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CARAVEL MINERALS LIMITED
ACN 120 069 089

Interim Financial Statements
for the six months ended
31 December 2019

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Corporate Directory

DIRECTORS

Mr Wayne Trumble - Non-Executive Chairman
Mr Stephen Abbott – Managing Director
Mr Alasdair Cooke - Executive Director
Mr Alexander Sundich – Non-Executive Director

COMPANY SECRETARY

Mr Daniel Davis

REGISTERED AND PRINCIPAL PLACE OF BUSINESS

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Western Australia

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SHARE REGISTER

Automic Group
Level 2
267 St Georges Terrace
Perth WA 6000

SOLICITORS

Jackson MacDonald
17/225 St Georges Terrace
Perth WA 6000

AUDITOR

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

SECURITIES EXCHANGE LISTING

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

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF CARAVEL MINERALS LIMITED

As lead auditor for the review of Caravel Minerals Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 11 March 2020

Directors' Report

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 half-year ended 31 December 2019 ("Period").

DIRECTORS

The names of directors in office at any time during or since the end of the financial year are:

Mr Wayne Trumble
Mr Stephen Abbott
Mr Alasdair Cooke
Mr Alexander Sundich

REVIEW OF OPERATIONS

Caravel Minerals is a junior explorer based in Perth, Australia and listed on the Australian Securities Exchange (ASX: CVV). The Company is a copper, molybdenum, gold and base metals exploration and resource development company with deposits located in WA.

During the reporting period Caravel maintained its focus on its flagship Caravel Copper Project located 120km NE of Perth in a regional copper-molybdenum-gold mineralised belt discovered in a previously unexplored part of the Yilgarn Craton.

CORPORATE AND FINANCIAL POSITION

The group's net loss from operations for the half-year ended 31 December 2019 was \$728,933 (2018: \$1,619,906).

At 31 December 2019, the group had net current assets of \$378,793 (30 June 2019: \$443,821).

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.

BUSINESS STRATEGIES AND PROSPECTS

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

- (i) Seek to maximise the value of the group through successful exploration activities;
- (ii) Selectively expand the group's portfolio of exploration assets; and
- (iii) Examine other new business development opportunities in the mining and resources sector.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The following changes to Director's remuneration were made effective from 1 January 2020.

- Managing Director, Stephen Abbott, annual salary reduced to \$93,600 (inclusive of superannuation)
- Executive Director, Alasdair Cooke will not receive a cash salary and will be compensated by the issue of 390,000 options exercisable at 8 cents and expiring 31 March 2022 per month.
- Non-executive directors, Wayne Trumble and Alex Sundich, annual cash fee will be reduced from \$35,000 to \$11,666 plus the issue of 110,400 options exercisable at 8 cents and expiring 31 March 2022 per month.
- All options issued to Directors will be subject to shareholder approval.

At the date of this report there are no other matters or circumstances, which have arisen since 31 December 2019 that have significantly affected or may significantly affect:

- (i) the operations in financial periods subsequent to 31 December 2019 of the group;
- (ii) the results of those operations in financial periods subsequent to 31 December 2019 of the group; or
- (iii) the state of affairs in financial periods subsequent to 31 December 2019 of the group.

Signed in accordance with a resolution of the directors.



Stephen Abbott
Managing Director
11 March 2020

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 31 December 2019**

	Note	31-Dec-19	31-Dec-18
		\$	\$
Other Income	3.1	10,630	223,215
Gain on Sale of Listed Investment		-	46,033
Administration services		(181,077)	(230,071)
Employee expenses		(388,367)	(604,024)
Exploration expenses		(170,121)	(1,055,059)
Loss from continuing operations before income tax expense		(728,933)	(1,619,906)
Income tax expense		-	-
Loss from continuing operations		(728,933)	(1,619,906)
Loss for the period		(728,933)	(1,619,906)
Other comprehensive income		-	-
Comprehensive loss attributable to the shareholders of the Company		(728,933)	(1,619,906)
Comprehensive (loss) income 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		(0.38)	(1.15)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company		(0.38)	(1.15)

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

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Consolidated Statement of Financial Position
As at 31 December 2019

	Note	31-Dec-19 \$	30-Jun-19 \$
Assets			
Current assets			
Cash and cash equivalents		571,882	713,451
Trade and other receivables		30,012	59,638
Other current assets		19,489	6,673
Total current assets		621,383	779,762
Non-current assets			
Exploration and evaluation expenditure	2.1	3,107,811	3,107,811
Property, plant and equipment		139,985	151,566
Total non-current assets		3,247,796	3,259,377
Total assets		3,869,180	4,039,139
Liabilities			
Current liabilities			
Trade & other payables		242,590	335,941
Total current liabilities		242,590	335,941
Total liabilities		242,590	335,941
Net assets		3,626,590	3,703,198
Equity			
Share capital	4.1	46,146,736	45,503,512
Accumulated losses		(45,586,126)	(44,852,380)
Reserves		3,065,979	3,052,066
Total equity attributable to shareholders of the Company		3,626,590	3,703,198

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

**Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2019**

		Contributed equity	Accumulated losses	Share-Based Payments Reserve	Total equity
	<i>Note</i>	\$	\$	\$	\$
At 1 July 2019		45,503,512	(44,852,380)	3,052,066	3,703,198
Loss for the period		-	(728,933)	-	(728,933)
Total comprehensive loss for the period		-	(728,933)	-	(728,933)
Transactions with owners in their capacity as owners:					
Share based payments	5.3	-	-	9,101	9,101
Share issuance net of costs	4.1	643,224	-	-	643,224
		643,224	-	9,101	652,325
At 31 December 2019		46,146,736	(45,581,313)	3,061,167	3,626,590
At 1 July 2018		42,451,988	(41,640,769)	2,743,334	3,554,553
Loss for the period		-	(1,619,906)	-	(1,619,906)
Total comprehensive loss for the period		-	(1,619,906)	-	(1,619,906)
Transactions with owners in their capacity as owners:					
Share based payments	5.3	68,805	-	303,160	371,965
Share issuance net of costs	4.1	1,505,985	-	-	1,505,985
		1,574,790	-	303,160	1,877,950
At 31 December 2018		44,026,778	(43,260,675)	3,046,494	3,812,597

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

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2019

	31-Dec-19 \$	31-Dec-18 \$
Cash flows from operating activities		
Interest received	295	1,511
Receipts from customers	10,335	30,000
Payments to suppliers and employees	(629,648)	(547,359)
Payments for exploration and evaluation expenditure	(165,775)	(770,709)
Net cash (outflow) from operating activities	(784,793)	(1,286,557)
Cash flows from investing activities		
Proceeds from sale of listed investments	-	46,033
(Payments) for acquisition of property, plant and equipment	-	(37,721)
Net cash inflow from investing activities	-	8,312
Cash flows from financing activities		
Proceeds from issue of shares	660,116	1,624,763
Share issue costs	(16,892)	(118,778)
Net cash inflow from financing activities	643,224	1,505,985
Cash and cash equivalents at the beginning of the period	713,451	586,838
Net increase / (decrease) in cash and cash equivalents	(141,569)	227,740
Cash and cash equivalents at the end of the period	571,882	814,578

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

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2019

1. BASIS OF PREPARATION

The consolidated interim financial report of Caravel Minerals Limited for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on 11 March 2020.

1.1. STATEMENT OF COMPLIANCE

These consolidated interim financial report have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Act 2001.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Caravel Minerals Limited during the interim period in accordance with the continuous disclosure requirements of the Corporation Act 2001.

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. GOING CONCERN

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss of \$728,933 during the half-year ended 31 December 2019 (2018: \$1,619,906) and as of that date the Group had current assets of \$378,793 (30 June 2019: \$443,821) including cash and cash equivalents of \$571,882 (30 June 2019: \$713,451). Net cash used in operating activities for the period was \$784,793 (2019: \$1,286,557).

These conditions indicate a material uncertainty that may cast doubt about the ability of the Group to continue as a going concern. The ability of the Group to continue as a going concern is principally dependent upon its ability to secure funds by raising capital from equity markets or by other means, and by managing cash flows in line with available funds including implementation of costs saving measures from 1 January 2020 as outlined in note 5.1, and/or the successful development of its exploration assets.

The Directors are confident of the ability of the Company to potentially raise capital as and when required. 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 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.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds as and when the need to raise funds arises. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

1.6. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

A number of new or amended standards became applicable for the current reporting period for which the Group had adopted:

- AASB16 Leases

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2019

The Group applied the practical expedient available regarding accounting for operating leases with a remaining term of less than 12 months as at 1 July 2019 as short-term leases. The Group doesn't have any leases and therefore, the standard has had no impact on the entity for the interim period ended 31 December 2019.

New and amended standards not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting period.

2. CAPITAL EXPENDITURE

2.1. EXPLORATION & EVALUATION EXPENDITURE

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:	31-Dec-19	30-Jun-19
	\$	\$
Caravel Copper Project	3,107,811	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.

3. FINANCIAL PERFORMANCE

3.1. OTHER INCOME

Other Income	31-Dec-19	31-Dec-18
	\$	\$
Interest revenue	295	1,511
Sale of data	10,335	30,000
Research & Development Tax Offset	-	158,788
Profit on sale of PPE	-	32,916
	10,630	223,215

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2019

4. FUNDING AND RISK MANAGEMENT

4.1. CONTRIBUTED EQUITY

	Date	Number of shares	Issue price cents	\$
Balance 30 June 2018		120,621,214		42,451,988
Entitlement Issue	13 Sep 2018	32,495,251	5.0	1,624,763
Contractor share based payments	30 Nov 2018	1,405,522	4.9	68,805
Entitlement Issue	01 Mar 2019	22,074,569	5.0	1,103,728
Share Placement	06 Mar 2019	2,680,000	5.0	134,000
Contractor share based payments	07 Mar 2019	1,827,020	5.0	91,351
Exercise of Options	19 Jun 2019	341	5.0	17
Contractor share based payments	28 Jun 2019	3,261,122	5.0	163,056
Less Transaction costs	30 Jun 2019	0		(134,197)
Balance 30 June 2019		184,365,039		45,503,512
Cancellation of Shares	04 Sep 2019	(3,695,244)	-	-
Allotment of Rights Issue	01 Oct 2019	13,252,896	4.0	530,116
Placement	08 Oct 2019	3,250,000	4.0	130,000
Less Transaction costs	31 Dec 2019	-		(16,892)
Balance 31 December 2019		197,172,691		46,146,736

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.

5. RELATED PARTIES

5.1. RELATED PARTIES

Details relating to key management personnel, including remuneration paid, are included in the 2019 annual report. The aggregate compensation made to directors of the consolidated entity is set out below:

	31-Dec-19 \$	31-Dec-18 \$
Short term employee benefits	231,963	106,963
Post-employment benefits	14,912	3,037
Share based payments	13,913	86,700
Total compensation	260,788	196,700

The following changes to Director's remuneration were made effective from 1 January 2020.

- Managing Director, Stephen Abbott, annual salary reduced to \$93,600 (inclusive of superannuation)
- Executive Director, Alasdair Cooke will not receive a cash salary and will be compensated by the issue of 390,000 options exercisable at 8 cents and expiring 31 March 2022 per month.
- Non-executive directors, Wayne Trumble and Alex Sundich, annual cash fee will be reduced from \$35,000 to \$11,666 plus the issue of 110,400 options exercisable at 8 cents and expiring 31 March 2022 per month.
- All options issued to Directors will be subject to shareholder approval.

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2019

5.2. TRANSACTIONS WITH OTHER RELATED PARTIES

During the Period, \$57,873 (2018: \$173,543) was paid to Mitchell River Group, of which Mr Alasdair Cooke is a director and shareholder, for provision of serviced offices and geological consultancy. \$34,345 remained unpaid at 31 December 2019 (30 June 2019: \$40,793)

5.3. SHARE BASED PAYMENTS

During the Period, 6,000,000 options that were granted to the Managing Director on 28 May 2019 were approved by shareholders on 21 November 2019.

Accordingly, the share based payment was valued on 21 November 2019 using a 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 price, current market price of the underlying share and the expected life of the option.

The calculated option valuation shall be expensed over their respective vesting periods.

See below for the assumptions used for grants made during the period ended 31 December 2019:

	21/11/2019	21/11/2019
Date of issue	21/11/2019	21/11/2019
Number of options	3,000,000	3,000,000
Dividend yield (%)	0%	0%
Expected volatility (%)	75.00%	75.00%
Risk free interest rate (%)	0.77%	0.77%
Expected life of the option (years)	1.86	1.86
Option exercise price (\$)	\$0.080	\$0.080
Share price at grant date (\$)	\$0.032	\$0.032
Fair value per option (\$)	\$0.0049	\$0.0049

- 3,000,000 options awarded on 28/05/2019 are to vest upon continued employment until 28/05/2020.
- 3,000,000 options awarded on 28/05/2019 are to vest upon the Company obtaining the funding to complete a definitive feasibility study.

The dividend yield reflects the assumption that the current dividend payout will remain unchanged. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

5.4. RECOGNISED SHARE BASED PAYMENT EXPENSE IN PROFIT OR LOSS

	31-Dec-19 \$	31-Dec-18 \$
Expense arising from employee options issued	9,101	216,460
Shares issued for marketing services	-	86,700
Shares issued for drilling and engineering services	-	68,806
Total share-based payments expensed in profit or loss	9,101	378,466

6. 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 Half-Year Ended 31 December 2019

7. OTHER

7.1. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The following changes to Director's remuneration were made effective from 1 January 2020.

- Managing Director, Stephen Abbott, annual salary reduced to \$93,600 (inclusive of superannuation)
- Executive Director, Alasdair Cooke will not receive a cash salary and will be compensated by the issue of 390,000 options exercisable at 8 cents and expiring 31 March 2022 per month.
- Non-executive directors, Wayne Trumble and Alex Sundich, annual cash fee will be reduced from \$35,000 to \$11,666 plus the issue of 110,400 options exercisable at 8 cents and expiring 31 March 2022 per month.
- All options issued to Directors will be subject to shareholder approval.

Other than the matter above, at the date of this report there are no matters or circumstances have arisen since the end of the interim financial period which significantly affected or may significantly affect the operations, results or the state of affairs of the consolidated entity or the parent company in future reporting periods.

7.2. COMMITMENTS AND CONTINGENCIES

As at 31 December 2019 Caravel Minerals Limited has no contingent liabilities.

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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 review, 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 31 December 2019 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) 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 half-year ended 31 December 2019.

On behalf of the Board.



Stephen Abbott
Managing Director
11 March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Caravel Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Caravel Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1.5 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



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

Independence

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', written over the printed name.

Dean Just

Director

Perth, 11 March 2020