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CARAVEL MINERALS LIMITED
ACN 120 069 089

Interim Financial Statements
for the six months ended
31 December 2020

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Corporate Directory

Directors

Mr Wayne Trumble - Non-Executive Chairman
Mr Stephen Abbott – Managing Director
Mr Alasdair Cooke - Executive Director
Mr Richard Monti – Non-Executive Director (appointed 18 August 2020)

Company Secretary

Mr Daniel Davis

Registered And Principal Place Of Business

Level 1, 245 Churchill Avenue
Subiaco 6008
Western Australia

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Website: www.caravelminerals.com.au
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Share Register

Automic Group
Level 2
267 St Georges Terrace
Perth WA 6000

SOLICITORS

Fairweather Corporate Lawyers

Auditor

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

Securities Exchange Listing

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

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

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

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



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 15 March 2021

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Directors' Report

The Directors of Caravel Minerals Limited (the "Company" or "Caravel") present their report on the consolidated entity (the "Group") consisting of Caravel Minerals Limited and its subsidiaries for the half-year ended 31 December 2020 ("Period").

Directors

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

Mr Wayne Trumble - Non-Executive Chairman
Mr Stephen Abbott – Managing Director
Mr Alasdair Cooke - Executive Director
Mr Richard Monti – Non-Executive Director (appointed 18 August 2020)
Mr Alexander Sundich – Non-Executive Director (resigned 8 December 2020)

Review of Operations

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

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

Corporate and Financial Position

The group's net loss from operations for the half-year ended 31 December 2020 was \$1,891,068 (2019: \$728,933).

At 31 December 2020, the group had net current assets of \$3,237,746 (30 June 2020: \$169,317).

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 Caravel completed a \$9,000,000 (before costs) capital raising in March 2021 and they believe the Group will continue to be successful in securing additional funds through equity issues as and when the need to raise funds arises.

Business Strategies and Prospects

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

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

Matters subsequent to the end of the Period

On 7 January 2021, 1,000,000 options were exercised at a strike price of 8 cents to raise \$80,000.

On 8 January 2021, 1,562,000 shares were issued to a drilling contractor in settlement of \$124,960 of drilling services provided in 2020. This value was reported in share capital at balance date. Refer to note 4.1 for details.

On 24 February 2021, Canaccord Genuity were awarded 2,000,000 options exercisable at 30c and expiring 23 February 2024 as part consideration for their assistance with a \$9,000,000 capital raising.

On 4 March 2021, the Caravel Minerals advised that it had completed a share placement to raise \$9,000,000 by the issue of 56,250,000 shares at 16 cents per share.

On 4 March 2021, 200,000 options were exercised at a strike price of 8 cents to raise \$16,000.

On 4 March 2021, 1,250,000 shares were issued to nominees of Alasdair Cooke in connection with his participation in a 8 cent share placement of 27 November 2020 that was approved by shareholders on 5 February 2021, to raise \$100,000.

At the date of this report there are no other matters or circumstances, which have arisen since 31 December 2020 that have significantly affected or may significantly affect:

- (i) the operations in financial periods subsequent to 31 December 2020 of the group;
- (ii) the results of those operations in financial periods subsequent to 31 December 2020 of the group; or
- (iii) the state of affairs in financial periods subsequent to 31 December 2020 of the group.

Directors' Report

Signed in accordance with a resolution of the directors.



Stephen Abbott
Managing Director
15 March 2021

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 31 December 2020**

	Note	31-Dec-20	31-Dec-19
		\$	\$
Other Income	3.1	86,894	10,630
Administration services		(222,800)	(181,077)
Employee expenses		(430,967)	(388,367)
Exploration expenses		(1,324,195)	(170,121)
Loss from continuing operations before income tax expense		(1,891,068)	(728,933)
Income tax expense		-	-
Loss from continuing operations		(1,891,068)	(728,933)
Loss for the period		(1,891,068)	(728,933)
Other comprehensive income		-	-
Comprehensive loss attributable to the shareholders of the Company		(1,891,068)	(728,933)
Comprehensive (loss) income attributable to the shareholders of the Company arises from:			
Basic and diluted loss per share (cents per share) for continuing operations attributable to the shareholders of the Company		(0.76)	(0.38)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company		(0.76)	(0.38)

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

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**Consolidated Statement of Financial Position
As at 31 December 2020**

	Note	31-Dec-20 \$	30-Jun-20 \$
Assets			
Current assets			
Cash and cash equivalents		3,768,804	231,850
Trade and other receivables		117,900	17,564
Other current assets		20,665	7,839
Total current assets		3,907,369	257,253
Non-current assets			
Exploration and evaluation expenditure	2.1	3,107,811	3,107,811
Property, plant and equipment		116,372	129,526
Total non-current assets		3,224,183	3,237,337
Total assets		7,131,553	3,494,590
Liabilities			
Current liabilities			
Trade & other payables		669,622	87,936
Total current liabilities		669,622	87,936
Total liabilities		669,622	87,936
Net assets		6,461,930	3,406,654
Equity			
Share capital	4.1	50,982,191	46,146,487
Accumulated losses		(47,861,909)	(45,970,841)
Reserves		3,341,648	3,231,008
Total equity attributable to shareholders of the Company		6,461,930	3,406,654

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 Half-Year Ended 31 December 2020**

		Share capital	Accumulated losses	Share-Based Payments Reserve	Total equity
	<i>Note</i>	\$	\$	\$	\$
At 1 July 2020		46,146,487	(45,970,841)	3,231,008	3,406,654
Loss for the period		-	(1,891,068)	-	(1,891,068)
Total comprehensive loss for the period		-	(1,891,068)	-	(1,891,068)
Transactions with owners in their capacity as owners:					
Share based payments	5.4	-	-	110,640	110,640
Share issuance net of costs	4.1	4,835,704	-	-	4,835,704
		4,835,704	-	110,640	4,946,344
At 31 December 2020		50,982,191	(47,861,909)	3,341,648	6,461,930
At 1 July 2019		45,503,512	(44,852,380)	3,052,066	3,703,198
Loss for the period		-	(728,933)	-	(728,933)
Total comprehensive loss for the period		-	(728,933)	-	(728,933)
Transactions with owners in their capacity as owners:					
Share based payments	5.4	-	-	9,101	9,101
Share issuance net of costs	4.1	643,224	-	-	643,224
		643,224	-	9,101	652,325
At 31 December 2019		46,146,736	(45,581,313)	3,061,167	3,626,590

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

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2020

	31-Dec-20	31-Dec-19
	\$	\$
Cash flows from operating activities		
Interest received	114	295
Government grants	86,780	10,335
Payments to suppliers and employees	(577,307)	(629,648)
Payments for exploration and evaluation expenditure	(586,868)	(165,775)
Net cash (outflow) from operating activities	(1,077,281)	(784,793)
Cash flows from investing activities		
(Payments) for acquisition of property, plant and equipment	(2,810)	-
Net cash (outflow) from investing activities	(2,810)	-
Cash flows from financing activities		
Proceeds from issue of shares	4,900,000	660,116
Share issue costs	(282,955)	(16,892)
Net cash inflow from financing activities	4,617,045	643,224
Cash and cash equivalents at the beginning of the period	231,850	713,451
Net increase / (decrease) in cash and cash equivalents	3,536,954	(141,569)
Cash and cash equivalents at the end of the period	3,768,804	571,882

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

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2020

1. Basis of preparation

The consolidated interim financial report of Caravel Minerals Limited for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 15 March 2021.

1.1 Statement of Compliance

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

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Caravel Minerals Limited during the interim period in accordance with the continuous disclosure requirements of the Corporation Act 2001.

Caravel Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

1.2 Basis of Measurement

The financial report has been prepared on a historical cost basis.

1.3 Functional and Presentation Currency

The financial report is presented in Australian dollars.

1.4 Compliance with IFRS

These financial statements comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

1.5 Going Concern

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

2. Capital Expenditure

2.1 Exploration & Evaluation Expenditure

Exploration and evaluation costs are expensed as incurred as an operating cost of the Group. Costs related to the acquisition of properties that contain mineral resources are capitalised and allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

The Group has exploration costs carried forward in respect of areas of interest:

Areas of interest:	31-Dec-20	30-Jun-20
	\$	\$
Caravel Copper Project	3,107,811	3,107,811

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

3. Financial Performance

3.1 Other income

Revenue from continuing operations	31-Dec-20	31-Dec-19
	\$	\$
Government Grants and rebates	82,280	-
Interest revenue	114	295
Other income	4,500	10,335
	86,894	10,630

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Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2020

4. Funding and risk management

4.1 Share Capital

	Date	Number of shares	Issue price cents	\$
Balance 30 June 2019		184,365,039		45,503,512
Cancellation of Shares	02 Jul 2019	(3,695,244)	-	-
Share Placement	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
Share Placement	21 Jul 2020	26,250,000	4.0	1,050,000
Share Purchase Plan	20 Aug 2020	25,000,000	4.0	1,000,000
Share Placement to a Director	11 Sep 2020	2,500,000	4.0	100,000
Issue of shares to a contractor	14 Oct 2020	2,082,222	4.5	93,700
Share Placement	27 Nov 2020	34,375,000	8.0	2,750,000
Shares to be issued to contractor	31 Dec 2020	1,562,000	8.0	124,960
Less Transaction costs	31 Dec 2020	-	-	(282,956)
Balance 31 December 2020		288,941,914		50,982,191

⁽¹⁾ 1,562,000 shares were issued to a contractor on 7 January 2021. These are included in share capital as the issue of share was agreed in December 2020 and the services provided by the contractor had been received at 31 December 2020.

⁽²⁾ Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

⁽³⁾ Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

5. Related Parties

5.1 Related Parties

Details relating to key management personnel, including remuneration paid, are included in the 2020 annual report. The aggregate compensation made to directors of the consolidated entity is set out below:

	31-Dec-20 \$	31-Dec-19 \$
Short term employee benefits	180,340	231,963
Post-employment benefits	14,895	14,912
Share based payments	94,112	13,913
Total compensation	289,347	260,788

5.2 Transactions with Other Related Parties

Mr Richard Monti was appointed as a non-executive director on 18 August 2020.

In addition to non-executive director fees of \$25,000 per annum, Mr Monti is paid a monthly fee of \$1,750 for his role as chairman of the exploration committee.

At the AGM on 26 November 2020, shareholders approved the issue of 1,250,000 options exercisable at 8 cents and expiring 30 September 2022 to Mr Monti under the terms and conditions of the Caravel Employee Share Option Plan. These options were valued at \$66,250 and details of these options may be found in the following section.

During the Period, \$58,072 (2019: \$57,873) was paid to Mitchell River Group, of which Mr Alasdair Cooke is a director and shareholder, for provision of serviced offices and geological consultancy. \$25,200 remained unpaid at 31 December 2020.

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2020

During the Period, \$198,150 (2019: \$-) was paid to Bridge Street Capital, of which Mr Alex Sundich is a director and shareholder, for acting as Joint Lead Manager of the various capital raisings.

5.3 Share Based Payments

5.3.1 Shares

During the Period 3,644,222 ordinary shares were granted to a drilling contractor for drilling services provided during the Period. 2,082,222 shares were issued at a deemed price of 4.5c per share. The remaining 1,562,000 shares were issued on 7 January 2021 in settlement of \$124,960 of services incurred during the Period.

5.3.2 Options

Options granted during the Period 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 Period.

Date of issue	11/09/2020	24/07/2020	24/07/2020	24/07/2020	26/11/2020	16/11/2020
Number of options	390,000	69,300	625,000	625,000	1,250,000	250,000
Expected volatility (%)	104	104	104	104	104	104
Risk free interest rate (%)	0.024	0.024	0.024	0.024	0.024	0.024
Expected life of the option (years)	1.80	1.93	1.93	1.93	1.84	1.87
Option exercise price (\$)	0.08	0.08	0.08	0.08	0.08	0.10
Share price at grant date (\$)	0.100	0.035	0.041	0.041	0.095	0.094
Vested	on issue	on issue	31/12/2020	30/06/2021	on issue	16/11/2021
Fair value per option (\$)	0.057	0.015	0.015	0.015	0.053	0.048
Total value at grant date (\$)	22,191	1,033	9,563	9,563	66,250	11,950
Expiry Date	30/06/2022	30/06/2022	30/06/2022	30/06/2022	30/09/2022	30/09/2022

5.4 Recognised share-based payment expense in profit or loss

	31-Dec-20	31-Dec-19
	\$	\$
Expense arising from employee options issued	110,640	9,101
Shares issued for drilling services	93,700	-
Shares to be issued for drilling services	124,960	-
Total share-based payments expensed in profit or loss	329,300	9,101

5.5 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.

6. Other

6.1 Events occurring after the reporting period

On 7 January 2021, 1,000,000 options were exercised at a strike price of 8 cents to raise \$80,000.

On 8 January 2021, 1,562,000 shares were issued to a drilling contractor in settlement of \$124,960 of drilling services provided in 2020. This value was reported in share capital at balance date. Refer to note 4.1 for details.

On 24 February 2021, Canaccord Genuity were awarded, 2,000,000 options exercisable at 30c and expiring 23 February 2024 as part consideration for their assistance with a \$9,000,000 capital raising.

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2020

On 4 March 2021, the Caravel Minerals advised that it had completed a share placement to raise \$9,000,000 by the issue of 56,250,000 shares at 16 cents per share.

On 4 March 2021, 200,000 options were exercised at a strike price of 8 cents to raise \$16,000.

On 4 March 2021, 1,250,000 shares were issued to nominees of Alasdair Cooke in connection with his participation in an 8 cent share placement of 27 November 2020 that was approved by shareholders on 5 February 2021, to raise \$100,000.

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

6.2 Commitments and Contingencies

As at 31 December 2020 Caravel Minerals Limited has no commitments nor contingent liabilities.

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Directors Declaration

In accordance with a resolution of the directors of Caravel Minerals Limited, I state that:

- (1) In the opinion of the directors:
- (a) the financial statements, notes and the additional disclosures included in the directors' report designated as review, of the Group are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 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) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the half-year ended 31 December 2020.

On behalf of the Board.



Stephen Abbott
Managing Director
15 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Caravel Minerals Limited

Report on the Half-Year Financial Report

Conclusion

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

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

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

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

BDO Audit (WA) Pty Ltd

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

Dean Just

Director

Perth, 15 March 2021