



15 August 2018

Emerson Walker
Adviser, Listings Compliance (Perth)
ASX Limited Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

by email to emerson.walker@asx.com.au

Dear Mr Walker,

Caravel Minerals Limited ("Caravel") is in receipt of your letter dated 7 August 2018 regarding the Company's Quarterly Report for the period ended 30 June 2018.

The Company responds to your questions as follows:

- 1. Does CVV expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

Due to the nature of its exploration and development activities, Caravel continues to expect negative operating cashflows in future periods.

- 2. Has CVV taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?**

Caravel announced a non-renounceable rights issue ("Rights Issue") on 15 August 2018 to raise up to approximately \$2,010,354 before costs.

The Rights Issue is partially underwritten up to \$1,150,000 and this is the minimum amount that will be raised by 13 September 2018.

- 3. Does CVV expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

The minimum subscription that will be received by Caravel in the Rights Issue of \$1,150,000, provides Caravel with funding to complete the proposed exploration programme and retain adequate working capital levels as outlined in the announcement.

- 4. Please provide any other information that CVV considers may be relevant to ASX forming an opinion on whether CVV is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).**

Caravel continues to develop the Calingiri Copper Project and the Board believes that its existing levels cash when combined with funding from the rights issue warrant the continued quotation of the entities securities.

The Company continues to adhere with Listing Rule 12.2.

- 5. Please confirm that CVV is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.**

Caravel confirms that it is in compliance with Listing Rule 3.1.

- 6. Please confirm that CVV's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CVV with delegated authority from the board to respond to ASX on disclosure matters.**

Caravel confirms that the response above have been authorised and approved by the Caravel Board.

Yours faithfully,

For and on behalf of Caravel Minerals Limited



Daniel Davis
Company Secretary



7 August 2018

Mr Daniel Davis

Company Secretary
Caravel Minerals Limited
Suite 1, 245 Churchill Avenue
Subiaco WA 6008

Dear Mr Davis

Caravel Minerals Limited (the “Entity”): Appendix 5B Query

I refer to CVV’s Appendix 5B quarterly report for the period ended 30 June 2018 lodged with ASX Market Announcements Platform on 1 August 2018 (the “Appendix 5B”).

ASX notes that CVV has reported:

- negative net operating cash flows for the quarter of \$731,000;
- cash at the end of the quarter of \$563,000; and
- estimated cash outflows for the next quarter of \$523,000.

It is possible to conclude, based on the information in the Appendix 5B that if CVV were to continue to expend cash at the rate indicated by the Appendix 5B, CVV may not have sufficient cash to continue funding its operations. In view of that, ASX asks CVV to respond separately to each of the following questions and requests for information:

1. Does CVV expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has CVV taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does CVV expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that CVV considers may be relevant to ASX forming an opinion on whether CVV is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that CVV is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that CVV’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CVV with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 7:00am AWST on Tuesday, 14 August 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CVV’s securities under Listing Rule 17.3.

Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

GPO Box D187
Perth WA 6840

Customer service 13 12 79
asx.com.au

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CVV's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to CVV's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that CVV's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CVV's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

[Sent electronically without signature]

Emerson Walker

Adviser, Listings Compliance (Perth)