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CARAVEL
MINERALS

2020
ANNUAL REPORT



CORPORATE DIRECTORY

DIRECTORS & COMPANY SECRETARY

Mr Wayne Trumble
Non-Executive Chairman

Mr Alasdair Cooke
Executive Director

Mr Richard Monti
Non-Executive Director

Mr Steve Abbott
Managing Director

Mr Alexander Sundich
Non-Executive Director

Mr Daniel Davis
Company Secretary

REGISTERED & PRINCIPAL OFFICE

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SHARE REGISTER

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SECURITIES EXCHANGE LISTING

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

ASX CODE

CVV

Fully paid ordinary shares

SOLICITORS

Jackson McDonald
17/225 St Georges Terrace,
Perth WA 6000

AUDITOR

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

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MANAGING DIRECTOR'S REPORT

I am pleased to report on our activities for what has been an active year for Caravel Minerals.

Towards the end of the previous financial year Caravel released an updated Scoping Study for the Caravel Copper Project. The Study demonstrated robust economics for the project and the upgraded mineral resource, which is now Western Australia's largest copper resource at 1.86Mt of contained Cu. This was a significant milestone for the Caravel Copper Project and the team that has formed to advance the project and deliver on our goals as an explorer and developer. Since discovery of the Bindi deposit in 2009, Caravel has made significant progress in growing the Project's copper resources and advancing the project to a development decision.

Throughout the course of this year, the Company has received considerable interest from and actively engaged with various parties as we seek a cornerstone investor to assist Caravel advance to the next level of project feasibility and ultimately develop the Project. The large scale of the Project and required capital expenditure make this an important option for Caravel to explore as part of the Project development plans. Interested parties have ranged from investment houses assessing acquisitions in strategic copper projects to large copper producers familiar with the large porphyry-style deposits around the world similar to Caravel's project. Whilst a suitable agreement has not yet been reached the discussions are progressing and I'd like to take this opportunity to sincerely thank all of the parties for their interest so far.

Early in 2020 the company progressed a number of greenfields exploration opportunity assessments both within our own tenements and elsewhere within Western Australia. This strategy was initiated by a review of the Company's proprietary regional geochemical datasets with along with recent regional geophysical data and identified a number of high-potential anomalous areas. The timing of this analysis fortunately preceded a significant new nickel-copper-PGM (platinum group minerals) discovery at Julimar, 60km south west of the Caravel project. The Julimar discovery highlighted the exploration potential of the South West Yilgarn

Terrane and has attracted significant new interest in the area from other exploration companies and investors. Caravel secured it's key prospects ahead of this this new interest and now holds a strategic mineral title position in the region with extensive holdings over the Caravel porphyry copper belt and it's northern extensions as well as a number of other promising copper and nickel prospects.

In August of this year the Company raised \$2.15M through a share placement and Share Purchase Plan, both at 4c per share. The funds raised will be used to undertake exploration activities across Caravel's projects, in particular targeting higher grade ores at the Ninan, Dasher and Opie areas within the Caravel Copper Project. Work on the new exploration areas will commence over the summer as access becomes available.

In early 2020 the copper price declined to its lowest levels since 2016 reaching a price of US\$2.20/lb. This resulted in downward pressure on share values for all copper development companies including Caravel. Since then the copper price has been steadily increasing to levels above US\$3/lb with many analysts forecasting tighter supply and increasing demand supporting further copper price increases. This has led to renewed investor interest in copper development projects such as Caravel as our value is highly leveraged to the copper price. If the current price trend continues this will allow Caravel to secure new funding on much better terms than has been possible to date.

Western Australia is now the number one ranked region in the Fraser Investment Attractiveness Index which occurred prior to recent travel restrictions, making locally based projects even more attractive. With increasing copper prices, excellent location and a shortage of long-life quality copper projects globally the potential of the Caravel Copper Project has gained considerable recognition in recent months.

With our quality assets and future growth prospects Caravel is in a great position to deliver value for shareholders into next year and beyond. I would like to thank the shareholders for their ongoing support as we look forward to an exciting and encouraging year ahead.

Steve Abbott
Managing Director

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REPORT ON ACTIVITIES

Caravel Copper Project Update

The Caravel Copper Project located just 150kms north east of Perth, Western Australia is one of the largest undeveloped copper projects in Western Australia.

The Project is underpinned by a Mineral Resource (at a 0.15% cut-off) of 662 million tonnes at 0.28% Cu, for 1.86 million tonnes of contained Cu and is shown in Table 1.

Caravel Copper Project¹ Mineral Resource (using 0.15% Cu cut-off).

CATEGORY	Mt	Cu (%)	Mo (ppm)	Cu (T)
Measured	-	-	-	-
Indicated	393.4	0.29	57	1,128,800
Inferred	268.6	0.27	52	734,000
Total	661.9	0.28	55	1,862,800

Note – appropriate rounding applied

Caravel Copper Project¹ Combined Mineral Resource at Various Cu Cut-off Grades.

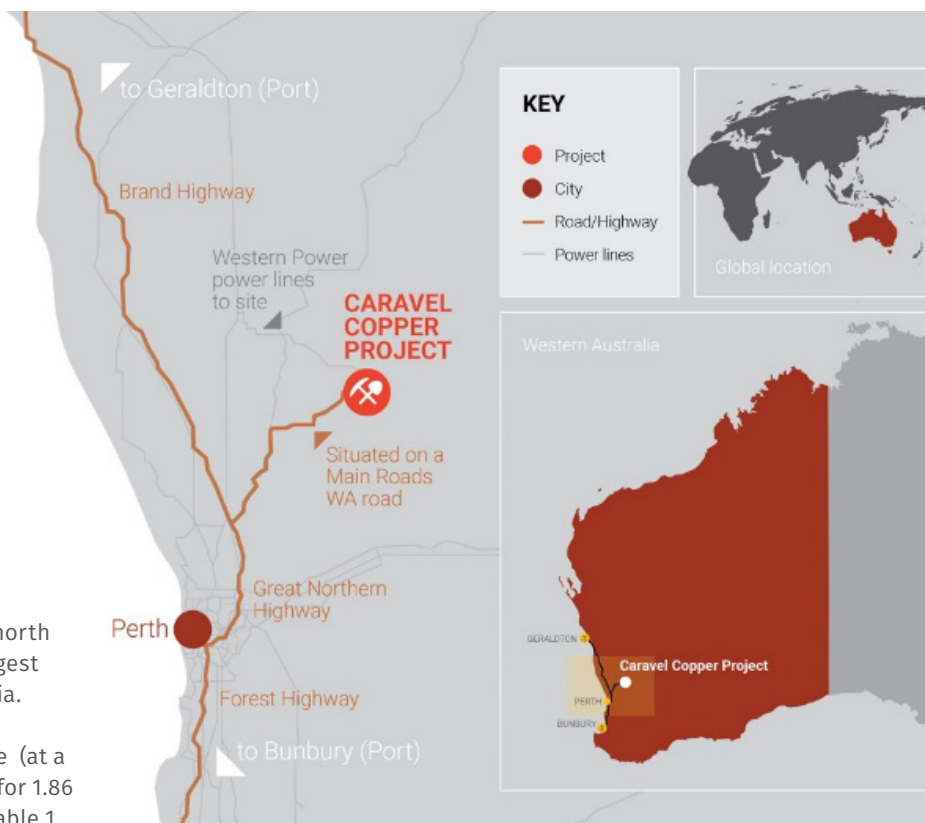
Cu Cut-Off (%)	Mt	Cu (%)	Mo (ppm)	Cu (T)
0.15	661.9	0.28	55	1,862,800
0.20	488.5	0.32	63	1,563,600
0.25	372.1	0.35	69	1,301,600
0.30	248.5	0.39	77	962,200

Note – appropriate rounding applied

Table 1: Caravel Copper Project Mineral Resource

¹ Caravel Copper Project Mineral Resource which was prepared in accordance with the requirements of the JORC Code (2012). This information was included in the Company's previous announcement as follows: ASX announcement dated 29 April 2019 Caravel Copper Resource and Project Update. Refer to Competent Person Statements on page 44.

² See ASX announcements 18 February 2019 and 29 April 2019



The Mineral Resource was the basis of the Scoping Study issued in May 2019.

The mining studies on the Bindi and Dasher deposits for the Scoping Study assumed traditional open-pit mining with all mining activities to be performed by a mining contractor.

Pit optimisations were carried out to identify and quantify potential mining inventories within optimal pit shells. The mine production scheduling generated a practical, realistically achievable schedule which maximises value within the applied constraints.

Metallurgical test work undertaken on composite samples from the diamond drilling campaigns, demonstrates the copper mineralisation can be processed utilising standard sulphide flotation methods, at a relatively coarse grain size with very high recoveries and low reagent consumption.²



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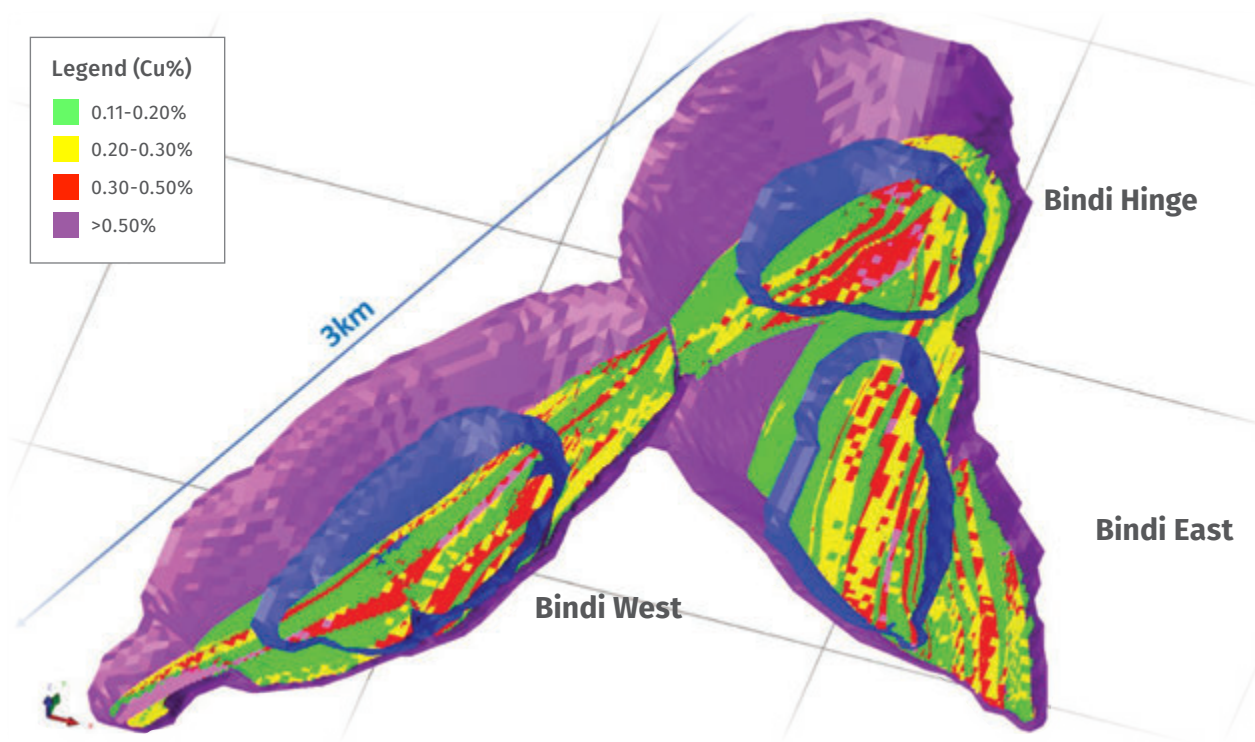


Figure 1: Bindi Deposit optimised starter pit shells (blue) and final pit shell (purple)

Ro Grade Recovery Curves CV02 (18CADD002 Master Composite)

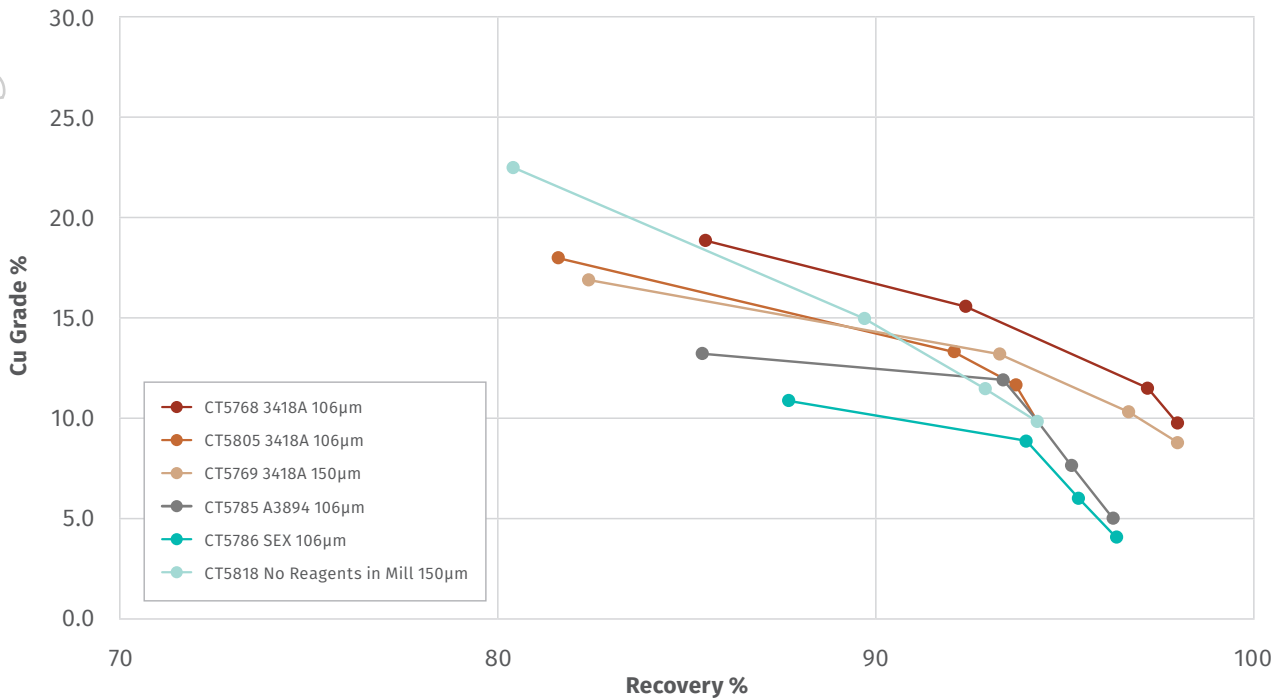


Figure 2: Example of rougher recoveries from CV02 Master Composite

The process design work carried out to treat the ore resulted in a standard crush, grind (HPGR and ball mills), and flotation flowsheet for the production of a copper concentrate (separate molybdenum concentrate) for export.

Initial copper concentrate analyses indicates the plant can produce a very clean copper concentrate with low level impurities which is likely to be attractive to copper smelters.

Arsenic (As) is one key impurity element that is undesirable to smelters and is increasingly being seen in high concentration in many copper concentrates. Penalties for As usually start above 0.1-0.2% and concentrates >0.5% are not permitted to be imported to some countries.

Caravel copper concentrate levels for arsenic are <0.01%, at least ten times lower than the threshold level penalties that would apply, making it ideal for blending. Other impurities such as Cadmium (Cd), Selenium (Se), Antimony (Sb) and Lead (Pb) are similarly an order of magnitude or more under the typical threshold limits for smelters.

The project is in an enviable position of being located adjacent to significant infrastructure such as roads and power and with the option of exporting through Geraldton or Bunbury ports.

Caravel Minerals has briefed or communicated with a range of government, non-government and community stakeholders as part of the project definition studies.

The next stage of the project will be to complete a Pre-Feasibility Study (PFS) addressing the technical, social, environmental and economic aspects of the project to reduce the risk factors and increase confidence in the project.

The company has engaged and continues to discuss the project with a number of potential strategic investors who have expressed an interest in the project.

Element	Caravel Copper Concentrate ¹	Element	Caravel Copper Concentrate ¹
Cu (%)	~25%	Fe (%)	26.5
Ag (ppm)	118.0	Hg (ppm)	0.5
As (%)	<0.01	Pb (%)	<0.01
Au (ppm)	~2	Mo (ppm)	65.0
Bi (%)	0.01	S (%)	29.3
Cd (ppm)	<5	Sb (ppm)	0.70
Cl (%)	<0.01	Se (ppm)	40.0
F (ppm)	200	Zn (%)	0.20

Table 2: Copper Concentrate Analyses Results

¹ This information was prepared in accordance with the JORC Code (2012) and included in the Company's ASX announcement "Caravel Copper Project Initial Copper Concentrate Analyses" dated 18 June 2019 which can be found at www.caravelminerals.com.au

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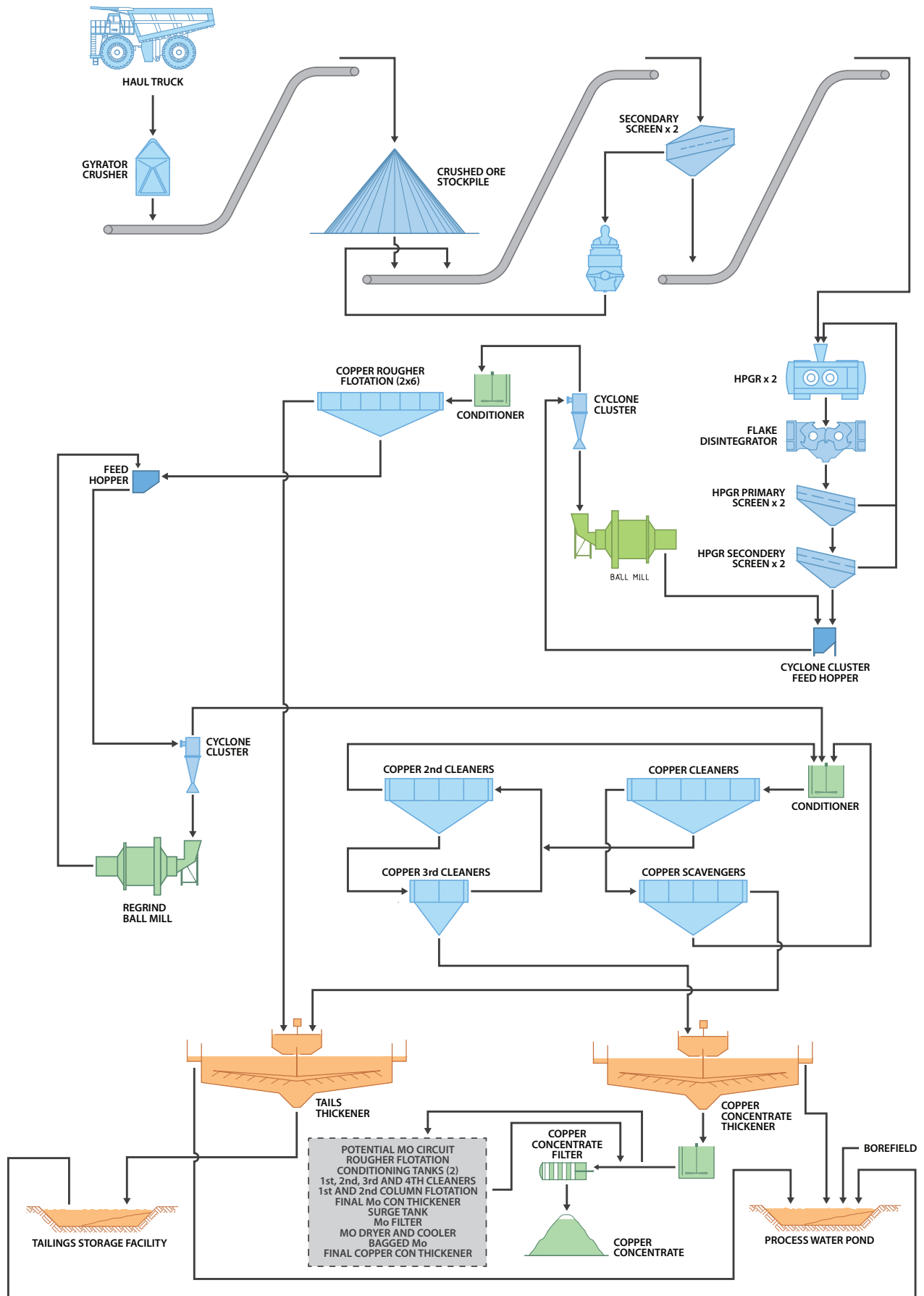


Figure 3: Process plant flowsheet

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Exploration

During the year Caravel continued its program of brownfield exploration at the Caravel Copper Project in support of further feasibility studies. The Project's Scoping Study (May 2019) identified potentially large upside from the addition of a relatively small increase in higher grade resources (+30Mt at >0.5% Cu) into the proposed early mining schedule. The Company has identified a number of target areas close to existing resources and planned infrastructure that will be tested with further drilling, in particular at the Ninan Prospect.

The Company has also identified that there are numerous mineralised targets throughout the 30km mineralised trend at the Caravel Copper Project which have not been sufficiently tested with drilling. Of the 2,208 holes completed at the Project, most are shallow aircore holes and only 306 are greater than 100m depth. There are numerous unexplained mineralised intersections and the Company has opportunities to discover additional resources and is evaluating further drilling programs.

Caravel has undertaken an evaluation of new target areas for copper, gold and nickel mineralisation in the prospective South West Terrane of the Yilgarn Block. Caravel has subsequently secured additional mineral exploration licences and licence applications over several new areas of interest (Figure 4).

The mineral potential of the South West Yilgarn Block has been highlighted by the recent high-grade Pd-Ni-Cu discovery at the Julimar Prospect by Chalice Gold Mines Ltd. The Julimar discovery, located approximately 60km to the southwest of the Caravel Copper Project, has shown that significant mineralisation can be concealed below the surface weathering zone with no surface indications except subtle geochemical responses. The Caravel copper deposits were discovered in 2010 by the same process of surface sampling and identification of low level anomalous geochemical responses.

Caravel owns the most comprehensive database of surface geochemical samples over the South West Yilgarn Block, comprising approximately 250,000 samples. Of these, over 100,000 samples have been collected by Caravel and its predecessor Dominion Mining.

The geochemical database, in conjunction with Caravel's geological interpretation of the region and models for surface expressions of mineralisation zones based on the Caravel deposits, have been used to identify other areas of interest within the South West Terrane. These include the Dalwallinu, Brookton, Congelin, Moodiarrup and Toolbrunup projects (Figure 4).

Subject to granting of exploration licences and obtaining land access consent, the Company intends to progress an exploration program on all the new project areas. This will typically involve a combination of geological mapping and geochemical sampling programs to test the regolith over target zones, ground or airborne geophysical surveys and follow up drilling to evaluate targets.

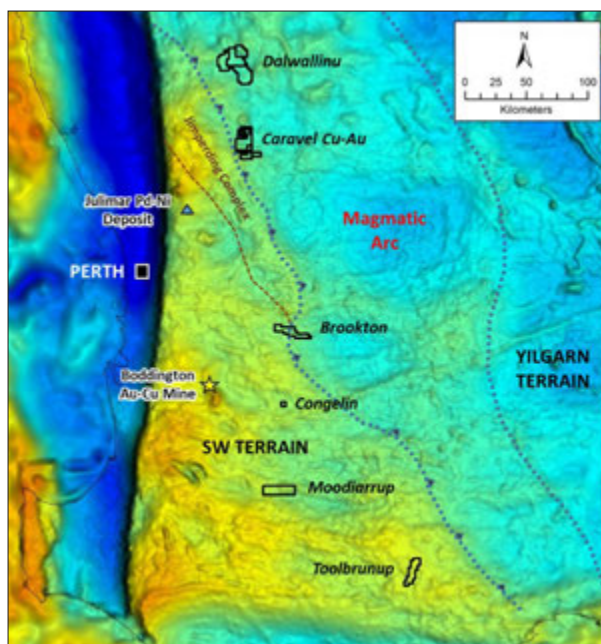


Figure 4: Location map of the Caravel Minerals Ltd exploration and development projects in the South West Terrain of the Yilgarn Block, overlaid on regional gravity imagery.

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Project	Tenement	Status	Date Granted	Date Expires	Interest
Calingiri	E 70/2788	Live	6/03/2007	5/03/2021	100%
	E 70/2789	Live	11/08/2006	10/08/2020*	100%
	E 70/3674	Live	15/11/2010	14/11/2020	100%
	E 70/3680	Live	23/11/2009	22/11/2021	100%
	E 70/4732	Live	11/08/2015	10/08/2020*	100%
	E 70/5228	Live	6/11/2019	5/11/2024	100%
	E 70/5229	Live	6/11/2019	5/11/2024	100%
	R 70/0060	Live	17/01/2020	16/01/2023	80%
Dalwallinu	E 70/5400	Live	3/06/2020	2/06/2025	100%
	E 70/5417	Live	9/07/2020	8/07/2025	100%
	E 70/5511	Pending	-	-	-
	E 70/5512	Pending	-	-	-
Toolbrunup	E 70/5462	Pending	-	-	-
Brookton	E 70/5506	Pending	-	-	-
Congelin	E 70/5542	Pending	-	-	-
Moodiarrup	E 70/5596	Pending	-	-	-

*Application for Extension of Term submitted to DMIRS

Table 3: Tenement schedule as at 17 September 2020



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CARAVEL

MINERALS

FINANCIAL REPORT

30 JUNE 2020



Director's Report

30 June 2020

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 2020.

Directors

Qualifications, Experience and Special Responsibilities of Directors

Wayne Trumble - Chairman

Mr Trumble is a senior executive with 35 years of specific industry expertise in mining, electricity, investment and construction. Mr Trumble is currently employed as energy manager for Newmont Mining energy subsidiary Newmont Power Pty Ltd managing the supply of energy to the KCGM mining operations in Kalgoorlie.

For the twelve years to 2013, Mr Trumble 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. Mr Trumble 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

Former directorships in the last three years

African Energy Resources Ltd

Interests in shares and options

500,000 options

Stephen Abbott - Managing Director

A highly regarded mining executive with more than 25 years' experience in senior international and resource sector roles. Mr Abbott has proven technical and management experience at senior levels across exploration, mining, processing, metallurgy, maintenance, smelting, refining, infrastructure, approvals and stakeholder engagement.

Prior to Caravel, Mr Abbott worked as General Manager Iron Ore and Industrial Minerals for BC Iron and General Manager Business Development for Gindalbie Minerals.

Earlier in his career, Mr Abbott spent eight years at Western Mining Corporation where he held various mechanical engineer and metallurgist roles culminating in a period as smelter superintendent at Olympic Dam.

Mr Abbott holds a Bachelor of Engineering from Curtin University of Technology as well as a Post Graduate Diploma in Metallurgy and he attained an MBA from La Trobe University. He completed a diploma at Australian Institute of Company Directors.

Other current directorships

Nil

Special responsibilities

Managing Director

Former directorships in the last three years

None

Interests in shares and options

957,144 shares
8,000,000 options

Alasdair Cooke - Executive Director

Alasdair Cooke has over 30-years of experience in the mining industry with over 15 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. Mr Cooke is also the Chairman of African Energy Resources and a Director of EVE Investments and Anova Metals.

Alasdair is a substantial shareholder of Caravel Minerals.

Other current directorships

EVE Investments Limited
African Energy Resources Ltd

Special responsibilities

Executive Director

Former directorships in the last three years

Anova Metals Limited (retired 8 May 2020)

Interests in shares and options

22,676,358 shares
4,730,000 options

Director's Report

30 June 2020

Alexander Sundich - Non-Executive Director

Alex Sundich has over 30-years experience in the financial services industry and has been an independent corporate advisor and company director since 2008, focusing on clients in the mining industry.

Other current directorships

Petrel Energy Limited - Chairman
Ellex Medical Limited

Special responsibilities

Nil

Former directorships in the last three years

Interests in shares and options

2,000,000 shares
500,000 options

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. He has been company secretary of ASX-listed companies African Energy Resources, Albidon and Energy Ventures (now EVE Investments) in the past ten years.

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 2020 (30 June 2019: nil)

Corporate and Financial Position

The group's net loss from operations for the year was \$1,118,461 (2019: \$3,211,611).

At 30 June 2020, the group had net current assets of \$169,317 (2019: \$443,821). Subsequent to year end, the Company completed a \$2.15M capital raising (before costs) by the issue of 53.75M shares at 4 cents per share. 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) Develop the Caravel Copper Project;
- (iii) Selectively expand the group's portfolio of exploration assets; and
- (iv) Examine other new business development opportunities in the mining and resources sector.

Significant Changes in the State of Affairs

Nil

Matters subsequent to the end of the financial year

The Company completed a \$2.15M capital raising (before costs) by the issue of 53.75M shares at 4 cents per share.

Mr Richard Monti was appointed to the board as non-executive Director on 18 August 2020. The Caravel board has resolved to issue 500,000 options exercisable at 8 cents and expiring 30 September 2022 to Mr Monti. Furthermore, Caravel has engaged Mr Monti to provide services as part of Caravel's exploration committee which is responsible for the ongoing review of exploration results and formulation of exploration strategy. It is expected that this initial 12-month role will take an average 2-days per month. Mr Monti's remuneration for Consulting Services will be payable in Options. A maximum of 1,800,000 Options will be issued to Mr Monti for Consulting Services over the next 12 months. The issue of Options to Mr Monti is subject to shareholder approval.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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Director's Report

30 June 2020

At a general meeting of shareholders held on 11 September 2020, shareholders approved the issue of 2,500,000 placement shares at 4 cents per share and the issue of 2,730,000 options to Alasdair Cooke under the Company's Employee Incentive Scheme.

No other matter or circumstance has arisen since 30 June 2020 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 objectives.

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 2020, and the number of meetings attended by each director.

	Board Meetings Number Eligible to attend	Board Meetings Number attended
Wayne Trumble	7	7
Alexander Sundich	7	7
Stephen Abbott	7	7
Alasdair Cooke	7	7

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 \$10,500 (2019: \$9,766) 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:

Unquoted (exercise price \$0.08 and expiry date 30 September 2021)	16,900,000
Unquoted (exercise price \$0.08 and expiry date 30 June 2022)	4,465,100
Total existing Options	<u>21,365,100</u>

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

During the financial year, employees and executives did not exercise any options to acquire ordinary shares.

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Director's Report

30 June 2020

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 17 of the Annual Report.

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 this definition the KMP of Caravel Minerals Limited are the directors of the Company.

Details of Key Management Personnel

Directors

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

The only change in KMP after the reporting date and before the date the annual financial report was authorised for issue was the appointment of Richard Monti as non-executive Director on 18 August 2020.

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 payments, 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 directors' fees payable of \$300,000 per year.

Director's Report

30 June 2020

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 2020 and 30 June 2019 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 2020 and 30 June 2019 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. Mr Abbott was granted a bonus of \$50,000 upon his appointment on 29 May 2019 payable upon securing funding for a feasibility study. The bonus was not payable at balance date.

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 2020.

Executives receive a superannuation guarantee contribution required by the government, which is currently 9.5% (9.5% for the year ended 30 June 2019) and do not receive any other retirement benefit. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

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Director's Report

30 June 2020

Options Granted

Some Directors were awarded options during the year. All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the factors described above. Options vest based on the provision of service over the vesting period whereby the director becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than.

Date of issue	21/11/2019*	21/11/2019*	11/09/2020**
Number of options	3,000,000	3,000,000	2,340,000
Dividend yield (%)	-	-	-
Expected volatility (%)	104%	104%	104%
Risk free interest rate (%)	0.76%	0.76%	0.24%
Expected life of the option (years)	1.86	1.86	2.00
Option exercise price (\$)	0.080	0.080	0.080
Share price at grant date (\$)	0.032	0.032	0.100
Expected Vesting Date	28/05/2020	30/06/2021	Upon issue
Fair value per option (\$)	0.010	0.010	0.057
Total value at grant date (\$)	29,675	29,675	133,146
Awarded to			
Stephen Abbott	3,000,000	3,000,000	-
Alasdair Cooke	-	-	2,340,000

No compensation options were exercised during the year.

* Share based payments expense to Mr Abbott relates to options that were issued in the prior year and continued to vest during the current year. Shareholder approval was obtained the current year and the options were revalued on this date.

** On 11 September 2020, the Company's shareholders approved the issue of 2,730,000 options to Alasdair Cooke under the Company's Employee Incentive Scheme and have been valued accordingly on this date. Each option issued under the plan converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The options were issued for Director services for the period 1 January to 31 July 2020 and therefore 2,340,000 have been granted as at 30 June 2020.

Employment Contracts

Executive Directors

The employment conditions of Managing Director, Mr Stephen Abbott, are formalised in a contract of employment which was amended with effect from 1 January 2020. The total current remuneration package as at 30 June 2020 was \$7,800 per month inclusive of statutory superannuation with an additional \$1,500 per day for additional time worked.

The employment conditions of Executive Director, Mr Alasdair Cooke, are formalised in a contract of employment. The total remuneration package from 1 July 2019 to the reporting date was \$150,000 per annum, aside from the seven months from January 2020 to July 2020 where remuneration was amended to the award of 390,000 options per month exercisable at 8c and expiring 30 June 2022. Notice of one month is required for either party to terminate the contract.

Director's Report

30 June 2020

Key Management Personnel Remuneration

Key Management Personnel remuneration - 2020	Short term employee benefits	Post-employment benefits	Share based payments	% Performance-based	Total
	Cash salary	Superannuation	Options		
Non-Executive Directors					
Alexander Sundich	28,395	2,024	-	-	30,419
Wayne Trumble	7,087	23,332	-	-	30,419
Executive Directors					
Stephen Abbott	170,736	16,220	39,601*	17%	226,557
Alasdair Cooke	75,000	-	133,146	64%	208,146
Total	281,218	41,576	172,747	35%	495,541

Key Management Personnel remuneration - 2019	Short term employee benefits	Post-employment benefits	Share based payments	% Performance-based	Total
	Cash salary	Superannuation	Options		
Non-Executive Directors					
Alexander Sundich	32,026	3,042	14,450	29%	49,518
Wayne Trumble	10,900	22,688	14,450	30%	48,038
Executive Directors					
Stephen Abbott	20,833	1,979	4,571	17%	27,383
Alasdair Cooke	172,049	-	57,800	25%	229,849
Total	235,808	27,709	91,271	26%	354,789

* Share based payments expense to Mr Abbott relates to options that were issued in the prior year and continued to vest during the current year. Shareholder approval was obtained the current year and the options were revalued on this date.

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 30/06/2019	Purchases	Balance at 30/06/2020	Balance at Reporting Date
Non-Executive Directors				
Alexander Sundich	914,287	130,614	1,044,901	2,000,000
Wayne Trumble	-	-	-	-
Executive Directors				
Stephen Abbott	400,001	57,143	457,144	957,144
Alasdair Cooke	16,409,132	2,458,449	18,867,581	22,676,358
Total	17,723,420	2,646,206	20,369,626	25,633,502

Director's Report

30 June 2020

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 30/06/2019	Issued as remuneration during the year	Expired During the Year	Balance at 30/06/2020	Vested and exercisable
Non-Executive Directors					
Alexander Sundich	500,000	-	-	500,000	500,000
Wayne Trumble	500,000	-	-	500,000	500,000
Executive Directors					
Stephen Abbott	8,000,000	-	-	8,000,000	5,000,000
Alasdair Cooke	4,900,000	2,340,000	(2,900,000)	4,340,000	4,340,000
Total	13,900,000	2,340,000	(2,900,000)	13,340,000	10,340,000

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 2019 Annual General Meeting

At the Annual General Meeting held on 21 November 2019 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

During the year ending 30 June 2020, \$79,928 (2019: \$366,436) was paid to Mitchell River Group, of which Mr Alasdair Cooke is a part owner, for provision of serviced offices and geological consultancy. \$37,530 remained unpaid at 30 June 2020 (30 June 2019: \$40,793).

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.



Stephen Abbott
Managing Director
30 September 2020

Auditor's Independence Declaration

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 2020, 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, 30 September 2020

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
Other Income	72,757	192,506
Gain on Sale of Listed Investment	-	46,033
Administration services	(160,625)	(335,286)
Employee expenses	(682,890)	(895,067)
Exploration expenses	(347,703)	(2,252,712)
Gain / (Loss) on disposal of fixed assets	-	32,915
Loss from continuing operations before income tax expense	(1,118,461)	(3,211,611)
Income tax expense	-	-
Loss from continuing operations	(1,118,461)	(3,211,611)
Loss for the year	(1,118,461)	(3,211,611)
Other comprehensive income	-	-
Comprehensive loss attributable to the shareholders of the Company	(1,118,461)	(3,211,611)
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 (0.58)	(2.06)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company	3.5 (0.58)	(2.06)

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 30 June 2020

		2020	2019
	<i>Note</i>	\$	\$
Assets			
Current assets			
Cash and cash equivalents	4.1	231,850	713,451
Trade and other receivables	4.3	17,564	59,638
Other current assets		7,839	6,673
Total current assets		257,253	779,762
Non-current assets			
Exploration and evaluation expenditure	2.1	3,107,811	3,107,811
Property, plant and equipment	2.2	129,526	151,566
Total non-current assets		3,237,337	3,259,377
Total assets		3,494,590	4,039,139
Liabilities			
Current liabilities			
Trade & other payables	4.4	87,936	335,941
Total current liabilities		87,936	335,941
Total liabilities		87,936	335,941
Net assets		3,406,654	3,703,198
Equity			
Share capital	5.1	46,146,487	45,503,512
Accumulated loss		(45,970,841)	(44,852,380)
Reserves		3,231,008	3,052,066
Total equity attributable to shareholders of the Company		3,406,654	3,703,198

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

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2020

	Contributed equity	Accumulated losses	Share-Based Payments Reserve	Total equity
	\$	\$	\$	\$
At 30 June 2019	45,503,512	(44,852,380)	3,052,066	3,703,198
Loss for the year	-	(1,118,461)	-	(1,118,461)
Total comprehensive loss for the year	-	(1,118,461)	-	(1,118,461)
Transactions with owners in their capacity as owners:				
Issue of new shares net of cost	642,975	-	-	642,975
Share-based payments	-	-	178,942	178,942
	642,975	-	178,942	821,917
At 30 June 2020	46,146,487	(45,970,841)	3,231,008	3,406,654
At 30 June 2018	42,451,988	(41,640,769)	2,743,334	3,554,553
Loss for the year	-	(3,211,611)	-	(3,211,611)
Total comprehensive loss for the year	-	(3,211,611)	-	(3,211,611)
Transactions with owners in their capacity as owners:				
Issue of new shares net of cost	2,728,312	-	-	2,728,312
Share-based payments	323,213	-	308,732	631,945
	3,051,524	-	308,732	3,360,256
At 30 June 2019	45,503,512	(44,852,380)	3,052,066	3,703,198

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

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
Cash flows from operating activities		
Interest received	470	3,718
Government grants	72,287	158,788
Payments to suppliers and employees	(874,145)	(1,093,306)
Payments for exploration and evaluation expenditure	(323,188)	(1,652,903)
Net cash (outflow) from operating activities	4.2 (1,124,576)	(2,583,703)
Cash flows from investing activities		
Proceeds from receipt of security deposits	-	20,000
(Payments)/proceeds for property, plant and equipment	-	(37,996)
Net cash (outflow) from investing activities	-	(17,996)
Cash flows from financing activities		
Proceeds from issue of shares	5.2 660,116	2,862,516
Share issue costs	5.2 (17,141)	(134,204)
Net cash inflow from financing activities	642,975	2,728,312
Cash and cash equivalents at the beginning of the year	4.1 713,451	586,838
Net increase/ (decrease) in cash and cash equivalents	(481,601)	126,613
Cash and cash equivalents at the end of the year	4.1 231,850	713,451

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 Year Ended 30 June 2020

1. Basis of preparation

The annual report of Caravel Minerals Limited for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 30 September 2020.

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 2020 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.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

The Group incurred a net loss of \$1,118,461 during the year ended 30 June 2020 (2019: \$3,211,611) and as of that date the Group had net current assets of \$169,317 (30 June 2019: \$443,821) including cash and cash equivalents of \$213,850 (30 June 2019: \$713,451). Net cash used in operating activities for the period was \$1,124,576 (2019: \$2,583,703).

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

The Directors are confident of the ability of the Company to 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.

Subsequent to balance date, the Company completed a \$2.15M capital raising (before costs) by the issue of 53.75M shares at 4 cents per share as outlined in Note 8.1.

The directors are uncertain of the duration of the COVID-19 pandemic and of the potential consequential impact that may flow through to the Group's future operating costs and exploration activities. The directors believe there are reasonable prospects the Group can continue operations through the COVID-19 pandemic and are committed to the long term development and growth of the Company on behalf of its shareholders, employees and the communities in which it operates.

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

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.

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;

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

- 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) 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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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:

	2020	2019
Areas of interest:	\$	\$
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.

2.2. Property Plant and equipment

Plant and equipment is 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.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

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:

Plant and equipment	30%
Exploration equipment	25%
Vehicles	30%
Leasehold improvements	25%
Computer equipment and software	40%
Buildings	2.5%

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.

	2020 \$	2019 \$
Land and building - Cost	100,165	100,165
Accumulated depreciation	(14,669)	(8,167)
Net carrying amount	85,496	91,998
Computer Equipment - Cost	4,618	4,618
Accumulated depreciation	(2,905)	(1,757)
Net carrying amount	1,713	2,861
Vehicles - Cost	65,369	65,369
Accumulated depreciation	(49,045)	(42,022)
Net carrying amount	16,324	23,347
Exploration Equipment - Cost	48,895	47,895
Accumulated depreciation	(22,902)	(14,535)
Net carrying amount	25,993	33,360
Total Property Plant and Equipment	219,047	218,047
Accumulated depreciation	(89,521)	(66,481)
Net carrying amount	129,526	151,566

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 2020.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

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.

	2020	2019
	\$	\$
Other Income		
Government Grants and rebates	61,952	158,788
Interest revenue	470	3,718
Other income	10,335	30,000
	<u>72,757</u>	<u>192,506</u>

3.2. Expenses

	2020	2019
	\$	\$
Administration services		
Audit, tax and accounting	26,183	60,452
Compliance & insurance	36,716	52,051
Legal fees	(14,871)	11,382
Marketing	28,722	82,361
Occupancy	80,300	113,855
Depreciation	1,320	4,277
Travel	2,255	10,908
	<u>160,625</u>	<u>335,286</u>
Employee expenses		
Directors Fees	322,794	234,595
Salaries and wages	149,893	318,969
Superannuation	31,267	29,032
Payroll Tax & Fringe Benefits Tax	(6)	3,739
Share based payments expense – Directors and employees	178,942	308,732
	<u>682,890</u>	<u>895,067</u>
Other share based payments (SBP)		
SBP consultants – included in Administration services	-	-
SBP drilling contractors – included in Exploration expenses	-	323,213
	<u>-</u>	<u>323,213</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.

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

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

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:

	2020 \$	2019 \$
Current income tax	-	-
Deferred income tax	-	-

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

	2020 \$	2019 \$
Accounting loss before tax from continuing operations	(1,118,461)	(3,211,611)
Loss before income tax from discontinued operations	-	-
Accounting loss before income tax	(1,118,461)	(3,211,611)
At the Company's statutory income tax rate of 27.5% (2019: 27.5%)	(307,577)	(883,193)
Non-deductible expenses	208	(40,279)
Share based payments	17,264	84,901
Non-assessable amounts	(7,274)	-
Impact of reduction in future corporate income tax rate	1,143,090	-
DTA not brought to account as their realisation is not probable	(845,711)	838,571
	-	-
Income tax expense reported in the consolidated income statement	-	-
Income tax attributable to discontinued operations	-	-
	-	-

3.4.3. Deferred tax liabilities @ 25% (2019: 27.5%) have not been recognised in respect of

	2020 \$	2019 \$
Deferred tax liabilities @ 25% (2019: 27.5%) have not been recognised in respect of		
Exploration & Evaluation Expenditure	776,953	854,648
Prepayments	1,710	1,560
	778,663	856,208

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

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

	2020 \$	2019 \$
Provisions and accruals	3,831	12,775
Business related costs	38,234	68,728
Carry forward revenue losses	12,186,091	13,103,715
Capital losses	220,458	242,503
Foreign losses	-	2,480
	<u>12,448,614</u>	<u>13,430,201</u>

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:

	2020 \$	2019 \$
Gain (Loss) attributable to ordinary shareholders	(1,118,461)	(3,211,611)
Issued number of ordinary shares at 1 July	184,365,039	120,621,214
Effect of shares issued during the period	8,592,286	35,572,256
Weighted average number of shares for year to 30 June	<u>192,957,325</u>	<u>156,193,470</u>
Basic loss per share (cents per share)	<u>(0.58)</u>	<u>(2.06)</u>

As at reporting date, 16,900,000 (2019: 21,600,000) unlisted options (which represent potential ordinary shares) were not dilutive as they would decrease the loss per share.

The Company completed a \$2.15M capital raising (before costs) by the issue of 53.75M shares at 4 cents per share. There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

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.

	2020 \$	2019 \$
Cash at bank and in hand	211,850	693,451
Short-term deposits	20,000	20,000
	<u>231,850</u>	<u>713,451</u>

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

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

	2020	2019
	\$	\$
Cash flows from operating activities		
(Loss) for the year	(1,118,461)	(3,211,611)
Adjustments for:		
Equity-settled share-based payment expenses	178,942	308,732
Exploration expenses settled by issue of Shares	-	323,213
Depreciation and amortisation expense	22,040	18,193
(Profit)/Loss on disposal of Plant & Equipment	-	(32,915)
Change in operating assets & liabilities		
(Increase) / decrease in receivables	40,908	(2,605)
Increase / (decrease) in payables	(248,005)	13,290
Net cash used in operating activities	(1,124,576)	(2,583,703)

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.

	2020	2019
	\$	\$
Trade debtors	10,867	5,726
GST receivable	6,697	53,912
	17,564	59,638

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the 30 June reporting dates under review are of good credit quality (refer to 5.5(1)).

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.

	2020	2019
	\$	\$
Trade payables	72,611	277,078
Accrued expenses	15,325	45,325
Other payables	-	13,538
	87,936	335,941

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.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

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.

	2020 \$	2019 \$
Contributed equity	48,261,641	47,601,525
Cost of share issue	(2,115,154)	(2,098,013)
	46,146,487	45,503,512

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.

5.2.1. Ordinary Shares

	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	-	-	(134,196)
Balance 30 June 2019		184,365,039		45,503,512
Cancellation of Treasury Shares	02 Jul 2019	(3,695,244)	-	-
Contractor share based payments	01 Oct 2019	750,000	4.0	30,000
Entitlement Issue	01 Oct 2019	13,252,897	4.0	530,116
Share Placement	15 Oct 2019	2,500,000	4.0	100,000
Less Transaction costs	30 Jun 2020	-	-	(17,141)
Balance 30 June 2020		197,172,692		46,146,487

5.3. Unlisted options

	2020 Number	2019 Number
Outstanding at the beginning of the year	27,600,000	37,213,222
Issued during the year	-	16,900,000
Expired or lapsed during the year	(10,700,000)	(26,513,222)
Outstanding at the end of the year	16,900,000	27,600,000
Exercisable at the end of the year	13,900,000	21,600,000

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 2020, the Company issued 16,502,857 ordinary shares (2019: 63,743,825 ordinary shares).

The Company is not subject to any externally imposed capital requirements.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

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 has ceased operations in Spain. 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.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1.

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 2020 are expected to be settled within 6 months of year-end.

5.5.3. Market risk

(A) Price risk

The group is not exposed to equity securities price risk. The group is not exposed to commodity price risk. The sensitivity of movements in the price has not been disclosed as it is not material to the Group.

(B) Foreign currency risk

The group do not have any foreign currency balances and therefore is not exposed to any foreign currency risk.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

(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 2020 and 2019 and represents management's judgement of a reasonably possible movement.

	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Loss \$	Equity \$	Net Gain \$	Equity \$
30 June 2020					
Cash and cash equivalents	231,850	(2,319)	(2,319)	2,319	2,319
Other current assets	25,403	(254)	(254)	254	254
30 June 2019					
Cash and cash equivalents	713,451	(7,135)	(7,135)	7,135	7,135
Other current assets	66,311	(663)	(663)	663	663

None of the Group's financial liabilities are interest bearing. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

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	Equity holding	Date of incorporation
Quadrio Resources Pty Ltd	Australia	100%	11 June 1985
Caravel Resources Netherlands Cooperatief U.A.	Netherlands	99.999%	16 July 2012

*Caravel Employee Share Plan Pty Ltd was deregistered on 4 December 2019.

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.

6.1.3. Comparatives

Prior period comparatives are for the year from 1 July 2018 to 30 June 2019.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

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.

	2020	2019
	\$	\$
Current Assets	212,544	676,360
Non-Current Assets	3,266,858	3,325,200
Total Assets	3,479,402	4,001,560
Current Liabilities	72,748	298,362
Total Liabilities	72,748	298,362
Contributed equity	46,146,487	45,503,512
Accumulated losses	(45,970,841)	(44,852,380)
Reserves	3,231,008	3,052,066
Total Equity	3,406,654	3,703,198
Gain (loss) for the year	(1,118,461)	(1,186,549)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive income / (loss) for the year	(1,118,461)	(1,186,549)

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:

	2020	2019
	\$	\$
Short term employee benefits	281,218	235,808
Post-employment benefits	41,576	27,709
Share based payments	172,747	91,271
Total compensation	495,541	354,789

7.2. Transactions with Other Related Parties

During the year ending 30 June 2020, \$79,928 (2019: \$366,436) was paid to Mitchell River Group, of which Mr Alasdair Cooke is a part owner, for provision of serviced offices and geological consultancy. \$37,530 remained unpaid at 30 June 2020 (30 June 2019: \$40,793).

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).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

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 2019 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:

	2020 Number	2020 WAEP	2019 Number	2019 WAEP
Outstanding at the beginning of the year	18,700,000	0.08	1,800,000	0.08
Granted during the year	2,755,800	0.08	16,900,000	0.08
Expired or lapsed during the year	(1,800,000)	0.08	-	-
Outstanding at the end of the year	19,655,800	0.08	18,700,000	0.08
Exercisable at the end of the year	16,655,800	0.08	12,700,000	0.08

Weighted average remaining contractual life of options at 30 June 2020: 1.27 years (2019: 2.04 years)

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

7.5. Option pricing model

Options granted during the year have been 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. See below for the assumptions used for grants made during the year ended 30 June 2020 and 30 June 2019:

Date of issue	27/09/2018	29/11/2018	21/11/2019*	21/11/2019*	29/11/2019	11/09/2020**
Number of options	7,900,000	3,000,000	3,000,000	3,000,000	415,800	2,340,000
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	100%	100%	104%	104%	104%	104%
Risk free interest rate (%)	1.50%	1.50%	0.76%	0.76%	0.27%	0.24%
Expected life of the option (years)	2.96	2.82	1.86	1.86	2.58	2.00
Option exercise price (\$)	0.080	0.080	0.080	0.080	0.080	0.080
Share price at grant date (\$)	0.400	0.054	0.032	0.032	0.035	0.100
Vested	On issue	On issue	28/05/2020	30/06/2021	On issue	On issue
Fair value per option (\$)	0.028	0.027	0.010	0.010	0.015	0.057
Total value at grant date (\$)	216,460	86,700	29,675	29,675	6,195	133,146

Awarded to

Stephen Abbott	-	-	3,000,000	3,000,000	-	-
Alasdair Cooke	-	2,000,000	-	-	-	2,340,000
Wayne Trumble	-	500,000	-	-	-	-
Alex Sundich	-	500,000	-	-	-	-

* Share based payments expense to Mr Abbott relates to options that were issued in the prior year and continued to vest during the current year. Shareholder approval was obtained in the current year and the options were revalued on this date.

** On 11 September 2020, the Company's shareholders approved the issue of 2,730,000 options to Alasdair Cooke under the Company's Employee Incentive Scheme and have been valued accordingly on this date. Each option issued under the plan converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

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.

7.6. Shares

No shares were issued to suppliers in exchange for services in the year ended 30 June 2020.

During the year ended 30 June 2019, 6,493,664 ordinary shares were issued to contractors of the Company for drilling and engineering services. The shares were issued at market value calculated by a 10-day VWAP at the end of each invoice month for a total consideration of \$323,213. The value of the services could not be reliably determined and therefore, were measured at their fair value calculated on the 10-day VWAP (volume weighted) trading price of the company's share price for the last 10 days of each calendar month in which the invoice was received.

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

	2020	2019
	\$	\$
Expense arising from employee options issued	178,942	308,732
Shares issued for drilling and engineering services	-	323,213
Total share-based payments expensed in profit or loss	178,942	631,945

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

8. Other

8.1. Events occurring after the reporting period

The Company completed a \$2.15M capital raising (before costs) by the issue of 53.75M shares at 4 cents per share.

Mr Richard Monti was appointed to the board as non-executive Director on 18 August 2020. The Caravel board has resolved to issue 500,000 options exercisable at 8 cents and expiring 30 September 2022 to Mr Monti. Furthermore, Caravel has engaged Mr Monti to provide services as part of Caravel's exploration committee which is responsible for the ongoing review of exploration results and formulation of exploration strategy. It is expected that this initial 12-month role will take an average 2-days per month. Mr Monti's remuneration for Consulting Services will be payable in Options. A maximum of 1,800,000 Options will be issued to Mr Monti for Consulting Services over the next 12 months. The issue of Options is subject to shareholder approval.

At a general meeting of shareholders held on 11 September 2020, shareholders approved the issue of 2,500,000 placement shares at 4 cents per share and the issue of 2,730,000 options to Alasdair Cooke under the Company's Employee Incentive Scheme.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the matters above, at the date of this report there are no other matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2020, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2020, of the Group.

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 the next twelve months amounts to \$557,084.

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 2020 Caravel Minerals Limited has no contingent liabilities.

8.3. Remuneration of Auditors

	2020 \$	2019 \$
Amount received or due and receivable by the auditor for:		
Auditing the financial statements, including audit review - current year audits	45,913	33,434
Total remuneration of auditors	45,913	33,434

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For the Year Ended 30 June 2020

8.4. New and revised accounting standards

Early adoption of accounting standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2019.

New accounting standards and interpretations not yet adopted

New or amended Accounting Standards and Interpretations adopted

The Group 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.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption of AASB16 was not material to the financial statements.

When adopting AASB 16 from 1 July 2019, the Group has applied the following practical expedients:

- Applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- Accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- Excluding any initial direct costs from the measurement of right-of-use assets;
- Using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- Not apply AASB 16 to contracts that were not previously identified as containing a lease.

Standards and Interpretations in use not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

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Director's 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 2020 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 2020.

On behalf of the Board.



Stephen Abbott
Managing Director
30 September 2020



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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 2020, 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 2020 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.

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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

Key audit matter	How the matter was addressed in our audit
<p>The carrying value of the capitalised exploration and evaluation asset as at 30 June 2020 is disclosed in Notes 1.7 and 2.1 of the financial report.</p> <p>As the carrying value of the exploration and evaluation asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular:</p> <ul style="list-style-type: none"> • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the area of interest held by the Company and assessing whether the rights to tenure of the area of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the area of interest by holding discussions with management, and reviewing the Company's exploration budgets, ASX announcements and director's minutes; • Considering whether the area 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.

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Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

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, 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.

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 (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 16 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Caravel Minerals Limited, for the year ended 30 June 2020, 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

BDO
A handwritten signature in black ink, appearing to read 'Dean Just', is written over the BDO logo.

Dean Just

Director

Perth, 30 September 2020

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Additional Shareholder Information

- as at 24 September 2020

1. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities as at 24 September 2020 are listed below:

ORDINARY SHARES

Rank	Holder Name	Securities	%
1	Alasdair Cooke (and associated entities)	22,676,358	9.04%
2	African Energy Resources Limited (and associated entities)	18,383,872	7.33%
3	Glenvar Nominees	13,142,858	5.24%
4	Orbit Drilling	8,927,081	3.56%
5	Citicorp Nominees	8,403,291	3.35%
6	MSP Engineering	7,832,551	3.12%
7	Newstead South Holdings Pty Ltd	6,690,138	2.67%
8	Lowell Resources Fund	6,479,552	2.58%
9	Beebee Holdings Pty Ltd	6,189,491	2.47%
10	Mandel Pty Ltd	6,175,000	2.46%
11	Mr Anthony Poustie & Mrs Rosamund Mary Poustie	6,116,906	2.44%
12	Aviemore Capital Pty Ltd	6,000,499	2.39%
13	Fulton Securities Pty Ltd	6,000,000	2.39%
14	Burls Holdings Pty Ltd	5,620,512	2.24%
15	J P Morgan Nominees Australia Pty Limited	4,324,043	1.72%
16	Clarkson's Boathouse Pty Ltd	4,190,850	1.67%
17	Windell Holdings Pty Ltd	3,800,000	1.51%
18	Terra Metallica Nominees Pty Ltd	3,263,586	1.30%
19	Octavius Share Holdings Pty Ltd	3,000,000	1.20%
20	Mr Robert Campbell Cooke & Mrs Elizabeth Minna Cooke	2,845,715	1.13%
	Top 20 Total	150,062,303	59.80%
	Total Remaining Holders Balance	100,860,388	40.20%
	Total Shares on Issue	250,922,691	100.00%

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of security by size holding as at 24 September 2020:

Range	Securities	%	No. of holders	%
100,001 and Over	234,966,912	93.64%	195	24.71%
10,001 to 100,000	14,950,140	5.96%	379	48.04%
5,001 to 10,000	800,675	0.32%	98	12.42%
1,001 to 5,000	183,917	0.07%	57	7.22%
1 to 1,000	21,047	0.01%	60	7.60%
Total	250,922,691	100.00%	789	100.00%
Unmarketable Parcels	204,964	0.08%	117	14.83%

3. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the company's register as at 24 September 2020 are:

Name	Number of Shares Held
Alasdair Cooke (and associated entities)	22,676,358
African Energy Resources Limited (and associated entities)	18,383,872
Glenvar Nominees	13,142,858

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Additional Shareholder Information

- as at 24 September 2020

4. UNQUOTED SECURITIES

As at 24 September 2020, the following unquoted securities are on issue:

Unquoted Securities	Number on Issue	Number of Holders
\$0.080 Options expiring 30/09/2021	16,900,000	12
\$0.080 Options expiring 30/06/2022	4,465,100	3
Total unquoted securities	21,365,100	

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.

7. MINERAL RESOURCES

At 24 September 2020 the Company has an Indicated and Inferred Mineral Resource at its Caravel Copper Project of 372.1 million tonnes at 0.35% Cu for 1,301,600 tonnes copper using a 0.25% Cu Cut-off (Indicated 224.7 million tonnes at 0.36% Cu for 802,900 tonnes copper and Inferred 147.3 million tonnes at 0.34% Cu for 498,700 tonnes copper). The resource was announced on 29 April 2019 and a subsequent Scoping Study was completed and released on 29 May 2019.

The Company engaged independent consultants to prepare the Resource estimate. In the course of doing so the consultants have:

- Reviewed the Company's assay and QA/QC data;
- Generated digital models that represent the interpreted geology, mineralisation and oxidisation profiles based on drilling and geological information supplied by the Company;
- Completed statistical analysis and variography of economic elements;
- Estimated grades of economic elements using ordinary kriging and completed model validity checks;
- Classified the Mineral Resource estimate in accordance with the 2012 Edition of the JORC Code; and
- Reported the estimates and compiled supporting documentation in accordance with the 2012 Edition of the JORC code guidelines.

Competent Person Statements

The information in this report that relates to the Calingiri Mineral Resource estimates is extracted from an ASX Announcement, (see ASX Announcement – 29 April 2019 "Caravel Copper Resource and Project Update", www.caravelminerals.com.au and www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

Production Targets and Financial Information

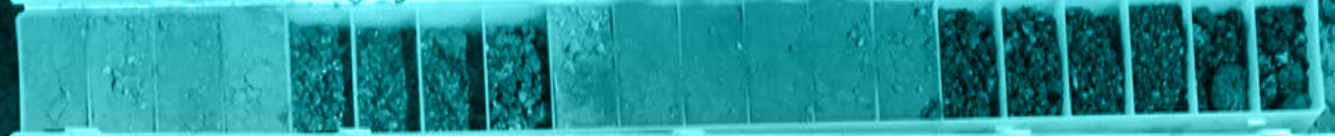
Information in relation to the Caravel Copper Project Scoping Study, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 29 May 2019, (see ASX Announcement - 29 May 2019, "Scoping Study Confirms New 23-Year WA Copper Project With Outstanding Economics", www.caravelminerals.com.au and www.asx.com.au) The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 29 May 2019 continue to apply and have not materially changed.

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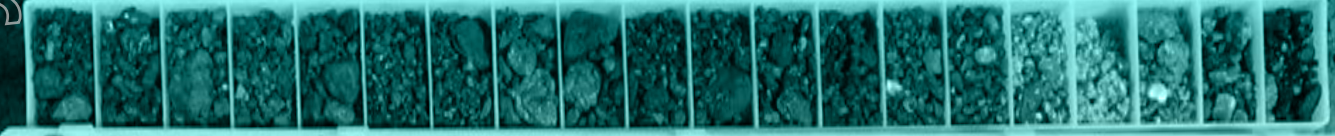


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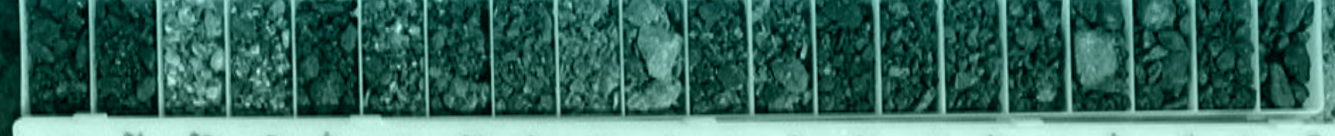
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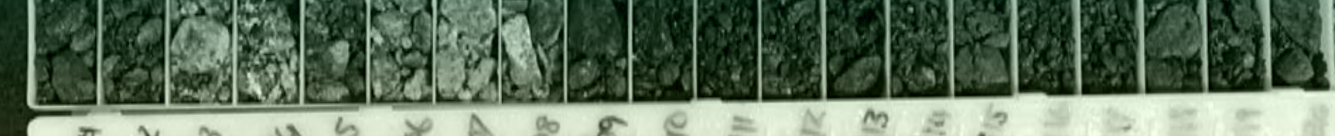
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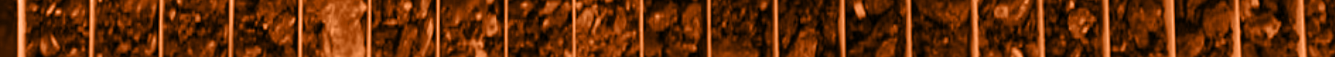
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