



Calingiri Project, WA

The Company was pleased to announce in November that the next phase of exploration activity would commence at Calingiri following the completion of the grain harvesting season. This component of a planned multi-phase field exploration programme is underway and remains on schedule to be completed in Q1 2017. An initial air core drilling program is testing several copper sulphide targets in close proximity to the Bindi and Dasher JORC Resources, as well as an undrilled trend near the western perimeter. The initial programs include:

- Air core drilling to test previously undrilled geochemical anomalies within the regional copper-molybdenum Target Trend
- Air core drilling to test a previously undrilled regional structural trend with coincident copper geochemical anomalism and
- Initial geophysical testing of a multielement geochemical target interpreted to be a potential VMS target

The planned exploration programs are part of Caravel's strategy to increase the size and grade of the existing JORC Resources at Calingiri with the results being incorporated in the planned Pre-Feasibility Study due in 2017. Results are expected to be released late in Q1 2017.

Private Placement

On 8th November 2016 the Company announced that it has issued 7.97m shares under Tranche 2 of the placement announced on 8 August 2016. The Company has also issued 9.2m attaching options exercisable at \$0.12 on or before 15 December 2018 relating to Tranche 1 and Tranche 2 of the Placement. Gross proceeds of \$1,250,000 raised across both Tranches including \$566,060 in Tranche 2.

Bryah Project, WA

On 25th November 2016 the Company announced the results of a moving loop electromagnetic survey designed to test two x 2 km long copper-zinc-gold geochemical anomalies. While a number of conductive features were identified, follow up fixed loop (FLEM) surveying and modelling of the data suggests that the features are flat-lying and most likely reflect a regolith source rather than the targeted steeply dipping bedrock sulphide mineralisation.

Quarterly Activities Report For the period ended 31 December 2016

Caravel Minerals Limited ("Caravel") is an Australian-based gold, copper and base metals exploration and resource development company with projects located in Western Australia. The Company is listed on the Australian Securities Exchange (code: CVV). Caravel has a technically strong and well established exploration and mine development team backed by an experienced Board and panel of advisors.

The Company is an emerging growth story with compelling projects in WA. The Company's flagship is the Calingiri Copper Project, 120km from Perth, with a JORC Scoping Study that was released in June 2016. The study confirmed Calingiri's potential as a low-cost mid-tier copper producer with low Capex and robust economics. The second project in WA is the Bryah Project that comprises 50 km² of the Lower Narracook Sequence that host the Degussa and Monty VHS deposits.

For further information, please contact:

Mr Marcel Hilmer, CEO
+61 8 9426 6400
admin@caravelminerals.com.au

<http://www.caravelminerals.com.au>

Gateway to Australia's **most compelling** growth project

CALINGIRI PROJECT, WA

Calingiri – JORC Scoping Study and New Exploration Programs

The June 2016 Scoping Study has determined that Calingiri demonstrates robust project fundamentals with low technical risk. It contemplates the co-development of three open pits, located 120km to the northeast of Perth in Western Australia. Central to the project is the construction of a stand-alone 15 million tonne per annum (Mtpa) ore processing facility. The Company considers the project is economically viable based on its ability to pay back project start-up capital and provide ongoing positive operational cash flows. Details of the material assumptions utilised are available for download from our Website. The major findings are shown on the next page.

In November 2016 the Company was pleased to announce that the next phase of exploration activity would commence at Calingiri following the completion of the grain harvesting season.

This component of a planned multiphase field exploration programme is underway and expected to be completed in Q1 2017. An initial air core drilling program is testing several copper sulphide targets in close proximity to the Bindi and Dasher JORC Resources, as well as an undrilled trend near the western perimeter. The initial programs include:

- Air core drilling to test previously undrilled geochemical anomalies within the regional copper-molybdenum Target Trend. The Dasher East prospect hosts the largest surface copper anomaly within the Calingiri Copper-Molybdenum Target Trend (the geological trend hosting the known mineralisation at Bindi, Dasher and Opie). The proposed drilling will systematically test the prospect for regolith copper anomalism and map prospective bedrock. The Bindi SE drilling will test the SE continuation of the Bindi prospect over an area of strong (>20ppm) molybdenum surface anomalism.
- Air core drilling to test a previously undrilled regional structural trend with coincident copper geochemical anomalism. Previous surface sampling along the Bindi SW Target has revealed numerous copper soil anomalies extending over more than 10 km. The proposed air core drilling will test these anomalies which lie on, and adjacent to, a major structure interpreted from aeromagnetic imagery. This structure is interpreted to continue on a NE orientation through the Bindi main prospect and
- Initial geophysical testing of a multielement geochemical target interpreted to be a potential VMS target. The A1 Target is a large (5km x 1km) copper anomaly defined by surface geochemical sampling. It was the largest copper anomaly outlined in the initial geochemical survey of the Calingiri area. Follow up air core drilling confirmed base of hole (bedrock) copper anomalism as well as a wide range of multielement (including gold, zinc, lead, bismuth, antimony, tin and tungsten) anomalism.

This target area lies in a potentially prospective geological setting, as interpreted from magnetic data, with NW-SE trending magnetic and non-magnetic stratigraphy developed within a flexure zone around an intrusive contact with a granitoid.

There has never been any follow up to this very significant target as exploration, in the project area, has been focused on the main Copper-Molybdenum Target Trend.

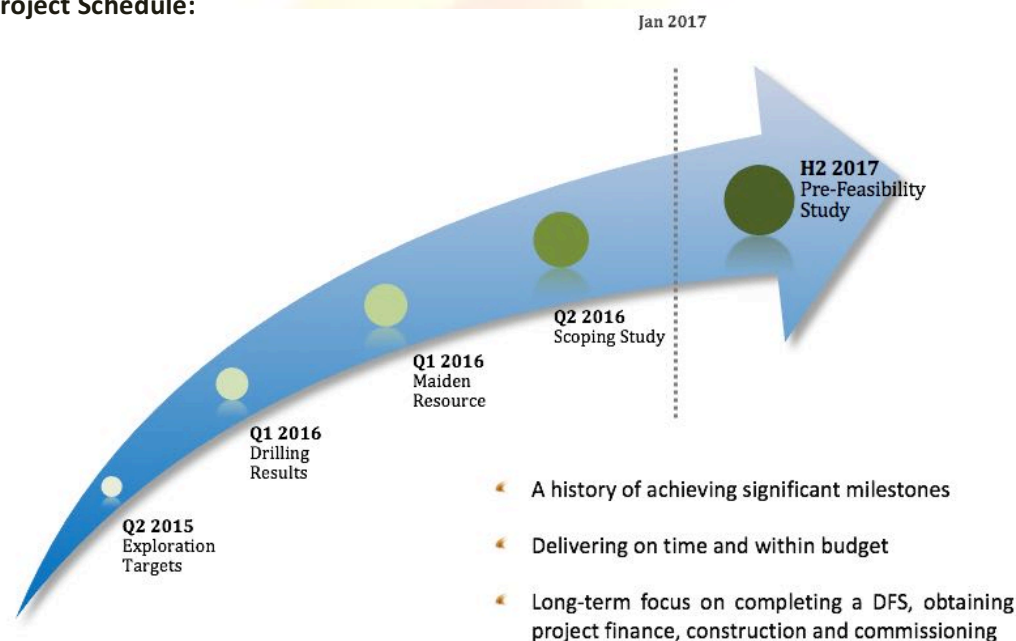
The planned exploration programs are part of Caravel's strategy to increase the size and grade of the existing JORC Resources at Calingiri with the results being incorporated in the planned Pre-Feasibility Study due in 2017. Results are expected to be released late in Q1 2017.

The table below summarises the major findings from the June 2016 Scoping Study:

		Project	
Project			
Initial LoM	Years	21	
NPV at a Discount Rate of 7% - (Excl. Tax)	A\$M	800	
- (Incl. Tax)		520	
Internal Rate of Return - (Excl. Tax)	%	31%	
- (Incl. Tax)		23%	
Payback Period after Tax	Years	3	
Capital Cost	A\$M	440	
Production		LoM	1st 5 Yrs
Treatment throughput	p.a.	15	
Strip ratio	t:t	1.0	1.0
Quantity Ore Treated	Mt	310	76.0
Copper Eq. Grade	%	0.30%	0.33%
Recoveries Cu	%	92%	92%
Cu sold	T Cu	710,000	190,000
	Mlb Cu	1,600	400
Revenue and Cash Flow			
Average Base Price	\$Lb Cu	US\$2.75	
Net Revenue	A\$ Billion	7.1	1.6
Operating cash flow		2.0	0.4
Net cash flow after tax		1.5	0.2
Total Cash Costs USD		1.50	1.40

Note 1: Differences may occur due to rounding.

Calingiri Project Schedule:



BRYAH PROJECT

In November 2016 the Company announced the results of a moving loop electromagnetic survey designed to test two x 2 km long copper-zinc-gold geochemical anomalies.

While a number of conductive features were identified, follow up fixed loop (FLEM) surveying and modelling of the data suggests that the features are flat-lying and most likely reflect a regolith source rather than the targeted steeply dipping bedrock sulphide mineralisation. It was decided that no follow up drilling was merited

PRIVATE PLACEMENT

On 8th November 2016 the Company was pleased to announce that it has issued 7.97m shares under Tranche 2 of the placement announced on 8 August 2016 (Placement). The Company has also issued 9.2m attaching options exercisable at \$0.12 on or before 15 December 2018 relating to Tranche 1 and Tranche 2 of the Placement.

Gross proceeds of \$1,250,000 raised across both Tranches including \$566,000 in Tranche 2

The funds raised from the Placement are being invested in the Company's flagship Calingiri Project in WA and to provide for additional working capital.

Insiders of the Company participated for 5% of the Placement. Aggregate raising fees of \$72,400 in cash were paid in conjunction with the closing of the Placement.

The securities issued were allotted following Shareholder Approval received on 27 October 2016.

FQM FARM-IN AGREEMENT

Leading global resources group FQM, a cornerstone investor in Caravel, continues to support the Calingiri Copper-Molybdenum Project. FQM are also providing, at no cost, significant technical support which has been extremely beneficial in planning drilling and assessing results

FQM will have the right to acquire a 50.1% interest in the Calingiri Project after contributing A\$3.6M by September 2017.

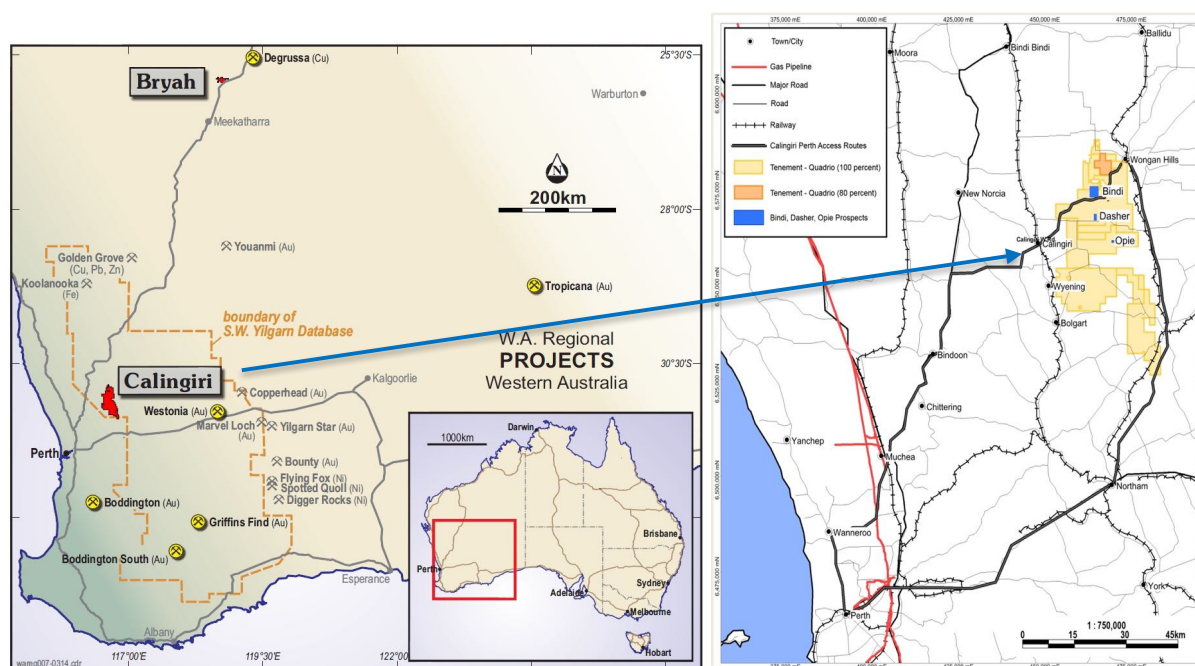
OCCUPATIONAL HEALTH & SAFETY

The Company incurred zero LTI's during the quarter and the Company's 12 month moving average Lost Time Injury Frequency Rate (LTIFR) was also zero. The Company's recent safety record remains unblemished and can be attributed to the diligence and training of all staff and contractors together with initiatives and continuous improvements that have been undertaken.

1. Competent Persons Statements The information in this report that relates to the Calingiri Mineral Resource estimates is extracted from an ASX Announcement dated 4 April 2016, (see ASX Announcement – 4 April 2016 "Calingiri 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 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.

2. 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.

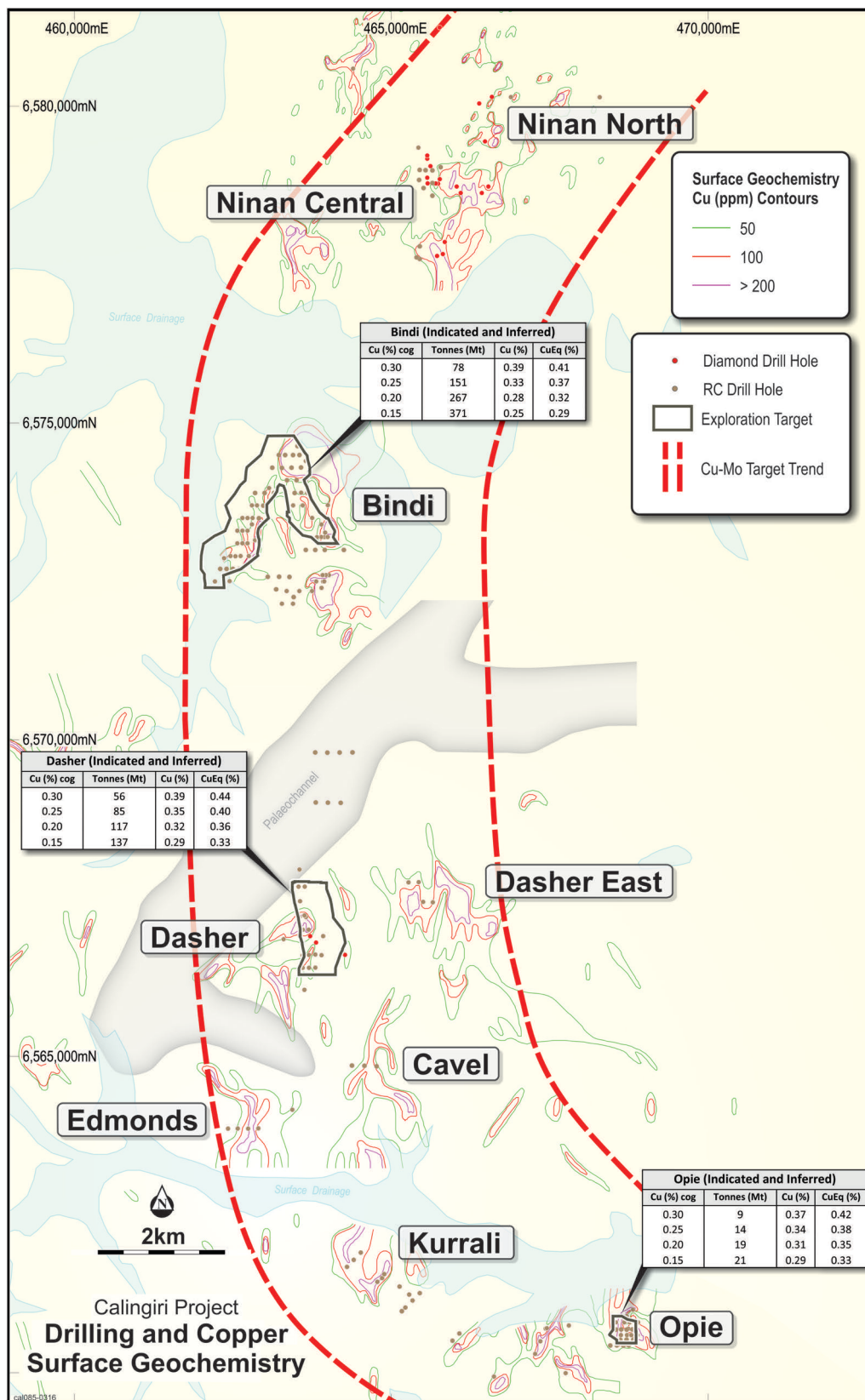
3. Production Targets and Financial Information. Information in relation to the Calingiri Project Scoping Study, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 28 June 2016, (see ASX Announcement – 28 June 2016, "Scoping Study Confirms Outstanding WA Copper Project", www.caravelminerals.com.au and www.asx.com.au). The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 28 June 2016 continue to apply and have not materially changed.



Appendix A – Tenement Status

Project	Location	Tenement	Equity at 1 Oct 16	Equity at 31 Dec 2016	Changes in Quarter
Calingiri	Wongan/Goomalling	E70/2788	100	100	
Calingiri	Goomalling	E70/2789	100	100	
Calingiri	Goomalling	E70/4674	100	100	
Calingiri	Wongan	E70/3674	100	100	
Calingiri	Goomalling	E70/3680	100	100	
Calingiri	Goomalling	E70/3755	100	100	
Calingiri	Goomalling	E70/4327	100	100	
Calingiri	Goomalling	E70/4746	100	100	
Calingiri	Goomalling	E70/4732	100	100	
Calingiri	Wongan	E70/4476	100	100	
Calingiri	Wongan	E70/4517	100	100	
Calingiri	Wongan	P70/1576	100	100	
Calingiri	Wongan	P70/1593	100	100	
Calingiri	Wongan	E70/4675	100	100	
Calingiri	Wongan	E70/4676	100	100	
Calingiri	Wongan	E70/2343	80	80	
Bryah	Bryah	E51/1290	92.5	92.5	

Appendix B – Calingiri Project Outline and Prospects



Calingiri Project / JORC Resource estimates

Appendix C – Calingiri Project Mineral Recourses at Various Cut-off Grades

The following table presents the Calingiri Resource sensitivity to various lower and higher cut-off grades.

Calingiri Project Mineral Resources Categories at Various Cut-off Grades									
	Indicated			Inferred			Total Resource		
Cut-off Grade	Tonnes (MT)	Grade Cu %	Cu Metal (T)	Tonnes (MT)	Grade Cu %	Cu Metal (T)	Tonnes (MT)	Grade Cu %	Cu Metal (T)
0.30	106	0.38	405,000	38	0.39	144,751	143	0.38	549,800
0.25	187	0.34	626,300	64	0.34	218,022	251	0.34	844,300
0.20	297	0.30	874,900	105	0.30	307,600	402	0.30	1,182,500
0.15	390	0.27	1,039,800	139	0.28	368,129	530	0.27	1,407,900

Please refer to the Competent Persons Statements on page 4 for more information