

28 November 2017

The Manager
ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Letter to Ineligible Shareholders

Please find attached for release to the market a letter to ineligible shareholders in relation to the Partially Underwritten Pro-Rata non-renounceable Entitlement Issue for Caravel Minerals Limited.

The letter has been sent to all ineligible shareholders.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Dale Hanna'.

Dale Hanna
Company Secretary



28 November 2017

Dear Shareholder

CARAVEL MINERALS LIMITED – PARTIALLY UNDERWRITTEN PRO-RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE

As announced on 27 November 2017, Caravel Minerals Limited (ACN 120 069 089) (**Company**) is undertaking a non-renounceable entitlement issue at a ratio of one Share for every four Shares held at an issue price of \$0.05 per Share to raise up to \$1,071,042, together with one free attaching Option for every two Shares subscribed for and issued (**New Options**) (**Offer** or **Entitlement Issue**). The Company lodged a prospectus for the Offer with the Australian Securities and Investments Commission and the Australian Securities Exchange on 27 November 2017 (**Prospectus**).

The Offer is partially underwritten by Celeste Hilmer (a related party of Mr Marcel Hilmer), Peter Alexander and Suzanne Alexander as trustees for the PA & SA Superannuation Fund, and Mr Anthony Poustie (the Company's Director of Exploration) and Mrs Rosamund Mary Poustie as trustees for the Poustie Super Fund (together, the **Joint Underwriters**) who have each underwritten A\$200,000 of the Offer. The Joint Underwriters will not be paid a fee for their underwriting.

The Company has engaged Bridge Street Capital Partners Pty Ltd, through its affiliate Bridge Street Advisers Pty Limited, to act as lead manager to the Entitlement Issue (**Lead Manager**). The Company will pay to the Lead Manager a maximum of 6.0% of the amount raised under the Offer, comprising a 2.0% (plus GST) transaction management fee on the total amount raised, and a 4.0% (plus GST) placement fee (**Placement Fee**). The Placement Fee will not be applied to amounts contributed by directors and management of the Company and their related and associated entities or persons.

The proceeds of the Offer will be used to progress the Calingiri Copper Project and to complete an upgraded Scoping Study and extend JORC Resources.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 12 December 2017, whose registered address is in Australia, New Zealand or Hong Kong.

Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. New Options issued under the Offer will be exercisable at \$0.07 on or before 30 June 2019, and will otherwise be on the terms and conditions set out in Section 7.2 of the Prospectus.

Following completion of the Offer, the Company will have issued up to approximately 21,420,847 Shares and 10,710,423 New Options resulting in total number of Shares on issue being approximately 107,104,239 and total number of Options on issue being approximately 31,713,232.

Ineligible shareholders

A Shareholder who has a registered address outside Australia, New Zealand or Hong Kong (**Ineligible Shareholder**) will not be eligible to participate in the Offer.



You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of Shares to which they would otherwise be entitled.

If you have any queries concerning the Entitlement Issue, please contact your financial adviser or Mr Dale Hanna, the Company Secretary, on +61 8 9426 6400.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Dale Hanna', is positioned above a horizontal line.

Dale Hanna
Company Secretary
Caravel Minerals Limited