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CARAVEL
MINERALS

ANNUAL REPORT

2023

CVV

COPPER EXPLORATION AND DEVELOPMENT

DIRECTORS

WAYNE TRUMBLE
Non-Executive Chairman

DON HYMA
Managing Director

ALASDAIR COOKE
Executive Director

RICHARD MONTI
Non-Executive Director

COMPANY SECRETARY

DANIEL DAVIS
Company Secretary

REGISTERED AND PRINCIPAL OFFICE

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CARAVEL COPPER PROJECT

- Substantial progress with study and pre-development activities, building on the 2022 Prefeasibility Study (PFS) and Maiden Ore Reserve.
- Positive independent reviews of ore reserves and metallurgical process design.
- Project value was significantly increased by simplification of the process plant design and an incremental nameplate capacity increase.
- Introduction of a Molybdenum Recovery Circuit (MRC) to produce a separate marketable by-product.
- Perth-based Lycopodium Minerals Pty Ltd selected as lead engineer for the Bankable Feasibility Study (BFS).
- Benchmarking visits undertaken to major Canadian copper mines of similar grade and scale which validated Caravel's design plans.
- Groundwater drilling and modelling confirmed the presence of a newly discovered brackish aquifer.

- Applications for water abstraction licenses lodged, in parallel with stakeholder engagement to secure an infrastructure corridor for the borefield and water pipeline.
- Application submitted to Western Power for connection to the existing energy transmission network (SWIS) to support a low-cost power solution.
- Financing proposals received from several mining equipment manufacturers which are progressing towards partnering arrangements for an automated and electrified mining fleet.
- Key mining tenure approvals received for the Dasher resource area, with Mining Lease 70/1411 and General Purpose Lease 70/623 granted by the Department of Mines, Industry, Regulation and Safety (DMIRS). Heritage surveys for these areas were completed by the Yued Aboriginal Group.
- Project referrals submitted under the Environmental Protection Act 1986 (State) and the Environmental Protection and Biodiversity Conservation Act 1999 (Commonwealth) to formally commence the primary environmental assessment for the Project.
- Final environmental studies required for State and Commonwealth environmental approvals nearing completion. The State Government has set the level of assessment for the Project as a Public Environmental Review, giving certainty to the approval process.
- Completed two strongly supported capital raising and a Share Purchase Plan (SPP), raising A\$21.5m
- The raising proceeds will underpin work on the Bankable Feasibility Study (BFS), permitting and infrastructure studies and other development activities. Caravel had a cash balance of \$13.7 million at 30 June 2023.

Our vision: to create value for our stakeholders through the development of a modern copper project.



Wayne Trumble
CHAIRMAN

Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to introduce the 2023 Annual Report for Caravel Minerals and take this opportunity to thank all shareholders for your continued support of the Company.

The progress we are reporting this year has been made at a time of changing conditions in equity markets, notwithstanding the broader thematic for copper as the cornerstone metal of global decarbonisation.

As our shareholders understand, the Caravel Copper Project represents a unique opportunity in the global copper landscape. It is a large, long-life Project which generates strong financial returns and competitive operating cost metrics. Low costs are made possible using well-established and proven bulk mining and processing methods.

A wide range of credible industry participants, global investment banks and financial analysts are forecasting an emerging structural supply deficit in copper towards 2030 as surging demand meets an increasingly challenged supply pipeline. Global investment banks and mining companies such as BHP and Glencore, are predicting global copper shortages as the pace to decarbonise quickens. This all augurs very well for the methodical and considered progression of the Caravel Copper Project through development towards production later this decade.

the Caravel Copper Project is a unique opportunity in the global copper landscape...

Following the Project Pre-Feasibility Study (PFS) Release in July 2022, the team has achieved important improvements to the Project's value and economics resulting from simplification of the processing plant design and the inclusion of a Molybdenum Recovery Circuit. This year also saw the completion of extensive field-based programs with the valued involvement of landowners and Traditional Owners in the region. We have also continued discussions with a range of key Project stakeholders including the State, Government Agencies, Shires and industry participants as we continue to secure the Project's power and water infrastructure.

I also want to highlight Caravel's commitment to health, safety and engagement which resulted in no lost time injuries this year. This result starts with ensuring the safety and wellbeing of our hard-working staff, contractors and community, whom I sincerely thank for their ongoing efforts and involvement.

In conclusion and on behalf of the Board, I wish to thank you, our shareholders, for your ongoing support. This year is shaping as another defining one as we continue final feasibility studies for the Caravel Copper Project.

I look forward to updating you further at our Annual General Meeting.



Wayne Trumble
CHAIRMAN



Don Hyma
MANAGING DIRECTOR

After two years as an advisor to the Caravel Board, it is a great pleasure to present my first Managing Director's report on behalf of the Company and the Caravel Copper Project.

The past year saw Caravel take important steps towards our goal of developing a new long-life copper project in Western Australia's Wheatbelt region. As well as advancing a host of key studies and pre-development activities, we refined the Pre-Feasibility Study to capture upside value by simplifying the design of the process plant, increasing its' scale, and adding a small circuit to produce Molybdenum as a by-product.

Our approach is characterised by a commitment to carefully analyse and de-risk all elements of the Project prior to a financial investment decision. We have been systematic and methodical in our approach to power and water, land access, stakeholder engagement, flowsheet design and mine planning, including benchmarking against similar operations offshore and engaging early with equipment manufacturers, design firms and constructors.

The Project is a highly attractive opportunity given its' multi-decade mine life, favourable location proximal to Perth, low operating cost achieved through simple bulk mining methods, and is therefore well-positioned to capture the forecast copper supply deficit emerging toward the end of this decade.

this year has been one of significant progress...

A key achievement during the year was the completion of an independent metallurgical process review by Lycopodium Limited, which confirmed the absence of any fatal flaws in the process testwork, equipment selection and basic plant design. This result provides confidence that the plant has been designed to the optimum scale and will perform as intended.

We had the opportunity to visit Gibraltar Mines and Copper Mountain Mining in Canada. These operations have similar ore grades and production levels to Caravel, and therefore represent excellent benchmark operations that have been performing successfully for decades. The visits validated the Project's adoption of modern mining technologies including electrification and automation and allowed direct assessments of comminution, grinding, flotation and ore sorting technologies.

During the year, we made substantial progress toward securing a sustainable water supply for the Project. We have also progressed studies with Western Power with the aim of securing a low-cost grid power solution for the Project. Important environmental and heritage studies continued including engagement with landowners and Traditional Owner Groups.

The Project's location only 150km north of Perth offers numerous advantages from a development perspective. Being in a Tier-1 jurisdiction for mining investment, with a well-established regulatory and permitting framework, adjacent to high-quality available infrastructure, and supported by a skilled construction and operations workforce makes this Project highly attractive. Importantly, this is a Project which is well-timed to generate economic benefits for shareholders and the regional economy as copper demand is forecast to grow and the supply gap widens.

Caravel offers excellent exposure to copper in what is a limited group of companies with prospects of development in the next few years. Our Project has



great upside to the copper price, with every US\$0.50/lb copper price increase generating an additional US\$0.9B in pre-tax NPV, from a base case NPV of US\$2B at US\$4.00/lb copper.

Given equity market conditions being experienced currently, the Board is cognisant of managing our finances prudently and ensuring we make the most of our cash resources. With that in mind, we are adopting a cautious and staged approach to initiating major expenditure items, such as commencing detailed engineering work with our selected EPCM firm, Lycopodium Limited. Essential work is continuing in metallurgy, environmental approvals, water and power access, stakeholder engagement and strategic partnering.

Our copper project will be one of the largest single new investments in the Wheatbelt region's history and we are taking the time and methodical approach to get it right. Balancing technical accuracy considerations and current market conditions, the team has developed what we describe as a "long runway" approach to studying and developing the Project. We believe this is prudent and sensible in the current environment and will serve us well for the future as we work toward a

financial investment decision.

In conclusion, I would like to extend my sincere thanks to the small but highly experienced Caravel team. Their hard work, dedication and focus is greatly appreciated. My thanks also to you as shareholders for your support including investors who participated in our capital raising during the year.

We have an exciting year ahead of us as we continue to de-risk the Project. I look forward to continuing to share our progress with you.



Don Hyma
MANAGING DIRECTOR

CARAVEL PROJECT OVERVIEW

Caravel Minerals Limited (“Caravel” or “Company”) is an advanced stage exploration and minerals development company focussed on bringing its’ flagship copper project in Western Australia into production to meet the forecast growth in global metals demand needed to achieve progressive decarbonisation targets by 2030 and 2050.

The Company has a strong technical, project implementation and operational team to progress through the Bankable Feasibility Study (“BFS”) phase towards operations in the latter half of the decade.

The Company aims to maximise shareholder value through a well-considered approach to studies, careful fiscal management, safe and responsible field activities that minimise disruption and environmental impact, and de-risking the Project prior to implementation.

Caravel Minerals’ Copper Project is located 150km north-east of Perth in Western Australia’s Wheatbelt region, which has established road, power and supporting town infrastructure and services.

...the company aims to maximise shareholder value

The Project deposits are planned to be mined by conventional open-pit, low-cost, bulk mining methods using automated and electrified equipment and technologies. Processing will be by an industry-proven conventional copper processing plant to produce a high-quality concentrate product. The Project is planned to operate for 25+ years producing ~65,000 tonnes of copper-in-concentrate per annum (~71,000 tpa in the first five years) and ~900 tonnes of molybdenum-in-concentrate per annum. Concentrate is planned to be transported, by truck, using existing sealed roads to Bunbury or Geraldton Port for export.

Caravel’s copper deposits form part of a 30km long 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. This region also hosts some of Australia’s most significant mineral discoveries including Greenbushes Li, Boddington Au-Cu and Chalice Julimar PGE.

Australia’s largest undeveloped copper Project, Caravel 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 (using 0.1% Cu cut-off).

INDEPENDENT PROCESS REVIEW

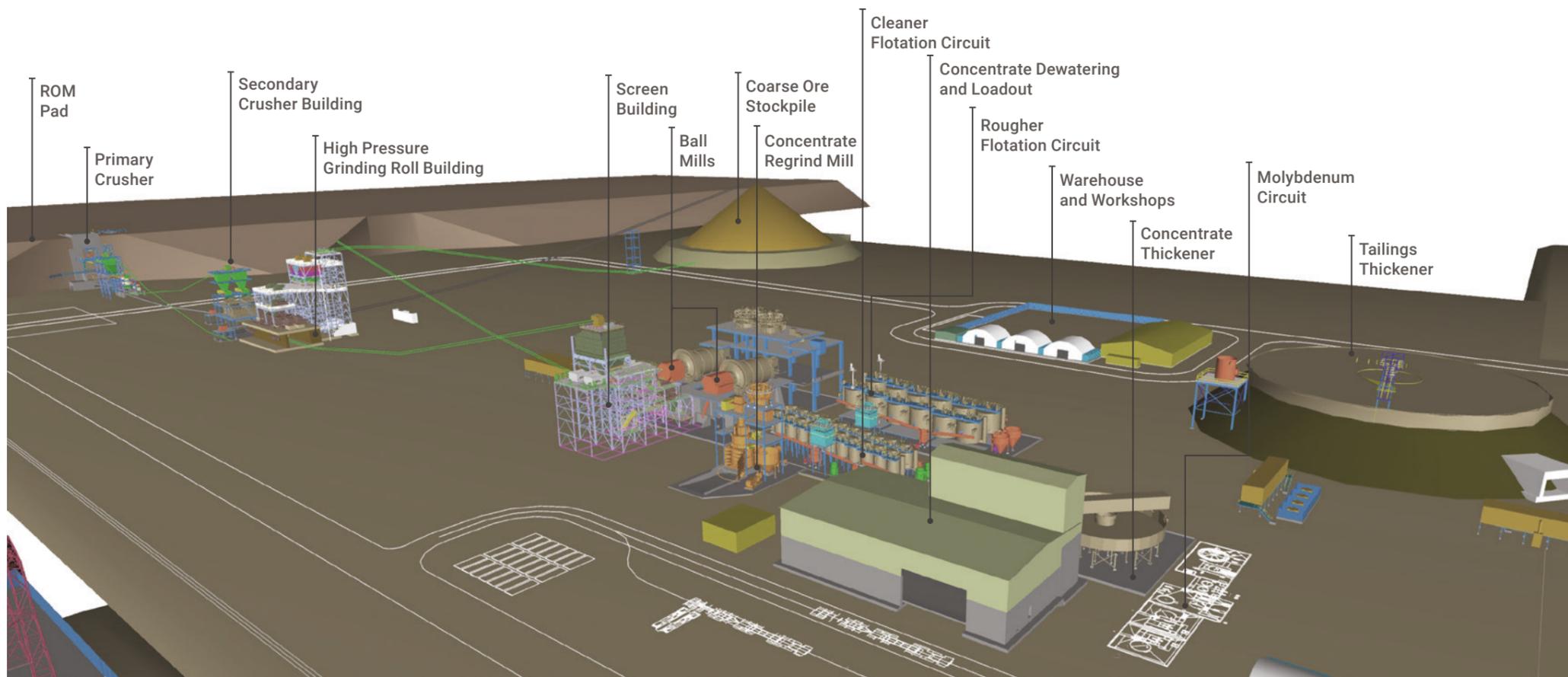
On 13 April 2023, Caravel reported the outcomes of an independent metallurgical process review for the Caravel Copper Project, which identified substantial opportunities to enhance Project value and confirmed the suitability of the process flowsheet ahead of the start of engineering for the Bankable Feasibility Study (BFS). The three-month review was undertaken by industry specialist engineering and project delivery firm Lycopodium Minerals (Lycopodium) and Orway Mineral Consultants (OMC).

The key outcomes of the review included an incremental increase in process plant capacity of ~10% to 30 Mtpa, the inclusion of a Molybdenum Recovery Circuit (MRC), the deferral of the Coarse Particle Flotation (CPF) circuit and an update to the overall process plant copper recovery. Based on these changes, forecast annual copper production increases from 60ktpa to 65ktpa at steady state, supplemented by 0.9ktpa of molybdenum production as saleable by-product.

The adopted changes have all demonstrated material benefits to the Project and are now incorporated into the base case process plant design and financial model for the BFS.

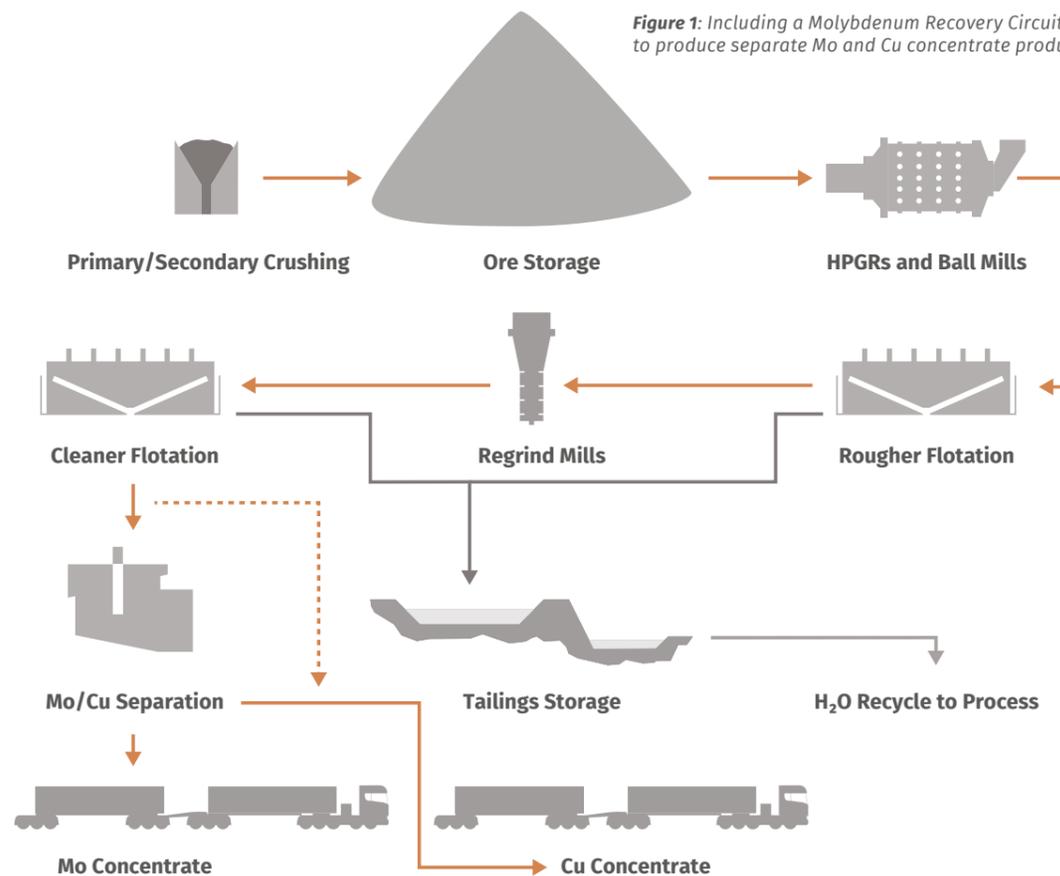
PROCESSING PLANT

Figure 2: Under Feasibility Study Development – 3D diagram of the Caravel Copper Project Process Plant layout.



PROCESS FLOWSHEET

Figure 1: Including a Molybdenum Recovery Circuit to produce separate Mo and Cu concentrate products.



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Collectively, the adopted changes are forecast to:

- Increase annual copper production from 60ktpa to 65ktpa (71ktpa in the first five years)
- Increase initial capital investment from A\$1.6B to A\$1.7B
- Reduce C1 costs from US\$1.54/lb to US\$1.23/lb
- Reduce AISC from US\$2.37/lb to US\$2.07/lb
- Increase pre-tax net cash flow from A\$5.6B to A\$6.6B
- Increase pre-tax NPV7 from A\$1.5B to A\$2.0B
- Increase pre-tax IRR from 18% to 21%
- Reduce the Project payback period from 5.6 years to 4.9 years.

The PFS Processing Update outcomes are based on changes to the comminution and flotation circuits within the process plant. All other study areas, including Ore Reserves, Mineral Resources, mining method, infrastructure studies reported in the July 2022 PFS remained unchanged.

The material assumptions in respect of the PFS financial forecasts and production targets continue to apply with no material change to these assumptions.

Following completion of the review, the base case process flowsheet for the BFS has been established.

A schematic diagram of the process flowsheet is illustrated in Figures 1 and 2.

LYCOPODIUM APPOINTED AS LEAD ENGINEER

Caravel appointed Perth-based Lycopodium Minerals Pty Ltd as lead engineer for the BFS. Lycopodium has extensive experience in mineral processing plant design and project management, including copper processing projects at Sandfire's Motheo Copper Project (Botswana) and First Quantum's Cobre Panama Project (Central America). Lycopodium is a highly experienced engineering and project management firm and a strategic execution partner for Caravel, with an extensive West Australian pedigree in mineral processing, large capital project delivery, firsthand knowledge of local fabricators, constructors, regulatory processes, and long-standing business relationships in the resources sector.

In conjunction with Caravel, Lycopodium will be responsible for the Engineering, Procurement and Construction Management (EPCM) delivery of the Caravel Copper Project, including engaging with numerous technical advisors and specialist consultants in resource modelling, mine planning, metallurgical testing, environmental and regulatory approvals, and technology development. The BFS is expected to take approximately twelve months to complete.

BANKABLE FEASIBILITY STUDY (BFS)

Caravel Minerals has progressed key workstreams that will enable the completion of a high-quality BFS for the Caravel Copper Project, with key work programs during FY2023 including:

WATER

A water bore drilling program has been completed at the proposed borefield ~60km west of the project site. 16 bores have been drilled, developed, and tested over the past 18 months. Global Groundwater is developing a numerical groundwater model using the geological and water data collected from the borefield.

The numerical groundwater model is expected to quantify the details outlined in the conceptual water model developed and shared with the Department of Water and Environmental Regulation (DWER) earlier this year. The model identifies the existence of a new aquifer with capacity to support the Project water requirements. Applications for abstraction licenses are being assessed by DWER. Negotiations with key landowners are well-advanced to enable the development and operation of the borefield.

Advisian Consultants are progressing groundwater modelling for the mine project area. This includes water bore monitoring to provide baseline data and passive seismic surveys to provide definition of the paleo drainage systems. In addition, two deep production bores were installed into a water-bearing structure along the western side of the Bindi Deposit. Pump testing will provide data to understand the capacity of the fractured rock aquifer and pit dewatering requirements which are expected to be minimal.

POWER

Caravel is working closely with Western Power to access transmission grid capacity for the Project. The Access Application submitted to Western Power has been approved and the first phase of studies (Steady State Studies) have been completed. Additional studies are underway in anticipation of an Access Offer from Western Power in Q3 2024. Caravel is completing a power demand simulation study to assess the opportunity to manage intra-day power demand in relationship to pricing cycles. Discussions with energy suppliers have commenced.

APPROVALS

Mining Lease 70/1411 and General Purpose Lease 70/263 were granted by WA's Department of Mines, Industry, Regulation and Safety (DMIRS) on 21 September 2022 and 6 October 2022 respectively. Both leases 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 some 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 covering the Bindi resource and associated infrastructure remain in progress as applications with DMIRS.

Archaeological and ethnographic surveys have been completed with representatives from the Yued Aboriginal Group. The surveys have cleared the areas within M70/1411 and GPL70/263 for development. Caravel continues to work with the Yued People to ensure ongoing management of any identified heritage values associated with the Project.

Final environmental studies required for the State and Federal environmental approvals are nearing completion. The process to obtain 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) has commenced. The level of assessment has been set at Public Environmental Review and the scope of the assessment has been drafted and is being assessed by the Department of Water and Environmental Regulation (DWER) and the Department of Climate Change, Energy, the Environment and Water (DCCEEW).

Caravel is currently preparing the Environmental Review Document, which will be the subject of the Accredited Assessment by the State and Federal Governments and a public comment period during 2024. Consultation with environmental and other stakeholders has occurred during the year and will continue over the life of the project.

MINING EQUIPMENT

Discussions have progressed with mining equipment manufacturers as Caravel works towards identification of preferred suppliers of the automated and electrified mining fleet. Fleet financing proposals from several vendors have been received as progress is made towards preliminary commercial arrangements. The mining equipment sourcing is consistent with forecast delivery timeframes and is in readiness to undertake pre-development activity and potentially secure ~20% of the project's capital requirements.

DASHER DRILLING

Drilling was completed at Dasher to establish design parameters required for open pit mine design, establish a cost-effective general arrangement of the process plant and supporting non-process infrastructure, and to collect samples for continuous metallurgical testing for engineering design. The drilling program was completed in Q3 2023.

BENCHMARKING SITE VISITS

Members of the Caravel management team visited the Gibraltar Mine (Taseko) and Copper Mountain Mine (Hudbay) in May 2023. Both operations have a head grade of 0.25% copper, low strip ratio, and throughputs of 30Mtpa and 16Mtpa respectively; Gibraltar mine has a Molybdenum circuit. The mine visits enabled benchmarking Caravel's project against the operations regarding comminution, grinding, flotation, mine electrification, and ore sorting technology. The visit confirmed many engineering and design decisions to be studied in the BFS.

...mine visits enabled us to benchmark Caravel's project

PROJECT FUNDING

Caravel Minerals is pursuing a range of options for funding the Caravel Copper Project development.

Strategic partnering: Producing >60ktpa of clean copper concentrate in an attractive investment destination like WA makes Caravel of interest to major copper smelters and traders seeking long term concentrate supply agreements. These types of supply agreements commonly involve equity and debt financing arrangements.

Joint-venture partnering: The Caravel Project is one of very few projects globally with both significant scale and location in a good investment jurisdiction. This makes it attractive to mid-tier mining companies seeking near term copper production opportunities.

Vendor financing options: The Project's close location to Perth-based vendors offers opportunities for different funding models, such as service and performance-based contracts for certain mobile or replaceable equipment. Current expectations are that the mining fleet will be largely vendor financed, and Caravel is investigating vendor financing models for significant components of the process plant. These options will reduce the project financing requirement and, where performance based, will reduce operating risks.

Caravel continued exploration and project development work programs and activities in line with its Health, Safety, Environment, Community and Quality Management System (HSECQ). Caravel's HSECQ business system was developed and implemented in mid-2021 to build value for the business and its' stakeholders by undertaking all work safely and responsibly.

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Figure 3: Conceptual pipeline route consultation with landowners (May 2023).

During 2023, Caravel Minerals began the journey to formalise its ESG approach and alignment with internationally recognised frameworks and standards. We are investigating aligning our ESG reporting with the Global Reporting Initiative (GRI) standards, enhancing reporting of business activities to a wider range of stakeholders.

SAFETY

Caravel continues to implement its Health, Safety, Environment, Community and Quality Management System. The focus to date has been on identifying risks in our field operations (exploration and investigative works) and implementing preventative controls to minimise the likelihood of incidents and implementing mitigating controls. There were no lost time injuries during FY2023.

STAKEHOLDER ENGAGEMENT

Caravel continued wide-ranging discussions with landowners and other stakeholders regarding the Project's feasibility studies and the potential timeline for implementation which remains subject to further consultation and final approvals.

To support development of a buried water pipeline to supply the Project with industrial quality processing water, a conceptual underground water pipeline route has been identified with the assistance and involvement of landowners. The conceptual route is now being further studied to include engineering, geotechnical, landowner preferences, environmental and other factors.

Figure 4: Information update field session with community members and landowners (April 2023)

Figure 5: Archaeological dig survey undertaken by representatives of the Yued Aboriginal Group and supervised by archaeologists.

The information update described previous work undertaken by the Department of Primary Industries and Regional Development (DPIRD) and others in the mid-2010s, which Caravel has further developed. Consultation and engagement with interested stakeholders is ongoing.



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CASE STUDY **2022**

ENVIRONMENT FOCUS

Caravel has successfully trialled a “solids recovery unit” (SRU) during diamond core drilling programs at the Dasher Deposit. The SRU separates drill cuttings from the water returned from the hole, the water is reused in the hole and the drill cuttings are removed from site. The SRU requires no drill sumps resulting in less impact on the soil profile which is a major concern for landowners. In addition, the SRU requires less water, reduces the quantity of drilling muds used and allows faster rehabilitation of drill sites.



CASE STUDY **2023**

HERITAGE PROTECTION

As part of comprehensive studies to understand the baseline environment and Aboriginal heritage associated with the Project area, archaeological and ethnographic surveys were undertaken by the Yued Aboriginal Group during two field visits in 2021. A subsequent archaeological dig at a single site within the development envelope was completed during the June Quarter 2023. The surveys and investigations were undertaken under terms of an agreed Heritage Protection Agreement between Caravel Minerals and the Southwest Land and Sea Council on behalf of the Yued People.



CASE STUDY **2023**

COMMUNITY ENGAGEMENT

Landowner consultations were held in April and May 2023 with Caravel providing an update on investigations to inform the development of a groundwater model. Water exploration is taking place in areas where groundwater has been rising, resulting in a loss of productive agricultural land due to the spread of surface salinity.

DRILLING PROGRAMS

BINDI DIAMOND DRILLING

Diamond drilling at the Bindi deposit during the reporting period increased confidence to the existing Resource model, confirmed an extension of mineralisation at depth, provided geotechnical data to aid open pit design and provided material for further metallurgical test work.

Hole 22CADD007 drilled to the north in the Bindi Hinge starter pit area at an acute angle to the northwest plunging hinge zone, the hole passed through the hangingwall fault at the expected depth then

intersected long intervals of consistent mineralisation through the West Limb. Structural data from the hole and the continuity of mineralisation confirms the geological model for the west limb.

Hole 22CADD010 drilled at the southern end of the Bindi East deposit to provide geotechnical data for the southeastern pit wall, the hole was extended 100m past the planned depth to test the Lower Limb position. The hole intersected mineralisation consistent with the geological model and confirmed the extension of mineralisation at depth. Assay results from this program were provided in the Company’s ASX Announcement dated 1 March 2023.

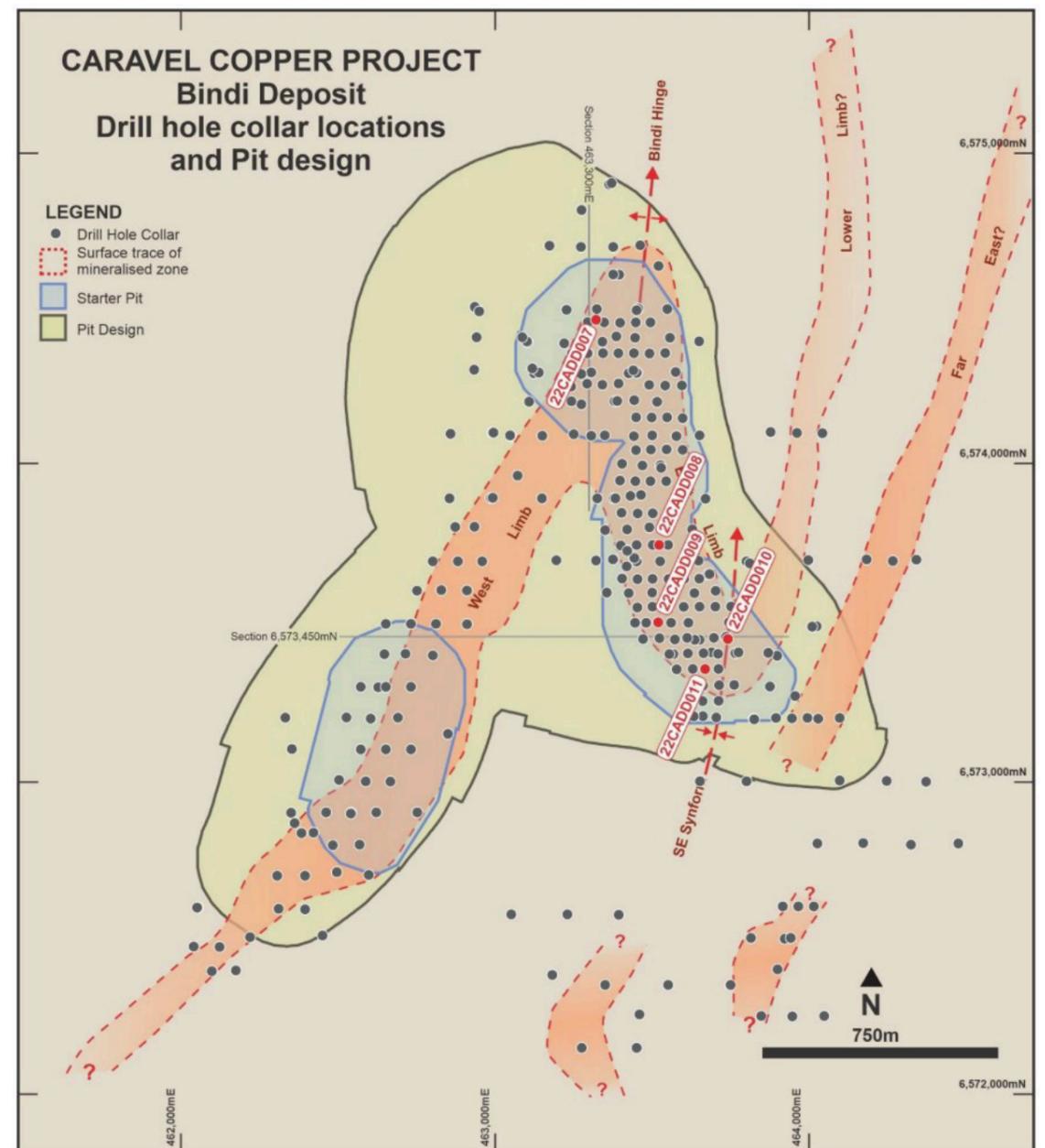


Figure 6: Bindi Deposit showing the locations of diamond core drill holes.

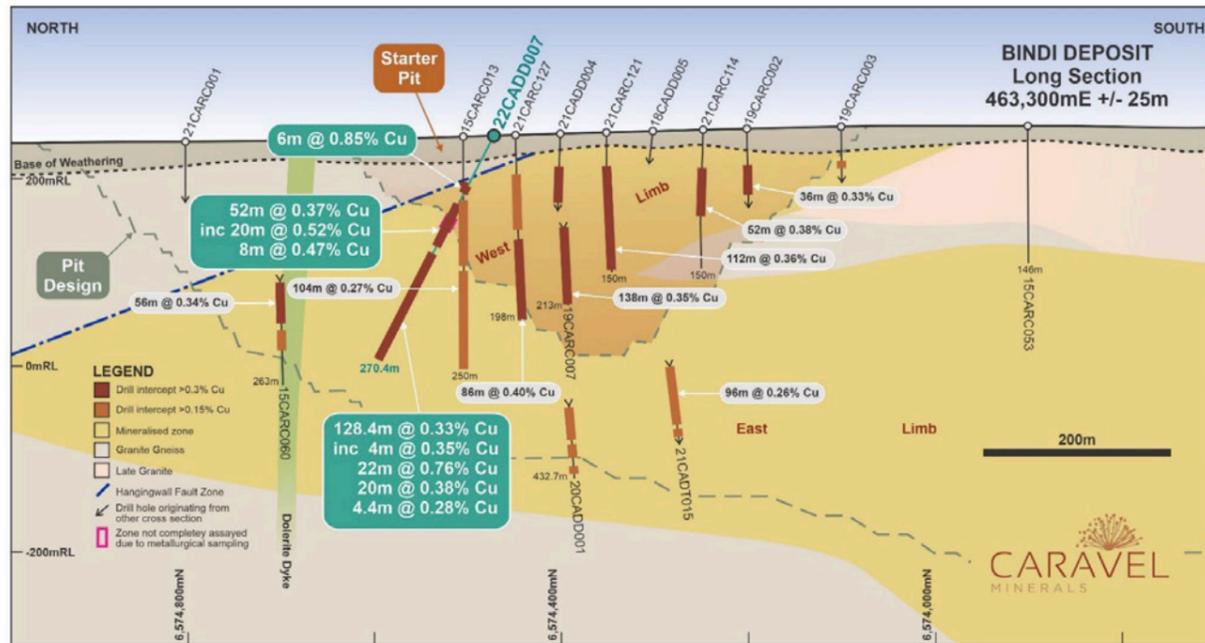


Figure 7: Bindi deposit cross-section looking east, illustrating recently completed drill hole 22CADD007.

DASHER DIAMOND DRILLING

Diamond core drilling commenced at the Dasher deposit late in the reporting period on a spread of holes targeting the Dasher starter pit. The drilling is intended to provide representative mineralised material for use in metallurgical testwork. The diamond core holes have been selected from planned infill drilling. Assay and detailed structural geology data will be utilised in the forthcoming Dasher resource update. Geotechnical data from the core holes will assist with pit design and mining planning studies.

An updated Mineral Resource Estimate for both the Bindi and Dasher Copper Deposits is scheduled for delivery in the December 2023 Quarter.

AIRCORE STERILISATION DRILLING

Aircore (AC) drilling south and east of the Bindi deposit during the reporting period was completed to confirm the suitability of those areas for the location of mine infrastructure. The broad-spaced drilling found no evidence of mineralisation west of Bindi, moderate anomalism to the south of Bindi requires further investigation.

WATER BORE DRILLING

Caravel installed additional observation bores around the Bindi deposit to allow for groundwater monitoring required for mining approvals. In addition, two deep production bores were installed into a water-bearing hangingwall fault structure along the western side of the Bindi Deposit. Pump testing of water bores

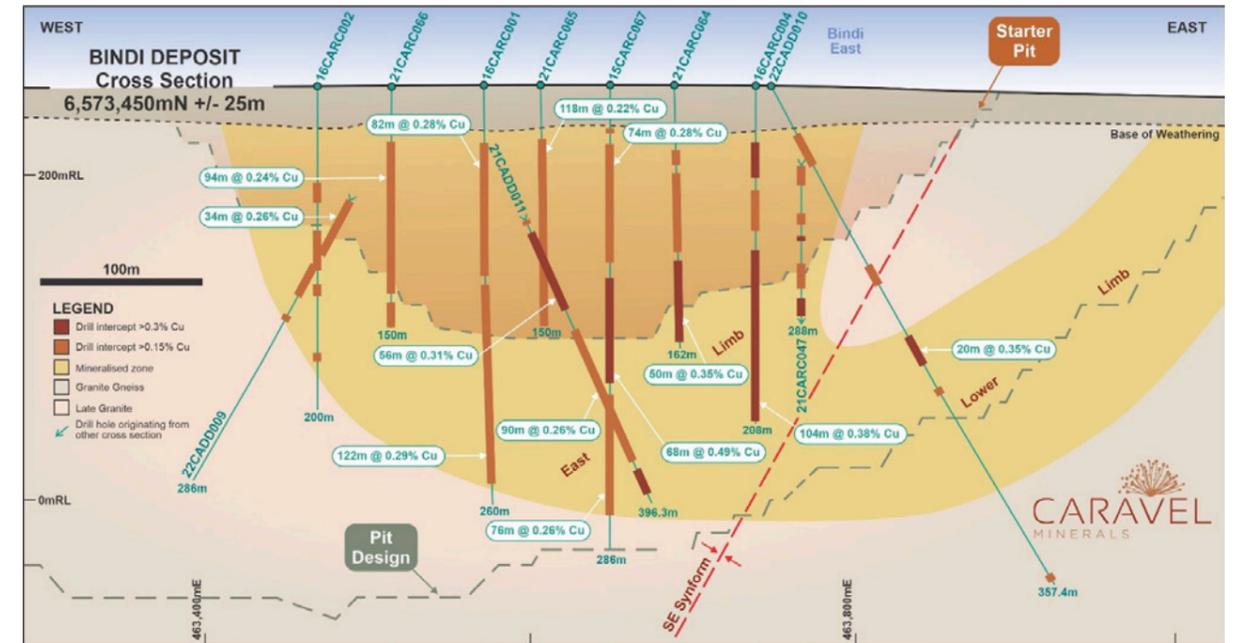


Figure 8: Bindi Deposit cross-section looking north, illustrating recently completed drill holes 22CAD009 and 22CADD010.

will provide data to understand the capacity of the fractured rock aquifer and pit dewatering requirements (which are expected to be minimal).

EXPLORATION – NEW PROSPECTS

Caravel has applied for three tenements that are prospective for Rare Earth Elements (REE mineralisation), E70/6125 Mukinbudin, E70/6126 Burakin and E70/6376 Cadoux. The areas were identified from pre-competitive geophysical data and subsequently confirmed as prospective from roadside soil sampling results. Regolith mapping shows areas where saprolite and colluvium are at surface are relatively enriched in REEs which is consistent with the formation of ionic clay style REE deposits.

The multi element geochemistry seen in AC drilling at Dalwallinu E70/5400 has a similar signature to that seen around Iron Oxide Copper Gold (IOCG) style systems, in addition to the moderate elevated copper assays up to 1,165ppm Cu. An extensive copper anomaly has been defined in soil sampling elsewhere at Dalwallinu E70/5673, the >100ppm Cu anomaly extends over 19km and coincides with a broad low magnetic feature.

Caravel completed internal reviews of all regional exploration tenements using new data acquired by the company in combination with historic open file data. Based on these reviews it was decided to surrender three tenements, E70/5417 Dalwallinu, E70/5596 Moodiarup and E705964 Bruce Rock.



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ANNUAL REVIEW OF MINERAL RESOURCES

As of 30 June 2023, the combined Measured, Indicated and Inferred Resources for the project totals 1,180.6Mt @ 0.24% Cu (at a 0.10% Cu cut-off grade) for 2.8Mt of contained copper. The combined Proven and Probable Ore Reserve for the project totals 583.4Mt @ 0.24% Cu (at a 0.10% Cu cut-off grade) form 1.42 Mt of contained copper.

Table – Ore Reserve at 30 June 2023 (0.1% Cu cut off)

DEPOSIT	CLASSIFICATION	MT	CU (%)	CU (t)
Bindi	Proven	105.4	0.27	0.28
	Probable	369.6	0.23	0.84
	TOTAL	475	0.24	1.13
Dasher	Proven	-	-	-
	Probable	108.4	0.27	0.29
	TOTAL	108.4	0.27	0.29
TOTAL	Proven	105.4	0.27	0.28
	Probable	478.0	0.24	1.14
	TOTAL	583.4	0.24	1.42

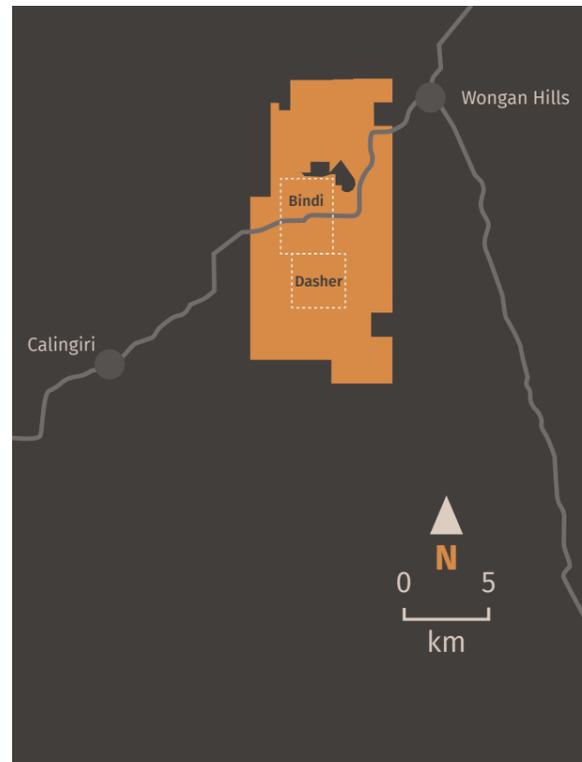


Table – Mineral Resources at 30 June 2023 (0.1% Cu cut-off)

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	131.7	0.28	43	364,100
	Inferred	134.8	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	2,845,700

* E70/5442 Acquired from Diamandia Pty Ltd

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

***E70/5596 Moodiarup Surrendered 28/09/2022

**** E70/5964 Bruce Rock Surrendered 18/07/2023

***** E70/6125 Mukinbudin Granted 7/08/2023

***** E70/6126 Burakin Granted 7/08/2023

Table – ASX Listing Rule 5.21 Disclosure

- 5.21.1** Results of the annual review of the reported Mineral Resources and Mineral Reserves at the Company's flagship Caravel Copper Project for the year ending 30 June 2023 are disclosed in Table xx.
- 5.21.2** The Company's financial year end is 30 June 2023 and Mineral Resources and Mineral Reserves held at year end are disclosed in Table 1.
- 5.21.3** Caravel reported a Mineral Resources and Mineral Reserve as at 30 June 2023
- 5.21.4** Caravel reported a maiden Mineral Reserve during the period. There has been no material change to the Mineral Resources in the period from 30 June 2022 to 30 June 2023.
- 5.21.5** Resource governance arrangements are disclosed in the ASX Announcement "Major Mineral Resources Upgrade – Caravel Copper Project" released on 23 November 2021. Ore Reserve governance arrangements are disclosed in the ASX Announcement "Pre-Feasibility Study – Caravel Copper Project" released on 12 July 2022.

Tenement Schedule at 30 June 2023

PROJECT	TENEMENT	STATUS	DATE GRANTED	DATE EXPIRES	INTEREST
Caravel Copper	E70/2788	Live	6/03/2007	5/03/2024	100%
	E70/3674	Live	15/11/2010	14/11/2023	100%
	E70/3680	Live	23/11/2009	22/11/2023	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	16/01/2026	80%
	R70/0063	Live	12/05/2021	11/05/2024	100%
	E70/5586	Live	12/10/2020	11/10/2025	100%
	E70/5442*	Live	5/01/2021	4/01/2026	100%
	M70/1410	Pending			
	M70/1411	Live	21/09/2022	20/09/2043	100%
	GPL70/262	Pending			
	Dalwallinu	GPL70/263	Live	6/10/2022	5/10/2043
E70/5400		Live	3/06/2020	2/06/2025	100%
E70/5417		Surrendered	9/07/2020	8/07/2025	100%
E70/5511		Live	21/01/2021	20/01/2026	100%
Brookton	E70/5512	Live	23/02/2021	22/02/2026	100%
	E70/5673	Live	11/05/2021	10/05/2026	100%
	E70/5506	Live	22/01/2021	21/01/2026	100%
Moodiarup	E70/5596***	Surrendered	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			
Cadoux	E70/6376	Live	7/03/2023	6/03/2023	100%
Mt William	E70/2338	Pending			

CORPORATE AND OUTLOOK

CAPITAL RAISING

In November 2022, Caravel secured \$12 million from a placement comprising the issue of 60 million new fully-paid ordinary shares. The Placement was well-supported by new and existing institutional and sophisticated investors.

Subsequent to the end of the reporting period, Caravel completed a Share Placement and Share Purchase Plan, which raised \$10 million. The Placement and SPP shares were offered with free attaching options on a 1:2 basis, exercisable at \$0.33 and expiring two years from the date of issue.

The capital raising was strongly supported by new and existing institutional and sophisticated investors, in addition to the Board, and resulted in the introduction of several new high-quality investors to Caravel's register.

The proceeds will be used to support the continued development of Caravel Copper Project in WA, including the imminent commencement of a Bankable Feasibility Study (BFS), permitting and infrastructure studies and other development activities.

Upon settlement of the Placement, Caravel had a strong pro-forma 30 June 2023 cash balance of \$13.7 million (before costs and net of payables) putting the Company in a strong position to advance the Caravel Copper Project towards development.



YEAR AHEAD

The outlook for the year ahead will see Caravel progress methodical and staged project feasibility studies including detailed engineering work with EPCM firm, Lycopodium scheduled to commence in 2024. Key workstreams will also continue for metallurgy, water and power access and stakeholder engagement.

Formal regulatory environmental assessments will continue including the project's forthcoming submission of its Environmental Review Document (ERD) which will publicly report on the environmental baseline and assessment of potential impacts resulting from project development. A public examination and comment period on the ERD is expected during 2024.

Caravel will continue to maintain a program of engagement with high-quality partners including Original Equipment Manufacturers (OEMs), European Credit Agencies (ECAs) and cornerstone investors who can work with the Company to deliver the project.

Regional stakeholder engagement with mine area, borefield and pipeline area landowners and other interested parties will continue as the Project obtains further definition during the BFS stage and discussions advance towards planning for project implementation.

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 2023.

Directors

Qualifications, Experience and Special Responsibilities of Directors

Wayne Trumble – Non-Executive Chairman

A senior executive with 35 years of specific industry expertise in mining, electricity, investment and construction. Wayne 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, Wayne 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. Wayne 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

465,454 shares

Donald Hyma - Managing Director (appointed 28 November 2022)

Don has over 30 years of international mineral resource project development experience across several countries including Canada, Chile, New Caledonia and Australia. Don's previous roles include Director Projects for Fortescue Metals Group, Technical Director at Mitsui & Co, Vice-President Projects for the Iron Ore Company of Canada and General Manager Projects for Rio Tinto Iron Ore and he held senior project management roles at Falconbridge Limited (now Glencore).

Over the last two years, Don has been an advisor to the Caravel Board on the Caravel Copper Project feasibility studies and implementation strategies and most recently was Managing Director at Adelaide-based, ASX-listed Australian Rare Earths Limited. 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 in France and Singapore. He is also a Fellow of the Australian Institute on Mining and Metallurgy (AusIMM).

Other current directorships

nil

Special responsibilities

Managing Director

Former directorships in the last three years

Australian Rare Earths (Retired 26 August 2022)

Interests in shares and options

100,000 shares
8,000,000 options

Alasdair Cooke - Executive Director

Alasdair 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.

Alasdair is a substantial shareholder of Caravel Minerals.

Other current directorships

Alma Metals Limited
Aurora Energy Metals Limited

Special responsibilities

Executive Director

Former directorships in the last three years

EVE Health Group Limited (retired 28 February 2023)

Interests in shares and options

31,983,117 shares

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
Boab Metals Limited

Special responsibilities

Chairman of Remuneration Committee

Former directorships in the last three years

Zinc of Ireland Limited (resigned 8 March 2023)
Black Dragon Gold Limited (resigned 11 August 2021)

Interests in shares and options

2,436,364 shares

o November 2022: \$12 million Share Placement at \$0.20 per share

o July 2023: \$9.5 million Share Placement at \$0.22

- The raisings proceeds will underpin work on the Bankable Feasibility Study (BFS), permitting and infrastructure studies and other development activities.

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 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 2023 (30 June 2022: nil)

Review of Operations**Caravel Copper Project, WA**

- Substantial progress with feasibility and development activities, building on the 2022 Pre-Feasibility Study (PFS) and maiden Ore Reserve.
- Positive Independent reviews of the 2022 mining and processing Pre-Feasibility Study and Maiden Ore Reserve.
- Opportunities identified to add significant value with flowsheet simplification, process capacity increase and addition of Molybdenum Recovery Circuit (MRC) to produce molybdenum as a separate marketable by-product.
- Perth-based Lycopodium Minerals Pty Ltd selected as lead engineer for the Bankable Feasibility Study (BFS),
- Benchmarking visits undertaken to major copper mines of similar grade and scale in Canada to validate Caravel's development plan.
- Groundwater drilling and modelling confirmed the presence of a newly discovered aquifer sufficient to meet the water requirements of the Caravel Project.
- Applications for abstraction licences lodged, in parallel with stakeholder engagement to secure the infrastructure corridor for the borefield and water pipeline.
- Application submitted to Western Power for connection to the existing grid (SWIS) to support a low-cost power solution.
- Financing proposals received from several mining equipment and manufacturers which are progressing towards partnering arrangements for an automated and electrified mining fleet.
- Key mining tenure approvals were received for the Dasher resource area, with Mining Lease 70/1411 and General Purpose Lease 70/623 granted by the Department of Mines, Industry, Regulation and Safety (DMIRS). Heritage surveys for these areas were completed by 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 the primary environmental assessment for the Caravel Project.
- Final environmental studies required for State and Federal environmental approvals nearing completion. The State Government has set the level of assessment for the Project as a Public Environmental Review.

Corporate

- Experienced resource industry leader Don Hyma appointed as Managing Director, bringing 30+ years of Australian and international mineral resource project development experience to Caravel, including strong technical (engineering and metallurgy) and business leadership skillsets.
- Three strongly supported capital raisings and a Share Purchase Plan (SPP) completed
 - o August 2022: \$3 million Share Placement at \$0.17 per share

Corporate and Financial Position

The group's net loss from operations for the year was \$11,065,755 (2022: \$14,435,952).

At 30 June 2023, the group had net current assets of \$4,915,419 (2022: \$1,458,338). 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.

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 through equity issues as and when the need to raise funds arises.

Movements in Company's share capital

- 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 were exercisable at 30 cents and subsequently expired on 30 June 2023.
- On 9 August 2022 the Company issued 100,000 shares to a consultant 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 2022, 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.
- On 23 November 2022, the Company completed a share placement of 59,500,000 shares at \$0.20 per share, raising proceeds of \$11,900,000.
- On 31 January 2023, 8,000,000 options were granted to the managing director Donald Hyma; the options have an exercise price of \$0.31 per option and expire on 31 October 2025.
- On 3 February 2023, the Company completed a share placement to Alasdair Cooke, a director, of 500,000 shares at \$0.20 per share, raising proceeds of \$100,000. The issue of these shares was approved by shareholders at a shareholder meeting held on 31 January 2023.
- On 31 May 2023, 1,727,447 options lapsed.
- On 30 June 2023, 15,575,811 options lapsed.

Material Business Risk

The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated.

- Exploration projects: Mineral exploration is high-risk, with no guarantee of economic ore discoveries beyond the Caravel Copper Project. Various factors like geological conditions, weather patterns, water supply, and government regulations can affect exploration. Uncertainty surrounds securing suitable water and power supplies for the Caravel Copper Project. Access to capital, maintaining tenement titles, and obtaining approvals are crucial for success.
- Water and power supply: Whilst the Company has identified a potential water and power supply for the project and is in discussions with third parties to secure this, there can be no assurance that such water and power supply can be secured on favourable terms. If adequate water and power cannot be secured for the project on acceptable terms, the Company may be required to scale back its proposed development of the Caravel Copper Project.

- **Regulatory risks:** Extensive laws and regulations affect exploration, including permits, environmental compliance, and native title issues. Obtaining permits may be time-consuming, and non-compliance can lead to fines or suspension of activities.
- **Environmental risks:** All mining projects are subject to scrutiny for environmental protection issues and are at risk of not being approved if the impact on the environment is significant. The Caravel Copper Project is expected to be permitted under Part IV of the Environmental Protection Act 1986 (WA) approval process and the necessary environmental studies and documentation has been prepared on this basis. Whilst the Company is not aware of any significant environmental sensitivities in connection with the Caravel Copper Project, there can be no assurance that environmental approval will be obtained on acceptable terms.
- **Mineral resource estimations:** The mineral resource estimates for the Caravel Copper Project are estimates only and no assurances can be given that any particular levels of recovery of copper will in fact be realised. Mineral resource estimates are expressions of judgment based on knowledge, experience and resource modelling. Mineral resource estimates are inherently imprecise and rely to some extent on interpretations made. They are also influenced by the recoverability of the value component from the defined resource.
- **Copper price volatility:** The Company is seeking to develop the Caravel Copper Project which is reliant in part upon the price of copper. Further, in the event of any future copper production, the Company's financial performance will be sensitive to the copper price which is affected by numerous factors and events that are beyond the control of the Company.
- **Impact of inflation on costs:** Higher than expected inflation rates generally, or specific to the mining industry in particular, could be expected to increase operating and development costs and potentially reduce the value of future project developments.
- **Title risk:** Maintaining tenure over the Company's projects depend on meeting license conditions and the ability to fund future work programs. Tenement renewals are uncertain, and new conditions may be imposed.
- **Legal proceedings:** Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this report, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

Business Strategies and Prospects

The group currently has the following business strategies and prospects over the medium to long term:

- Seek to maximise the value of the group through successful exploration activities;
- Develop the Caravel Copper Project;
- Selectively expand the group's portfolio of exploration assets; and
- 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 4 August 2023 the Company issued 40,909,091 shares at \$0.22 per share, under a share placement (Placement) announced on 31 July, raising proceeds of \$9,000,000.
- On 4 August 2023 the Company granted a total of 12,900,000 options at \$0.33 per option, expiring on 31 October 2025. 9,000,000 options were issued to employees. 3,900,000 to be issued to directors are subject to shareholder approval..
- On 30 August, the Company issued further 1,913,608 at \$0.22 per share under a Share Purchase Plan, raising proceeds of \$420,994.
- On 30 August, the Company issued 22,820,436 listed free attaching options under the Placement and Share Purchase Plan. The options have an exercise price of \$0.33 and expire on 30 August 2025.

No other matter or circumstance has arisen since 30 June 2023 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 objective

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 2023, 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	1	1
Stephen Abbott	3	3	-	-
Alasdair Cooke	6	6	-	-
Don Hyma	3	3	1	1

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 \$27,750 (2022: \$34,210 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
2,000,000	0.30	3/03/2024
8,000,000	0.31	31/10/2025
9,000,000	0.33	31/10/2025
22,820,436	0.33	30/08/2025
41,820,436		

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

No options were exercised during the financial year.

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 11.

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 the definition the KMP for the year ended 30 June 2023 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
Donald Hyma	Managing Director (appointed 28 November 2022)
Stephen Abbott	Managing Director (resigned 8 December 2022)
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:

	2023	2022	2021	2020	2019
Loss for the year attributable to owners (A\$)	(11,065,755)	(14,435,952)	(11,201,272)	(1,118,461)	(3,211,611)
Basic loss per share (cents)	(2.44)	(3.72)	(3.89)	(0.58)	(2.06)
Dividend payments	-	-	-	-	-
Dividend payment ratio (%)	-	-	-	-	-
Increase / (decrease) in share price (%)	27.8	(60.9)	820.0	6.8	(19.1)
Total KMP incentives as percentage of loss for the year (%)	4.42	3.45	7.94	15.45	2.8

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 payment 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.

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 2023 and 30 June 2022 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 2023 and 30 June 2022 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.

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 2023.

Executives receive a superannuation guarantee contribution required by the government, which was 10.5% during the year ended 30 June 2023 (2022: 10%) 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

During the period, the Company granted 8,000,000 KMP options to the managing director Donald Hyma (2022: nil). Total expense recognised in the financial statements in regard to these options is \$471,358.

Assumptions used for the grants made during the Period are set out in the table below.

	KMP Options T1	KMP Options T2
Grant Date	31/01/2023	31/01/2023
Number of options	4,000,000	4,000,000
Dividend yield (%)	-	-
Expected volatility (%)	97.20	97.20
Risk free interest rate (%)	3.07	3.07
Expected life of the option (years)	2.75	2.75
Option exercise price (\$)	0.310	0.310
Share price at grant date (\$)	0.275	0.275
Expiry date	31/10/2025	31/10/2025
Fair value per option (\$)	0.1574	0.1574
Total value at grant date (\$)	629,600*	629,600*
Vesting conditions	- Continued employment; and - If the Company delivers a bankable feasibility study on the Caravel Copper Project **	- Continued employment; and - If the Company secures funding on the Caravel Copper Project or a major project partner is introduced and agrees to fund the project **
Vesting commencement	15/11/22	15/11/22
Expected vesting date	31/03/2024	31/12/2024
Awarded to		
Donald Hyma	4,000,000	4,000,000

*Each tranche of 4,000,000 options granted to Mr Hyma were independently valued at \$385,566 around the time his employment commenced late in 2022. Refer to the notice of meeting that was issued on 23 December 2022 for further details

**The Company has determined that the options are likely to vest and therefore applied 100% probability to achievement of vesting hurdles

During the year ended 30 June 2023, 1,250,000 options were exercised by a director, Richard Monti, at an exercise price of 8 cent per option (2022: 9,730,000 options were exercised by directors at an exercise price of 8 cents).

Employment Contracts

Executive Directors

The employment conditions of Executive Director, Mr Alasdair Cooke, are formalised in a contract of employment. The total remuneration package from 1 July 2022 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.

The employment conditions of Managing Director, Mr Donald Hyma, are formalised in a contract of employment commencing on 28 November 2022. The remuneration package includes a base salary of \$325,792 per annum and statutory superannuation which is currently 10.5% of the base salary. Notice of three months is required for either party to terminate the contract.

The employment conditions of Managing Director, Mr Stephen Abbott, until his resignation on 8 December 2022, were formalised in a contract of employment. The total current remuneration package was \$12,500 per month inclusive of statutory superannuation with an additional \$1,500 per day for additional time worked.

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 – 2023					
Non-Executive Directors					
Wayne Trumble	59,998	6,300	-	-	66,298
Richard Monti ¹	90,000	5,040	-	-	95,040
Executive Directors					
Donald Hyma ²	193,802	20,349	471,358	69%	685,509
Stephen Abbott ³	112,350	-	8,698	9%	121,048
Alasdair Cooke	230,600	-	8,698	4%	239,298
Total	686,750	31,689	488,754	40%	1,207,193

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 ³	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.

² Mr Donald Hyma was appointed a director on 28 November 2022.

³ Mr Stephen Abbott resigned on 8 December 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 30/06/2022	Other	Exercise of options	Disposed	Balance at 30/06/2023	Balance at Reporting Date
Non-Executive Directors						
Wayne Trumble	420,000	-	-	-	420,000	465,454
Richard Monti	1,050,000	-	1,250,000	-	2,300,000	2,436,364
Executive Directors						
Donald Hyma ¹	-	100,000	-	-	100,000	100,000
Stephen Abbott ²	5,742,002	-	-	(5,742,002)	-	-
Alasdair Cooke	29,165,177	2,817,940	-	-	31,983,117	31,983,117
Total	36,377,179	2,917,940	1,250,000	(5,742,002)	34,803,117	34,984,935

¹ Number of shares held by Donald Hyma on appointment as a director.

² Number of shares held by Stephen Abbott on the date of ceasing to be a director.

The fair value of options exercised during the year is \$66,250. All options were exercised at \$0.08 per option, contributing \$100,000 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 30/06/2022	Issued as remuneration during the year	Expired During the Year	Exercised During the Year	Balance at 30/06/2023	Vested and exercisable	Maximum value yet to vest (\$)
Non-Executive Directors							
Wayne Trumble	287,908	-	(287,908)	-	-	-	
Richard Monti	1,393,954	-	(143,954)	(1,250,000)	-	-	
Executive Directors							
Donald Hyma	-	8,000,000	-	-	8,000,000	-	787,840
Stephen Abbott	2,303,262 ¹	-	(2,303,262)	-	-	-	
Alasdair Cooke	2,303,262	-	(2,303,262)	-	-	-	
Total	6,288,386	8,000,000	(5,038,386)	(1,250,000)	8,000,000	-	787,840

¹ Number of options held by Stephen Abbott on the date of ceasing to be a director.

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 2022 Annual General Meeting

At the Annual General Meeting held on 17 November 2022 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 2023:

- \$489,471 (2022: \$527,074) 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 2023 was \$52,688 (30 June 2022: \$54,316).

The value of KMP options yet to vest at 30 June 2023 is \$787,840. 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.



Donald Hyma
Managing Director
27 September 2023



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Australia

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 2023, 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

27 September 2023

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023**

	2023	2022
Note	\$	\$
Other Income	717,378	89,332
Administration services	(1,108,044)	(860,685)
Employee expenses	(1,972,869)	(1,725,693)
Share based payments expense	(601,901)	(1,090,679)
Exploration expenses	(8,100,319)	(10,848,227)
Loss from continuing operations before income tax expense	(11,065,755)	(14,435,952)
Income tax expense	-	-
Loss from continuing operations	(11,065,755)	(14,435,952)
Loss for the year	(11,065,755)	(14,435,952)
<i>Items that will not be reclassified to profit or loss:</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income	39,808	(30,250)
Comprehensive loss attributable to the shareholders of the Company	(11,025,947)	(14,466,202)
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)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company	3.5	(3.72)

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 2023**

	2023	2022
Note	\$	\$
Assets		
Current assets		
Cash and cash equivalents	4.1	6,054,282
Trade and other receivables	4.3	387,601
Other current assets		18,879
Total current assets		6,460,762
Non-current assets		
Exploration and evaluation expenditure	2.1	3,182,811
Property, plant and equipment	2.2	625,458
Financial Assets at FVOCI		-
Total non-current assets		3,808,269
Total assets		10,269,031
Liabilities		
Current liabilities		
Trade & other payables	4.4	1,545,343
Total current liabilities		1,545,343
Total liabilities		1,545,343
Net assets		8,723,688
Equity		
Share capital	5.1	83,907,438
Accumulated loss		(79,495,491)
Reserves		4,311,741
Total equity attributable to shareholders of the Company		8,723,688

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 2023**

	Contributed equity	Accumulated losses	Share-Based Payments Reserve	Other Comprehensive Income Reserve (FVOCI)	Total equity
	\$	\$	\$	\$	\$
At 30 June 2022	69,547,987	(68,880,727)	4,151,273	(30,250)	4,788,283
Loss for the year	-	(11,065,755)	-	-	(11,056,197)
Financial assets at FVOCI	-	-	-	39,808	30,250
Total comprehensive loss for the year	-	(11,065,755)	-	39,808	(11,025,947)
Transactions with owners in their capacity as owners:					
Issue of new shares net of cost	14,359,451	-	-	-	14,359,451
Share-based payments	-	-	601,901	-	601,901
Reclassification within equity	-	450,991	(441,433)	(9,558)	-
Total	14,359,451	450,991	160,468	(9,558)	14,961,352
At 30 June 2023	83,907,438	(79,495,491)	4,311,741	-	8,723,688
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

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 2023**

		2023	2022
	Note	\$	\$
Cash flows from operating activities			
Interest received		120,418	52
Government grants		579,400	29,280
Payments to suppliers and employees		(2,990,482)	(2,302,629)
Payments for exploration and evaluation expenditure		(7,948,830)	(11,391,856)
Net cash (outflow) from operating activities	4.2	(10,239,494)	(13,665,153)
Cash flows from investing activities			
(Payments)/proceeds for property, plant and equipment		(514,652)	(44,201)
Payment for acquisition of exploration property		(75,000)	-
Proceeds from sale of equity investments		75,558	-
Net cash (outflow) from investing activities		(514,094)	(44,201)
Cash flows from financing activities			
Proceeds from issue of shares	5.2	15,100,000	2,937,537
Share issue costs	5.2	(740,549)	(28,827)
Net cash inflow from financing activities		14,359,451	2,908,710
Cash and cash equivalents at the beginning of the year	4.1	2,448,419	13,249,063
Net increase/(decrease) in cash and cash equivalents		3,605,863	(10,800,644)
Cash and cash equivalents at the end of the year	4.1	6,054,282	2,448,419

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 2023

1. Basis of preparation

The annual report of Caravel Minerals Limited for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 27 September 2023.

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 2023 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 2023

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 2023 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 \$11,065,755 (2022: \$14,435,952) and had net cash outflows from operating activities of \$10,239,494 (2022: \$13,665,153). At balance date the group has working capital of \$4,915,419 (2022: \$1,458,338).

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 exploration 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 2023

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. Judgement has been exercised in relation to probability of achievement of non-market performance hurdles, and the timing of expected achievement. At each reporting period management assess the probability of the vesting of options and performance rights, where applicable, in accordance with AASB 2 – Share based payments (non-market conditions). The probability is assessed to either be less likely or more likely (0% or 100%) and a vesting expense is recorded accordingly.

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:	2023 \$	2022 \$
Caravel Copper Project	3,182,811	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.

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.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

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.

	2023 \$	2022 \$
Land and building - Cost	224,097	100,165
Accumulated depreciation	(41,545)	(30,315)
Net carrying amount	182,552	69,850
Computer equipment - Cost	44,163	35,594
Accumulated depreciation	(24,246)	(13,843)
Net carrying amount	19,917	21,751
Vehicles - Cost	71,896	71,896
Accumulated depreciation	(68,414)	(66,782)
Net carrying amount	3,482	5,114
Exploration equipment - Cost	543,866	161,714
Accumulated depreciation	(129,074)	(78,711)
Net carrying amount	414,792	83,003
Furniture and fittings – Cost	8,306	8,306
Accumulated depreciation	(3,591)	(1,640)
Net carrying amount	4,715	6,666
Total Property Plant and Equipment	892,328	377,675
Accumulated depreciation	(266,870)	(191,291)
Net carrying amount	625,458	186,384

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

2.3. 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 2023.

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.

	2023	2022
	\$	\$
Other Income		
Government Grants and rebates	571,450	-
Interest revenue	120,418	52
Other income	25,510	89,280
	<u>717,378</u>	<u>89,332</u>

3.2. Expenses

Administration services

	2023	2022
	\$	\$
Professional fees	188,447	217,092
Corporate costs	559,637	380,141
Depreciation	11,533	8,721
Occupancy	209,618	227,038
Other administration costs	138,809	27,693
	<u>1,108,044</u>	<u>860,685</u>

Employee expenses

	2023	2022
	\$	\$
Directors Fees	566,032	342,400
Salaries and wages	1,203,310	1,230,612
Superannuation	91,727	79,492
Payroll Tax & Fringe Benefits Tax	111,800	73,189
	<u>1,972,869</u>	<u>1,725,693</u>

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.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

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 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:

	2023	2022
	\$	\$
Current income tax	-	-
Deferred income tax	-	-

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

	2023	2022
	\$	\$
Accounting loss before tax	(11,065,755)	(14,435,952)
At the Company's statutory income tax rate of 25% (2022: 26%)	(2,766,439)	(3,608,988)
Add/(Deduct) tax effect of:		
Non-deductible expenses	10,522	15,090
Share based payments	150,475	272,670
Non-assessable amounts	(138,487)	-
DTA not brought to account as their realisation is not probable	2,743,929	3,321,228
	<u>-</u>	<u>-</u>
Income tax expense reported in the consolidated income statement	-	-
Income tax attributable to discontinued operations	-	-
	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

3.4.3. Deferred tax liabilities @ 25% (2022: 25%) have not been recognised in respect of

	2023	2022
	\$	\$
Deferred tax liabilities @ 25% (2022: 25%) have not been recognised in respect of		
Exploration & Evaluation Expenditure	795,703	776,953
Prepayments	4,470	1,208
	800,173	778,161

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

	2023	2022
	\$	\$
Provisions and accruals	20,785	41,457
Business related costs	291,428	221,964
Carry forward revenue losses	20,746,935	17,862,084
Capital losses	220,458	220,458
	21,279,606	18,345,963

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:

	2023	2022
	\$	\$
Gain (Loss) attributable to ordinary shareholders	(11,065,755)	(14,435,952)
Issued number of ordinary shares at 1 July	400,187,314	377,775,017
Effect of shares issued during the period	52,458,856	10,114,776
Weighted average number of shares for year to 30 June	452,646,170	387,889,793
Basic loss per share (cents per share)	(2.44)	(3.72)

At 30 June 2023, 10,000,000 (2022: 18,019,669) 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.

Subsequent to the reporting date:

- On 4 August 2023 the Company issued 40,909,091 shares at \$0.22 per share, under a share placement (Placement) announced on 31 July, raising proceeds of \$9,000,000.
- On 4 August 2023 the Company granted a total of 12,900,000 options at \$0.33 per option, expiring on 31 October 2025. 9,000,000 options were issued to employees. 3,900,000 to be issued to directors are subject to shareholder approval.
- On 30 August, the Company issued further 1,913,608 at \$0.22 per share under a Share Purchase Plan, raising proceeds of \$420,994.
- On 30 August, the Company issued 22,820,436 listed free attaching options under the Placement and Share Purchase Plan. The options have an exercise price of \$0.33 and expire on 30 August 2025.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

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.

	2023	2022
	\$	\$
Cash at bank and in hand	6,034,282	2,428,419
Short-term deposits	20,000	20,000
	6,054,282	2,448,419

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

	2023	2022
	\$	\$
Cash flows from operating activities		
(Loss) for the year	(11,065,755)	(14,435,952)
Adjustments for:		
Equity-settled share-based payment expenses	601,901	1,090,679
Depreciation and amortisation expense	75,579	64,676
Other income received in equity instruments	-	(60,000)
Change in operating assets & liabilities		
(Increase) / decrease in receivables	(194,978)	155,612
Increase / (decrease) in payables	343,759	(480,168)
Net cash used in operating activities	(10,239,494)	(13,665,153)

Non-cash financing activities

There were no non-cash financing and investment activities during the year.

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.

	2023	2022
	\$	\$
Trade debtors	16,919	1,391
Net GST receivable	370,682	204,279
	387,601	205,670

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.

	2023	2022
	\$	\$
Trade payables	954,249	567,400
Other payables	591,094	634,184
	1,545,343	1,201,584

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

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.

	2023 \$	2022 \$
Contributed equity	88,352,935	73,252,935
Cost of share issue	(4,445,497)	(3,704,948)
	<u>83,907,438</u>	<u>69,547,987</u>

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 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
Share placement	09 Aug 2022	14,705,883	17.0	2,500,000
Shares issued in consideration for services	09 Aug 2022	100,000	-	-
Option Conversion	28 Sep 2022	1,250,000	8.0	100,000
Share placement	28 Sep 2022	2,941,176	17.0	500,000
Share placement	23 Nov 2022	59,500,000	20.0	11,900,000
Share placement	03 Feb 2023	500,000	20.0	100,000
Less Transaction costs				(740,549)
Balance 30 June 2023		479,184,373		83,907,438

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

5.3. Movement in unlisted options

	2023 Number	2022 Number
Outstanding at the beginning of the year	18,019,669	36,309,769
Issued during the year	10,533,589	-
Expired or lapsed during the year	(17,303,258)	(3,000,000)
Exercised during the year	(1,250,000)	(15,290,100)
Outstanding at the end of the year	10,000,000	18,019,669
Exercisable at the end of the year	2,000,000	14,852,684

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 2023, the Company issued 78,997,059 ordinary shares (2022: 22,412,297 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 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 2023 are expected to be settled within 6 months of year-end.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

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 2023 and 2022 and represents management's judgement of a reasonably possible movement.

	Carrying Amount \$	Interest Rate Risk -1% Net Loss \$	Interest Rate Risk -1% Equity \$	Interest Rate Risk +1% Net Gain \$	Interest Rate Risk +1% Equity \$
30 June 2023					
Cash and cash equivalents	6,054,282	(60,543)	(60,543)	60,543	60,543
30 June 2022					
Cash and cash equivalents	2,448,419	(24,484)	(24,484)	24,484	24,484

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 2023				
Financial assets at FVOCI	-	-	-	-
Total assets	-	-	-	-
30 June 2022				
Financial assets at FVOCI	35,750	-	-	35,750
Total assets	35,750	-	-	35,750

There were no transfers between levels during the financial year.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

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-2023	Equity holdin 30-Jun-2022
Quadrio Resources Pty Ltd	Australia	11-Jun-1985	100%	100%

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 2023

6.1.3. Comparatives

Prior period comparatives are for the year from 1 July 2021 to 30 June 2022.

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.

	2023	2022
	\$	\$
Current Assets	6,085,634	2,404,581
Non-Current Assets	3,024,131	2,787,235
Total Assets	9,109,765	5,191,816
Current Liabilities	386,077	403,533
Total Liabilities	386,077	403,533
Contributed equity	83,907,438	69,547,987
Accumulated losses	(79,495,491)	(68,880,728)
Reserves	4,311,741	4,121,024
Total Equity	8,723,688	4,788,283
Loss for the year	(11,065,756)	(14,435,952)
Other comprehensive income/(loss) for the year	39,808	(30,250)
Total comprehensive loss for the year	(11,025,948)	(14,466,202)

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:

	2023	2022
	\$	\$
Short term employee benefits	686,750	620,100
Post-employment benefits	31,689	10,800
Share based payments	488,754	497,944
Total compensation	1,207,193	1,128,844

7.2. Transactions with Other Related Parties

Transactions with other related parties during the year ended 30 June 2023 were as follows:

- \$489,471 (2022: \$527,074) 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 \$52,688 was unpaid at 30 June 2023 (30 June 2022: \$54,316).

During the year ended 30 June 2023 a total of 8,000,000 options were issued to Donald Hyma upon his appointment as Managing Director. Total value of those options is \$1,259,200 of which \$471,358 was expensed during the year. Details on terms and valuation of these options are disclosed in note 7.5.

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

The value of KMP options yet to vest at 30 June 2023 is \$787,840 (2022: \$17,396).

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 2023

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:

	2023	2023	2022	2022
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	18,019,669	0.33	36,309,769	0.20
Granted during the year	10,533,589	0.31	-	-
Expired or lapsed during the year	(17,303,258)	0.34	(3,000,000)	0.08
Exercised during the year	(1,250,000)	0.08	(15,290,100)	0.08
Outstanding at the end of the year	10,000,000	0.31	18,019,669	0.33
Exercisable at the end of the year	2,000,000	0.30	14,852,684	0.33

Weighted average remaining contractual life of options at 30 June 2023: 2.01 years (2022: 1.02 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 2023

The table below sets out the assumptions used for grants made during the year ended 30 June 2023.

Options issued during the year ended 30 June 2023

	KMP Options T1	KMP Options T2	Employee Options
Grant Date	15/12/2022	15/12/2022	1/07/2022
Number of options	4,000,000	4,000,000	2,533,586
Dividend yield (%)	-	-	-
Expected volatility (%)	97.20%	97.20%	97.20%
Risk free interest rate (%)	3.07%	3.07%	1.05%
Expected life of the option (years)	2.75	2.75	1.00
Option exercise price (\$)	0.310	0.310	0.300
Share price at grant date (\$)	0.275	0.275	0.180
Expiry date	25/10/2025	25/10/2025	30/06/2025
Fair value per option (\$)	0.1574	0.1574	0.0407
Total value at grant date (\$)	629,600	629,600	103,117
Vest	<i>If the Company delivers a bankable feasibility study on the Caravel Copper Project</i>	<i>If the Company secures funding on the Caravel Copper Project or a major project partner is introduced and agrees to fund the project</i>	<i>On issue</i>
Expected vesting date	31/03/2024	31/12/2024	1/07/2025
Awarded to	Donald Hyma	Donald Hyma	Employee

7.6. Shares

During the year ended 30 June 2023 the Company issued 100,000 shares at \$0.17 per share as consideration for consulting services (2022: nil).

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

	2023 \$	2022 \$
Expense arising from employee options issued	601,901	1,090,679
Total share-based payments expensed in profit or loss	601,901	1,090,679

8. Other

8.1. Events occurring after the reporting period

- On 4 August 2023 the Company issued 40,909,091 shares at \$0.22 per share, under a share placement (Placement) announced on 31 July, raising proceeds of \$9,000,000.
- On 4 August 2023 the Company granted a total of 12,900,000 options at \$0.33 per option, expiring on 31 October 2025. 9,000,000 options were issued to employees. 3,900,000 to be issued to directors are subject to shareholder approval.
- On 30 August, the Company issued further 1,913,608 at \$0.22 per share under a Share Purchase Plan, raising proceeds of \$420,994.
- On 30 August, the Company issued 22,820,436 listed free attaching options under the Placement and Share Purchase Plan. The options have an exercise price of \$0.33 and expire on 30 August 2025.

Other than the matters above, at the date of this report there are no other matters or circumstances which have arisen since 30 June 2023 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2023, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2023, of the Group.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

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 twelve months from balance date amounts to \$98,000 (2022: \$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 2023 Caravel Minerals Limited has no contingent liabilities (2022: nil).

8.3. Remuneration of Auditors

	2023 \$	2022 \$
Amount received or due and receivable by the auditor for:		
Auditing the financial statements, including audit review - current year audits	39,533	49,598
Total remuneration of auditors	39,533	49,598

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 2023. 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 2023 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 2023.

On behalf of the Board.



Donald Hyma
Managing Director
27 September 2023



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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 2023, 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 2023 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

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<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 in the Directors’ Report (excluding the audited Remuneration Report section) for the year ended 30 June 2023, but does not include the financial report and the auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the Annual Report to Shareholders, 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 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 to Shareholders, 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 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 6 to 10 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Caravel Minerals Limited, for the year ended 30 June 2023, 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

27 September 2023

1. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities as at 24 October 2023 are listed below:

Ordinary Shares

Rank	Holder Name	Securities	%
1	Alasdair Cooke	33,119,480	6.32%
2	Citicorp Nominees Pty Limited	24,292,233	4.63%
3	Glensvar Nominees Pty Ltd	18,142,064	3.46%
4	Alma Metals Ltd	14,533,872	2.77%
5	HSBC Custody Nominees (Australia) Limited	13,892,742	2.65%
6	Mrs Pamela Julian Sargood	13,600,000	2.59%
7	J P Morgan Nominees Australia Pty Limited	10,420,816	1.99%
8	Milford Park Superannuation Pty Ltd	9,341,172	1.78%
9	Mandel Pty Ltd	8,500,000	1.62%
10	Burls Holdings Pty Ltd	8,189,034	1.56%
11	Troca Enterprises Pty Ltd	7,950,000	1.52%
12	HSBC Custody Nominees (Australia) Limited	7,783,210	1.48%
13	Equity Trustees Limited	7,759,300	1.48%
14	Orbit Drilling Pty Ltd	7,526,952	1.44%
15	Pebadore Pty Ltd	5,800,000	1.11%
16	Clapsy Pty Ltd	5,538,236	1.06%
17	Beebee Holdings Pty Ltd	5,174,491	0.99%
18	Steve Abbott	5,052,000	0.96%
19	Sarah Mcintyre	4,100,000	0.78%
20	Ashim Marfatia & Mrs Rosemary Marfatia	4,000,000	0.76%
Total		214,715,602	40.95%
Total issued capital		524,279,799	100.00%

Listed Options exercisable at 33 cents

Rank	Holder Name	Securities	%
1	Bilgola Nominees Pty Limited	3,990,909	16.60%
2	Citicorp Nominees Pty Limited	2,147,065	8.93%
3	Merrill Lynch (Australia) Nominees Pty Limited	1,136,364	4.73%
4	Alasdair Cooke	1,136,364	4.73%
5	Glensvar Nominees Pty Ltd	755,682	3.14%
6	Bilgola Nominees Pty Limited	750,000	3.12%
7	CG Nominees (Australia) Pty Ltd	750,000	3.12%
8	HSBC Custody Nominees (Australia) Limited	518,973	2.16%
9	JP Morgan Nominees Australia Pty Limited	500,097	2.08%
10	Bergen Global Opportunity Fund LP	454,545	1.89%
11	Hawksburn Capital Pte Ltd	418,182	1.74%
12	HSBC Custody Nominees (Australia) Limited	409,173	1.70%
13	HSBC Custody Nominees (Australia) Limited - A/C 2	397,005	1.65%
14	The Roosters Beach Pty Limited	361,126	1.50%
15	Mr Casey Joseph Iddon	350,000	1.46%
16	Troca Enterprises Pty Ltd	329,294	1.37%
17	Realee Pty Ltd	290,909	1.21%
18	Buttonwood Nominees Pty Ltd	284,091	1.18%
19	Certane Ct Pty Ltd	276,903	1.15%
20	Certane Ct Pty Ltd	262,358	1.09%
Total		15,519,040	64.53%
Total issued capital		24,047,687	100.00%

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of security by size holding as at 24 October 2023:

Ordinary Shares	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	121	35,512	0.01%
above 1,000 up to and including 5,000	640	1,989,552	0.38%
above 5,000 up to and including 10,000	421	3,345,035	0.64%
above 10,000 up to and including 100,000	1,241	46,255,231	8.82%
above 100,000	509	472,654,469	90.15%
Totals	2,932	524,279,799	100.00%

Listed Options exercisable at 33 cents	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	29	131,805	0.55%
above 5,000 up to and including 10,000	7	60,149	0.25%
above 10,000 up to and including 100,000	82	3,527,110	14.67%
above 100,000	52	20,328,623	84.53%
Totals	170	24,047,687	100.00%

3. UNQUOTED SECURITIES

As at 26 September 2023, the following unquoted securities are on issue:

Unquoted Securities	Number on Issue	Number of Holders
\$0.30 Options expiring 03/03/2024	2,000,000	1
\$0.31 Options expiring 31/10/2025	8,000,000	1
\$0.33 Options expiring 31/10/2025	12,900,000	14
Total unquoted securities	22,900,000	

4. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the company's register as at 24 October 2023 are:

Name	Number of Shares Held
Paradice Investment Management	45,470,504
Alasdair Cooke (and associated entities)	33,119,480

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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