



**CARAVEL MINERALS LIMITED**  
**ACN 120 069 089**

**INTERIM FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2017**

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## Corporate Directory

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### DIRECTORS

Mr Peter Alexander – Non-Executive Director and Chairman

Mr Marcel Hilmer – Executive Director and Chief Executive Officer (“CEO”)

Mr James Harris – Non-Executive Director

Mr Dan Ryan – Non-Executive Director

### COMPANY SECRETARY

Mr Dale Hanna

### REGISTERED AND PRINCIPAL OFFICE

Level 3, 18 Richardson Street  
West Perth 6005  
Western Australia

Telephone: +61 8 9426 6400  
Facsimile: +61 8 9426 6448  
Internet: [www.caravelminerals.com.au](http://www.caravelminerals.com.au)

### SHARE REGISTER

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross 6153  
Western Australia

Telephone: +61 8 9315 2333  
Facsimile: +61 8 9315 2233

### SECURITIES EXCHANGE LISTING

Australian Securities Exchange Limited  
Home Branch – Perth  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth 6000  
Western Australia

### ASX CODE

CVV - Fully paid ordinary shares

### SOLICITORS

Steinepreis Paganin  
Lawyers  
16 Milligan Street  
Perth 6000  
Western Australia

### AUDITOR

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco 6008  
Western Australia

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## Directors Report

### 31 December 2017

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The Directors of Caravel Minerals Limited (the “Company”) present their report on the consolidated entity (the “Group”) consisting of Caravel Minerals Limited and its subsidiaries for the half-year ended 31 December 2017.

#### DIRECTORS

The names of the directors who held office during the half-year and up to the date of this report are:

Mr Peter Alexander – Non-Executive Director and Chairman

Mr Marcel Hilmer – Executive Director and Chief Executive Officer (“CEO”)

Mr James Harris – Non-Executive Director

Mr Dan Ryan – Non-Executive Director (appointed 20 November 2017)

#### COMPANY SECRETARY

Mr Dale Hanna

#### REVIEW AND RESULTS OF OPERATIONS

The net loss of the Group after income tax for the half-year ended 31 December 2017 amounted to loss of \$731,097 (2016: \$819,818).

#### REVIEW OF ACTIVITIES

The Group’s activities are reported in announcements to the ASX. Highlights of the half-year of 1 July to 31 December 2017 include:

##### *Calingiri Project, WA*

The Company completed first phase bulk ore sorting testwork to determine a “proof of concept”. The results exceeded expectations and in November 2017 Caravel reported:

- Calingiri’s representative bulk ore sorted material copper grades were beneficiated by an average of 81%. The highest sample product increase in overall grade of 139% resulted in an encouraging 71% reduction in feed with only a 34% deferral or loss of contained copper
- Molybdenum and silver were also upgraded by 111% in the high-grade product
- Potential to materially reduce plant size and related Capex, decrease cash costs and maintain annual production that could result in vastly improved project economics
- Significant potential for higher feed grades from sorted ore in the early years of production
- Further bulk ore sorting testwork with larger bulk samples of approximately 1-2 tonnes was planned and is underway
- Potential to replace reduced ore feed from:
  - re-optimisations of the existing Bindi, Dasher and Opie JORC Resources
  - exploration for extensions of the existing JORC resources and
  - exploration of recently discovered targets within the Calingiri trend
- Additional physical testwork indicated lower than expected crushing work indices

On 18 December 2017 the Company announced its summer work programs. These included:

- A 5,000 metre Reverse Circulation (RC) drilling program to evaluate extensions to current JORC Resources. This is part of a planned 20,000 metre drilling program to test a series of targets within the Calingiri Project trend
- Drilling to evaluate water resources
- The second phase of the bulk ore sorting testwork utilising more than 1 tonne of representative mineralisation with core being crushed in early January 2018 and laboratory sorting to follow
- Advanced metallurgical testwork to further confirm initial positive metal recovery and concentrate results
- Culminating in a revised Calingiri Scoping Study incorporating ore sorting as part of the front-end flowsheet and integrating technical and environmental studies required for mining and development approvals

## Directors Report

### 31 December 2017

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#### **Share Placement**

On 1 September 2017 the Company announced that it had issued a total of 16.8m shares and 8.4m attaching options for gross proceeds of \$840,000 across two tranches.

On 8 December 2017 the Company announced that it had issued a further of 8m shares and 4m attaching options for gross proceeds of \$400,000.

The funds raised from the above Placements were invested into the ongoing bulk ore sorting testwork to remove barren material from ore prior to milling and processing that may significantly increase the ore feed grade and for additional working capital.

#### **New Board Member and Chairman**

The Company announced on 20 November 2017 that Dan Ryan has been appointed to the Board of Caravel as a Non-Executive Director and that existing Non- Executive Director Peter Alexander, has been appointed to the role of Non-Executive Chairman of the Board.

#### **Non-Renounceable Rights Issue Opens**

On 27 November 2017 the Company announced a Non-Renounceable Rights Issue to raise up to approximately \$1.1m at \$0.05 per share, plus one new unlisted Option for every two new shares issued, exercisable at \$0.07. Two Directors and one Executive agreed to underwrite up to a maximum of \$600,000 and to participate for their entitlements in the Rights Issue. Further, a Shortfall Facility allowed shareholders to apply for additional shares in excess of their entitlement.

The net proceeds of the funds raised under the Rights Issue will be used to progress the Calingiri Copper Project, to complete an upgraded Scoping Study and extend JORC Resources.

#### **EVENTS SUBSEQUENT TO PERIOD END**

#### **Non-Renounceable Rights Issue Closes**

On the 12 January 2018 the Company announced that the A\$1.1m partially underwritten one (1) for (4) non-renounceable pro rata rights issue as announced on 27 November 2017 had closed.

In accordance with the terms of the Offer, the Company accepted all valid entitlement issue applications and exercised its allocation discretion under the Shortfall Offer that was made as part of the Offer. The balance of the Shortfall Offer was allocated to the Underwriters.

A total of 23.4m shares and 11.7m attaching options were issued across Entitlement Shares (12.1m), Shortfall Offer Shares (1.7m) and Underwriters Shares (9.6m).

#### **Corporate and Legal Matters**

On 7 February 2018, the Company announced the following:

- On 14 December 2017 and on 6 February 2018 the Australian Securities and Investment Commission (ASIC) were provided with detailed analyses that outlined concerns about the share trading by Hartree Pty Ltd, a wholly owned subsidiary of Alasdair Campbell Cooke and other associates during the period that the Entitlement Offer was open. On 2 January 2018, ASIC responded to the Company and confirmed that they will be conducting an assessment of the alleged misconduct.
- On 6 February 2018 a Writ of Summons was issued against Mitchell River Group Pty Ltd, Hartree Pty Ltd and Alasdair Cooke in relation to the above matter.
- On 16 January 2018 a request by Alasdair Cooke to be appointed to the Board of Caravel was considered and unanimously rejected by the Directors of the Company.
- On 25 January 2018 a notice of intention to move a resolution was received from Alasdair Cooke and his related entity, Hartree Pty Ltd, to remove Marcel Hilmer as a Director of Caravel at the next General Meeting of the Company.

#### **Issue of Shares**

On the 20 February 2018 the Company announced the issue of 907,596 ordinary shares at \$0.058 per share as part payment for drilling services.

## Directors Report 31 December 2017

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### AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration to the directors of Caravel Minerals Limited on page 13 forms part of the Directors' report for the half-year ended 31<sup>st</sup> December 2017.

This report is signed in accordance with a resolution of the Board of Directors.



Marcel Hilmer  
Executive Director and CEO  
Dated: 9 March 2018  
Perth, Western Australia.

### Cautionary Statement

An Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource in compliance with the JORC Code and it is uncertain if further exploration will result in the estimation of a Mineral Resource as defined by the JORC Code. *(see ASX News Release dated 2 August 2013).*

### Competent Person's Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on and fairly represents information and supporting documentation compiled by Tony Poustie, a Competent Person who is a full-time employee of Caravel Minerals Limited and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Poustie has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Poustie consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# Consolidated Statement of Profit and Loss and Other Comprehensive Income For the Half-Year Ended 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
Revenue from continuing operations	3(a)	11,451	11,359
Administration services		(257,660)	(199,426)
Depreciation expense		(5,524)	(9,293)
Employee expenses		(189,032)	(324,981)
Exploration expenses		(290,332)	(197,477)
Impairment of exploration expenditure	6	-	(100,000)
Loss from continuing operations before income tax expense		(731,097)	(819,818)
Income tax expense relating to continuing operations		-	-
Loss from continuing operations after income tax		(731,097)	(819,818)
Loss for the period		(731,097)	(819,818)
Other comprehensive income			
Items that may be reclassified to profit and loss		-	-
Other comprehensive income for the period net of taxes		-	-
Comprehensive loss attributable to the shareholders of the Company		(731,097)	(819,818)
Comprehensive loss attributable to the shareholders of the Company arises from:			
Continuing activities		(731,097)	(819,818)
		(731,097)	(819,818)
Basic and diluted loss per share (cents per share) for continuing operations attributable to the shareholders of the Company		(0.87)	(1.39)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company		N/A	N/A

The above Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

## As at 31 December 2017

	Note	31 December 2017 \$	30 June 2017 \$
<b>Current Assets</b>			
Cash and cash equivalents		760,283	287,689
Trade and other receivables		10,369	18,223
Other current assets		57,662	57,462
<b>Total Current Assets</b>		<b>828,314</b>	<b>363,374</b>
<b>Non-Current Assets</b>			
Plant and equipment		98,429	101,915
Exploration and evaluation expenditure	6	3,107,811	3,107,811
<b>Total Non-Current Assets</b>		<b>3,206,240</b>	<b>3,209,726</b>
<b>TOTAL ASSETS</b>		<b>4,034,554</b>	<b>3,573,100</b>
<b>Current Liabilities</b>			
Trade and other payables		83,492	65,283
Provisions		40,784	41,293
<b>Total Current Liabilities</b>		<b>124,276</b>	<b>106,576</b>
<b>TOTAL LIABILITIES</b>		<b>124,276</b>	<b>106,576</b>
<b>NET ASSETS</b>		<b>3,910,278</b>	<b>3,466,524</b>
<b>EQUITY</b>			
Share capital	7a	41,054,869	39,880,018
Accumulated loss		(39,887,925)	(39,156,828)
Reserves		2,743,334	2,743,334
<b>TOTAL EQUITY</b>		<b>3,910,278</b>	<b>3,466,524</b>

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



## Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
<b>Share capital</b>		
<b>Common shares</b>		
Balance as at beginning of the period	39,880,018	38,661,548
Share issuance net of costs	1,174,851	1,188,355
Balance as at end of the period	41,054,869	39,849,903
<b>Total share capital</b>	41,054,869	39,849,903
<b>Accumulated loss</b>		
Balance as at beginning of the period	(39,156,828)	(37,505,577)
Loss for the period attributable to shareholders of the Company	(731,097)	(819,818)
<b>Total accumulated loss</b>	(39,887,925)	(38,325,395)
<b>Reserves</b>		
<b>Share based payments reserve</b>		
Balance as at beginning of the period	2,733,095	2,607,735
Share based compensation	-	10,920
Balance as at end of the period	2,733,095	2,618,655
<b>Converted option reserve</b>		
Balance as at beginning of the period	10,239	10,239
Options converted	-	-
Balance as at end of the period	10,239	10,239
<b>Total reserves</b>	2,743,334	2,628,894
<b>Total comprehensive loss for the period</b>	(731,097)	(819,818)

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

## Consolidated Statement of Cash Flows

### For the Half-Year Ended 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
<b>Cash flows from operating activities</b>			
Interest received		2,415	3,218
Receipt of farm-in funds	5	-	37,145
Payments to suppliers and employees		(385,376)	(575,961)
Payments for exploration and evaluation expenditure		(263,841)	(283,486)
<b>Net cash used in operating activities</b>		<b>(646,802)</b>	<b>(819,084)</b>
<b>Cash flows from investing activities</b>			
Proceeds from term deposits		-	10,000
Proceeds from disposal of plant and equipment		9,036	9,091
<b>Net cash inflow / (outflow) in investing activities</b>		<b>9,036</b>	<b>19,091</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		1,202,000	1,250,000
Share issue costs		(91,640)	(85,600)
<b>Net cash inflow from financing activities</b>		<b>1,110,360</b>	<b>1,164,400</b>
<b>Increase in cash and cash equivalents held</b>		<b>472,594</b>	<b>364,407</b>
Cash and cash equivalents at the beginning of the period		287,689	594,075
<b>Cash and cash equivalents at the end of the period</b>		<b>760,283</b>	<b>958,482</b>

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

# Notes to the Consolidated Financial Statements

## For the Half-Year Ended 31 December 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

Accordingly, the half-year financial report does not include full disclosures of the type normally included in the annual financial report and therefore cannot be expected to provide as full and understanding of the financial performance, financial position and financing and investing activities as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Caravel Minerals Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

#### b) Reporting basis and conventions

The half-year financial report has been prepared on an accruals basis and are based on historical costs.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2017 annual financial report for the financial year ended 30 June 2017.

#### c) Accounting policies

The accounting policies applied by the Group in the interim financial report are the same as those applied by the Group in its financial report as at and for the year ended 30 June 2017 and the corresponding interim reporting period and have been consistently applied unless otherwise stated.

New amended and revised standards that are mandatory for 31 December 2017 interim periods have been applied in this interim financial report and did not have a significant impact on the reported results or financial position.

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2017 interim reporting period and have not been applied in these financial statements.

#### d) 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 Group incurred a net loss of \$731,097 during the half-year ended 31 December 2017 and as of that date the Group had current assets of \$828,314 (30 June 2017: \$363,374) including cash and cash equivalents of \$760,283 (30 June 2017: \$287,689). Net cash used in operating activities for the period was \$646,802 (2016: \$819,084).

These conditions indicate a material uncertainty that may cast doubt about the ability of the Group to continue as a going concern. The ability of the Group 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 exploration assets.

The Directors are confident of the ability of the Company to raise capital as and when required, which has been demonstrated by the Company raising \$1,202,000 before costs during the 2017 calendar year (2016: \$1,250,000). The Directors are satisfied there are sufficient funds to meet the Group's working capital requirements as at the date of this report. On the 12 January 2018 the Company announced that A\$1,071,042 in cash had been received via a partially underwritten one (1) for (4) non-renounceable pro rata rights issue as announced on 27 November 2017 had closed.

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 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 and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

### 2. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the Company's accounting policy.

Name of entity	Country of incorporation	Class of shares	Equity holding 31 December 2016	Date of incorporation
Quadrio Resources Pty Ltd	Australia	Ordinary	100%	11 June 1985
Caravel Employee Share Plan Pty Ltd	Australia	Ordinary	100%	13 March 2013

## Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2017

### 3. REVENUE

	31 December 2017 \$	31 December 2016 \$
<i>(a) Revenue from continuing operations</i>		
Interest revenue	2,415	3,218
Profit on sale of plant and equipment	9,036	8,141
	<b>11,451</b>	<b>11,359</b>

### 4. 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.

### 5. EXPLORATION & EVALUATION EXPENDITURE

	31 December 2017 \$	30 June 2017 \$
The Group has exploration costs carried forward in respect of areas of interest:		
<b>Areas of interest:</b>		
Calingiri tenements	3,107,811	3,107,811
Bryah tenements	-	-
	<b>3,107,811</b>	<b>3,107,811</b>

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.

	31 December 2017 \$	30 June 2017 \$
<i>Reconciliation:</i>		
Calingiri tenements		
Balance at the beginning of the period	3,107,811	3,107,811
Balance at end of the period	<b>3,107,811</b>	<b>3,107,811</b>
Bryah tenements		
Balance at the beginning of period	-	100,000
Impairment	-	(100,000)
Balance at end of period	-	-

## Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2017

### 6. CONTRIBUTED EQUITY

		31 December 2017 \$	30 June 2017 \$
<b>(a) Issued and paid up capital</b>			
93,683,391 (30 June 2017: 68,429,777) fully paid ordinary shares		<b>41,054,869</b>	39,880,018
<b>(b) Movement in shares on issue</b>		<b>No.</b>	<b>\$</b>
<i>(1) Ordinary Shares</i>			
Balance – 1 July 2016		49,749,575	38,661,548
Issue of shares:			
Capital raising		17,605,623	1,250,000
Less Transaction costs		-	(112,670)
Contractor share based payments		1,074,579	81,140
Balance – 30 June 2017		<b>68,429,777</b>	<b>39,880,018</b>
Issue of shares			
Capital raising		24,800,000	1,240,000
Less Transaction costs		-	(91,640)
Contractor share based payments		453,614	26,491
Balance – 31 December 2017		<b>93,683,391</b>	<b>41,054,869</b>
<i>(2) Treasury Shares</i>			
Shares held by the Trust		<b>(3,695,244)</b>	<b>(3,695,244)</b>

### (c) Summary of unlisted options on issue

		31 Dec 2017	30 June 2017
Outstanding at the beginning of the period		11,502,809	11,799,598
Issued during the period – free attaching		12,400,000	8,802,809
Issued during the period – share based payments		1,100,000	2,700,000
Exercised during the period		-	-
Expired or lapsed during the half-year		-	(11,799,598)
Outstanding at the end of the period		<b>25,002,809</b>	<b>11,502,809</b>
Exercisable at the end of the period		<b>25,002,809</b>	<b>11,502,809</b>

#### (i) Weighted average remaining contractual life of options on issue

The weighted average remaining contractual life of the share options outstanding as at 31 December 2017 is 2.05 years.

#### (ii) Range of exercise prices of options on issue

The range of exercise prices of options outstanding at the end of the period was \$0.06 - \$0.12

### 7. RELATED PARTIES

#### (a) Transactions with Key Management Personnel ("KMP")

During the period ending 31 December 2017 no transactions occurred with KMP.

#### (b) Transactions with Other Related Parties

During the period ending 31 December 2017 \$33,230 was received from a public company, of which Mr Marcel Hilmer is a director, for provision of serviced offices (31 December 2016 \$25,200) and was credited to the profit or loss. Terms of the transaction were arms-length and commercial.

## Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2017

### 8. SHARE BASED PAYMENTS

#### (a) Employee Share Acquisition Plan

Shareholders approved the establishment of the Caravel Employee Share Acquisition Plan at a general meeting on 13 March 2013. The Company believes that the share acquisition plan provides eligible employees and Directors effective incentive for their ongoing commitment and contribution to the Company. Eligible employees and Directors offered shares under the scheme are provided a limited recourse, interest free loan to be used to subscribe for the shares in the Company. Nil shares were issued or forfeited under this scheme during the period ended 31 December 2017.

	Balance 1 July 2017	Granted during the period	Forfeited during the period	Balance at 31 December 2017	Vested at 31 December 2017
<b>Directors</b>					
Marcel Hilmer	1,068,182	-	-	1,068,182	1,068,182
James Harris	318,182	-	-	318,182	318,182
Peter Alexander	318,182	-	-	318,182	318,182
Dan Ryan	-	-	-	-	-
<b>Employees</b>					
Incentive Shares	1,075,538	-	-	1,075,538	1,075,538
<b>Total</b>	<b>2,780,084</b>	<b>-</b>	<b>-</b>	<b>2,780,084</b>	<b>2,780,084</b>

#### (b) Terms and conditions of options granted during the period ended 31 December 2017

##### (i) Options granted during the period

No options were granted during the period.

##### (ii) Options issued during the period

During the period 1,100,000 options with a strike price of \$0.06 expiring on 23 August 2020 which were granted in the prior period, were issued.

#### (c) Shares

In December 2017 shares were issued to consultants for services rendered. A total of 453,614 ordinary shares were issued at market value calculated by a 5 day VWAP for a total consideration of \$26,491 being the invoice value for services rendered.

#### (d) Recognised share based payment expense in profit or loss

The expense recognised for director and employee services received during the period is shown in the table below:

Expense arising from consultants shares issued 9(c)

#### **Total share based payments expensed in profit or loss**

Share based payments recognised in share issue costs 9(b)

#### **Total share based payments**

	31 December 2017 \$	31 December 2016 \$
Expense arising from consultants shares issued 9(c)	26,491	34,875
<b>Total share based payments expensed in profit or loss</b>	<b>26,491</b>	<b>34,875</b>
Share based payments recognised in share issue costs 9(b)	26,491	10,920
<b>Total share based payments</b>	<b>26,491</b>	<b>45,795</b>

### 9. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities.

## Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2017

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### 10. COMMITMENTS

There has been no material change in commitments since the last annual reporting date.

### 11. EVENTS OCCURRING AFTER THE REPORTING PERIOD

#### ***Non-Renounceable Rights Issue Entitlement Issue Closes***

On the 12 January 2018 the Company announced that the A\$1.1m partially underwritten one (1) for (4) non-renounceable pro rata rights issue as announced on 27 November 2017 had closed.

In accordance with the terms of the Offer, the Company accepted all valid entitlement issue applications and exercised its allocation discretion under the Shortfall Offer that was made as part of the Offer. The balance of the Shortfall Offer was allocated to the Underwriters.

A total of 23.4m shares and 11.7m attaching options were issued across Entitlement Shares (12.1m), Shortfall Offer Shares (1.7m) and Underwriters Shares (9.6m).

#### ***Corporate and Legal Matters***

On 7 February 2018, the Company announced the following:

- On 14 December 2017 and on 6 February 2018 the Australian Securities and Investment Commission (ASIC) were provided with detailed analyses that outlined concerns about the share trading by Hartree Pty Ltd, a wholly owned subsidiary of Alasdair Campbell Cooke and other associates during the period that the Entitlement Offer was open. On 2 January 2018, ASIC responded to the Company and confirmed that they will be conducting an assessment of the alleged misconduct.
- On 6 February 2018 a Writ of Summons was issued against Mitchell River Group Pty Ltd, Hartree Pty Ltd and Alasdair Cooke in relation to the above matter.
- On 16 January 2018 a request by Alasdair Cooke to be appointed to the Board of Caravel was considered and unanimously rejected by the Directors of the Company.
- On 25 January 2018 a notice of intention to move a resolution was received from Alasdair Cooke and his related entity, Hartree Pty Ltd, to remove Marcel Hilmer as a Director of Caravel at the next General Meeting of the Company.

#### ***Issue of Shares***

On the 20 February 2018 the Company announced the issue of 907,596 ordinary shares at \$0.058 per share as part payment for drilling services.

At the date of this report there are no other matters or circumstances which have arisen since 31 December 2017 that have significantly affected or may significantly affect:

- the operations, in financial periods subsequent to 31 December 2017, of the Group;
- the results of those operations, in financial periods subsequent to 31 December 2017, of the Group; or
- the state of affairs, in financial periods subsequent to 31 December 2017, of the Group.

## DIRECTORS' DECLARATION

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The directors of the Group declare that:

1. the financial statements and notes as set out on pages 3 to 11 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - b. give a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the period ended on that date; and
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Marcel Hilmer  
Executive Director & CEO

Perth,  
9 March 2018



## DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF CARAVEL MINERALS LTD

As lead auditor for the review of Caravel Minerals Limited for the half-year ended 31 December 2017, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Caravel Minerals Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'J Prue', is written over a light blue circular stamp.

**Jarrad Prue**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 9 March 2018

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Caravel Minerals Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Caravel Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1(d) 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 conclusion is not modified in respect of this matter.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

**BDO Audit (WA) Pty Ltd**

BDO  
J Prue

**Jarrad Prue**

Director

Perth, 9 March 2018