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CARAVEL
MINERALS



ANNUAL REPORT 2022

COPPER EXPLORATION AND DEVELOPMENT

ASX:CVV

CORPORATE DIRECTORY

DIRECTORS AND COMPANY SECRETARY

MR WAYNE TRUMBLE
Non-Executive Chairman

MR STEVE ABBOTT
Managing Director

MR ALASDAIR COOKE
Executive Director

MR RICHARD MONTI
Non-Executive Director

MR DANIEL DAVIS
Company Secretary

REGISTERED AND PRINCIPAL OFFICE

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SHARE REGISTER

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CVV

SOLICITORS

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2022 Pre-Feasibility Study available at caravelminerals.com.au and asx.com.au

MANAGING DIRECTOR'S REPORT

The past 12 months have seen Caravel Minerals (ASX:CVV) complete a significant Pre-Feasibility Study work program and deliver important milestones to advance the large-scale, long-life Caravel Copper Project in Western Australia. The full range of feasibility studies continue to clearly demonstrate the Caravel Copper Project is a robust and executable project capable of near-term development. Caravel is one of very few large copper projects in a stable jurisdiction (WA) that is advancing towards production at a time when copper metal is forecast to enter a deficit of between 4 – 10Mpta by 2030. I am very pleased to provide an overview of progress in the 2022 Financial Year and Caravel's outlook for the period ahead.

A major milestone was the delivery of a Pre-feasibility Study (PFS) and a maiden Ore Reserve Estimate for the project in July 2022. The Ore Reserve (JORC 2012) of 583.4Mt at 0.24% copper for 1.42Mt contained copper (at 0.10% cut-off) consists of Proven Ore Reserves of 105.4Mt for 0.28Mt contained copper and Probable Ore Reserves of 478.0Mt for 1.14Mt contained copper. Over 81.6% of the Project's 28-year mine life is now in Ore Reserve.

The culmination of wide-ranging technical, commercial and environmental studies, the PFS confirmed annual production of ~62,000 tonnes (copper metal in concentrate) based on the parallel development of two 13.9Mtpa capacity trains for a total throughput capacity of 27.8Mtpa to generate strong cashflows over an initial 28-year mine life.

The PFS also determined low operating costs (C1 costs of ~US\$1.72/lb) due to a very low strip-ratio of 1.3:1 (including pre-strip), good metallurgy with high copper recoveries and low-cost electricity enabling the use of a safer, more efficient, lower carbon emitting automated and electrified fleet from the start-up of operations.

As well as demonstrating a clear pathway for development, the July 2022 PFS outlined opportunities to improve the process plant flowsheet, including its consolidation into a single ~27Mtpa throughput train, the use of High-Pressure Grinding Rolls (HGPRs) replacing Semi-Autogenous Grinding (SAG) Mills and the adoption of Coast Particle Flotation (CPF).

PFS Update studies on the optimised single train flowsheet commenced in July this year and were reported in September, delivering processing cash unit cost reductions of \$1.23/t of ore, primarily due to lower power costs arising from the use of HGPR and CPF. The processing cost savings resulted in increased annual free cashflow of ~A\$35m, or \$A\$870m over life of mine. C1 cash costs reduced from US\$1.72/lb (PFS) to US\$1.54/lb and AISC reduced from US\$2.55/lb (PFS) to US\$2.37/lb. The changes to cashflows and capital resulted in an increase in Project NPV (7%) from A\$1.1B (PFS) to A\$1.5B.

The PFS studies are based on the Bindi and Dasher deposits which make up only 6km of a 30km mineralised system within the Caravel tenement package. There remains clear and substantial upside for resource growth with several deposits having demonstrated good mineralisation based on limited drilling to date.

Earlier in FY22, we released an updated Mineral Resource of 1.18 billion tonnes at 0.24% Cu and 48 ppm Mo for 2.84Mt of contained copper (0.1% Cu cut-off), incorporating results from Reverse Circulation (RC) percussion and diamond drilling at the Bindi deposit.



This was on the back of 7,740m diamond and 20,233m RC percussion drilling aiming to better delineate the grade and distribution of copper-molybdenum mineralisation in the Bindi Hinge Zone and Bindi East Limb which are the first areas to be mined.

The drilling at Bindi aimed to increase confidence within planned starter pits and was achieved with results showing shallow mineralisation at similar or higher grades to previous drilling. Diamond drilling also provided core material which will be used for metallurgical test work and geotechnical analysis as part of the Project's Definitive Feasibility Study (DFS).

Caravel completed a Share Placement and entitlement issue to Shareholders during the FY to complete feasibility and optimisation studies and continue critical path activities for the Caravel Project. We would like to take this opportunity to thank new and existing Shareholders for their support of the Company as it effectively utilises funds to position for long-term success.

Caravel has a strong management team that was further bolstered during the year with the appointments of Mining Manager Jason Vos, Approvals Manager Michael Klvac and Don Hyma as an advisor to our Board, providing guidance on our project implementation strategy. I'd like to thank my fellow Board members and

our management team for their support and efforts over the past year, and our staff and contractors who have also worked incredibly hard to make progress towards the Caravel Copper Project's development.

Caravel values the effective working relationships with a wide range of stakeholders involved in the work programs associated with the PFS and the project's future development. This involvement and collaboration is highly valued by the Company and in particular we wish to thank landowners who have worked with the Company since copper was first discovered at Wongan Hills dating back to 2009 and continue to play an important part in the future planning of the Project.

The year ahead is very important for positioning Caravel as Australia's next long-term, stable copper production project as it moves into final feasibility. I look forward to delivering further updates as we progress the project towards an investment decision. Caravel looks forward to sharing this journey with you.

Steve Abbott
MANAGING DIRECTOR

ACTIVITIES REPORT

HIGHLIGHTS

COMPANY

The Company raised around \$4.7M in a (\$3.0M) placement and (\$1.7M) rights issue to fund drilling, technical studies and project development activities. The Company continued to enjoy strong support from new and existing shareholders demonstrating confidence in the Company's copper assets and a clear focus on progressing the project towards development. The retention and attraction of experienced key management and 'owners team' continued to be a key priority for Caravel.

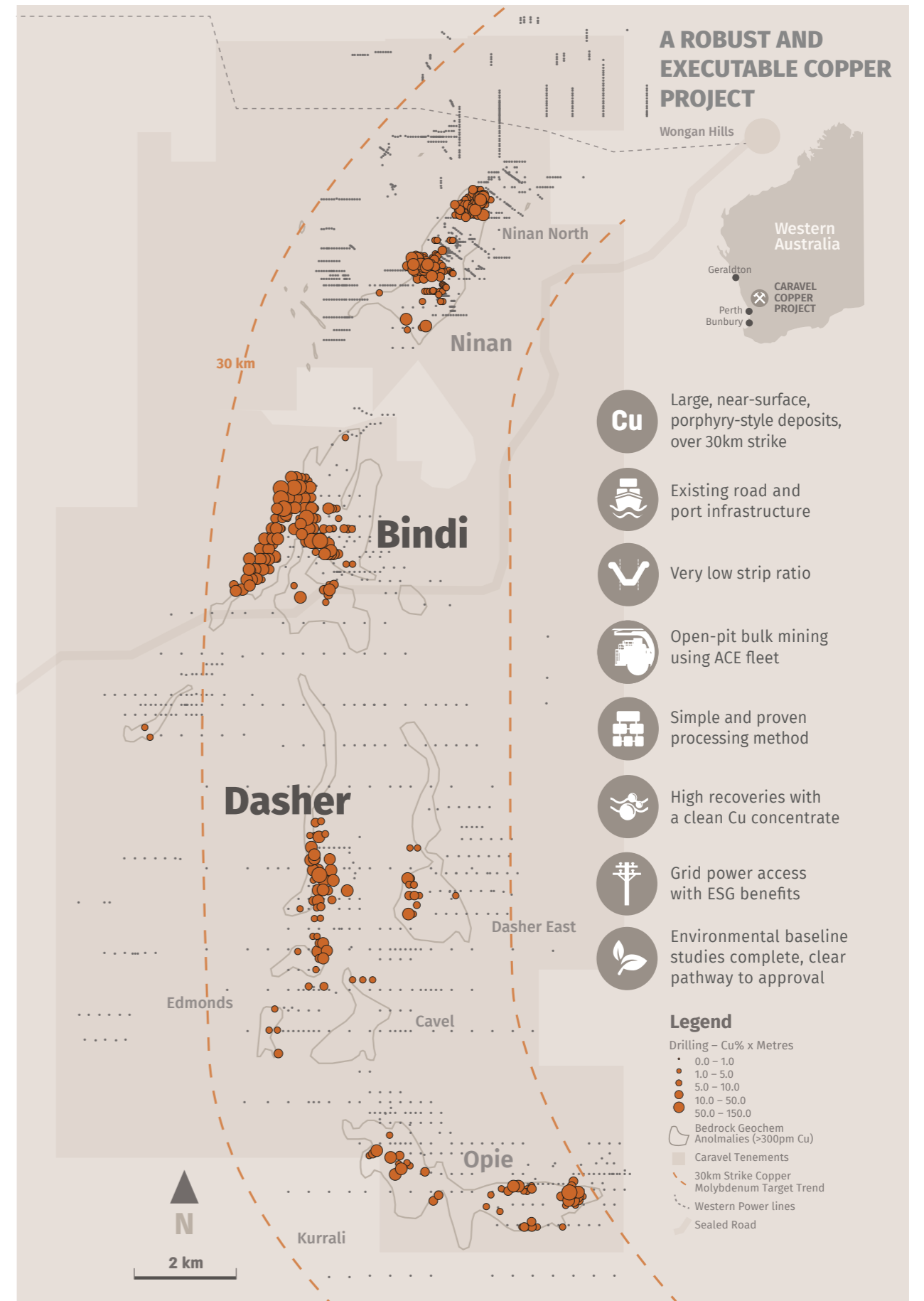
Caravel released a project Scoping Study in November 2021 which incorporated results from initial Ausenco engineering studies and modelled revised assumptions on the flowsheet, throughput rate, capital estimates, operating costs and revenue forecasts. The 2021 Scoping Study reported on progress of all other PFS activities. At the time of the 2021 Scoping Study release Caravel was preparing a Mineral Resource update which followed approximately 7,740 metres of diamond drilling and 20,233 metres of RC percussion drilling at Bindi and predominantly on the Bindi East Limb.

The Mineral Resource upgrade was announced on 23 November 2021 and reported a total of 2.84Mt of contained copper (0.1% Cu cut-off) representing a 53% increase in contained copper compared to the 2019 Mineral Resource. The Caravel Copper Project deposits are presently the largest undeveloped copper resources in Australia based on contained copper.

A range of studies completed during the year suggest Caravel Copper Project's large ore bodies can be economically mined and processed at a low cut-off grade of 0.1% Cu. This is due to low operating costs provided by an automated and electrified bulk mining operation, access to low-cost grid power and the presence of established road, port, and other infrastructure the Project may leverage (such as towns, proximity to services and skilled workforce in Perth). There are several porphyry copper projects operating in Tier 1 jurisdictions exhibiting similar steep grade versus tonnage curve characteristics to Caravel including the Gibraltar copper-molybdenum mine, located in south-central British Columbia, Canada (producing ~60Kt / 130mlbs of Cu per year) and the Copper Mountain copper mine located in southern British Columbia, Canada (producing ~40Ktpa / 80-90 mlbs of Cu per year). Such projects offer reliable copper supply, strong cashflows and stable mining operations over a very long life and offer a very good basis of comparison to Caravel.

The completion of the PFS in July 2022 and subsequent PFS Update in September 2022 provides Caravel with a strong foundation for continued engagement with interested parties including potential off-take partners and other funding stakeholders. The Company remains in discussions with a range of interested parties.

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RESOURCE DRILLING

Drilling programs were completed at the Dasher deposit and a program of sterilisation air core (AC) drilling surrounding the Bindi deposit. A major infill drilling program was completed at the Bindi East deposit, with a smaller infill drilling program completed at Bindi West.

An extensive 10,825 metre reverse circulation (RC) percussion drilling programs at the Bindi and Dasher deposits tested extensions and continuity of copper mineralisation in the Bindi East Limb, Bindi Lower Limb and Dasher South. A further 4,888 metres of diamond drilling was completed at the Bindi deposit collecting geotechnical data and material for metallurgical test work. In addition, diamond core drilling tested for depth extensions and structural complexity in the mineralisation of the Dasher copper deposit.

Around 3,487 metres of AC sterilisation drilling was completed to the east, north, south and southwest of the Bindi deposit seeking to identify areas suitable for the placement of site infrastructure. The drilling identified two parallel Cu mineralised zones east of the Bindi East Limb, the two zones have been named Bindi Lower Limb and Bindi Far East.

As a result, the geological model for the Bindi mineralisation has been revised in light of the confirmation of the presence of the Bindi Southeast Synform at the south end of the Bindi East Zone. The Bindi Lower limb seen to the east of Bindi East, is interpreted to connect with Bindi East through the Southeast Synform. Initial RC drill testing of the Bindi Lower Limb and Bindi Far East positions also returned encouraging primary sulphide mineralisation (Figure 1).

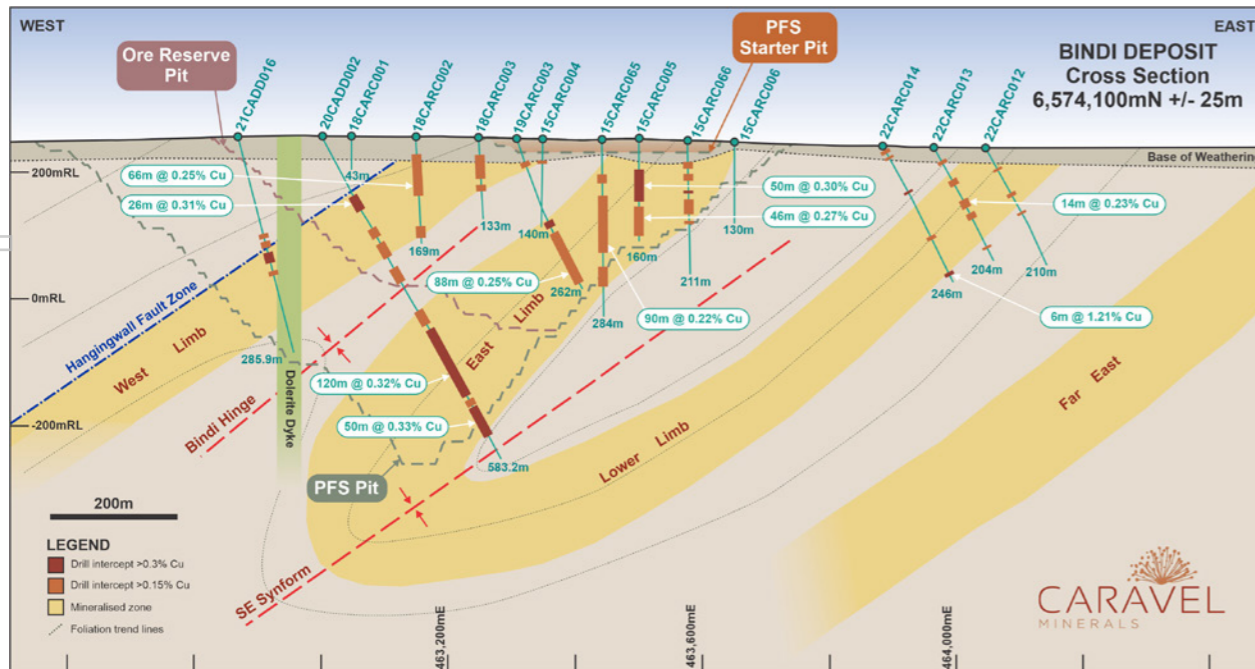


Figure 1: Bindi South East Synform Cross Section Showing Lower Limb and Far East Positions

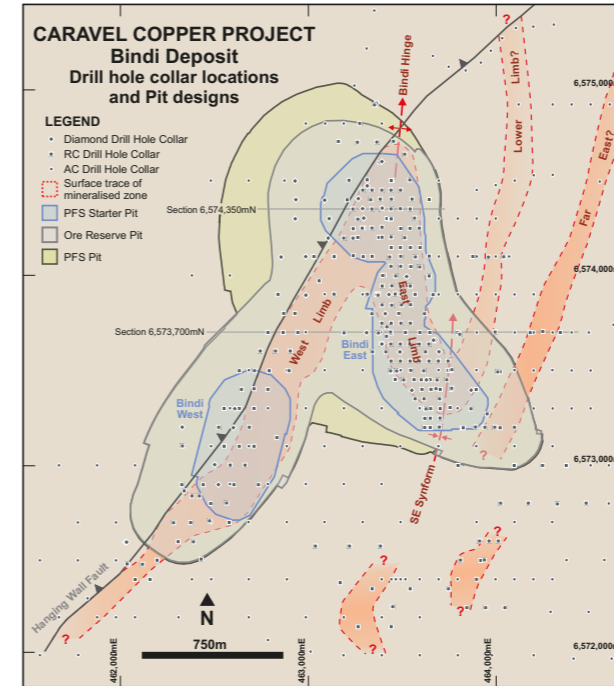


Figure 2: Bindi deposit air core drilling results

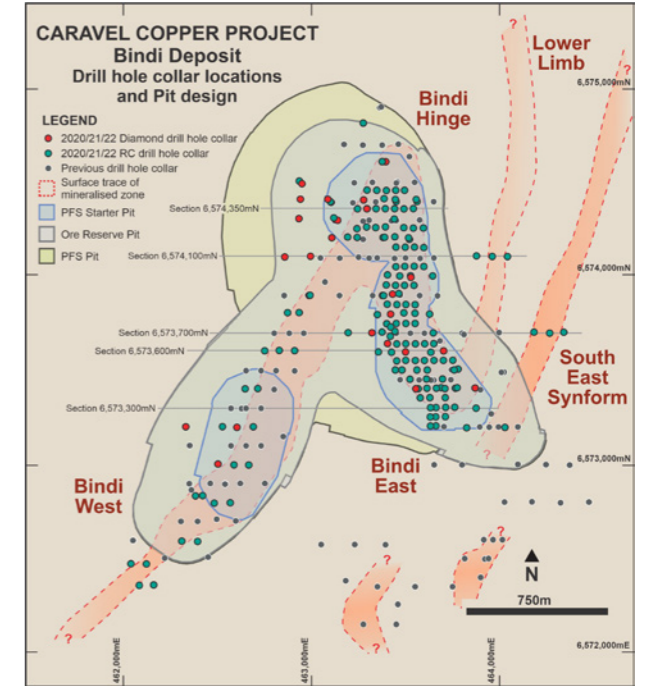


Figure 3: Bindi deposit drill hole collar locations and pit design

Based on deep drilling results at Bindi, the Company defined an Exploration Target for the intersected mineralisation of 75 to 85 million tonnes at a grade of 0.20% to 0.30% copper, for 150,000 to 255,000 tonnes contained copper (Figure 4).

A further 36 auger holes and five test pits were completed investigating the properties of the soil profile to assist with the potential design for a tailings management facility and 10 shallow water bores

have been installed (532.5m) in paleodrainage features across the project to provide baseline data that will be used in hydrological modelling of the project area.

Drilling programs completed during the year have increased confidence in higher grade areas for resource/reserve classification for consideration in the early stage of a proposed mine schedule.

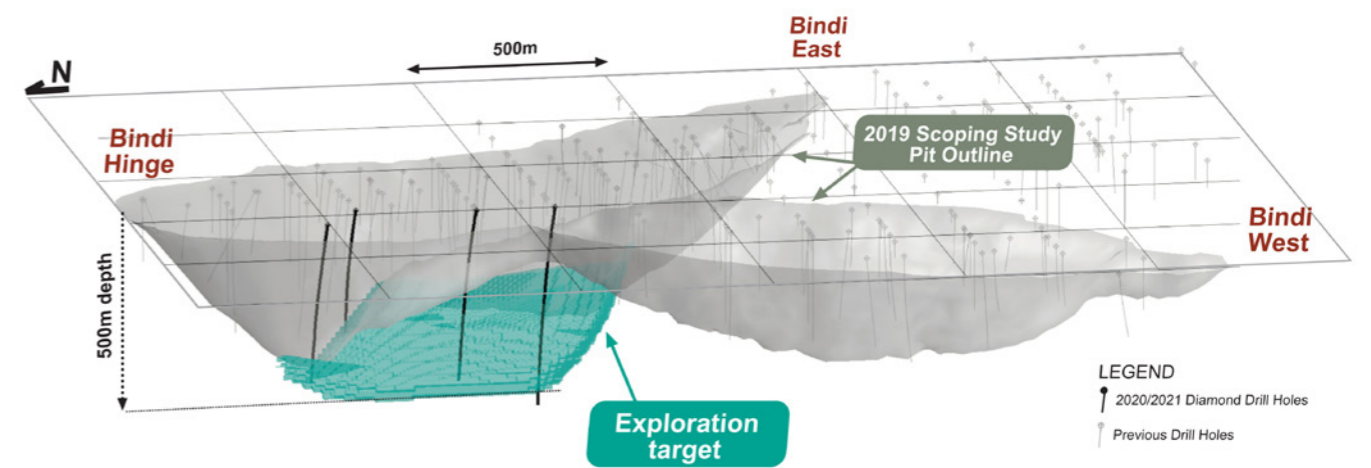


Figure 4: Oblique 3D view of the Bindi Deposit showing 2019 Scoping Study open pit shells and location of the Exploration Target. Highlighted are the deep diamond drill holes on which the Exploration Target is based.

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PROJECT DEVELOPMENT

The Caravel Copper Project Pre-Feasibility Study was completed during the year and released on 12 July 2022, followed by a PFS Update study which was released on 20 September 2022. The studies have defined a robust project capable of producing at least ~60,000 tpa of copper in concentrate at low cost, generating strong cash flows over an initial 28-year mine life. The detailed technical, environmental and commercial studies indicated the Project can be built and operated with low technical risks, minimal environmental impact and positive economic and social outcomes.

The PFS comprised of studies on mining optimisation and design, mineral processing, geotechnical design, metallurgical, tailings management, approvals and sustainability, water supply, transport and logistics, infrastructure and services. Several key PFS technical advisors supported Caravel throughout the year including:

- Ausenco - Engineering
- Orelogy - Mining and Ore Reserve
- Knight Piesold - Tailings
- Dempers & Seymour - Geotechnical Engineering
- Trepanier - Mineral Resources
- Fortin Pipelines - Water Pipeline
- Sensorem - LiDAR
- Western Power – Power
- ECG Engineering – Power
- ALS Laboratories - Metallurgical Testwork
- Aurifex - Metallurgy
- Preston Consulting – Approvals
- Mattiske Consulting - Flora
- Western Wildlife - Fauna
- Dortch Cuthbert - Indigenous Heritage
- Global Groundwater - Process Water
- Smith Drilling - Water Exploration
- Minera - Mining Automation and Electrification
- Civmec - Construction
- Qube Bulk - Transport
- Braemer - Shipping
- FTI Consulting - Financial Modelling

The PFS studies delivered important technical analysis, information and results which Caravel has reported and presented a comprehensive Pre-Feasibility Study.

Caravel encourages interested parties to view the Caravel Copper Project Pre-Feasibility Study (PFS) report (12 July 2022) and the PFS Update announcement (20 September 2022) on the caravelminerals.com.au or asx.com.au websites.



APPROVALS

The Company has completed baseline studies required to establish the existing environment and prepare Caravel Copper Project approvals applications. The key primary approvals required, the applicable legislation, the granting authority and the targeted timing of the approvals are listed in Table 1.

Table 1: Project Approvals Register

Legislation	Approval	Authority	Target Approval Date	
Environmental Protection Act 1986	Part IV	Department of Water and Environmental	Q4 2023	
Environmental Protection and Biodiversity Conservation Act 1999	Matters of National Environmental Significance	Department of Agriculture, Water and Environment	Q4 2023	
	Mining Proposal	Department of Mines, Industry Regulation and Safety	Q1 2024	
	Mine Closure Plan	Department of Mines, Industry Regulation and Safety	Q1 2024	
	Mining Leases • MLA70/1410 • MLA70/1411	Department of Mines, Industry Regulation and Safety	Q1 2024	
	General Purpose Leases • GPLA70/262 • GPLA70/263	Department of Mines, Industry Regulation and Safety	Q1 2024	
Mining Act 1978	Miscellaneous Licences • Water pipeline (TBA) • Power Line (TBA) • Borefield (TBA)	Department of Mines, Industry Regulation and Safety	Q1 2024	
	Heritage Act 2018	Section 18s (if required)	Department of Planning, Lands and Heritage	Q1 2024
	Electricity Industry Act 2004	Access Contract (mine and processing)	Western Power	Q4 2023
Connection Contract (borefield)		Western Power	Q4 2023	
Right in Water and Irrigation Act 1914	Section 26D Licences	Department of Water and Environmental Regulation	Q2 2022	
	Section 5C Licences • Application 047262	Department of Water and Environmental Regulation	Q1 2024	

HEALTH, SAFETY, ENVIRONMENT, COMMUNITY AND QUALITY (HSEQC)

Caravel adopted a HSEQC Management System during the year to provide an organisational framework and operating system for maintaining compliance and increase efficiency as the team and company activities develop. The HSEQC system is used by Caravel staff to access policies, standards, procedures, and tools that support delivery of the Company's direction and purpose.

HSEQC Management System is comprised of:

External and Internal Standards Caravel has aligned the HSEQC Management System with relevant State and Federal legislation and the International Organization for Standardisation (ISO) Standards to ensure the business is meeting its legal requirements and adopting international best practice in the areas of Health, Safety, Environment, Community and Quality.

In addition, Caravel has used internationally recognised risk management procedures to identify all Caravel risks to ensure that our Management System is focussed on the most prominent opportunities and threats to the businesses.

Health and Safety Caravel's HSEQC Management System sets the health and safety standards and procedures that require our management to provide a healthy and safe work environment and ensure our workforce complete their activities in a healthy and safe manner. The standards and procedures are focussed on the health and safety risks associated with Caravel's current exploration activities and will evolve as the Caravel risk profile changes with the different stages of project development.

The business recently adopted the 'SafeX' safety system which is an online safety application that assists the field staff and contractors manage their

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safety in the field (e.g. online: Take 5, Job Hazard Analysis, Risk Assessment tools, equipment registers, etc). The tool also contains the companies risk register, training matrix and training records and action tracking tool with automated reminders for actions to improved health and safety performance. Our field staff have access to the system via field tablets that electronically record health and safety information in the field and automatically file it in Caravel's central data base.

Environment Caravel is focussed on minimising its impacts to the environment and has implemented standards and procedures targeted at ensuring our current exploration activities meet regulatory compliance and impacts to the environment are minimised. Ground disturbance permitting, weed management and waste disposal management procedures are all focussed on minimising impacts to the environment.

EXPLORATION – NEW PROSPECTS

During the year, Caravel continued to secure new mineral exploration licences over several areas of interest for copper, gold and nickel mineralisation within the prospective South West Terrane of the Yilgarn Block. Caravel conducted reconnaissance surface sampling over a number of these licences during the years. The Caravel copper deposits were discovered in 2009 by the same process of surface sampling and identification of low-level anomalous geochemical responses.

The mineral potential of the South West Yilgarn Block has been highlighted by the Pt-Pd-Ni-Cu discovery at the Julimar Prospect by Chalice Gold Mines Ltd (70km southwest of Bindi) and the Angepena Au-Cu discovery by Liantown Resources Ltd (48km northwest of Bindi). Combined with the Caravel Copper Project, the discoveries show the potential for significant mineralisation to be concealed below the surface weathering zone with only subtle surface geochemical responses.

Caravel completed internal reviews of available data for the regional exploration licences. Based on these assessments the decision was made to surrender three licences (Dalwallinu E70/5417, Toolbrunup E70/5462 and Congellign E70/5542). Roadside surface sampling at Caravel's Moodiarup (E705596) exploration licence returned weak Cu anomalism coincident with a mapped quartz monzonite which is sited on the Darkan Fault which extends 100km northwest to the Boddington Gold Mine. In addition the Company completed an AC drilling program over the Dalwallinu magnetic feature which found mafic to mafic basement rocks with elevated Cu are responsible for the strong magnetic anomaly. Results are awaited for further roadside soil sampling in the Dalwallinu and Bruce Rock licences.

Caravel's Brookton Cu-Zn prospect shows strong surface geochemistry roadside reconnaissance

sampling completed during the year. Recent sampling confirms the elevated Cu (>500ppm) in rock chips seen in historical sampling, the new work confirms anomalism along 14km of strike. An elongate moderate magnetic feature extends a further 6km to the east along the same trend. Gossanous subcrop with strongly elevated Cu and Zn, is hosted by quart-biotite-garnet schists and granite gneiss suggesting a similar metamorphosed alteration halo to that seen at the Caravel Copper Project.

Caravel has applied for two new mineral exploration licences that are prospective for Rare Earth Element (REE) mineralisation. The areas near the wheatbelt towns of Mukinbudin and Burakin were initially highlighted from pre-competitive geophysical data, subsequent roadside surface sampling has returned widespread REE anomalism.

OUTLOOK

Drilling work planned for 2022/23 includes Reverse Circulation (RC) infill drilling programs within the starter pits at the Bindi deposit as part of a grade control simulation program and further increasing resource confidence. Further Mineral Resource delineation drilling is planned at the Bindi Lower Limb and South East Synform to test the new mineralised domains identified by drilling (RC and AC) over the past 12 months. Results would be incorporated in future Mineral Resource update expected in 1H 2023.

Further diamond core drilling with a focus on the Bindi West Limb for geotechnical and metallurgical studies and testwork and sterilisation aircore (AC) drilling will be undertaken to confirm suitable areas for mine infrastructure.

Further investigation into opportunities to enhance project economics including consideration of ore sorting, processing enhancements and other efficiency initiatives that could further lower costs and carbon emissions will be ongoing. Formal regulatory approval processes for EPA Part IV, EPBC Act and Mining Act and tenement approvals will continue during the coming year.

Securing power requirements including from renewable sources to power the Project's plant operations and mining fleet will continue to be prioritised.

Discussions with off-take groups and potential partners will be ongoing. Options for Caravel may include financing-linked offtake agreements, a strategic joint venture deal with a partner and/or a participation by way of a project equity stake. Caravel will continue to assess alignments such as with a smelter or a trader who can add value to the project.

Caravel will continue to develop the project schedule for completion of the DFS which is expected in early 2024.

ANNUAL REVIEW OF MINERAL RESOURCES

As of 30 June 2022, the combined Measured, Indicated and Inferred Mineral Resources for the project totals 1,180Mt @ 0.24% Cu (at a 0.10% Cu cut-off grade) for 2.8Mt of contained copper (Table 2). There are no reported Ore Reserves.

Table 2: Mineral Resources at 30 June 2022 (0.10% Cu cut-off)

Deposit	Classification	Mt	Cu (%)	Mo (ppm)	Cu (t)
Bindi	Measured	105.2	0.27	67	287,300
	Indicated	424.4	0.23	49	974,400
	Inferred	372.9	0.22	45	833,700
	Total	902.5	0.23	49	2,095,400
Dasher	Measured	-	-	-	-
	Indicated	131.7w	0.28	43	364,100
	Inferred	124.8	0.26	46	321,700
	Total	256.5	0.27	45	685,800
Opie	Measured	-	-	-	-
	Indicated	17.9	0.29	40	51,700
	Inferred	3.6	0.30	33	10,900
	Total	21.5	0.29	39	62,600
Total	Measured	105.2	0.27	67	287,300
	Indicated	574.1	0.24	47	1,390,200
	Inferred	501.3	0.23	45	1,166,200
	Total	1,180.6	0.24	48	2,843,700

Note – appropriate rounding applied

Table 3: ASX Listing Rule 5.21 Disclosure

5.21.1	Results of the annual review of the reported Mineral Resources at the Company's flagship Caravel Copper Project for the year ending 30 June 2022 are disclosed in the table above.
5.21.2	The Company's financial year end is 30 June 2022 and mineral resources held at year end are disclosed in the table above.
5.21.3	The Company had no reported Ore Reserves at 30 June 2022. Subsequent to 30 June 2022, Caravel reported a maiden Ore Reserves for Caravel Copper Project. Refer to announcement dated 12 July 2022.
5.21.4	A new Mineral Resource Estimate was reported for the Bindi Deposit on 23 November 2022 reflecting the major change from the Annual Review of Mineral Resources that was reported at 30 June 2021. No change to Dasher Mineral Resource which remains as reported in April 2019. There was no change to Opie Mineral Resource which remains as reported in April 2016.
5.21.5	Resource governance arrangements are disclosed in the ASX announcement "Major Mineral Resource Upgrade - Caravel Copper Project" released on 23 November 2021.

Competent Persons Statements The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Peter Pring (a full-time employee and shareholder of Caravel Minerals Limited) and Member of AusIMM. Mr Peter Pring 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 Pring consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Mineral Resources for the Bindi and Dasher deposits 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.

The information in this report that relates to the Opie Deposit within the overall Caravel Mineral Resource estimates is extracted from an ASX Announcement dated 4 April 2016 (see ASX Announcement 4 April 2016 "Caravel Maiden JORC Resource", www.caravelminerals.com.au and www.asx.com.au). 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 Opie Deposit Mineral Resource estimates in 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.

The information in this report that relates to Metallurgical Test Work Results is based on and fairly represents information and test work managed by Mr Stuart Smith (consultant to Caravel Minerals Limited). Mr Smith is a Fellow of the Australian Institute of Mining and Metallurgy and has sufficient experience of relevance for management and interpretation of test work activities undertaken so as to qualify as a

Competent Person 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 Smith consents to the inclusion in this report of the matters based on his 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 caravelminerals.com.au and the ASX website asx.com.au:

- 25 August 2021 "Bindi Deposit – Updated Geological Model"
- 23 November 2021 "Major Mineral Resource Upgrade – Caravel Copper Project"
- 12 July 2022 "Caravel Copper Project Pre-Feasibility Study Highlights Robust, Executable Project and Reports Maiden Ore Reserve"
- 20 September 2022 "Pre-feasibility Study Update - Caravel Copper Project".

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 programmes, 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.

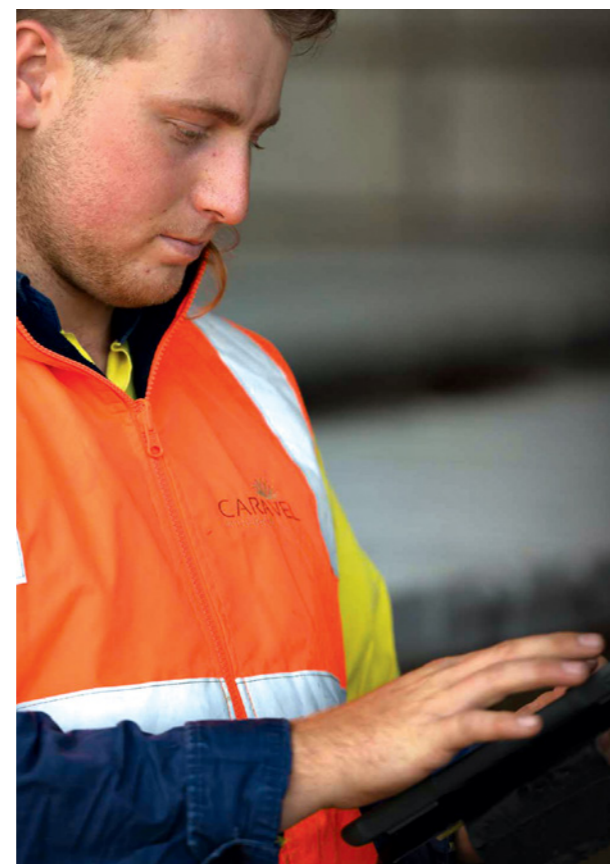


Table 4: Tenement Schedule at 30 June 2022

Project	Tenement	Status	Date Granted	Date Expires	Interest
Caravel Copper Project	E70/2788	Live	6/03/2007	5/03/2022	100%
	E70/3674	Live	15/11/2010	14/11/2022	100%
	E70/3680	Live	23/11/2009	22/11/2021	100%
	E70/5228	Live	6/11/2019	5/11/2024	100%
	E70/5229	Live	6/11/2019	5/11/2024	100%
	R70/0060	Live	17/01/2020	16/01/2023	80%
	R70/0063	Live	12/05/2021	11/05/2024	100%
	E70/5586**	Live	12/10/2020	11/10/2025	100%
	E70/5400	Live	3/06/2020	2/06/2025	100%
Dalwallinu	E70/5417*****	Live	9/07/2020	8/07/2025	100%
	E70/5511	Live	21/01/2021	20/01/2026	100%
	E70/5512	Live	23/02/2021	22/02/2026	100%
	E70/5673	Live	11/05/2021	10/05/2026	100%
	E70/5462	Live	5/01/2021	4/01/2026	0%
Toolbrunup***	E70/5462	Live	5/01/2021	4/01/2026	0%
Brookton	E70/5506	Live	22/01/2021	21/01/2026	100%
Congellin****	E70/5542	Live	5/03/2021	4/03/2026	0%
Moodiarup	E70/5596	Live	9/04/2021	8/04/2026	100%
Gillingarra	E70/5731	Live	21/04/2021	20/04/2026	100%
Bruce Rock	E70/5964	Live	4/02/2022	3/02/2027	100%
Mukinbudin	E70/6125	Pending			
Burakin	E70/6126	Pending			
Mt William*	E70/2338	Pending			

* Caravel can Earn a 51% Interest Once Tenement Granted

** E/70/5586 Acquired from Tashmont Minerals

*** E70/5462 Toolbrunup Surrendered 10/12/2021

**** E70/5542 Congellin Surrendered 6/05/2022

***** E70/5417 Dalwallinu Surrendered 7/07/2022

***** E70/6125 & E70/6126 Under Application

2022 ANNUAL FINANCIAL REPORT

Caravel Minerals Ltd
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Directors' Report 30 June 2022

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 year ended 30 June 2022.

Directors

Qualifications, Experience and Special Responsibilities of Directors

Wayne Trumble - Chairman

A senior executive with 35 years of specific industry expertise in mining, electricity, investment and construction. Mr Trumble currently consults as Energy Manager for Newmont Mining managing the supply of energy to the Newmont operations at Boddington and Tanami.

For the twelve years to 2013, Mr Trumble was the Executive General Manager of Griffin Power Pty Ltd, reporting to the Board of the Griffin Group, where he led Griffin's move from fuel supplier to electricity generator. Mr Trumble led the team responsible for preparation of strategy and the development, execution and operation of Griffin's \$1.2 billion Bluewaters coal fired project, providing 436 MW of base load power in Western Australia.

Other current directorships
None

Special responsibilities
Chairman
Member of Remuneration Committee

Former directorships in the last three years
None

Interests in shares and options
420,000 shares
287,908 options

Stephen Abbott - Managing Director

A highly regarded mining executive with more than 25 years' experience in senior international and resource sector roles. Mr Abbott has proven technical and management experience at senior levels across exploration, mining, processing, metallurgy, maintenance, smelting, refining, infrastructure, approvals and stakeholder engagement.

Prior to Caravel, Mr Abbott worked as General Manager Iron Ore and Industrial Minerals for BC Iron and General Manager Business Development for Gindalbie Minerals.

Earlier in his career, Mr Abbott spent eight years at Western Mining Corporation where he held various mechanical engineer and metallurgist roles culminating in a period as smelter superintendent at Olympic Dam.

Mr Abbott holds a Bachelor of Engineering from Curtin University of Technology as well as a Post Graduate Diploma in Metallurgy and he attained an MBA from La Trobe University. He completed a diploma at Australian Institute of Company Directors.

Other current directorships
Nil

Special responsibilities
Managing Director

Former directorships in the last three years
None

Interests in shares and options
5,742,002 shares
2,303,262 options

Alasdair Cooke - Executive Director

Alasdair Cooke has over 30-years of experience in the mining industry with 20 years managing public resource companies. Alasdair is a qualified geologist with a track record of successful exploration and project development. He is a founding partner of Perth-based investment and technical services company Mitchell River Group (MRG). MRG has established a number of successful mining projects including greenfield mines in Australia, Africa and South America. Mr Cooke is the Chairman of African Energy Resources and a Director of EVE Investments.

Alasdair is a substantial shareholder of Caravel Minerals.

Other current directorships
EVE Health Group Limited
Alma Metals Limited

Special responsibilities
Executive Director

Former directorships in the last three years
Anova Metals Limited (retired 8 May 2020)

Interests in shares and options
31,483,117 shares
2,303,262 options

Directors' Report 30 June 2022

Richard Monti – Non-Executive Director

Mr Monti has a successful thirty-five year career in the international mineral resource industry and brings to Caravel broad project development and corporate experience. Mr Monti is currently on the board of ASX listed companies Alto Metals Limited, Zinc of Ireland Limited and Boab Metals Limited and is the principal of Terracognita supplying technical, commercial and corporate advice to resource industry companies.

Other current directorships

Alto Metals Limited
Zinc of Ireland Limited
Boab Metals Limited (formerly Pacifico Metals Limited)

Special responsibilities

Chairman of Remuneration Committee

Former directorships in the last three years

Black Dragon Gold Limited (resigned 11 August 2021)

Interests in shares and options

2,300,000 shares
143,954 options

Daniel Davis – CFO and Company Secretary

Daniel is a qualified accountant who has fifteen years-experience in senior accounting and corporate roles for resources businesses in all stages from exploration to development, construction and mining. In addition to his role with Caravel, he is the current company secretary of ASX-listed companies Alma Metals, and has previously held finance roles with Albidon and Energy Ventures.

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 year ended 30 June 2022 (30 June 2021: nil)

Review of Operations

The past 12 months have seen Caravel Minerals complete a significant Pre-Feasibility Study work program and deliver important milestones to advance the large-scale, long-life Caravel Copper Project. The delivery of a Pre-feasibility Study and a maiden Ore Reserve Estimate for the project in July 2022 continues to demonstrate the Caravel Copper Project is a robust and executable project capable of near-term development.

The Pre-feasibility Study is based on the Bindi and Dasher deposits which make up only 6km of a 30km mineralised system within the Caravel tenement package. There remains clear and substantial upside for resource growth with several deposits having demonstrated good mineralisation based on limited drilling to date.

In November 2022, an updated Mineral Resource was announced which incorporated results from Reverse Circulation percussion and diamond drilling at the Bindi deposit. This was on the back of 7,740m diamond and 20,233m RC percussion drilling aiming to better delineate the grade and distribution of copper-molybdenum mineralisation in the Bindi Hinge Zone and Bindi East Limb which are the first areas to be mined.

The drilling at Bindi was aimed at improving confidence within planned starter pits which was achieved with results showing shallow mineralisation at similar or higher grades to previous drilling. Diamond drilling also provided core material which will be used for metallurgical test work and geotechnical analysis as part of a Definitive Feasibility Study.

Caravel completed a Share Placement and entitlement issue to Shareholders during the year to complete feasibility and optimisation studies and continue critical path activities for the Caravel Project.

Caravel has a strong management team that was further bolstered during the year with the appointments of Mining Manager Jason Vos, Approvals Manager Michael Klvac and Don Hyma as an advisor to our Board, providing guidance on our project implementation strategy.

Corporate and Financial Position

The group's net loss from operations for the year was \$14,435,952 (2021: \$11,201,272).

At 30 June 2022, the group had net current assets of \$1,458,338 (2021: \$11,940,426). 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.

Directors' Report 30 June 2022

Movements in Company's share capital

On 9 July 2021, 625,000 options were exercised at a strike price of 8 cents to raise \$50,000.

On 20 September 2021, 11,200,000 options were exercised at a strike price of 8 cents to raise \$896,000.

On 31 October 2021, 250,000 options were exercised at a strike price of 10 cents to raise \$25,000.

On 31 May 2022, the Company issued 7,122,197 ordinary shares at 24 cents per share upon completion of a pro-rata rights issue, raising \$1,709,329 before costs.

On 29 June 2022, 3,215,100 options were exercised at a strike price of 8 cents to raise \$257,208.

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) Develop the Caravel Copper Project;
- (iii) Selectively expand the group's portfolio of exploration assets; and
- (iv) Examine other new business development opportunities in the mining and resources sector.

Significant Changes in the State of Affairs

None.

Matters subsequent to the end of the financial year

- On 1 July 2022 the Company issued 2,533,589 options under its Employee Incentive Plan at an exercise price of 30 cents per share, expiring on 30 June 2023.
- On 12 July 2022, the Company announced the completion of the Caravel Copper Project Pre-feasibility Study upon which 2,303,262 KMP options and 863,723 employee options vested. The options are exercisable at 30 cents, expiring on 30 June 2023.
- On 9 August 2022 the Company issued 100,100 shares at \$0.17 per share as consideration for consulting services.
- On 9 August 2022 the Company completed a share placement of 14,705,883 shares at \$0.17 per share, raising proceeds of \$2,500,000.
- On 28 September 2022, the Company completed a share placement to Alasdair Cooke, a director, of 2,941,176 shares at \$0.17 per share, raising proceeds of \$500,000. The issue of these shares was approved by shareholders at a shareholder meeting held on 20 September 2022.
- On 28 September, the Company issued 1,250,000 shares to Richard Monti, a director, on the conversion of 1,250,000 options at \$0.08 per option.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

Environmental Regulation and Performance

The group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities. There have been no significant known breaches by the group during the financial period.

Likely Developments and Expected Results

It is the Board's current intention that the group will seek to progress exploration on current projects. The group will also continue to examine new opportunities in the mining and resources sector where appropriate.

These activities are inherently risky and there can be no certainty that the group will be able to successfully achieve the objectives.

The directors are uncertain of the duration of the COVID-19 pandemic and of the potential consequential impact that may flow through to the Group's future operating costs and exploration activities. The directors believe there are reasonable prospects the Group can continue operations through the COVID-19 pandemic and are committed to the long term development and growth of the Company on behalf of its shareholders, employees and the communities in which it operates.

Directors' Report 30 June 2022

Greenhouse Gas and Energy Data Reporting Requirements

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Meetings of Directors

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2022, and the number of meetings attended by each director.

	Board Meetings Number Eligible to attend	Board Meetings Number attended	Remuneration Committee Meetings Number Eligible to attend	Remuneration Committee Meetings Number attended
Wayne Trumble	6	6	-	-
Richard Monti	6	6	-	-
Stephen Abbott	6	6	-	-
Alasdair Cooke	6	6	-	-

Insurance of Officers and Auditors

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium is \$34,213 (2021: \$17,161) exclusive of GST.

Share Options on Issue at the Date of this Report

Unissued shares

At the date of this report, the unissued ordinary shares of Caravel Minerals Limited under option are as follows:

Number of unlisted options	Exercise price (\$)	Expiry Date
1,250,000	0.08	30/09/2022
2,000,000	0.30	3/03/2024
15,575,811	0.30	30/06/2023
1,727,447	0.75	31/05/2023
20,553,258		

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the financial year, employees and executives exercised 15,290,100 options to acquire ordinary shares at an average weighted average price of 8.03 cents per option.

Non-Audit Services

There were no non-audit services provided during the year by the auditor, BDO Audit (WA) Pty Ltd.

Auditor's Independence Declaration

The auditor's independence declaration is on page 9 of the Annual Financial Report.

Directors' Report 30 June 2022

Remuneration Report

(Audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. Based on this definition the KMP for the year ended 30 June 2022 of Caravel Minerals Limited are the directors of the Company.

Details of Key Management Personnel

Directors

Wayne Trumble	Non-Executive Chairman
Richard Monti	Non-Executive Director
Stephen Abbott	Managing Director
Alasdair Cooke	Executive Director

There were no changes in KMP after the reporting date and before the date the annual financial report was authorised for issue.

Remuneration and Performance

The remuneration is a mix of fixed and variable pay, and a blend of short and long-term incentives linked to performance.

The following table shows key performance indicators for the Group over the last five years:

	2022	2021	2020	2019	2018
Loss for the year attributable to owners (A\$)	(14,435,952)	(11,201,272)	(1,118,461)	(3,211,611)	(2,483,941)
Basic loss per share (cents)	(3.72)	(3.89)	(0.58)	(2.06)	(2.48)
Dividend payments	-	-	-	-	-
Dividend payment ratio (%)	-	-	-	-	-
Increase / (decrease) in share price (%)	(60.9)	820.0	6.8	(19.1)	20.9
Total KMP incentives as percentage of loss for the year (%)	3.45	7.94	15.45	2.84	-

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives; and
- Link executive rewards to shareholder value.

Due to the early stage of development which the Company is in, shareholder wealth is directly affected by the Company share price, as the Company is not in a position to pay dividends. By remunerating Directors and Executives in part by share based payments, the Company aims to align the interests of Directors and Executives with Shareholder wealth, thus providing individual incentive to perform and thereby improving overall Company performance and associated value.

As the Company has been incorporated since June 2006 and remains in the development stage of an inherently risky industry, the remuneration policy does not currently take into account current or prior year earnings. Other than share based payments made to the directors from time to time, there is no specific link to the Company's performance and directors' remuneration.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors to the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Directors' Report 30 June 2022

Structure

The Constitution and the ASX Listing Rules specify that the aggregate directors' fees payable to non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. Shareholders' have approved aggregate non-executive directors' fees payable of \$300,000 per year.

The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Cash fees for non-executive directors are not linked to the performance of the Company or shareholder wealth.

All remuneration paid to Non-Executive Directors is valued at cost to the Company and expensed.

The remuneration of Non-Executive Directors for the years ended 30 June 2022 and 30 June 2021 is detailed below, within this section.

Executive remuneration

Objective

The Company aims to reward executives (both directors and company executives) with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for Company performance;
- Align the interest of executives with those of shareholders; and
- Ensure total remuneration is competitive by market standards.

Structure

The remuneration policy for executives is to provide a fixed remuneration component and a specific equity related component. The board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning director objectives with shareholder and business objectives.

The remuneration policy going forward in regard to setting the terms and conditions for the executive directors has been developed by the board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration.

Fixed remuneration is to be reviewed annually and the process consists of a review of company and individual performance, relevant comparative remuneration in the market and internal policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The remuneration policy going forward in regard to setting the terms and conditions for the executive directors has been developed by the board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The remuneration of executives for the years ended 30 June 2022 and 30 June 2021 is detailed below, within this section.

Variable Remuneration

Objective

The objective of variable remuneration provided is to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Mr Abbott was granted a bonus of \$50,000 upon his appointment on 29 May 2019, payable upon securing funding for a definitive feasibility study, if achieved by 30 September 2021. The bonus expired during the year ended 30 June 2022, as the performance objective was not met.

Directors' Report 30 June 2022

Structure

Variable remuneration may be delivered in the form of options, shares or cash bonus. No cash bonuses were granted or paid during the year ended 30 June 2022.

Executives receive a superannuation guarantee contribution required by the government, which was 10% during the year ended 30 June 2022 (2021: 9.5%) and do not receive any other retirement benefit. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Options Granted

No options were granted to Directors during the year ended 30 June 2022.

During the year ended 30 June 2022, 9,730,000 options were exercised by directors at an exercise price of 8 cents. The options were fully expensed in prior years.

Employment Contracts

Executive Directors

The employment conditions of Managing Director, Mr Stephen Abbott, are formalised in a contract of employment. The total current remuneration package as at 30 June 2022 was \$7,800 per month inclusive of statutory superannuation with an additional \$1,500 per day for additional time worked.

The employment conditions of Executive Director, Mr Alasdair Cooke, are formalised in a contract of employment. The total remuneration package from 1 July 2021 to the reporting date was \$150,000 per annum with an additional \$1,500 per day for additional time worked. Notice of one month is required for either party to terminate the contract.

Key Management Personnel Remuneration

	Short term employee benefits	Post- employment benefits	Share based payments	% Performance- based	Total
	Cash salary	Superannuation	Options		
Key Management Personnel remuneration - 2022					
Non-Executive Directors					
Wayne Trumble	60,000	6,000	-	-	66,000
Richard Monti ¹	88,250	4,800	-	-	93,050
Executive Directors					
Stephen Abbott	248,250	-	248,972	50%	497,222
Alasdair Cooke	223,600	-	248,972	53%	472,572
Total	620,100	10,800	497,944	44%	1,128,844

¹ Director fees for Mr Richard Monti are paid to Greatcity Corporation Pty Ltd of which Mr Monti is a director.

Key Management Personnel remuneration - 2021

Non-Executive Directors					
Wayne Trumble	29,971	2,174	76,106	70%	108,251
Richard Monti ^{1,2}	39,575	2,097	104,303	71%	145,975
Alexander Sundich ²	14,214	677	-	-	14,891
Executive Directors					
Stephen Abbott	174,764	3,811	335,681	65%	514,256
Alasdair Cooke	211,100	-	373,369	64%	584,469
Total	469,624	8,759	889,459	65%	1,367,842

¹ Director fees for Mr Richard Monti are paid to Greatcity Corporation Pty Ltd of which Mr Monti is a director.

² Mr Richard Monti was appointed on 18 August 2020; Mr Alexander Sundich resigned on 8 December 2020.

Directors' Report 30 June 2022

Additional Disclosures Relating to Key Management Personnel

Shareholding

The number of shares in the company held during the financial year by KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at 30/06/2021	Purchased	Exercise of options	Disposed	Balance at 30/06/2022	Balance at Reporting Date
Non-Executive Directors						
Wayne Trumble	500,000	20,000	-	(100,000)	420,000	420,000
Richard Monti	1,000,000	50,000	-	-	1,050,000	2,300,000
Executive Directors						
Stephen Abbott	957,144	84,858	5,000,000	(300,000)	5,742,002	5,742,002
Alasdair Cooke	23,176,358	1,258,819	4,730,000	-	29,165,177	31,483,117
Total	25,633,502	1,413,677	9,730,000	(400,000)	36,377,179	39,945,119

The fair value of options exercised during the year is \$297,613. All options were exercised at \$0.08 per option, contributing \$778,400 to the share capital.

Option holding

The number of options over ordinary shares in the company held during the financial year by KMP of the consolidated entity, including related parties, is set out below:

	Balance at 30/06/2021	Issued as remuneration during the year	Expired During the Year	Exercised During the Year	Balance at 30/06/2022	Vested and exercisable	Maximum value yet to vest (\$)
Non-Executive Directors							
Wayne Trumble	287,908	-	-	-	287,908	287,908	-
Richard Monti	1,393,954	-	-	-	1,393,954	1,393,954	-
Executive Directors							
Stephen Abbott	10,303,262	-	(3,000,000)	(5,000,000)	2,303,262	1,151,631	8,698
Alasdair Cooke	7,033,262	-	-	(4,730,000)	2,303,262	1,151,631	8,698
Total	19,018,386	-	(3,000,000)	(9,730,000)	6,288,386	3,985,124	17,396

Use of Remuneration Consultants

The company did not use the services of any remuneration consultants during the year.

Voting and comments made at the Company's 2021 Annual General Meeting

At the Annual General Meeting held on 25 November 2021 the company's shareholders did not record a vote of more than 25% against the Remuneration Report and no questions were raised at the meeting in relation to the Remuneration Report.

Transactions with key management personnel

The following transactions with related parties took place during the year ended 30 June 2022:

- \$527,074 (2021: \$221,756) was paid or payable to Mitchell River Group, of which Mr Alasdair Cooke is a part owner, for provision of serviced offices and geological consultancy. The unpaid amount due to Mitchell River Group at 30 June 2022 was \$54,316 (30 June 2021: nil).

The value of KMP options yet to vest at 30 June 2022 is \$17,396. No loans to key management personnel were provided during the period or up to the date of signing this report.

END OF AUDITED REMUNERATION REPORT

Signed in accordance with a resolution of the directors.



Stephen Abbott
Managing Director
29 September 2022



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

As lead auditor of Caravel Minerals Limited for the year ended 30 June 2022, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

29 September 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
Other Income	89,332	108,626
Administration services	(860,685)	(406,122)
Employee expenses	(1,725,693)	(584,258)
Share based payments expense	(1,090,679)	(2,377,324)
Exploration expenses	(10,848,227)	(7,942,194)
Loss from continuing operations before income tax expense	(14,435,952)	(11,201,272)
Income tax expense	-	-
Loss from continuing operations	(14,435,952)	(11,201,272)
Loss for the year	(14,435,952)	(11,201,272)
FVOCI loss	(30,250)	-
Comprehensive loss attributable to the shareholders of the Company	(14,466,202)	(11,201,272)
Comprehensive loss 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	3.5 (3.72)	(3.89)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company	3.5 (3.72)	(3.89)

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 30 June 2022

	2022	2021
Note	\$	\$
Assets		
Current assets		
Cash and cash equivalents	4.1 2,448,419	13,249,063
Trade and other receivables	4.3 205,670	363,849
Other current assets	5,833	9,266
Total current assets	2,659,922	13,622,178
Non-current assets		
Exploration and evaluation expenditure	2.1 3,107,811	3,107,811
Property, plant and equipment	2.2 186,384	206,859
Financial Assets at FVOCI	2.3 35,750	-
Total non-current assets	3,329,945	3,314,670
Total assets	5,989,867	16,936,848
Liabilities		
Current liabilities		
Trade & other payables	4.4 1,201,584	1,681,752
Total current liabilities	1,201,584	1,681,752
Total liabilities	1,201,584	1,681,752
Net assets	4,788,283	15,255,096
Equity		
Share capital	5.1 69,547,987	66,639,277
Accumulated loss	(68,880,727)	(54,444,775)
Reserves	4,121,023	3,060,594
Total equity attributable to shareholders of the Company	4,788,283	15,255,096

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

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2022

	Contributed equity	Accumulated losses	Share-Based Payments Reserve	Other Comprehensive Income Reserve (FVOCI)	Total equity
	\$	\$	\$	\$	\$
At 30 June 2021	66,639,277	(54,444,775)	3,060,594	-	15,255,096
Loss for the year	-	(14,435,952)	-	-	(14,435,952)
Financial assets at FVOCI	-	-	-	(30,250)	(30,250)
Total comprehensive loss for the year	-	(14,435,952)	-	(30,250)	(14,466,202)
Transactions with owners in their capacity as owners:					
Issue of new shares net of cost	2,908,710	-	-	-	2,908,710
Share-based payments	-	-	1,090,679	-	1,090,679
Total	2,908,710	-	1,090,679	-	3,999,389
At 30 June 2022	69,547,987	(68,880,727)	4,151,273	(30,250)	4,788,283
At 30 June 2020	46,146,487	(45,970,841)	3,231,008	-	3,406,654
Loss for the year	-	(11,201,272)	-	-	(11,201,272)
Total comprehensive loss for the year	-	(11,201,272)	-	-	(11,201,272)
Transactions with owners in their capacity as owners:					
Issue of new shares net of cost	20,492,790	-	-	-	20,492,790
Share-based payments	-	-	2,556,924	-	2,556,924
Total	20,492,790	-	2,556,924	-	23,049,714
Reclassification within equity	-	2,727,338	(2,727,338)	-	-
At 30 June 2021	66,639,277	(54,444,775)	3,060,594	-	15,255,096

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

Consolidated Statement of Cash Flows For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Interest received		52	179
Government grants		29,280	108,447
Payments to suppliers and employees		(2,302,629)	(501,104)
Payments for exploration and evaluation expenditure		(11,391,856)	(6,929,613)
Net cash (outflow) from operating activities	4.2	(13,665,153)	(7,322,091)
Cash flows from investing activities			
(Payments)/proceeds for property, plant and equipment		(44,201)	(114,427)
Net cash (outflow) from investing activities		(44,201)	(114,427)
Cash flows from financing activities			
Proceeds from issue of shares	5.2	2,937,537	21,835,098
Share issue costs	5.2	(28,827)	(1,381,367)
Net cash inflow from financing activities		2,908,710	20,453,731
Cash and cash equivalents at the beginning of the year	4.1	13,249,063	231,850
Net increase in cash and cash equivalents		(10,800,644)	13,017,213
Cash and cash equivalents at the end of the year	4.1	2,448,419	13,249,063

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

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

1. Basis of preparation

The annual report of Caravel Minerals Limited for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 29 September 2022.

1.1. Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

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. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Caravel Minerals Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Caravel Minerals Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

A list of controlled entities is contained in note 6.1.1 to the financial statements.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

1.6. 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 financial statements for the year ended 30 June 2022 have been prepared on the basis that the group is a going concern and therefore, contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

During the year the group recorded a net loss after tax of \$14,435,952 (2021: \$11,201,272) and had net cash outflows from operating activities of \$13,665,153 (2021: 7,322,091). At balance date the group has working capital of \$1,458,338 (2021: \$11,940,426).

The Group's ability 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 explorations assets.

These conditions indicate a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors are confident of the ability of the Company to potentially raise capital as and when needed. The Directors are satisfied there are sufficient funds to meet the Group's working capital requirements as at the date of this report. 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 the 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 statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

1.7. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting judgements

The determination of mineral resources impacts the accounting for asset carrying values. Caravel Minerals Limited estimates its mineral resources in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the 'JORC' Code). The information on mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Significant accounting estimates and assumptions

Exploration and evaluation expenditure

Exploration and evaluation expenditure is assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

Exploration and evaluation expenditure is assessed for indicators of impairment in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration and/ or evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each cash generating unit that is no larger than the area of interest. The Group performs impairment testing in accordance with accounting policy note 2.3.

Judgement is applied when considering whether fact and circumstances as per above indicate that the exploration and evaluation asset should be tested for impairment and no impairment indicators were noted during the year.

Share based payments

The consolidated entity measures the cost of equity-settled transactions with employees (including directors and consultants) by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

2. Capital Expenditure

2.1. Exploration & Evaluation Expenditure

Caravel Mineral's Copper Project is located 120kms from Perth in Western Australia's Wheatbelt region. The potential mining area is located on cleared agricultural freehold land and is well connected to existing infrastructure including interconnected power, roads and highways, regional service towns and a range of export ports. Caravel's copper deposits form part of a regional copper-molybdenum-gold mineralised belt discovered in a previously unexplored part of the Yilgarn Craton.

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:	2022 \$	2021 \$
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.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

2.2. Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on either the straight-line basis or diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used are as follows:

Buildings	2.5%
Plant and equipment	25%-33%
Exploration equipment	25%-33%
Vehicles	25%-33%
Leasehold improvements	25%-33%
Computer equipment and software	30%-40%
Furniture and fittings	15%-25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of profit or loss and other comprehensive income.

	2022 \$	2021 \$
Land and building - Cost	100,165	100,165
Accumulated depreciation	(30,315)	(22,481)
Net carrying amount	69,850	77,684
Computer equipment - Cost	35,594	21,038
Accumulated depreciation	(13,843)	(6,152)
Net carrying amount	21,751	14,886
Vehicles - Cost	71,896	68,715
Accumulated depreciation	(66,782)	(58,345)
Net carrying amount	5,114	10,370
Exploration equipment - Cost	161,714	143,556
Accumulated depreciation	(78,711)	(39,637)
Net carrying amount	83,003	103,919
Furniture and fittings – Cost	8,306	-
Accumulated depreciation	(1,640)	-
	6,666	-
Total Property Plant and Equipment	377,675	333,474
Accumulated depreciation	(191,291)	(126,615)
Net carrying amount	186,384	206,859

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

2.3. Financial Assets at FVOCI

	30-Jun-22	30-Jun-21
	\$	\$
Listed Investments at fair value	35,750	-
	35,750	-

Movement in fair value of listed investments

	Shares in ASX: PUR*
	\$
Carrying amount at 30 June 2021	-
Additions	66,000
Movement in Fair Value of Financial Assets at FVOCI	(30,250)
Disposals	-
Carrying amount at 30 June 2022	35,750

During the year, the Company received 2,750,000 shares in Pursuit Resources (ASX: PUR) at a price of 2.4 cents per share for a total of \$66,000.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in the FVOCI reserve, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

2.4. Impairment of assets

Caravel Minerals Limited conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

No impairment indicators were noted for the year ended 30 June 2022.

3. Financial Performance

3.1. Other Income

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Other income is recognised to the extent that it is probable that economic benefits will flow to the Group and the income can be reliably measured. Other income is measured at the fair value of the consideration received or receivable.

	2022	2021
	\$	\$
Other Income		
Government Grants and rebates	-	82,280
Interest revenue	52	179
Other income	89,280	26,167
	89,332	108,626

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

3.2. Expenses

	2022	2021
	\$	\$
Administration services		
Audit, tax and accounting	107,039	62,833
Compliance & insurance	251,504	100,561
Legal fees	110,053	30,286
Marketing	128,637	50,100
Occupancy	227,038	152,218
Depreciation	8,721	3,560
Travel	9,274	6,564
Other administration costs	18,419	-
	860,685	406,122
Employee expenses		
Directors Fees	342,400	282,307
Salaries and wages	1,230,612	269,124
Superannuation	79,492	19,057
Payroll Tax & Fringe Benefits Tax	73,189	13,770
	1,725,693	584,258

3.3. 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.

3.4. Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Caravel Minerals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

legislation as of 1 July 2013. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

3.4.1. The major components of income tax are:

	2022 \$	2021 \$
Current income tax	-	-
Deferred income tax	-	-

3.4.2. A reconciliation between tax expense and the product of accounting loss

	2022 \$	2021 \$
Accounting loss before tax from continuing operations	(14,435,952)	(11,201,272)
Loss before income tax from discontinued operations	-	-
Accounting loss before income tax	(14,435,952)	(11,201,272)
At the Company's statutory income tax rate of 25% (2021: 26%)	(3,608,988)	(2,912,331)
Add/(Deduct) tax effect of:		
Non-deductible expenses	15,090	744
Share based payments	272,670	618,104
Non-assessable amounts	-	(9,745)
DTA not brought to account as their realisation is not probable	3,321,228	2,303,228
	-	-
Income tax expense reported in the consolidated income statement	-	-
Income tax attributable to discontinued operations	-	-
	-	-

3.4.3. Deferred tax liabilities @ 25% (2021: 25%) have not been recognised in respect of

	2022 \$	2021 \$
Deferred tax liabilities @ 25% (2021: 25%) have not been recognised in respect of		
Exploration & Evaluation Expenditure	776,953	776,953
Prepayments	1,208	2,066
	778,161	779,019

3.4.4. Deferred tax assets have not been recognised in respect of

	2022 \$	2021 \$
Provisions and accruals	41,457	55,945
Business related costs	221,964	334,704
Carry forward revenue losses	17,862,084	14,442,319
Capital losses	220,458	220,458
	18,345,963	15,053,426

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

3.5. Loss Per Share

Basic earnings per share is calculated by dividing the profit/loss attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	2022 \$	2021 \$
Gain (Loss) attributable to ordinary shareholders	(14,435,952)	(11,201,272)
Issued number of ordinary shares at 1 July	377,775,017	197,172,692
Effect of shares issued during the period	10,114,776	91,095,352
Weighted average number of shares for year to 30 June	387,889,793	288,268,044
	(3.72)	(3.89)
Basic loss per share (cents per share)		

As at reporting date, 18,019,669 (2021: 36,309,769) unlisted options (which represent potential ordinary shares) were not dilutive as they would decrease the loss per share. Details of changes in share capital are disclosed in note 5.2.1.

Subsequent to the reporting date:

- The Company completed a share placement of 17,239,472 shares at \$0.17 per share, raising proceeds of \$3,000,000.
- The Company issued 100,100 shares at \$0.17 per share as consideration for consulting services.
- The Company also issued 2,533,589 options under its Employee Incentive Plan at an exercise price of 30 cents per share, expiring on 30 June 2023.
- The Company issued 1,250,000 shares to Richard Monti, a director, on the exercise of 1,250,000 options at \$0.08 per option.

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

4. Working Capital Management

4.1. Cash and Cash Equivalents

"Cash and cash equivalents" includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

	2022 \$	2021 \$
Cash at bank and in hand	2,428,419	13,229,063
Short-term deposits	20,000	20,000
	2,448,419	13,249,063

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

4.2. Reconciliation of Net Loss After Income Tax Expense to Net Cash Used In Operating Activities

	2022 \$	2021 \$
Cash flows from operating activities		
(Loss) for the year	(14,435,952)	(11,201,272)
Adjustments for:		
Equity-settled share-based payment expenses	1,090,679	2,377,324
Depreciation and amortisation expense	64,676	37,093
Other income received in equity instruments	(60,000)	-
Change in operating assets & liabilities		
(Increase) / decrease in receivables	155,612	(347,712)
Increase / (decrease) in payables	(480,168)	1,812,476
Net cash used in operating activities	(13,665,153)	(7,322,091)

Non-cash financing activities

During the year, the Company received 2,750,000 shares in Pursuit Resources (ASX: PUR) in settlement of an outstanding receivable invoice of \$66,000; of the total invoice, \$60,000 was recognised in other income and \$6,000 as payable Goods and Services Tax (GST).

4.3. Trade and Other Receivables

Trade receivables are initially recognised and carried at original invoice amount less allowance for expected credit loss. Trade receivables are due for settlement no more than 30 days from the date of recognition. A provision for impairment is made based on a forward-looking expected credit loss model in line the requirements of AASB 9. Bad debts are written off when identified.

	2022 \$	2021 \$
Trade debtors	1,391	5,821
Net GST receivable	204,279	358,028
	205,670	363,849

4.4. Trade and Other Payables

Trade and other payables are carried at amortised cost and represent liabilities for the goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days.

	2022 \$	2021 \$
Trade payables	567,400	1,425,351
Other payables	634,184	256,401
	1,201,584	1,681,752

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

5. Funding and risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in the proportion to the number and amount paid on the shares held. Ordinary shares are classified as equity.

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

5.1. Contributed Equity

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.

	2022 \$	2021 \$
Contributed equity	73,252,935	70,315,399
Cost of share issue	(3,704,948)	(3,676,122)
	69,547,987	66,639,277

5.2. Movement in shares on issue

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	Date	Number of shares	Issue price cents	\$
Balance 30 June 2020		197,172,691		46,146,487
Share Placement	21 Jul 2020	26,250,000	4.0	1,050,000
Share Placement	20 Aug 2020	25,000,000	4.0	1,000,000
Share Placement	11 Sep 2020	2,500,000	4.0	100,000
Share Placement	16 Oct 2020	2,082,222	4.5	93,700
Share Placement	27 Nov 2020	34,375,000	8.0	2,750,000
Option Conversion	07 Jan 2021	1,000,000	8.0	80,000
Share Placement	08 Jan 2021	1,562,000	8.0	124,960
Share Placement	04 Mar 2021	1,250,000	8.0	100,000
Option Conversion	04 Mar 2021	200,000	8.0	16,000
Share Placement	04 Mar 2021	56,250,000	16.0	9,000,000
Option Conversion	17 Jun 2021	2,125,000	8.0	170,000
Option Conversion	17 Jun 2021	230,326	30.0	69,098
Share Placement	21 Jun 2021	27,777,778	27.0	7,500,000
Less Transaction costs				(1,560,968)
Balance 30 June 2021		377,775,017		66,639,277
Option Conversion	09 Jul 2021	625,000	8.0	50,000
Option Conversion	20 Sep 2021	11,200,000	8.2	896,000
Option Conversion	31 Oct 2021	250,000	10.0	25,000
Rights issue	31 May 2022	7,122,197	24.0	1,709,329
Option Conversion	29 Jun 2022	3,215,100	8.0	257,208
Less Transaction costs				(28,827)
Balance 30 June 2022		400,187,314		69,547,987

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

5.3. Movement in unlisted options

	2022 Number	2021 Number
Outstanding at the beginning of the year	36,309,769	19,655,800
Issued during the year	-	20,209,295
Expired or lapsed during the year	(3,000,000)	-
Exercised during the year	(15,290,100)	(3,555,326)
Outstanding at the end of the year	18,019,669	36,309,769
Exercisable at the end of the year	14,852,684	33,142,784

5.4. Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

Being at an exploration stage, the Company does not generate cash inflows from its operations to fund its exploration and working capital requirements, therefore, the Company may issue shares to either generate cash for operations or to acquire assets in order to maintain adequate levels of cash reserves.

During the financial year ended 30 June 2022, the Company issued 22,412,297 ordinary shares (2021: 180,602,326 ordinary shares).

The Company is not subject to any externally imposed capital requirements.

5.5. Financial risk management

The Group's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to fund capital expenditure on the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. Being at an exploration stage, the Group has limited exposure to risks arising from its financial instruments.

Currently the Group does not have any exposure to commodity price risk or foreign currency risk as the Group has ceased operations in Spain. As the Group moves into development and production phases, exposure to commodity price risk, foreign currency risk and credit risk are expected to increase. The Board will set appropriate policies to manage these risks dependent on market conditions and requirements at that time.

5.5.1. Credit risk

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The Group's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the statement of financial position. The majority of cash and cash equivalents is held with one Australian Bank which has an AA- long-term credit rating from Standard and Poor's.

Wherever possible, the Group trades only with recognised, credit worthy third parties. There are no significant concentrations of credit risk within the Group. Since the Group trades only with recognised third parties, there is no requirement for collateral.

5.5.2. Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient funds to pay its debts as and when they become due and payable. The Group currently does not have major funding in place. However the Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans if and when required.

Cash at bank and on hand, as set out in Note 4.1, is available for use by the Group without restrictions.

Financial liabilities of the Group at 30 June 2022 are expected to be settled within 6 months of year-end.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

5.5.3. Market risk

(A) Price risk

The Group is not exposed to a material equity security price risk. The Group is not exposed to material commodity price risk.

(B) Foreign currency risk

The group do not have any foreign currency balances and therefore is not exposed to any foreign currency risk.

(C) Interest rate risk

The following tables summarise the sensitivity of the Group's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax loss and equity would have been affected as shown. The analysis has been performed on the same basis for 2022 and 2021 and represents management's judgement of a reasonably possible movement.

	Carrying Amount \$	Interest Rate Risk -1% Net Loss \$	Equity \$	Interest Rate Risk +1% Net Gain \$	Equity \$
30 June 2022					
Cash and cash equivalents	2,448,419	(24,484)	(24,484)	24,484	24,484
30 June 2021					
Cash and cash equivalents	13,249,063	(132,491)	(132,491)	132,491	132,491

None of the Group's financial liabilities are interest bearing. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

5.6. Fair Value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2022				
Financial assets at FVOCI	35,750	-	-	35,750
Total assets	35,750	-	-	35,750
30 June 2021				
Financial assets at FVOCI	-	-	-	-
Total assets	-	-	-	-

There were no transfers between levels during the financial year.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Fair value in active market (Level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets that are not traded in an active market is determined using valuation techniques. These include the use of recent share price from capital raising and option pricing models that provides a reliable estimate of prices obtained in actual market transactions.

For option pricing models, inputs are based on available market data. Fair values for unquoted equity investments are estimated, using the latest share price from capital raising. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

6. Group Structure

6.1. Basis of consolidation

6.1.1. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Date of incorporation	Equity holding 30-Jun-2022	Equity holding 30-Jun-2021
Quadrio Resources Pty Ltd	Australia	11-Jun-1985	100%	100%
Caravel Resources Netherlands Cooperatief U.A.	Netherlands	16-Jul-2012	99.999%	99.999%

6.1.2. Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

6.1.3. Comparatives

Prior period comparatives are for the year from 1 July 2020 to 30 June 2021.

6.2. Parent Entity Information

The following information relates to the parent entity, Caravel Minerals Limited. The information presented has been prepared using accounting policies that are consistent with those presented in the Notes to the Financial Statements.

	2022 \$	2021 \$
Current Assets	2,404,581	13,007,838
Non-Current Assets	2,787,235	2,608,502
Total Assets	5,191,816	15,616,340
Current Liabilities	403,533	361,244
Total Liabilities	403,533	361,244
Contributed equity	69,547,987	66,639,277
Accumulated losses	(68,880,728)	(54,444,776)
Reserves	4,121,024	3,060,595
Total Equity	4,788,283	15,255,096
Loss for the year	(14,435,952)	(11,201,273)
Other comprehensive loss for the year	(30,250)	-
Total comprehensive loss for the year	(14,466,202)	(11,201,273)

Caravel Minerals Limited has not issued any guarantees on behalf of subsidiaries.

7. Related Parties

7.1. Related Parties

Details relating to key management personnel, including remuneration paid, are included in the audited remuneration report section of the directors' report. The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2022 \$	2021 \$
Short term employee benefits	620,100	469,624
Post-employment benefits	10,800	8,759
Share based payments	497,944	889,459
Total compensation	1,128,844	1,367,842

7.2. Transactions with Other Related Parties

Transactions with other related parties during the year ended 30 June 2022 were as follows:

- \$527,074 (2021: \$221,756) was paid or payable to Mitchell River Group, of which Mr Alasdair Cooke is a part owner, for provision of serviced offices and geological consultancy. A total of \$54,316 was unpaid at 30 June 2022 (30 June 2021: nil).

No options were granted to KMP during the year ended 30 June 2022.

During the year ended 30 June 2021 a total of 6,678,386 options were issued to KMP. Of these, 390,000 options were granted to Alasdair Cooke in lieu of unpaid director fees for July 2021 and the remaining 6,288,386 options were granted under the terms and conditions of the Caravel Employee Share Option Plan (the "Option Plan"). Total value of options granted to KMP during the year is \$1,420,296 of which \$22,191 is the value of options issued in payment of directors' fees and \$1,398,105 is the value of options granted under the Option Plan. Details on terms and valuation of these options are disclosed in note 7.5.

The value of KMP options yet to vest at 30 June 2022 was \$17,396 (2021: \$515,339).

No loans to key management personnel were provided during the period or up to the date of signing this report.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

7.3. Share Based Payments

The Group provides benefits to Directors, employees, consultants and other advisors of the Group in the form of share-based payments, whereby the Directors, employees, consultants and other advisors render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model or fair value of services.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the market price of the shares of the Company if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant recipient becomes fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of loss per share (see Note 3.5).

The effect of such an arrangement is equivalent to an option with a strike price per share equal to the share price on grant date.

7.4. Employee Incentive Plan

Shareholders approved the establishment of the Caravel Employee Incentive Plan at the 2020 AGM.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options granted as consideration for services provided to the Company during the year:

	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Outstanding at the beginning of the year	36,309,769	0.20	19,655,800	0.08
Granted during the year	-	-	20,209,295	0.27
Expired or lapsed during the year	(3,000,000)	0.08	-	-
Exercised during the year	(15,290,100)	0.08	(3,555,326)	0.09
Outstanding at the end of the year	18,019,669	0.33	36,309,769	0.20
Exercisable at the end of the year	14,852,684	0.33	33,142,784	0.20

Weighted average remaining contractual life of options at 30 June 2022: 1.02 years (2021: 1.19 years)

7.5. Option pricing model

Options are 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.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

No options were granted during the year ended 30 June 2022. See below for the assumptions used for grants made during the year ended 30 June 2021:

Options issued during the year ended 30 June 2021

Date of issue	11/09/2020	24/07/2020	24/07/2020	26/11/2020	16/11/2020
Number of options	390,000	69,300	1,250,000	1,250,000	250,000
Dividend yield (%)	-	-	-	-	-
Expected volatility (%)	104	104	104	104	104
Risk free interest rate (%)	0.24	0.24	0.24	0.24	0.24
Expected life of the option (years)	1.80	1.93	1.93	1.84	1.87
Option exercise price (\$)	0.080	0.080	0.080	0.080	0.100
Share price at grant date (\$)	0.100	0.035	0.041	0.095	0.094
Expiry date	30/06/2022	30/06/2022	30/06/2022	30/09/2022	30/09/2022
Fair value per option (\$)	0.057	0.015	0.015	0.053	0.048
Total value at grant date (\$)	22,191	1,033	19,126	66,250	11,950
Vesting	On issue	On issue	On issue and service period ²	On issue	Service period ²
Awarded to					
Stephen Abbott	-	-	-	-	-
Alasdair Cooke	390,000	-	-	-	-
Wayne Trumble	-	-	-	-	-
Richard Monti	-	-	-	1,250,000	-
Alex Sundich	-	-	-	-	-

Options issued during the year ended 30 June 2021 (table continued)

Date of issue	4/03/2021	23/03/2021	18/05/2021	1/06/2021	4/06/2021
Number of options	2,000,000	6,506,716	5,038,386	1,727,446	1,727,447
Dividend yield (%)	-	-	-	-	-
Expected volatility (%)	117	117	117	117	117
Risk free interest rate (%)	0.72	0.72	0.72	0.72	0.72
Expected life of the option (years)	3.00	2.27	2.12	2.08	1.99
Option exercise price (\$)	0.300	0.300	0.300	0.300	0.750
Share price at grant date (\$)	0.155	0.235	0.400	0.550	0.550
Expiry date	03/03/2024	30/06/2023	30/06/2023	30/06/2023	31/05/2023
Fair value per option (\$)	0.090	0.135	0.264	0.393	0.289
Total value at grant date (\$)	179,600	879,708	1,331,855	678,680	499,750
Vesting	On issue	On issue	On issue and PFS completion ¹	PFS and service period ²	On issue
Awarded to					
Stephen Abbott	-	-	2,303,262	-	-
Alasdair Cooke	-	-	2,303,262	-	-
Wayne Trumble	-	-	287,908	-	-
Richard Monti	-	-	143,954	-	-
Alex Sundich	-	-	-	-	-

¹ The Company has issued options that vest upon the completion of a pre-feasibility study on the Caravel Copper Project, which was completed on 12 July 2022. The Options have an exercise price of 30 cents and expire on 30 June 2023. Completion

² Service period of 12 months.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

7.6. Shares

No shares were issued during the year ended 30 June 2022 in exchange for services (2021: 3,644,222 issued to Orbit Drilling in exchange for services), as follows:

- On 16 October 2020 the Company issued 2,082,222 shares at 4.5 cents per share to Orbit Drilling to settle \$93,700 of invoices for services received from the supplier.
- On 8 January 2021 the Company issued 1,562,000 shares at 8 cents per share to Orbit Drilling to settle \$124,960 of invoices for services received from the supplier.

7.7. Recognised share-based payment expense in profit or loss

	2022 \$	2021 \$
Expense arising from employee options issued	1,090,679	2,377,324
Total share-based payments expensed in profit or loss	1,090,679	2,377,324

8. Other

8.1. Events occurring after the reporting period

- On 1 July 2022 the Company issued 2,533,589 options under its Employee Incentive Plan at an exercise price of 30 cents per share, expiring on 30 June 2023.
- On 12 July 2022, the Company announced the completion of the Caravel Copper Project Pre-feasibility Study upon which 2,303,262 KMP options and 863,723 employee options vested. The options are exercisable at 30 cents, expiring on 30 June 2023.
- On 9 August 2022 the Company issued 100,100 shares at \$0.17 per share as consideration for consulting services.
- On 9 August the Company completed a share placement of 14,705,883 shares at \$0.17 per share, raising proceeds of \$2,500,000.
- On 28 September 2022, the Company completed a share placement to Alasdair Cooke, a director, of 2,941,176 shares at \$0.17 per share, raising proceeds of \$500,000. The issue of these shares was approved by shareholders at a shareholder meeting held on 20 September 2022.
- On 28 September, the Company issued 1,250,000 shares to Richard Monti, a director, on the conversion of 1,250,000 options at \$0.08 per option.

Other than the matters above, at the date of this report there are no other matters or circumstances which have arisen since 30 June 2022 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2022, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2022, of the Group.

8.2. Commitments and Contingencies

The Company has certain obligations to perform minimum exploration work on the tenements in which it has an interest. These obligations vary from time to time. The aggregate of the prescribed expenditure conditions applicable to the granted tenements for the next twelve months amounts to \$661,000.

Application for exemption from all or some of the prescribed expenditure conditions will be made but no assurance is given that any such application will be granted. Nevertheless, the Company is optimistic, given its level of expenditure in the North Perth Basin, that it would likely be granted exemptions, on a project basis, in respect of the prescribed expenditure conditions applicable to many of its North Perth Basin tenements.

If the prescribed expenditure conditions are not met with respect to a tenement, that tenement is liable to forfeiture.

The Company has the ability to diminish its exposure under these conditions through the application of a variety of techniques including applying for exemptions (from the regulatory expenditure obligations), surrendering tenements, relinquishing portions of tenements or entering into farm-out agreements whereby third parties bear the burdens of such obligation in whole or in part.

As at 30 June 2022 Caravel Minerals Limited has no contingent liabilities (2021: nil).

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2022

8.3. Remuneration of Auditors

	2022 \$	2021 \$
Amount received or due and receivable by the auditor for:		
Auditing the financial statements, including audit review - current year audits	49,598	40,332
Total remuneration of auditors	49,598	40,332

8.4. New and revised accounting standards

Adoption of new and revised accounting standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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 audited, 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 30 June 2022 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) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (3) 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 year ended 30 June 2022.

On behalf of the Board.

Stephen Abbott
Managing Director
29 September 2022



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INDEPENDENT AUDITOR'S REPORT

To the members of Caravel Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Caravel Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Material uncertainty related to going concern

We draw attention to Note 1.6 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 2.1 to the financial report, the carrying value of the exploration and evaluation asset represents a significant asset of the Group.</p> <p>The Group's accounting policies and significant judgements applied to capitalised exploration and evaluation expenditure are detailed in Notes 1.7 and 2.1 of the financial report.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ('AASB 6'), the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts and circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Assessing whether rights to tenure of the Group's area of interest remained current at balance date; Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; Considering whether any facts or circumstances existed to suggest impairment testing was required; and Assessing the adequacy of the related disclosures in Notes 1.7 and 2.1 to the financial report.



Other information

The directors are responsible for the other information. The other information comprises the information contained in the Director's report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Caravel Minerals Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

Dean Just

Director

Perth

29 September 2022

Additional Shareholder Information – as at 7 October 2022

1. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of ordinary fully paid shares as at 7 October 2022 are listed below:

Rank	Holder Name	Securities	%
1	Paradice Investment Management	32,167,786	7.7%
2	Alasdair Cooke	31,483,117	7.5%
3	Glenvar Nominees Pty Ltd	16,630,700	4.0%
4	Alma Metals Ltd	15,133,872	3.6%
5	Pamela Sargood	12,700,000	3.0%
6	Milford Park Superannuation Pty Ltd	10,341,172	2.5%
7	Orbit Drilling Pty Ltd	10,168,452	2.4%
8	Troca Enterprises Pty Ltd	9,174,491	2.2%
9	Mandel Pty Ltd	7,689,034	1.8%
10	Burls Holdings Pty Ltd	7,689,034	1.8%
11	Lowell Resources Fund	7,622,936	1.8%
12	Pebadore Pty Ltd	5,800,000	1.4%
13	Steve Abbott	5,742,002	1.4%
14	Beebee Holdings Pty Ltd	5,174,491	1.2%
15	Sarah McIntyre	4,100,000	1.0%
16	Ashim Marfatia	4,000,000	1.0%
17	Bruce McLarty	3,544,119	0.8%
18	Clapsy Pty Ltd	3,535,000	0.8%
19	Terra Metallica Nominees Pty Ltd	3,513,586	0.8%
20	Kendali Pty Ltd	3,500,000	0.8%
Total Top 20		199,709,792	47.6%

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of security by size holding as at 7 October 2022:

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	109	34,516	0.01%
above 1,000 up to and including 5,000	458	1,325,425	0.32%
above 5,000 up to and including 10,000	287	2,278,890	0.54%
above 10,000 up to and including 100,000	767	29,049,643	6.93%
above 100,000	365	386,495,899	92.20%
Totals	1,986	419,184,373	100.00%

3. UNQUOTED SECURITIES

As at 7 October 2022, the following unquoted securities are on issue:

Unquoted Securities	Number on Issue	Number of Holders
\$0.300 Options expiring 03/03/2024	2,000,000	1
\$0.300 Options expiring 30/06/2023	15,575,811	17
\$0.750 Options expiring 31/05/2023	1,727,447	1
Total unquoted securities	19,303,258	19

Additional Shareholder Information – as at 7 October 2022

4. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the company's register as at 7 October 2022 are:

Name	Number of Shares Held
Paradice Investment Management	32,167,786
Alasdair Cooke (and associated entities)	31,483,117

5. VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

6. ON-MARKET BUY BACK

There is currently no on-market buy-back program for any of Caravel Minerals Limited's listed securities.

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