



CARAVEL MINERALS LIMITED
ACN 120 069 089

Interim Financial Statements
for the six months ended
31 December 2018

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Corporate Directory

DIRECTORS AND COMPANY SECRETARY

Mr Wayne Trumble - Non-Executive Chairman
Mr Alasdair Cooke - Executive Director
Mr Alexander Sundich – Non-Executive Director
Mr Daniel Davis - Company Secretary

REGISTERED AND PRINCIPAL OFFICE

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SECURITIES EXCHANGE LISTING

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Level 40, Central Park
152-158 St George's Terrace
Perth 6000
Western Australia

SOLICITORS

Jackson MacDonald
17/225 St Georges Terrace,
Perth WA 6000

AUDITOR

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

Directors' Report

31 December 2018

The Directors of Caravel Minerals Limited (the "company" or "Caravel") present their report on the consolidated entity (the "group") consisting of Caravel Minerals Limited and its subsidiaries for the half-year ended 31 December 2018.

DIRECTORS

The names of directors in office at any time during or since the end of the financial year are:

Mr Wayne Trumble
Mr Alasdair Cooke
Mr Alexander Sundich

PRINCIPAL ACTIVITIES

The principal activities of the group during the financial year were the exploration of mineral tenements in Western Australia ("WA").

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the half-year ended 31 December 2018.

REVIEW OF ACTIVITIES

Caravel Minerals is a junior explorer based in Perth, Australia and listed on the Australian Securities Exchange (ASX: CVV). The Company is a copper, molybdenum, gold and base metals exploration and resource development company with deposits located in WA.

During the reporting period Caravel maintained its focus on its flagship Caravel Copper Project located 120km NE of Perth in a regional copper-molybdenum-gold mineralised belt discovered in a previously unexplored part of the Yilgarn Craton.

CORPORATE AND FINANCIAL POSITION

The group's net loss from operations for the half-year ended 31 December 2018 was \$1,619,906 (2017: \$731,097).

At 31 December 2018, the group had net current assets of \$538,771 (30 June 2018: \$347,894).

Subsequent to period end, Caravel raised \$1,237,728 by the issue of 24,754,560 shares in a pro rata rights issue and subsequent share placement. The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report the Group believes it can meet all liabilities as and when they fall due.

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through equity issues as and when the need to raise funds arises.

BUSINESS STRATEGIES AND PROSPECTS

The group currently has the following business strategies and prospects over the medium to long term:

- (i) Seek to maximise the value of the group through successful exploration activities;
- (ii) Selectively expand the group's portfolio of exploration assets; and
- (iii) Examine other new business development opportunities in the mining and resources sector.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In late February 2019, the Company completed a 1 for 7 entitlement issue and subsequent placement raising \$1.24M by the issue of 24,754,560 shares at \$0.05 per share.

Except for the matter detailed above, at the date of this report there are no other matters or circumstances, which have arisen since 31 December 2018 that have significantly affected or may significantly affect:

- (i) the operations in financial periods subsequent to 31 December 2018 of the group;
- (ii) the results of those operations in financial periods subsequent to 31 December 2018 of the group; or
- (iii) the state of affairs in financial periods subsequent to 31 December 2018 of the group.

Directors' Report
31 December 2018

Signed in accordance with a resolution of the directors.



Alasdair Cooke
Executive Director
15 March 2019

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF CARAVEL MINERALS LIMITED

As lead auditor for the review of Caravel Minerals Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Caravel Minerals Limited and the entities it controlled during the period.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 15 March 2019

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 31 December 2018**

	Note	31-Dec-18	31-Dec-17
		\$	\$
Other Income	3.1	223,215	11,451
Gain on Sale of Listed Investment		46,033	-
Administration services		(230,071)	(263,184)
Employee expenses		(604,024)	(189,032)
Exploration expenses		(1,055,059)	(290,332)
Loss from continuing operations before income tax expense		(1,619,906)	(731,097)
Income tax expense		-	-
Loss from continuing operations		(1,619,906)	(731,097)
Loss for the period		(1,619,906)	(731,097)
Other comprehensive income		-	-
Comprehensive loss attributable to the shareholders of the Company		(1,619,906)	(731,097)
Comprehensive (loss) income attributable to the shareholders of the Company arises from:			
Basic and diluted loss per share (cents per share) for continuing operations attributable to the shareholders of the Company		(1.15)	(0.87)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company		(1.15)	(0.87)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

**Consolidated Statement of Financial Position
As at 31 December 2018**

	Note	31-Dec-18 \$	30-Jun-18 \$
Assets			
Current assets			
Cash and cash equivalents		814,578	586,838
Trade and other receivables		258,262	57,507
Other current assets		14,182	26,200
Total current assets		1,087,022	670,545
Non-current assets			
Exploration and evaluation expenditure	2.1	3,107,811	3,107,811
Property, plant and equipment		166,016	98,848
Total non-current assets		3,273,827	3,206,659
Total assets		4,360,849	3,877,204
Liabilities			
Current liabilities			
Trade & other payables		548,251	322,651
Total current liabilities		548,251	322,651
Total liabilities		548,251	322,651
Net assets		3,812,597	3,554,553
Equity			
Share capital	4.1	44,026,778	42,451,988
Accumulated losses		(43,260,675)	(41,640,769)
Reserves		3,046,494	2,743,334
Total equity attributable to shareholders of the Company		3,812,597	3,554,553

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

**Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2018**

	<i>Note</i>	Contributed equity \$	Accumulated losses \$	Share-Based Payments Reserve \$	Total equity \$
At 1 July 2018		42,451,988	(41,640,769)	2,743,334	3,554,553
Loss for the period		-	(1,619,906)	-	(1,619,906)
Total comprehensive loss for the period		-	(1,619,906)	-	(1,619,906)
Transactions with owners in their capacity as owners:					
Share based payments	4.1, 8.1	68,805	-	303,160	371,966
Share issuance net of costs	4.1, 8.1	1,505,985	-	-	1,505,985
		1,574,790	-	303,160	1,877,950
At 31 December 2018		44,026,778	(43,260,675)	3,046,494	3,812,597
At 1 July 2017		39,880,018	(39,156,828)	2,743,334	3,466,524
Loss for the period		-	(731,097)	-	(731,097)
Total comprehensive loss for the period		-	(731,097)	-	(731,097)
Transactions with owners in their capacity as owners:					
Share based payments	4.1, 8.1	26,491	-	-	26,491
Share issuance net of costs	4.1, 8.1	1,148,360	-	-	1,148,360
		1,174,851	-	-	1,174,851
At 31 December 2017		41,054,869	(39,887,925)	2,743,334	3,910,278

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2018

	31-Dec-18	31-Dec-17
	\$	\$
Cash flows from operating activities		
Interest received	1,511	2,415
Receipts from customers	30,000	-
Payments to suppliers and employees	(547,359)	(385,376)
Payments for exploration and evaluation expenditure	(770,709)	(263,841)
Net cash (outflow) from operating activities	(1,286,557)	(646,802)
Cash flows from investing activities		
Proceeds from sale of listed investments	46,033	-
(Payments) for / Proceeds of sale property, plant and equipment	(37,721)	9,036
Net cash inflow from investing activities	8,312	9,036
Cash flows from financing activities		
Proceeds from issue of shares	1,624,763	1,202,000
Share issue costs	(118,778)	(91,640)
Net cash inflow from financing activities	1,505,985	1,110,360
Cash and cash equivalents at the beginning of the period	586,838	287,689
Net increase in cash and cash equivalents	227,740	472,594
Cash and cash equivalents at the end of the period	814,578	760,283

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2018

1. BASIS OF PREPARATION

The consolidated interim financial report of Caravel Minerals Limited for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 15 March 2019.

1.1. STATEMENT OF COMPLIANCE

These consolidated interim financial report have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Act 2001.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Caravel Minerals Limited during the interim period in accordance with the continuous disclosure requirements of the Corporation Act 2001.

Caravel Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

1.2. BASIS OF MEASUREMENT

The financial report has been prepared on a historical cost basis.

1.3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial report is presented in Australian dollars.

1.4. COMPLIANCE WITH IFRS

These financial statements comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

1.5. GOING CONCERN

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss of \$1,619,906 during the half-year ended 31 December 2018 (2017: \$731,097) and as of that date the Group had current assets of \$538,770 (30 June 2018: \$347,894) including cash and cash equivalents of \$814,578 (30 June 2018: \$586,838). Net cash used in operating activities for the period was \$1,286,557 (2017: \$646,802).

These conditions indicate a material uncertainty that may cast doubt about the ability of the Group to continue as a going concern. 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. The Directors are satisfied there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

Subsequent to period end, Caravel raised \$1,237,728 by the issue of 24,754,560 shares in a pro rata rights issue and subsequent share placement. The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report the Group believes it can meet all liabilities as and when they fall due.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds as and when the need to raise funds arises. 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

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2018

statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

1.6. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

A number of new or amended standards became applicable for the current reporting period for which the Group had adopted:

- AASB 15 Revenue from Contracts with Customers; and
- AASB 9 Financial Instruments.

The new accounting policies are disclosed below. There is no impact on the Group for the period ended 31 December 2018.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from contracts with customers replaces AASB 118 Revenue. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Caravel has considered AASB 15 and determined that there is no impact on the Group's financial statements as Caravel is not generating sales revenue at this stage.

The Group's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Group transfer control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 or at 31 December 2018 did not give rise to any transitional adjustments. The new accounting policies are set out below.

Classification and measurement

Except for certain trade receivables the Group initially measures a financial assets at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'only payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Impairment

From 1 July 2018, the group assesses, on a forward looking basis, any expected credit losses (ECLs) associated with any financial assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2018

New and amended standards not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting period. The Group's assessment of the impact of these new standards and interpretations that may have impact on the Group is set out below:

AASB 16 Leases

AASB 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. Caravel has not yet determined the impact of the Group accounts, however it is likely that the impact will be immaterial. This standard is not applicable until the financial year commencing 1 July 2019.

2. CAPITAL EXPENDITURE

2.1. EXPLORATION & EVALUATION EXPENDITURE

Exploration and evaluation costs are expensed as incurred as an operating cost of the Group. Costs related to the acquisition of properties that contain mineral resources are capitalised and allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

The Group has exploration costs carried forward in respect of areas of interest:

Areas of interest:	31-Dec-18	30-Jun-18
	\$	\$
Caravel Copper Project	3,107,811	3,107,811

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

3. FINANCIAL PERFORMANCE

3.1. OTHER INCOME

Other Income	31-Dec-18	31-Dec-17
	\$	\$
Interest revenue	1,511	2,415
Sale of data	30,000	-
Research & Development Tax Offset	158,788	-
Profit on sale of PPE	32,916	9,036
	223,215	11,451

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2018

4. FUNDING AND RISK MANAGEMENT

4.1. CONTRIBUTED EQUITY

	Date	Number of shares	Issue price cents	\$
Balance 30 June 2017		68,429,777		39,880,018
Share Placement	13 Jul 2017	13,554,000	5.0	678,200
Share Placement	30 Aug 2017	3,246,000	5.0	161,800
Contractor share based payments	05 Sep 2017	453,614	5.8	26,491
Share Placement	08 Dec 2017	8,000,000	5.0	400,000
Entitlement Issue	18 Jan 2018	13,864,730	5.0	693,237
Entitlement Issue (Underwriters)	18 Jan 2018	9,556,118	5.0	477,806
Capital raising	20 Feb 2018	907,596	5.8	52,787
Contractor share based payments	12 Jun 2018	2,486,838	7.3	181,774
Contractor share based payments	12 Jun 2018	122,541	6.1	7,500
Less Transaction costs	30 Jun 2018	0	-	(107,624)
Balance 30 June 2018		120,621,214		42,451,988
Allotment of Rights Issue	11 Sep 2018	32,495,251	5.0	1,624,763
Contractor share based payments	30 Nov 2018	1,405,522	4.9	68,805
Less Transaction costs	31 Dec 2018			(118,778)
Balance 31 December 2018		154,521,987		44,026,778

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	31-Dec-18	30-Jun-18
	\$	\$
Contributed equity	46,109,365	44,415,797
Cost of share issue	(2,082,587)	(1,963,809)
	44,026,778	42,451,988

5. RELATED PARTIES

5.1. RELATED PARTIES

The Employee Option Incentive Plan was approved by Shareholders at a general meeting on 24 August 2017.

During the half-year ended 31 December 2018, Caravel issued 3,000,000 options to Directors under the Employee Option Incentive Plan. The issue of options was approved by Caravel shareholders at the AGM held on 29 November 2018.

The following inputs were used in valuing the options issued to Directors.

Issue Date	29 November 2018
Spot price on Issue Date	5.1 cents
Exercise price	8 cents
Dividend rate	0%
Volatility rate	100%
Risk free rate	3%
Expiry Date	30 September 2021

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2018

The calculated value of each option using the Black-Scholes option valuation model was 2.89 cents with the whole tranche of 3,000,000 options valued at \$86,700. As the options vested immediately the amount was expensed during the period.

5.2. TRANSACTIONS WITH OTHER RELATED PARTIES

During the half-year ending 31 December 2018, \$173,543 was paid to Mitchell River Group, of which Mr Alasdair Cooke was a director, for provision of serviced offices and technical staff (2017: \$nil).

6. OTHER

6.1. EVENTS OCCURRING AFTER THE REPORTING PERIOD

In February 2019, Caravel raised \$1,237,728 by the issue of 24,754,560 shares in a pro rata rights issue and subsequent share placement.

Other than the matter above, at the date of this report there are no matters or circumstances have arisen since the end of the interim financial period which significantly affected or may significantly affect the operations, results or the state of affairs of the consolidated entity or the parent company in future reporting periods.

6.2. COMMITMENTS AND CONTINGENCIES

As at 31 December 2018 Caravel Minerals Limited has no contingent liabilities.

7. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its' assets and liabilities are primarily related to the mining industry and are located within Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

8. SHARE BASED PAYMENTS

8.1. OPTIONS

During the period, 10.9 million options were issued to key management personnel and employees. These options have been valued using the Black-Scholes Option Valuation model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. See below for the assumptions used for grants made during the period ended 31 December 2018:

Issued to	Directors	Employees
Date of Grant	29/11/2018	15/10/2018
Number of options	3,000,000	7,900,000
Dividend yield (%)	0.0%	0.0%
Expected volatility (%)	100.0%	100.0%
Risk free interest rate	3.0%	3.0%
Expected life (years)	2.84	2.96
Option exercise price (\$)	0.080	0.080
Fair value per options (\$)	0.0289	0.0274
Share price at grant date (\$)	0.051	0.054

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2018

The dividend yield reflects the assumption that the current dividend payout will remain unchanged. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

8.2. SHARES

During the year 1,405,522 ordinary shares were issued to contractors of the Company for drilling services. The value of the services could not be reliably determined and therefore, were measured at their fair value of equity instruments granted. The fair value of the equity granted was \$68,806 based on the share price of 4.9 cents per share.

8.3. RECOGNISED SHARE BASED PAYMENTS EXPENSE IN PROFIT OR LOSS

	31-Dec-18	31-Dec-17
	\$	\$
Expense arising from employee options issued	216,460	-
Expense arising from director options issued	86,700	-
Shares issued for drilling services	68,806	26,491
	<u>378,466</u>	<u>26,491</u>

Share options outstanding at the end of the period have the following expiry dates and exercise prices

Grant Date	Expiry Date	Exercise Price (cents)	Share Options at 31 December 2018	Share Options at 30 June 2018
07-Nov-16	15-Dec-18	12.0	-	9,702,809
17-May-17	12-May-20	10.0	400,000	400,000
29-Mar-17	28-Mar-20	6.8	1,400,000	1,400,000
30-Aug-17	23-Aug-20	6.0	-	1,100,000
08-Dec-17	30-Jun-19	7.0	4,000,000	4,000,000
18-Jan-18	30-Jun-19	7.0	11,710,413	11,710,413
30-Aug-17	31-Aug-19	7.5	8,400,000	8,400,000
13-Jun-18	31-Aug-19	7.5	500,000	500,000
12-Oct-18	30-Sep-21	8.0	7,900,000	-
30-Nov-18	30-Sep-21	8.0	3,000,000	-
			<u>37,310,413</u>	<u>37,213,222</u>

Weighted average remaining contractual life of options outstanding at end of period	1.2 years	1.4 years
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Directors Declaration

In accordance with a resolution of the directors of Caravel Minerals Limited, I state that:

- (1) In the opinion of the directors:
 - (a) the financial statements, notes and the additional disclosures included in the directors' report designated as review, of the Group are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the period ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the half-year ended 31 December 2018.

On behalf of the Board.



Alasdair Cooke
Executive Director
15 March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Caravel Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Caravel Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', is written over a faint, light blue BDO logo watermark.

Dean Just

Director

Perth, 15 March 2019