

23 January 2019

Dear Optionholder,

PRO-RATA NON-RENOUCEABLE RIGHTS OFFER

As announced on 23 January 2019, Caravel Minerals Limited ("Company") is seeking to raise up to approximately \$1,103,728 by a pro-rata non-renounceable rights offer ("Offer") of up to approximately 22,074,569 shares on the basis of 1 new share ("New Share") for every 7 shares held at an issue price of 5 cents per New Share. The Company expects to lodge an offer document for the Offer ("Offer Document") with the ASX on 1 February 2019.

The funds raised under the Offer will be used to develop the Calingiri copper project, for working capital and to meet Offer expenses

The Offer is not underwritten. Minimum subscription under the Offer is \$105,000.

The timetable for the Offer is as follows:

Pro-rata Offer announced	23 January 2019
New Shares quoted on an "ex" basis (date from which the New Shares commence trading without the entitlement to participate in the Offer).	25 January 2019
Record Date (date for identifying Shareholders entitled to participate in the Offer).	29 January 2019
Offer Document with Entitlement Form sent to Eligible Shareholders	1 February 2019
Offer opens	1 February 2019
Closing Date (last date for lodgement of Entitlement Forms and Application Money)	15 February 2019
Trading of New Shares commence on a deferred settlement basis	18 February 2019
Company to notify ASX notified of the Shortfall (if any)	20 February 2019
Issue of New Shares and end of deferred settlement trading	22 February 2019

Subject to the Listing Rules, the above dates may be changed without notice.

The Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date ("**Eligible Shareholders**").

Assuming that no Options are exercised before the Record Date, the effect of the Offer on the Company's issued share capital at Minimum Subscription and Full Subscription is shown in the following table:

Shares	Minimum Subscription	Full Subscription
Existing Shares	154,521,987	154,521,987
New Shares issued under the Offer	2,100,000	22,074,569
Total Shares on issue after completion of the Offer	156,621,987	176,596,556

It is anticipated that the Offer Document offering New Shares for subscription will be mailed to Eligible Shareholders on 1 February 2019. The Offer Document may be viewed on the ASX's website at www.asx.com.au or alternatively on the Company's website at www.caravelminerals.com.au.

Application will be made to ASX for official quotation of the New Shares. No shareholder approval is required to the Offer.

Optionholders

Optionholders are not entitled to participate in the Offer. Should optionholders with a registered address in Australia or New Zealand wish to participate in the Offer they should exercise their options in accordance with the terms and conditions of the options in a timely manner and in any event to ensure the exercise of the options and the issue of the shares is completed by the Record Date of 29 January 2019.

If you do not wish to participate in the Offer, no action is required.

Yours faithfully,



Daniel Davis
Company Secretary