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Caravel announces \$1.9m rights issue to fund Australian gold-copper exploration strategy

Key members of the Dominion Mining team re-united to explore high quality portfolio acquired from Kingsgate Consolidated

Caravel Minerals (ASX: CVV) is pleased to advise that it will undertake a one-for-three rights issue at 1.5c a share with a one-for-one free attaching option exercisable at 3.5c to raise up to \$1.9 million.

Cygnit Capital will underwrite \$1.46 million of the issue.

The raising is part of the strategy which has re-united former key members of the highly successful Dominion Mining team with some of that Company's prospective gold and copper exploration acreage in Western Australia and Queensland.

The funds will be used primarily to advance the exploration programs planned for Caravel's three priority projects: the Calingiri and Bryah copper-gold projects, both of which are located in WA, and the Wynberg gold project in Queensland.

These projects form a key part of the exploration portfolio Caravel acquired recently from Kingsgate Consolidated, which had in turn inherited them as part of its takeover of Dominion in 2012. Kingsgate has emerged with a 35 per cent stake in Caravel as part of the asset sale.

Caravel changed its name from Silver Swan Group late last year and has since appointed highly experienced corporate executive Marcel Hilmer as Managing Director. Mr Hilmer has been joined on the Caravel Board by Peter Alexander, who played a pivotal role in building Dominion into a leading Australian gold miner during his 10-year reign as Managing Director (1999-2008).

Former long-standing Dominion General Manager, Exploration, Tony Poustie, has been appointed as Caravel's Director of Exploration while Rowen Colman, a globally-experienced finance executive, is Caravel's Chief Financial Officer.

Caravel will initially focus its exploration efforts on its three priority projects. These are:

- **Calingiri:** Located 125km north-east of Perth, Calingiri comprises a regional trend of copper-molybdenum-gold mineralisation extending at least 30km. The project is largely under-explored. However, limited drilling has returned promising results, including 86m at 0.41%

copper and 162ppm molybdenum, 62m at 0.41% copper, 26m at 0.72% copper and 44m at 0.75% copper. Results from a recently-completed drilling program are expected imminently. Proceeds from the rights issue will fund the next round of exploration, including further drilling.

- Wynberg: Located 30km south-west of Cloncurry in north-west Queensland, Wynberg has a JORC resource of 3.1Mt at 1.4gpt for 140,109oz. Previous results include 12m at 7.1gpt from 26m, 6m at 17.1gpt from 22m, 4m at 16.5gpt from 25m and 26m at 3.8gpt from 4m. The mineralisation is open at depth and along the interpreted strike. The proceeds from the rights issue will be put towards resource extension and in-fill drilling as well as drill-testing other existing targets.
- Bryah: Located 100km north of Meekatharra and 100km south-west of Sandfire Resources' DeGrussa VMS copper-gold project. Two large anomalies have been defined in a geological setting analogous to DeGrussa. Caravel believes one of these also has potential to host high-grade manganese mineralisation.

Caravel Chief Executive Officer Marcel Hilmer said the Company had the ideal blend of experienced people, highly prospective exploration acreage and access to capital.

"We consider ourselves extremely fortunate to have secured these assets given that they have always been tightly held within sizeable companies," Mr Hilmer said. "Under this arrangement, Kingsgate will retain a substantial exposure to Caravel's success while enabling us to use our skills and historical knowledge of these projects to maximise the opportunities.

"Given the track records of the people involved with Caravel, it will come as no surprise to investors to hear that we are determined to build a substantial mining company based on exploration success. We intend to adopt a systemic but aggressive approach to exploration – as is rightly expected by investors who buy shares in exploration companies."

Rights Issue Details

Under the rights issue, eligible shareholders on the record date will have the right to subscribe for one (1) new share for every three (3) shares held at an issue price of 1.5c. Shareholders will also receive one free attaching option for every new share issued, exercisable at 3.5c on or before 15 June 2016.

Perth-based corporate advisory firm Cygnet Capital Pty Ltd will underwrite a total of \$1.46 million of the issue and has been appointed Lead Manager to place any remaining shortfall.

A prospectus will be prepared for the Rights Issue which will contain further information about the offer.

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For further information:

Investors

Marcel Hilmer/Tony Poustie – Caravel Minerals

Tel: +61 8 9426 6400

Email: admin@caravelminerals.com.au

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

Media

Paul Armstrong/Nicholas Read – Read Corporate

+61 8 9388 1474

The information in this report that relates to Exploration Results and Mineral Resources estimates is based on information compiled by Tony Poustie who is a full-time employee of Caravel Minerals Limited and a fellow of the Australian Institute of Mining and Metallurgy. Mr Poustie has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Poustie consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ABOUT CARAVEL MINERALS

Caravel Minerals is a gold, copper and base metals exploration and resource development company with active projects located in Queensland and Western Australia. Caravel has a technically strong and well established exploration and mine development team.