

30 January 2023

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

Key Points

- Experienced resources industry leader Don Hyma commenced as Managing Director, bringing 30+ years of Australian and international mineral resource project feasibility, development and construction expertise to Caravel Minerals
- The Caravel Copper Project received Dasher area mining tenure approvals, including Mining Lease 70/1411 and General Purpose Lease 70/263 granted by the WA Government Department of Mines, Industry, Regulation and Safety (DMIRS)
- Heritage surveys for granted Mining and General Purpose Lease areas completed by representatives of the Yued Aboriginal Group
- Project referrals submitted in December 2022 under the Environmental Protection Act 1986 (State) and the Environmental Protection and Biodiversity Conservation Act 1999 (Federal); to formally commence primary State and Commonwealth environmental assessments for the Caravel Copper Project
- Recent drilling has shown the Bindi deposit remains open to the east with 2022 drilling defining new areas of mineralisation at Bindi Far East and Bindi's 'Lower Limb' which are developing as significant resource targets
- \$12.0 million Share Placement completed to progress Definitive Feasibility Study work and critical path activities for the Caravel Copper Project

Caravel Copper Project, WA

Caravel Minerals' Copper Project is located 120km northeast of Perth in Western Australia's Wheatbelt region which has established road, power and supporting town infrastructure and services. The Project's ore-bodies are planned to be mined by conventional open-pit bulk mining methods using automated and electrified equipment technologies and processed by a proven conventional copper concentrator to produce a high quality concentrate product. The Project is

planned to operate for 28+ years producing ~60,000 tonnes per annum (of copper in concentrate) to be transported by truck using existing sealed roads to Bunbury Port for export.

Caravel's copper deposits form part of a regional porphyry-style copper-molybdenum-gold mineralised belt discovered in the mid 2000's in a previously unexplored part of the South West Yilgarn Terrane which hosts some of Australia's most significant mineral discoveries including Greenbushes Li, Boddington Au-Cu and Chalice Julimar PGE. The Caravel Copper Project is based on the JORC Code 2012 Mineral Resource estimate reported in November 2021 totalling 1.18 billion tonnes @ 0.24% Cu for 2.84Mt of contained copper making it Australia's largest undeveloped copper project.

Approvals Update

During the quarter, Caravel reported that Mining Lease 70/1411 and General Purpose Lease 70/263 were granted by WA's Department of Mines, Industry, Regulation and Safety (DMIRS). Mining Lease 70/1411 and General Purpose Lease 70/263 are valid for an initial term of 21 years.

M70/1411 covers the Dasher Deposit and associated waste rock landform and crushing infrastructure. This provides Mining Act 1978 tenure to fully develop and mine the Dasher resource. G70/263 covers supporting infrastructure for the Dasher and Bindi deposits. This lease provides Mining Act 1978 tenure for the construction of waste rock landforms, tailings management facilities and other associated mining infrastructure to support the mining of the Dasher resource.

Standard conditions apply to both grants including the requirement to submit a Mining Proposal to DMIRS prior to commencing mining activities. MLA/1410 and GPLA/262 remain in progress as applications with DMIRS.

As reported in the Caravel Copper Project Pre-feasibility Study Report (see ASX announcement 12 July 2022), Caravel has completed archaeological and ethnographic surveys with representatives from the Yued. The surveys have cleared the areas within 70/1411 and 70/263 for development. Caravel continues to work with the Yued to ensure ongoing management of any identified heritage values associated with the Project.

Primary project environmental approvals under the State Environmental Protection Act 1986 (Part IV) and Commonwealth Environmental Protection and Biodiversity Conservation Act 1999 (Matters of National Environmental Significance) are also required. Caravel Minerals has completed the studies for these formal assessment processes and referred the Project to the Western Australian Department of Water and Environmental Regulation (DWER) and the Commonwealth Department of Department of Climate Change, Energy, the Environment and Water (DCCEEW) during December 2022.

Bindi Copper Deposit

Caravel's Bindi deposit remains open to the east, with the drilling programs in 2022 defining new areas of mineralisation at Bindi Far East and Bindi's 'Lower Limb' which is developing as significant resource targets. There are also wide zones of mineralisation above cut-off grades east of the planned Bindi pit (Figure 1).

Drilling activities were paused over the cropping and harvest period and will recommence in February 2023, including geotechnical diamond drilling to support open-pit mine designs and aircore sterilisation drilling to confirm the absence of mineralisation under the proposed mine infrastructure and observation bores to improve the project hydrological model.

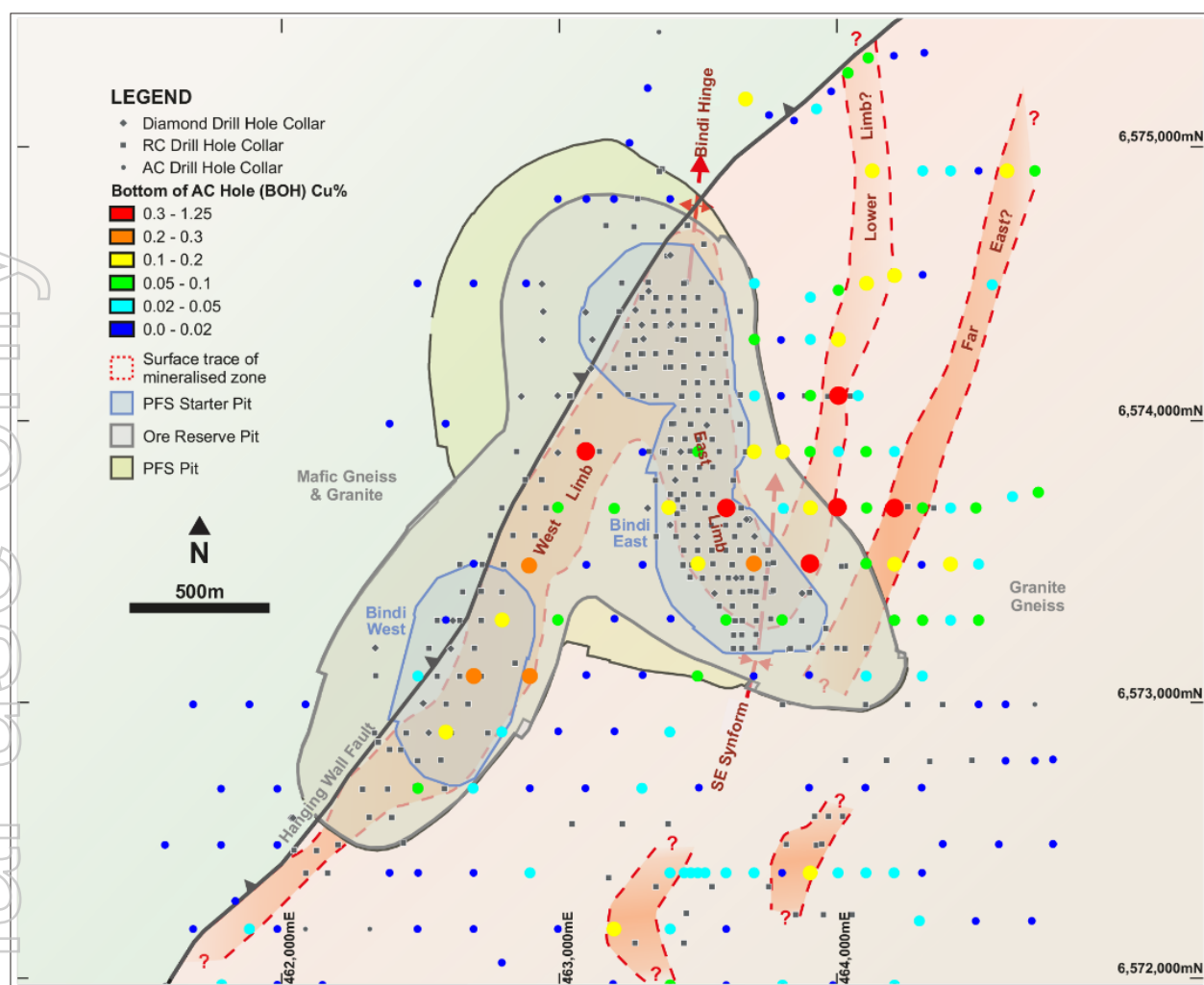


Figure 1: Plan of Bindi interpreted geology with optimised pit shells and bottom of hole (BOH) aircore (AC) Cu highlighting the Lower Limb and Far East positions.

Corporate

New Caravel Minerals Managing Director

During the quarter, Caravel announced the appointment of experienced resources industry executive Mr Don Hyma as its Managing Director. Don commenced on 28 November 2022, succeeding Mr Steve Abbott, who has been Managing Director since 2018. Mr Hyma has more than 30 years' experience in Australia, Canada, Chile and New Caledonia in the development of numerous major projects, primarily in base metals (copper and nickel) and iron ore.

Over the last 2 years he has been an advisor to the Caravel Board, and brings a strong large Project construction background to Caravel. Mr Hyma holds a Bachelor of Science in Mining Engineering and a Master of Science in Mineral Processing along with an International Executive Management Diploma from INSEAD.

\$12 Million Placement

Caravel secured \$12 million from a placement comprising the issue of 60 million new fully-paid ordinary shares (New Shares) (Placement) during the quarter. The Placement was well-supported by new and existing institutional and sophisticated investors.

The Placement funds will primarily support the execution of the Caravel Copper Project, including:

- Sterilisation and geotechnical drilling
- Process design verification
- Representative product sample preparation
- Tailings site design
- Further development of mining and site layouts
- Final metallurgical test work
- Development of water borefield and pipeline designs
- Further power supply studies and access applications
- Continued Environmental Permitting & Approvals activities
- Securing land required for construction and long-term operations
- Marketing and offtake discussions
- Stakeholder engagement; and
- General working capital.

Annual General Meeting - Shareholder Update

At its Annual General Meeting held on 17 November 2022, Caravel provided shareholders with an update on activities including highlights of the September 2022 Pre-Feasibility Study (PFS) update. The PFS update examined the viability of using a single ~27Mtpa throughput train, replacing semi-autogenous grinding ("SAG") mills with high-pressure grinding rolls ("HPGR") and adopting coarse particle flotation (CPF), which improved project economics with lower capital and operating costs, compared to the PFS report and flowsheet from July 2022.

A Single Train design and adoption of HPGR and CPF resulted in the following improvements compared to the July 2022 PFS:

- Processing cash unit costs reduced by around A\$1.23/t of ore
- Capital costs reduced by ~A\$100M
- Installed power demand reduced by up to 22MW
- Water consumption reduced by ~1.8Gtpa
- C1 costs lowered from US\$1.72 to US\$1.54/lb
- AISC costs down from US\$2.55 to US\$2.37/lb

Project financials resulting from the PFS Update Study are presented in summary form below, based on a US\$4/lb copper price:

PFS UPDATE SINGLE TRAIN*


28
YEARS

Mine Life Resources
likely to support longer life

#1
WA

Best Mining Investment
Jurisdiction Fraser Institute 2021



USD
\$1.54/lb
CASH COSTS

After By-product Credits



USD
AISC \$2.37/lb

All-in Sustaining Costs



AUD
\$5.6B
PRETAX

Net Cashflow



~60KTPA
PRODUCTION

Copper in Concentrate
~130 million pounds per annum

DEVELOPMENT CAPITAL



AUD
CAPEX \$1.1B

Processing Plant
and Infrastructure



OWNER MINER \$309M

Equipment
Vendor Financed



PRE STRIP \$189M

Mining Pre-strip



AUD
NPV \$1.5B
PRE-TAX

7% Discount Rate



IRR 18%

Internal Rate of Return



Cu 2.84Mt

Mineral Resource
Contained Copper



1.3:1
LOW STRIP RATIO

Life of Mine



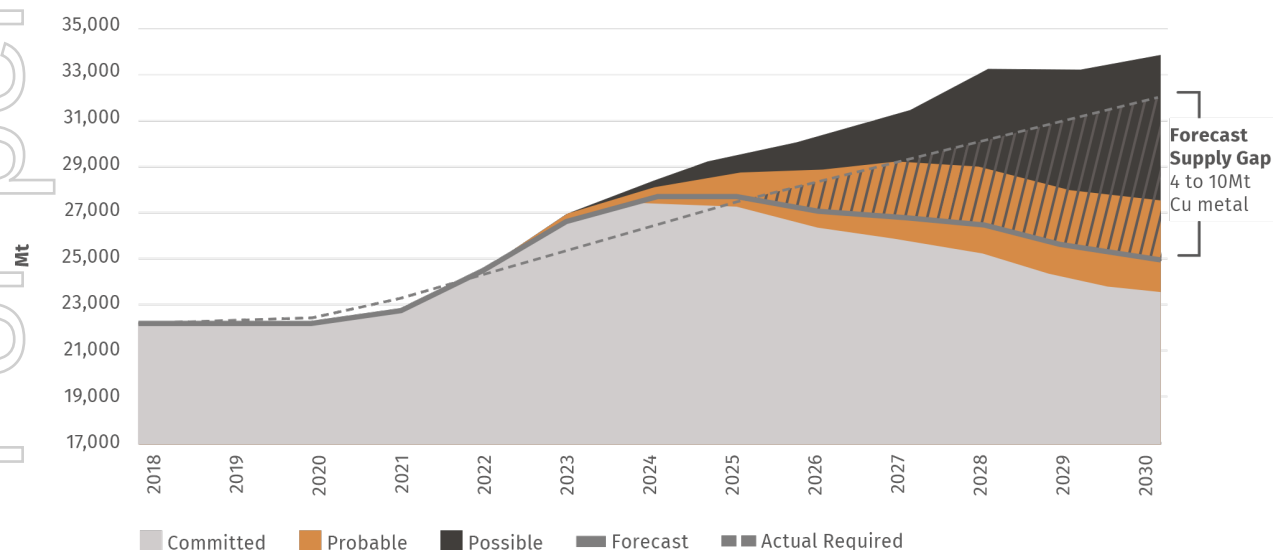
~25%

Clean Concentrate
Cu: Chalcopyrite

First production

Caravel aims to deliver first production in 2026, following a Final Investment Decision late 2024. This is timed to meet the emerging copper supply gap and associated investment needed by major copper producers to maintain production levels. The forecast copper supply gap is estimated to be between 4 – 10Mt Cu metal by 2030 and is presented as a projection based on data from various company sources below:

COPPER MINE SUPPLY FORECAST (Mt)



Source: Various company reports, CRU, Wood Mackenzie, ICSG, Macquarie Strategy, March 2022.

Results of Annual General Meeting

At Caravel's Annual General Meeting of Shareholders on 17 November 2022 all resolutions put to the meeting were decided by poll and approved by the required majority. Resolutions were:

- Adoption of Remuneration Report
- Re-Election of Director – Alasdair Cooke
- Approval of Additional 10% Capacity
- Approval to Issue Securities Under Employee Incentive Scheme
- Approval to Renew Proportional Takeover Provisions

Notice for General Meeting

A General Meeting of the Shareholders of Caravel Minerals Limited will be held at Suite 1, 245 Churchill Avenue, Subiaco, Western Australia on 31 January 2023 at 9:30am (WST). The purpose of the meeting is to vote on the following resolutions:

- Ratification of Issue of First Tranche Placement Shares Under Listing Rule 7.1
- Approval to Issue Second Tranche Placement Shares to Alasdair Cooke.
- Approval to Issue Options to Donald Hyma.

More information about each of these resolutions are available in the ASX announcement released on 23 December 2022.

Financials

At the date of this report, the Company had:

- 478,684,373 shares on issue;
- 17,575,811 unlisted options exercisable at \$0.30;
- \$12.0M held in cash reserves; and
- Nil debt

Approximately \$1,264,000 of exploration and evaluation expenditure expensed during the quarter comprised payments to:

- Water drilling contractors
- Feasibility study consultants; and
- Environmental surveys;

The aggregate amount of payments to related parties and their associates during the quarter of approximately \$337,000 (refer Item 6 of the accompanying Appendix 5B) comprises the following:

- Director fees (\$170,000); and
- Mitchell River Group consulting services and provision of a serviced office (\$167,000).

There were no substantive mining production and development activities during the quarter.

This announcement was authorised for release by the Board of Directors

For further information, please contact:

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Company Secretary
Caravel Minerals Limited
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Email: investors@caravelminerals.com.au

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APPENDIX A – TENEMENT SCHEDULE

Project	Location	Tenement	Equity at 30 Sept 2022	Equity at 31 Dec 2022	Changes During Quarter
Mt William	Harvey	E70/2338	0*	0*	Application
Caravel Copper	Wongan Hills	E70/2788	100	100	-
Caravel Copper	Wongan Hills	E70/3674	100	100	-
Caravel Copper	Wongan Hills	E70/3680	100	100	-
Caravel Copper	Wongan Hills	E70/5228	100	100	-
Caravel Copper	Wongan Hills	E70/5229	100	100	-
Caravel Copper	Wongan Hills	E70/5586	100	100	-
Caravel Copper	Wongan Hills	R70/0060	80	80	-
Caravel Copper	Wongan Hills	R70/0063	100	100	-
Dalwallinu	Dalwallinu	E70/5400	100	100	-
Dalwallinu	Dalwallinu	E70/5511	100	100	-
Dalwallinu	Dalwallinu	E70/5512	100	100	-
Dalwallinu	Dalwallinu	E70/5673	100	100	-
Brookton	Brookton	E70/5506	100	100	-
Gillingarra	Victoria Plains	E70/5731	100	100	-
Bruce Rock	Bruce Rock	E70/5964	100	100	-
Mukinbudin	Mukinbudin	E70/6125	0	0	Application
Burakin	Burakin	E70/6126	0	0	Application
Cadoux	Cadoux	E70/6376	0	0	Application
Caravel Copper	Bindi	G70/0262	0	0	Application
Caravel Copper	Bindi	M70/1410	0	0	Application
Caravel Copper	Dasher	G70/0263	0	100	Granted
Caravel Copper	Dasher	M70/1411	0	100	Granted

* Caravel can earn a 51% interest once tenement granted

ABOUT CARAVEL MINERALS

Caravel Minerals Limited (ASX:CVV) is advancing Definitive Feasibility Studies for the Caravel Copper Project, a large-scale, long-life (>28-year) copper project located 150km north-east of Perth in Western Australia's Wheatbelt region. The Project's PFS (July 2022) and PFS Update (September 2022) demonstrate a robust, executable project generating strong cash flows based on low operating costs, a low life-of-mine strip ratio, bulk mining methods, excellent metallurgy and low-cost grid power. Using automation and electrification technologies (ACE) for conventional open-pit mining and processing operations, Caravel will produce copper in a high quality concentrate to be exported via existing sealed public roads through local ports.

Competent Persons Statements

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Mr Peter Pring. Mr Pring is a Senior Exploration Geologist with Caravel Minerals. Mr Pring is a shareholder of Caravel Minerals and is a member of the Australasian Institute of Mining and Metallurgy. Mr 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 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 Pring consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd). Mr Barnes is a shareholder of Caravel Minerals. Mr Barnes is a member of both the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr Barnes has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as 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 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 Ore Reserves is based upon information and supporting documentation prepared by and mine planning work prepared by Mr Steve Craig (CEO of Oreology Consulting Pty Ltd). Mr Craig is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralization and type of deposit under consideration 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 Craig consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

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.

Previous Disclosure

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

- 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"

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Caravel Minerals Limited

ABN

41 120 069 089

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter (3-months) \$A'000	Year to date (6-months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,264)	(2,472)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(463)	(832)
	(e) administration and corporate costs	(532)	(719)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	24	25
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	7	25
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(2,228)	(3,973)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(50)	(52)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter (3-months) \$A'000	Year to date (6-months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(50)	(52)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	11,900	15,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(616)	(737)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	11,284	14,263

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,680	2,448
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,228)	(3,973)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50)	(52)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,284	14,263

Consolidated statement of cash flows		Current quarter (3-months) \$A'000	Year to date (6-months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	12,686	12,686

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	12,666	3,660
5.2	Call deposits	20	20
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,686	3,680

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	337
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> - Directors remuneration \$170,288 - Payment for provision of serviced office and geological services of \$167,138 to Mitchell River Group, a party related to director Alasdair Cooke.		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,228)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,228)
8.4	Cash and cash equivalents at quarter end (item 4.6)	12,686
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	12,686
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

- 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
- Answer:
- Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2023

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.