander as trustees for the PA & SA Superannuation Fund and Caravel Employee Share Plan Pty Ltd (trustee for the Caravel Minerals Limited Employee Share Acquisition Plan Trust).
4. Held by El Prado Pty Ltd as trustee for the El Prado Super Fund A/C and El Prado Pty Ltd as trustee for Engineering Management A/C.
5. Comprising
 - (a) 200,000 unlisted Options exercisable at \$0.075 expiring 31 August 2019; and
 - (b) 165,492 unlisted Options exercisable at \$0.12 expiring 15 December 2018.
6. Comprising:
 - (a) 35,211 unlisted Options exercisable at \$0.12 expiring 15 December 2018; and
 - (b) 45,000 unlisted Options exercisable at \$0.075 expiring 31 August 2019.
7. Comprising:
 - (a) 17,605 unlisted Options exercisable at \$0.12 expiring 15 December 2018; and
 - (b) 45,000 unlisted Options exercisable at \$0.075 expiring 31 August 2019.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be reimbursed for reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Current Financial Year	FY ended 30 June 2017	FY ended 30 June 2016
Marcel Hilmer	\$225,000 ¹	222,951 ²	223,947 ²
James Harris	\$16,000 ¹	17,520 ³	26,517 ⁵
Peter Alexander	\$26,000 ¹	17,520 ³	26,517 ⁵
Daniel Ryan ⁴	\$16,000 ¹	Nil	Nil

Notes:

1. Plus statutory superannuation

2. Comprising salary, fees, and commissions, long term benefits, superannuation and security based payments, as set out the in the Company's Full Year Statutory Accounts announced on 28 September 2017.
3. Comprising salary, fees and commissions, and superannuation, as set out the in the Company's Full Year Statutory Accounts announced on 28 September 2017.
4. Mr Ryan was appointed to the Board on 20 November 2017.
5. Comprising salary, fees and commissions, superannuation and security based payments, as set out the in the Company's Full Year Statutory Accounts announced on 28 September 2017.

9.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offer.

The Joint Underwriters will not be paid an underwriting fee in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Company has paid Peter Alexander and Marcel Hilmer (related parties of Celeste Hilmer and Peter Alexander and Suzanne Alexander as trustees for the PA & SA Superannuation Fund, respectively) the remuneration set out in Section 9.5, and has paid fees on normal commercial terms to Tony Poustie (related party of Mr Anthony Poustie and Mrs Rosamund Mary Poustie as trustees for the Poustie Super Fund), as the Company's Director of Exploration.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$17,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid

fees totalling \$1,044 (excluding GST and disbursements) for legal services provided to the Company.

Bridge Street Capital Advisors Pty Ltd and Bridge Street Capital Partners Pty Ltd will be paid a management and placement fee estimated to be approximately \$ in respect of this offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bridge Street Capital Advisors Pty Ltd and Bridge Street Capital Partners Pty Ltd have been paid fees totalling \$131,296 by the Company, and were issued 500,000 Options as consideration for corporate advisory services provided to the Company for the period 1 October 2016 to 31 December 2017.

In addition, the management and placement fee payable to Bridge Street Capital Advisors Pty Ltd and Bridge Street Capital Partners Pty Ltd equates to approximately \$38,000.

9.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Peter Alexander and Suzanne Alexander as trustees for the PA & SA Superannuation Fund have given their written consent to being named as a Joint Underwriter to the Offer in this Prospectus, in the form and context in which they are named. Mr Alexander is a Director of the Company, and Peter Alexander and Suzanne Alexander as trustees for the PA & SA Superannuation Fund are a Shareholder in the Company, and currently have a relevant interest in the securities of the Company as set out in Section 9.5. Peter Alexander and Suzanne Alexander as trustees for the PA & SA Superannuation Fund have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

Celeste Hilmer has given her written consent to being named as a Joint Underwriter to the Offer in this Prospectus, in the form and context in which she is named. Mrs Hilmer is a Shareholder in the Company, and the spouse of Mr Marcel Hilmer, a Director and Shareholder of the Company, and currently has a relevant interest in the securities of the Company as set out in Section 9.5. Celeste Hilmer has not withdrawn her consent prior to the lodgement of this Prospectus with the ASIC.

Mr Anthony Poustie and Mrs Rosamund Mary Poustie as trustees for the Poustie Super Fund have given their written consent to being named as a Joint Underwriter to the Offer in this Prospectus, in the form and context in which they

are named. Mr Anthony Poustie and Mrs Rosamund Mary Poustie as trustees for the Poustie Super Fund are a Shareholder of the Company and currently have a relevant interest in 2,432,422 Shares and 1,368,873 Options. Mr Anthony Poustie and Mrs Rosamund Mary Poustie as trustees for the Poustie Super Fund have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Bridge Street Capital Partners Pty Ltd and Bridge Street Capital Advisors Pty Ltd have given their written consent to being named as Lead Manager to the Company in this Prospectus. Bridge Street Capital Partners Pty Ltd and Bridge Street Capital Advisors Pty Ltd have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

9.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$67,400 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,400
ASX fees	6,000
Underwriting fees	Nil
Management and Placement Fees	38,000
Legal fees	17,500
Printing and distribution	2,500
Miscellaneous	1,000
Total	<u>67,400</u>

9.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 9426 6400 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.caravelminerals.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.12 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Marcel Hilmer
Managing Director
For and on behalf of
Caravel Minerals Limited

11. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Caravel Minerals Limited (ACN 120 069 089).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Joint Underwriters means Celeste Hilmer, Peter Alexander and Suzanne Alexander as trustees for the PA & SA Superannuation Fund and Mr Anthony Poustie and Mrs Rosamund Mary Poustie as trustees for the Poustie Super Fund.

New Option means an Option issued on the terms set out in section 7.2 of this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities means Shares and/or New Options offered pursuant to the Offer.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares (and New Options) not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 5.10 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

Underwritten Securities means 12,000,000 Shares at an issue price of \$0.05 per Share, and 6,000,000 free attaching New Options, which the Joint Underwriters have agreed to underwrite under the Underwriting Agreements.

Underwriting Agreements means the agreements summarised at section 9.4(a) of this Prospectus.

WST means Western Standard Time as observed in Perth, Western Australia.