

ASX:CVV

15 February 2021

PROJECT UPDATE - CARAVEL COPPER PROJECT

Highlights

- **Caravel Copper Project Pre-feasibility study (PFS) underway and due for completion end 2021**
- **Major drilling program underway as well as project studies on power, environmental, water, geotechnical and metallurgy in progress**
- **Copper price currently 20% higher than USD\$3.00 price used in May 2019 project Scoping Study, with significant upside for project economics**
- **Strong demand outlook for copper underpinned by electric vehicle market growth, coupled with favourable supply-demand fundamentals**

Project overview

The Caravel Copper Project is a large-scale, long-life project based on current Resources of 662Mt at 0.28% Cu, for 1.86Mt contained Cu. The project has access to high-quality infrastructure including grid power, sealed roads, well serviced towns and nearby ports. The resource is amendable to low-cost open-pit bulk mining due to low waste ratio and wide ore zones. Simple metallurgy allows standard processing to produce a clean, readily marketable concentrate. Located in a tier 1 mining jurisdiction (WA) the project is one of the few large copper resources that can be quickly brought into production to meet near-term forecast strong copper demand.

Resource drilling

Major RC percussion and diamond drilling programs are progressing with assay results being reported as they are received. To date, 21 RC percussion holes have been completed at the Project area, generating ~4,000m of samples. In addition, 3 diamond drill holes have been completed for a total of ~1,600m of core.

Drilling to date has shown good results (as reported in the Caravel Minerals announcement on 25 January 2021 and 10 February 2021), providing confidence in the geological model and demonstrating potential for improving continuity of higher-grade zones. An updated JORC Resource is expected to be reported around mid-2021.

Power

The project is located within the WA South West Interconnected System (SWIS) which has good capacity reserve and amongst the lowest wholesale power prices in Australia. The SWIS also has a growing range of low carbon energy supply options with numerous commercial solar and wind generation sources. Preliminary quotes have been received from energy providers indicating very competitive rates for delivered power.

Western Power, the Western Australian State Government owned corporation responsible for building, maintaining and operating the electricity network, has been engaged to undertake a detailed assessment of the project's power supply and transmission options which is on track to be completed in April 2021.

Environment

Environmental studies commenced in 2018 with Level 1 flora surveys completed. Further environmental surveys and assessments will commence this week with a level 2 fauna survey over key deposit areas and proposed infrastructure locations.

Water

The water exploration program is advancing for the Project. A passive seismic survey was completed in January 2021 to identify targets for drill testing of a potential palaeochannel aquifer. Preparations are underway for drill testing. Initial environmental survey work has been completed for the water pipeline route.

2021 Pre-feasibility Study work program

A number of studies completed for the 2019 Scoping Study already meet the criteria to satisfy PFS and Definitive Feasibility Study (DFS) due diligence.

The PFS will be able to be delivered in a compressed timeframe by the end of 2021 (refer to table 1) including the following:

- Completion of the drilling and updated JORC resource (expected in Q3 2021)
- Geotechnical assessment
- Revised pit optimisation, mine design and schedule and reserve statement
- Detailed metallurgical and comminution testing program
- Engineering design and specification for the process plant and infrastructure
- Tailings and waste storage design studies
- Hydrology studies covering surface and ground water
- Environmental and social studies including flora and fauna surveys, noise, air quality, heritage, closure and social studies
- Preliminary mine permitting applications and preparation
- Financial analysis including capital costs, operating costs and marketing studies.

Copper price outlook

Copper is an essential metal for the growth of the electric vehicle market and supporting infrastructure. The forecast increase in the EV market is expected to significantly impact the demand for copper. At the same time, grades are declining in the existing major production centres whilst costs are increasing due to labour demands, water supply restrictions and rising energy costs. Political risks are also increasing in many major copper production centres, particularly Africa and Central/South America.

The Caravel Copper project is well-positioned with the potential for a long-life project, low operating costs and situated in an excellent jurisdiction. The project is on track to be brought to an investment decision during a period of forecast strong demand for copper and rising copper prices.

This announcement is authorised for release by Managing Director, Steve Abbott.

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ABOUT CARAVEL MINERALS

Caravel Minerals is currently engaged in feasibility studies for the development the Caravel Copper Project, a greenfields copper mining and processing project located 150km north-east of Perth in Western Australia's Wheatbelt region. The project is based on an Indicated and Inferred Mineral Resource of 661.9Mt @ 0.28% Cu (at 0.15% Cu cut-off) for a total of 1.86Mt contained copper, making it one of the largest undeveloped copper resources in Western Australia. A Scoping Study completed in 2019 by Caravel Minerals and MSP Engineering demonstrated a strong economic model for the Project and recommended proceeding with more advanced feasibility studies.

Caravel also holds a suite of exploration projects in the prospective South West Yilgarn Terrane and is rapidly advancing an exploration program to test these areas for gold and base metals.



Competent Persons Statements

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Mr Lachlan Reynolds. Mr Reynolds is a consultant to Caravel Minerals and is a member of both the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr Reynolds has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reynolds consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd). Mr Barnes is a shareholder of Caravel Minerals. Mr Barnes is a member of both the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr Barnes has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

Previous Disclosure

The information in this report is based on the following Caravel Minerals ASX Announcements, which are available from the Caravel Minerals website www.caravelminerals.com.au and the ASX website www.asx.com.au:

- 29 April 2019 "Caravel Copper Resource and Project Update"
- 25 January 2021 "Drilling Update – Bindi Copper Deposit"
- 29 January 2021 "Drilling Results – Bindi Copper Deposit"
- 10 February 2021 "Drilling Results – Bindi Copper Deposit"

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Caravel Minerals planned exploration programs, studies and other statements that are not historic facts. When used in this document, the words such as "could", "indicates", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Such statements involve risks and uncertainties, and no assurances can be provided that actual results or work completed will be consistent with these forward looking statements.