

2 September 2019

Dear Optionholder,

PRO-RATA NON-RENOUCEABLE RIGHTS OFFER

As announced on 2 September 2019, Caravel Minerals Limited ("Company") is seeking to raise up to approximately \$1,032,399 by a pro-rata non-renounceable rights offer ("Offer") of up to approximately 25,809,971 shares on the basis of 1 new share ("New Share") for every 7 shares held at an issue price of 4 cents per New Share. The Company expects to lodge an offer document for the Offer ("Offer Document") with the ASX on 10 September 2019.

The funds raised under the Offer will be used to continue feasibility and approvals work for the Caravel Copper Project, for working capital and to meet Offer expenses.

The Offer is not underwritten. Minimum subscription under the Offer is \$250,000.

The timetable for the Offer is as follows:

Pro-rata Offer announced	2 September 2019
New Shares quoted on an "ex" basis (date from which the New Shares commence trading without the entitlement to participate in the Offer).	4 September 2019
Record Date (date for identifying Shareholders entitled to participate in the Offer).	5 September 2019
Offer Document with Entitlement Form sent to Eligible Shareholders	10 September 2019
Offer opens	10 September 2019
Closing Date (last date for lodgement of Entitlement Forms and Application Money)	24 September 2019
Trading of New Shares commence on a deferred settlement basis	25 September 2019
Company to notify ASX notified of the Shortfall (if any)	27 September 2019
Issue of New Shares and end of deferred settlement trading	1 October 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 and the cancellation of employee plan shares before the Record Date, the effect of the Offer on the Company's share capital at Minimum Subscription and Full Subscription is shown in the following table:

Shares	Minimum Subscription	Full Subscription
Existing Shares	180,669,795	180,669,795
New Shares issued under the Offer	6,250,000	25,809,971
Total Shares on issue after completion of the Offer	186,919,795	206,479,766

It is anticipated that the Offer Document offering New Shares for subscription will be mailed to Eligible Shareholders on 10 September 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 5 September 2019.

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

If you have any questions please do not hesitate to contact the Company.

Yours faithfully,



Daniel Davis
Company Secretary