

Caravel Minerals Limited

Base Metals - Developer/Explorer

Paul Howard | Analyst | Canaccord Genuity (Australia) Ltd. | phoward@cgf.com | +61.8.9263.1155

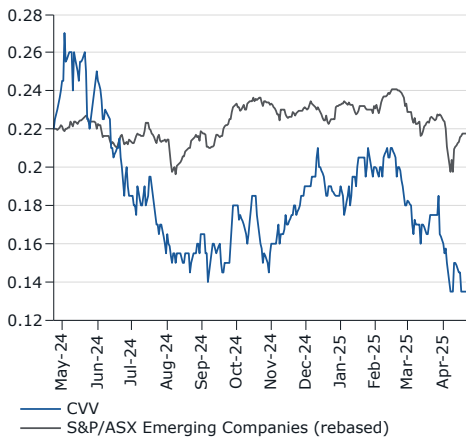
 Rating
SPECULATIVE BUY

 Price Target
A\$0.60

CVV-ASX

 Price
A\$0.15
Market Data

52-Week Range (A\$) :	0.13 - 0.29
Avg Daily Vol (000s) :	267.53
Shares Out. (M) :	558.8
Market Cap (A\$M) :	86.6
Dividend /Shr (A\$) :	0.00
Dividend Yield (%) :	0.0



Priced as of close of business 23 April 2025

Caravel Minerals Limited (CVV-ASX) is advancing the large Caravel Copper Project, located 150km northeast of Perth, Western Australia.

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Flowsheet simplified for the DFS

Caravel Minerals (CVV-ASX) continues to progress the Caravel Copper Project in WA and has undertaken a considerable amount of work on the process design and flowsheet as part of the Definitive Engineering Study (DES) to support the DFS late this calendar year.

The company has reported on the outcomes of four years of metallurgical studies which confirm recoverable copper, molybdenum, gold and silver in an optimised process flowsheet that enables a more simplified plant design than previously envisaged.

Simplified flowsheet: CVV expects to do away with high pressure grinding rolls (HPGR) and secondary crushing in favour of a SAG circuit. The less complex, more proven flowsheet is expected to use conventional primary crushing, grinding (Ball + SAG + pebble crusher) and flotation, which may reduce capex, in our view. However, we caution that cost inflation since the latest capex figure of A\$1.7bn in April 2023 may offset any gains from the simplified flowsheet announced today.

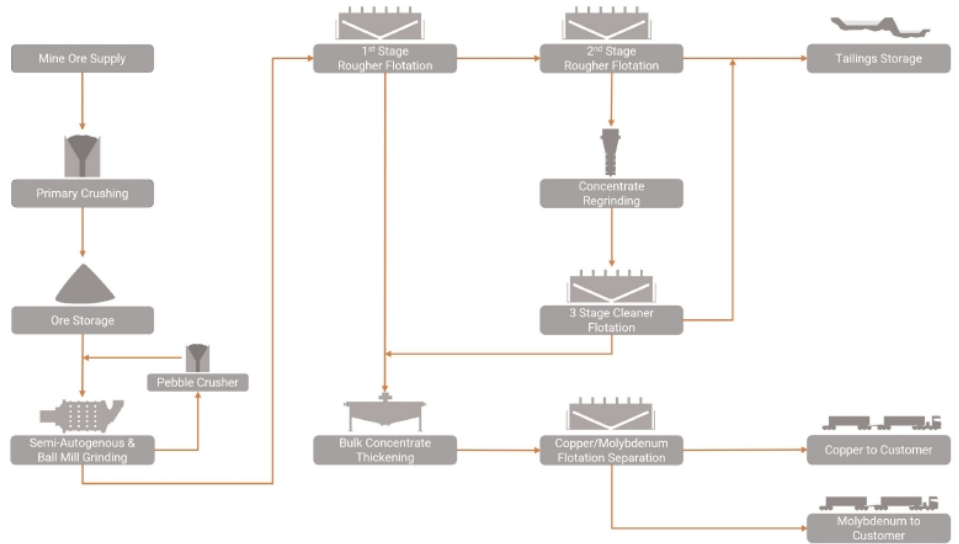
Greater certainty around recoveries: The recent testwork outlines copper recoveries of 86%, slightly lower than the 89% previously outlined in the PFS and subsequent updates, but a far more definitive result. Similarly, molybdenum recoveries of 43% formalise previous estimates of 60%. On the plus side, greater gold and silver head grades and recoveries than those previously envisaged look to offset any notional revenue losses from the lower Cu and Mo recoveries, in our view. 50-60% of gold and silver were previously estimated to be recoverable as by-product credits. This is now 59% and 71%, respectively, to yield ~15koz Au and ~665koz Ag per annum in the copper concentrate, which will contain ~60kt Cu. Additionally, ~1.1kt Mo will be produced in a separate concentrate.

Cost optimisation: As mentioned, a nominal capex reduction may be forthcoming through the use of SAG mills in place of HPGR, in our view. However, we see the greatest opportunity in the optimisation of grind size, and therefore energy consumption, to lower operational costs.

A reminder on CVV: Recall that the Caravel Copper Project hosts a large porphyry copper system within two hours of Perth's CBD. We believe it is one of the largest, if not *the* largest, undeveloped copper projects in Australia at **1.28Bt @ 0.24% Cu** (+47ppm Mo) for **3.03Mt of contained copper**. The PFS and subsequent updates outline a 25-year mine processing 30Mtpa to yield ~60ktpa payable copper. C1 is expected to be ~US\$1.23/lb Cu net of credits with pre-production capital estimated at A\$1.7bn inclusive of pre-strip and mining equipment purchase.

Valuation and recommendation: In lieu of further updates, we continue to expect the DFS delivery late in 2025 and model first production in FY28. Our NPV_{12%} is based on the PFS and subsequent updates from September 2022 and April 2023. We model CVV on a fully diluted, risked basis. We have assumed a funding scenario that involves a 25% project sell-down with the balance of capital covered through debt and equity. We risk this financing scenario to 50%. Our price target remains \$0.60 and we maintain our SPECULATIVE BUY recommendation. This is notwithstanding global recessionary concerns, tariff fallout and other global pressures that may impact copper sentiment in the near term.

Final process flowsheet



Source: Company Reports

Appendix: Important Disclosures

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Individuals identified as "Sector Coverage" cover a subject company's industry in the identified jurisdiction, but are not authoring analysts of the report.

Investment Recommendation

Date and time of first dissemination: April 23, 2025, 05:08 ET

Date and time of production: April 23, 2025, 05:08 ET

Target Price / Valuation Methodology:

Caravel Minerals Limited - CVV

Our NPV_{12%} is informed by the Caravel PFS and subsequent update, is modelled on a fully diluted basis and risked to account for the early stage (albeit very detailed) nature of the studies. We have assumed a funding scenario that involves a 25% project sell down with the balance of capital covered through a debt and equity mix. We risk this financing scenario to 50%.

Risks to achieving Target Price / Valuation:

Caravel Minerals Limited - CVV

Financing risks: As a pre-production company with no material income, CVV is reliant on equity and debt markets to fund development of its assets. Total development and working capital requirements are subject to establishment of completion of further mining studies. There are no guarantees that studies will result in a positive investment decision. Further, we can make no assurances that accessing these markets will be done without further dilution to shareholders.

Exploration/development risks: Exploration and development is subject to a number of risks and can require a high rate of capital expenditure. Risks can also be associated with conversion of inferred resources and lack of accuracy in the interpretation of geochemical, geophysical, drilling and other data. No assurances can be given that exploration will delineate further mineral resources nor that the company will be able to further convert the current mineral resource into additional minable reserves.

Operating risks: If and when in production, the company will be subject to risks such as plant/equipment breakdowns, metallurgical (meeting design recoveries within a complex flowsheet), materials handling and other technical issues. An increase in operating costs could reduce the profitability and free cash generation from the operating assets considerably and negatively impact valuation. Further, the actual characteristics of an ore deposit may differ significantly from initial interpretations which can also materially impact forecast production from original expectations.

Commodity price and currency fluctuations: As with any mining company, CVV is directly exposed to commodity price and currency fluctuations. Commodity price fluctuations are driven by many macroeconomic forces including inflationary pressures, interest rates and supply and demand factors. These factors could reduce the profitability, costing and prospective outlook for the business.

Distribution of Ratings:

Global Stock Ratings (as of 04/23/25)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	642	69.56%	27.10%
Hold	124	13.43%	12.90%
Sell	11	1.19%	0.00%
Speculative Buy	137	14.84%	56.93%
	923*	100.0%	

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System

BUY: The stock is expected to generate returns greater than 10% during the next 12 months.

HOLD: The stock is expected to generate returns from -10% to 10% during the next 12 months.

SELL: The stock is expected to generate returns less than -10% during the next 12 months.

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*As of January 1, 2024, the Ratings History Chart will reflect the new Canaccord Genuity Ratings System as defined above.

Risk Qualifier

SPECULATIVE: The stock bears significantly above-average risk and volatility. Investments in the stock may result in material loss.

12-Month Recommendation History (as of date same as the **Global Stock Ratings** table)

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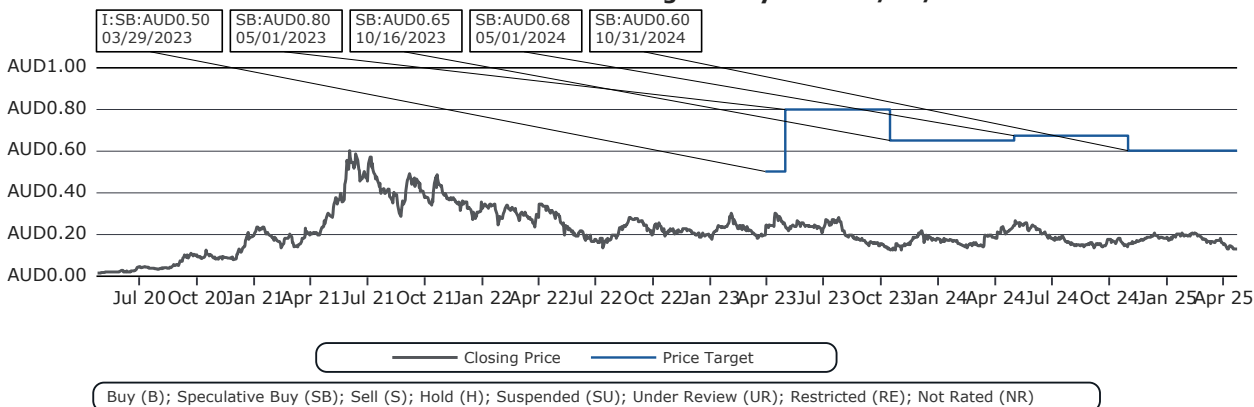
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Ticker	Quantity	Strike	Date of Expiry
CVV	750,000	\$0.33	29/08/2025

Caravel Minerals Limited Rating History as of 04/22/2025



Past performance

In line with Article 44(4)(b), MiFID II Delegated Regulation, we disclose price performance for the preceding five years or the whole period for which the financial instrument has been offered or investment service provided where less than five years. Please

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