

9 February 2018

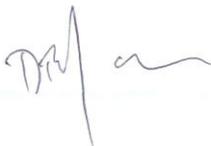
The Manager  
ASX Market Announcements  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/ Madam

**Chairman's Letter**

Please find attached for release to the market a letter from the Chairman of Caravel Minerals Limited in relation to an announcement made by the company on 7 February 2018.

Yours faithfully,



Dale Hanna  
Company Secretary

## CHAIRMAN'S LETTER

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Dear Fellow Shareholders,

I am writing to you regarding recent steps that have had to be taken by the Company arising from the actions of a small group of dissident shareholders and associates.

The Company is pursuing:

- (a) Mitchell River Group Pty Ltd (MRG), Hartree Pty Ltd and Alasdair Campbell Cooke over alleged breaches of a binding Confidentiality Agreement between MRG and the Company ; and
- (b) Hartree Pty Ltd and Mr Cooke for alleged breaches of the Corporations Act 2001 relating to recent share trading activities of Hartree Pty Ltd in the Company.

Further, the Company (through its lawyers) has written to Mr Cooke:

- (a) complaining that Mr Cooke has been making false and defamatory comments regarding the Board and its individual Directors; and
- (b) demanding that Mr Cooke undertake to cease and desist from making false and defamatory claims concerning the Board and its individual Directors.

In the course of all the above, Mr Cooke is seeking to remove Marcel Hilmer as a director.

I am proud to lead your Board of Directors who have extensive experience in exploring, developing and operating mines, both in Australia and overseas. It is your Board's belief that Mr Hilmer has done an exemplary job in progressing the Calingiri Copper Project in Western Australia with limited financial resources and at all times focussed on generating value for shareholders.

Although it is difficult to entirely avoid the distractions caused by these unfortunate events, your Board and Management remain focused on executing our strategy at Calingiri and meaningful progress continues to be achieved. The recently successful bulk ore sorting testwork validated the ongoing Phase 2 bulk tonnage testwork and Caravel remains on target to release those results in the current quarter. We have also been actively drilling and commencing environmental, water, power, tailings and social studies, as well as resource optimisations. It is expected Callingri will progress to an advanced technical study later this year.

On behalf of my fellow Directors, I thank you for your ongoing support and patience following these unfortunate developments. We will seek to resolve these matters as quickly and judiciously as possible, while ensuring our focus remains on defining a robust development pathway to support the future construction of the Calingiri Project, which is in the interests of all shareholders.

Yours sincerely,



Peter Alexander  
Chairman, Caravel Minerals Limited

