CARAVEL MINERALS LIMITED

ACN 120 069 089

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED

31 DECEMBER 2014

Corporate Directory

DIRECTORS

Mr Marcel Hilmer – Executive Director and Chief Executive Officer ("CEO")
Mr James Harris – Non-Executive Director
Mr Brett McKeon – Non-Executive Director
Mr Peter Alexander – Non-Executive Director

COMPANY SECRETARY

Mr Simon Robertson

REGISTERED AND PRINCIPAL OFFICE

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West Perth 6005
Western Australia

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Facsimile: +61 8 9426 6448
Internet: www.caravelminerals.com.au

SHARE REGISTER

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross 6153
Western Australia

Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

SECURITIES EXCHANGE LISTING

Australian Securities Exchange Limited
Home Branch – Perth
2 The Esplanade
Perth 6000
Western Australia

ASX CODE

CVV - Fully paid ordinary shares
CVV0 - $0.07 Listed Options
CVV0A - $0.035 Listed Options

SOLICITORS

Johnson Winter and Slattery
Level 4
167 St Georges Terrace
Perth 6000
Western Australia

AUDITOR

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

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Directors' Report
31 December 2014

The Directors of Caravel Minerals Limited (the "Company") present their report on the consolidated entity (the "Group") consisting of Caravel Minerals Limited and its subsidiaries for the half-year ended 31 December 2014.

DIRECTORS

The names of the directors who held office during the whole of the half-year and up to the date of this report are:

Mr Marcel Hilmer – Executive Director and CEO

Mr James Harris – Non-executive Director

Mr Brett McKeon - Non-executive Director

Mr Peter Alexander – Non-executive Director

COMPANY SECRETARY

Mr Simon Robertson

REVIEW AND RESULTS OF OPERATIONS

The net loss of the Group after income tax for the half-year ended 31 December 2014 amounted to loss of $1,166,579 (2013: $1,629,960).

REVIEW OF ACTIVITIES

The Group's activities are reported in announcements to the ASX. Highlights of the half-year of 1 July to 31 December 2014 include:

Calingiri Project, WA

On 6 November 2014 Caravel upgraded the consolidated Exploration Target for Calingiri to 180 – 330 Mt grading 0.37 –0.44% CuEq as tabulated below.

Exploration Target	*Tonnage Range (Mt)*	*Cu Range (%)*	*Mo Range (ppm)*	*Ag Range (ppm)*	*Au range (ppb)*	*CuEq (%)*
Bindi	*85 – 155*	*0.31 – 0.36*	*70 – 86*	*1.3 – 1.8*	*26 – 28*	*0.37 – 0.43*[1]
Dasher	*95 – 175*	*0.32 – 0.39*	*57 – 68*	*1.8 – 2.2*	*40 – 48*	*0.38 – 0.45*[2]
Consolidated	*180 – 330*	*0.32 – 0.37*	*64 – 78*	*1.5 – 2.0*	*32 – 38*	*0.37 – 0.44*

*[1] CuEq = Cu ppm + (Mo ppm*4.25)+(Ag ppm*103.8)+(Au*5,180.8). Assumptions: Cu $3.00/lb, Mo $13/lb, Ag $23/oz, Au $1,250/oz; Cu rec 95%, Mo rec 93%, Ag rec 88%, Au recovery 81%.*

*[2] CuEq = Cu ppm + (Mo ppm*4.34)+(Ag ppm*93.37)+(Au*2,981.15). Assumptions: Cu $3.00/lb, Mo $13/lb, Ag $23/oz, Au $1,250/oz; Cu rec 96%, Mo rec 98%, Ag rec 80%, Au recovery 47%.*

An Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

In November 2014 the Company announced outstanding diamond drill intersections of 414m @ 0.40% CuEq extending the Dasher prospect mineralisation to 500m depth, 200m below the depth of the previously estimated range of tonnes and grades. The mineralisation is still open at depth. Also in November encouraging scout drilling results including 16m @ 0.51% Cu (0.55% CuEq) and 10m @ 0.79% Cu (0.84% CuEq) at the Bindi prospect, indicating the potential for further extensions to the Bindi mineralisation. Results further support Caravel's strategy to develop a bulk-tonnage copper project at Calingiri, just 120km from Perth. New high-priority targets identified elsewhere within the Calingiri trend with a major new phase of RC drilling (8,500-9,000m) was underway in early 2015.

Wynberg Project, Qld

A Cloncurry style Copper-Gold mineralisation was discovered at Wynberg Project in North Qld. In August 2013 Caravel announced the discovery of a prospective style of alteration and mineralisation identified below the existing supergene enriched gold resource "Wynberg A" and also at a new prospect with outcropping high grade copper-gold mineralisation "Wynberg B". In the second quarter of 2014 a third Cloncurry-style copper-gold prospect discovered, "Wynberg C". Robust surface copper-gold anomalies identified at Wynberg A, B and C prospects from 598 systematic soil samples: results confirm high prospectivity of Wynberg B. Further drilling at Wynberg B and initial RC drilling is scheduled for Q2/3 2015.

Corporate

Caravel completed a Convertible Loan Agreement ("CLA") with its cornerstone investor, FQM, a subsidiary of the Canadian listed First Quantum Minerals Limited (TSX: FM), providing $600,000 of interim funding to enable it to continue to advance its flagship Calingiri Copper-Molybdenum Project in WA.

The principal commercial terms of the CLA are as follows:

- Amount: A$600,000
- Interest: Bank prime rate plus 3% per annum payable quarterly
- Maturity: 1 year from date of closing, or as extended by mutual agreement between both parties
- Repayment and conversion options: Unless Caravel chooses to repay the Loan in cash prior to maturity, First Quantum will choose at or before maturity, to convert all or a part of the loan into shares.

Also in H2 2014, the Company announced that investors had committed to subscribe for 55,384,615 shares at 1.3c per share to raise gross proceeds of $720,000 via a private placement.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration to the directors of Caravel Minerals Limited on page 14 forms part of the Directors' report for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors.

Marcel Hilmer

Executive Director and CEO

Dated : 10 March 2015

Perth, Western Australia.

Cautionary Statement

An Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource in compliance with the JORC Code and it is uncertain if further exploration will result in the estimation of a Mineral Resource as defined by the JORC Code. *(see ASX News Release dated 2 August 2013)*.

Competent Person's Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on and fairly represents information and supporting documentation compiled by Tony Poustie, a Competent Person who is a full-time employee of Caravel Minerals Limited and a Fellow of the Australasian 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 being undertaken to qualify as a Competent Person as defined in the 2012 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.

Consolidated Statement of Profit and Loss and Other Comprehensive Income For the Half-Year Ended 31 December 2014

	Note	**31 December 2014 $**	31 December 2013 $
Revenue from continuing operations		**7,731**	76,896
Other income		**422,967**	289,912
Administration services		**(315,977)**	(321,783)
Finance costs		**(10,465)**	-
Depreciation expense		**(15,583)**	(60,412)
Employee expenses		**(493,976)**	(694,697)
Exploration expenses		**(752,597)**	(831,630)
Loss on sale of investments	*4*	**(8,545)**	-
Loss from continuing operations before income tax expense		**(1,166,445)**	(1,541,714)
Income tax expense relating to continuing operations		**-**	-
Loss from continuing operations after income tax		**(1,166,445)**	(1,541,714)
Loss from discontinued operations		**(134)**	(88,246)
Loss for the period		**(1,166,579)**	(1,629,960)
Other comprehensive income Items that may be reclassified to profit and loss			
Foreign currency translation adjustment		**298**	13,358
Unrealised gain on available-for-sale investments		**5,001**	7,294
Reclassification of cumulative unrealised loss on available-for-sale investments to net loss		**8,545**	-
Other comprehensive income for the period net of taxes		**13,844**	20,652
Comprehensive loss attributable to the shareholders of the Company		**(1,152,735)**	(1,609,308)
Comprehensive loss attributable to the shareholders of the Company arises from:			
Continuing activities		**(1,152,899)**	(1,534,420)
Discontinued operations		**164**	(74,888)
		(1,152,735)	(1,609,308)
Basic and diluted loss per share (cents per share) for continuing operations attributable to the shareholders of the Company		**(0.17)**	(0.30)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company		**N/A**	N/A

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

Consolidated Statement of Financial Position
As at 31 December 2014

	Note	31 December 2014 $	30 June 2014 $
Current Assets			
Cash and cash equivalents		**987,350**	734,753
Trade and other receivables		**139,369**	149,727
Other current assets		**200**	200
		1,126,919	884,680
Non-current assets held for sale		**-**	-
Total Current Assets		**1,126,919**	884,680
Non-Current Assets			
Investments	*4*	**-**	36,470
Plant and equipment		**88,085**	103,668
Exploration and evaluation expenditure	*5*	**3,707,811**	3,787,218
Total Non-Current Assets		**3,795,896**	3,927,356
TOTAL ASSETS		**4,922,815**	4,812,036
Current Liabilities			
Trade and other payables		**326,660**	446,175
Provisions		**75,151**	85,315
Borrowings	*6*	**600,000**	-
Total Current Liabilities		**1,001,811**	531,490
TOTAL LIABILITIES		**1,001,811**	531,490
NET ASSETS		**3,921,004**	4,280,546
EQUITY			
Share capital	*7*	**36,479,142**	35,691,743
Accumulated loss		**(35,061,078)**	(33,894,500)
Reserves		**2,502,940**	2,483,303
TOTAL EQUITY		**3,921,004**	4,280,546

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

Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2014

	31 December 2014 $	31 December 2013 $
Share capital		
Common shares		
Balance as at beginning of the period	**35,691,743**	33,537,775
Share issuance net of costs	**787,399**	699,002
Balance as at end of the period	**36,479,142**	34,236,777
Total share capital	**36,479,142**	34,236,777
Accumulated loss		
Balance as at beginning of the period	**(33,894,500)**	(30,403,502)
Loss for the period attributable to shareholders of the Company	**(1,166,579)**	(1,629,960)
Total accumulated loss	**(35,061,079)**	(32,033,462)
Reserves		
Share based payments reserve		
Balance as at beginning of the period	**2,446,585**	2,300,436
Share based compensation	**5,793**	97,793
Balance as at end of the period	**2,452,378**	2,398,229
Converted option reserve		
Balance as at beginning of the period	**10,239**	10,239
Options converted	**-**	-
Balance as at end of the period	**10,239**	10,239
Foreign currency translation		
Balance as at beginning of the period	**40,025**	45,803
Currency translation differences on foreign operations	**298**	13,358
Balance as at end of the period	**40,323**	59,161
AFS reserve		
Balance as at beginning of the period	**(13,546)**	(26,050)
Available-for-sale investment	**5,001**	7,294
Reclassification of unrealised loss	**8,545**	-
Balance as at end of the period	**-**	(18,756)
Total reserves	**2,502,940**	2,448,873
Total comprehensive loss for the period	**(1,152,735)**	(1,609,308)

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 2014

	Note	**31 December 2014 $**	31 December 2013 $
Cash flows from operating activities			
Interest received		**7,371**	14,118
Government grants		**422,967**	289,912
Payments to suppliers and employees		**(686,964)**	(1,145,479)
Payments for exploration and evaluation expenditure		**(812,205)**	(1,118,822)
Net cash used in operating activities		**(1,068,831)**	(1,960,271)
Cash flows from investing activities			
Proceeds from sale of tenements		**-**	400,000
Proceeds from sale of investments	*4*	**41,471**	-
Proceeds from disposal of plant and equipment		**360**	64,717
Payments for plant and equipment		**-**	(42,016)
Net cash inflow in investing activities		**41,831**	422,701
Cash flows from financing activities			
Proceeds from issue of shares		**720,000**	745,698
Share issue costs		**(40,403)**	(43,096)
Proceeds from borrowings	*6*	**600,000**	-
Net cash inflow from financing activities		**1,279,597**	702,602
Increase / (decrease) in cash and cash equivalents held		**252,597**	(834,968)
Cash and cash equivalents at the beginning of the period		**734,753**	1,908,222
Cash and cash equivalents at the end of the period		**987,350**	1,073,254

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

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

Accordingly, the half-year financial report does not include full disclosures of the type normally included in the annual financial report and therefore cannot be expected to provide as full and understanding of the financial performance, financial position and financing and investing activies as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Caravel Minerals Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

b) Reporting basis and conventions

The half-year financial report has been prepared on an accruals basis and are based on historical costs.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2014 annual financial report for the financial year ended 30 June 2014.

c) Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective 1 July 2014. These changes have been made in accordance with the applicable transitional provisions.

(i) AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

(ii) AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

(iii) AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity

(iv) AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these

The group has adopted the new standards from their operative date. They will therefore be applied in the financial statements for the annual reporting period ending 30 June 2015.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) New accounting standards and interpretations that are not yet mandatory

(i) AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

(ii) IFRS 15 Revenue from Contracts with Customers

This standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows from a contract with a customer. It replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31. This standard is applicable to annual reporting periods beginning on or after January 1, 2017. The adoption of this standard from January 1, 2017 will not have a material impact on the Company.

e) Going Concern

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

The Group incurred a net loss of $1,166,579 during the half-year ended 31 December 2014 and as of that date the Group had net assets of $3,921,004 (30 June 2014: $4,280,546). 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. However, the Directors recognise that additional funding through the issue of shares will be required for the Group to continue to actively explore its mineral properties.

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.

2. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the Company's accounting policy.

Name of entity	Country of incorporation	Class of shares	Equity holding 31 December 2014	Date of incorporation
Caravel Resources Netherlands Cooperatief U.A.	Netherlands	Ordinary	99.999%	16 July 2012
Quadrio Resources Pty Ltd	Australia	Ordinary	100%	11 June 1985
Caravel Employee Share Plan Pty Ltd	Australia	Ordinary	100%	13 March 2013

3. SEGMENT INFORMATION

Management has determined that the Group operates in one industry, in two geographical locations, being mineral exploration in Australia and Spain where operations were discontinued in March 2013. As the Group is focused on mineral exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. Operating segments are now reported in a manner that is consistent with the internal reporting to the chief operating decision makers ("CODM"), which have been identified by the Group as the Chief Executive Officer and members of the Board of Directors.

3. SEGMENT INFORMATION (CONTINUED)

Geographic Region	Revenue 2014 $	Revenue 2013 $	Results 2014 $	Results 2013 $	Assets 31 December 2014 $	Assets 30 June 2014 $
Australia	**-**	-	**(329,630)**	(541,718)	**3,707,811**	3,787,218
Discontinued operations - Spain	**-**	-	**(134)**	(88,246)	**-**	-
Unallocated amounts	**7,731**	76,896	**(836,815)**	(999,996)	**1,215,004**	1,024,818
	7,731	76,896	**(1,166,579)**	(1,629,960)	**4,922,815**	4,812,036

RECONCILIATION OF SIGNIFICANT UNALLOCATED AMOUNTS ABOVE:

Results	31 December 2014 $	31 December 2013 $
Revenue	**7,731**	76,896
Loss on sale of investments	**(8,545)**	-
Administration expenses	**(326,442)**	(321,783)
Employee benefits	**(493,976)**	(694,697)
Depreciation	**(15,583)**	(60,412)
	(836,815)	(999,996)

ASSETS	31 December 2014 $	30 June 2014 $
Cash and cash equivalents	**987,350**	734,753
Trade and other receivables	**139,369**	149,727
Plant and equipment	**88,085**	103,668
Other assets	**200**	36,670
	1,215,004	1,024,818

4. AVAILABLE FOR SALE FINANCIAL ASSETS

	31 December 2014 $	30 June 2014 $
Shares of Crusader Resources Limited	**-**	36,470

On 14 August 2014 the company sold 104,200 shares in Crusader Resources for net consideration of $41,471. These shares were purchased on 24 August 2012 for $50,016. The resulting net loss on sale of $8,545 has been expensed through profit and loss during the period.

5. EXPLORATION & EVALUATION EXPENDITURE

The Group has exploration costs carried forward in respect of areas of interest:	31 December 2014 $	30 June 2014 $
Areas of interest:		
Calingiri tenements	**3,107,811**	3,187,218
Wynberg tenements	**500,000**	500,000
Bryah tenements	**100,000**	100,000
	3,707,811	3,787,218

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.

5. Exploration & Evaluation Expenditure (continued)

	31 December 2014 $	30 June 2014 $
Reconciliation:		
Calingiri tenements		
Balance at the beginning of the period	**3,187,218**	3,187,218
Change in purchase related costs of mining tenements	**(79,407)**	-
Impairment	**-**	-
Balance at end of the period	**3,107,811**	3,187,218
Wynberg tenements		
Balance at the beginning of the period	**500,000**	500,000
Purchase of mining tenements	**-**	-
Impairment	**-**	-
Balance at end of the period	**500,000**	500,000
Bryah tenements		
Balance at the beginning of period	**100,000**	100,000
Purchase of mining tenements	**-**	-
Impairment	**-**	-
Balance at end of period	**100,000**	100,000

6. Borrowings: Convertible Note at Fair Value

On 17 October 2014 the Company completed a Convertible Loan Agreement with First Quantum Minerals (Australia) Pty Ltd ("FQM") to finance further exploration at the Calingiri Project specifically the Ninan and Bindi extensions of the tenements. Details of the loan facility are summarised as follows:

Principal:	$600,000
Interest:	Bank prime rate plus 3% per annum payable quarterly
Maturity:	1 year
Conversion:	FQM can choose to convert all or part of the principal and interest to ordinary shares in the Company at the greater of $0.017 per share or the 5 day VWAP prior to the conversion date.

7. Contributed Equity

(a) Issued and paid up capital	31 December 2014 $	30 June 2014 $
727,018,062 (30 June 2014: 664,655,072) fully paid ordinary shares	**36,479,142**	35,691,743

(b) Movement in shares on issue	No.	$
(1) Ordinary Shares		
Balance – 1 July 2013	499,329,935	33,537,775
Issue of Shares	149,366,169	2,245,175
Less Transaction costs	-	(91,207)
Issue of shares Employee Share Scheme	15,958,968	-
Balance – 30 June 2014	664,655,072	35,691,743
Issue of Shares	**62,362,990**	**827,802**
Less Transaction costs	**-**	**(40,403)**
Issue of shares Employee Share Scheme	**-**	**-**
Balance – 31 December 2014	**727,018,062**	**36,479,142**

8. RELATED PARTIES

(a) Transactions with Key Management Personnel ("KMP")

During the period ending 31 December 2014 there were no transactions with KMP other than the type disclosed in the 2014 Annual Report.

(b) Transactions with Other Related Parties

During the period ending 31 December 2014 $30,000 was received from a public company, of which Mr Marcel Hilmer is a director, for provision of serviced offices (31 December 2013 $30,000).

9. SHARE BASED PAYMENTS

(a) Employee Share Acquisition Plan

Shareholders approved the establishment of the Caravel Employee Share Acquisition Plan at a general meeting on 13 March 2013. The Company believes that the share acquisition plan provides eligible employees and Directors effective incentive for their ongoing commitment and contribution to the Company. Eligible employees and Directors offered shares under the scheme are provided a limited recourse, interest free loan to be used to subscribe for the shares in the Company. No shares were issued under this scheme during the period ended 31 December 2014.

(i) Employee Share Acquisition Plan shares to Non-Executive Directors

No shares were issued to Non-Executive Directors during the period ended 31 December 2014.

The value of instruments previously issued has been expensed to share based compensation on a proportionate basis for each financial year from grant to vesting date. The proportion expensed to remuneration and accounted for in the share-based payments reserve was $3,096 for the period ended 31 December 2014.

(ii) Employee Share Acquisition Plan shares to employees

No shares were issued to employees during the period ended 31 December 2014.

The value of instruments previously issued has been expensed to share based compensation on a proportionate basis for each financial year from grant to vesting date. The proportion expensed to remuneration and accounted for in the share-based payments reserve was $756 for the period ended 31 December 2014.

(b) Options

No unlisted options were granted under the Caravel Employee Option Scheme during the period ended 31 December 2014.

The value of instruments previously issued has been expensed to share based compensation on a proportionate basis for each financial year from grant to vesting date. The proportion expensed to remuneration and accounted for in the share-based payments reserve was $1,941 for the period ended 31 December 2014.

During the period ended 31 December 2014 1,000,000 unlisted options that were issued to a Director expired.

(i) Summary of options granted

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the period:

	31 December 2014	
	No.	WAEP
Outstanding at the beginning of the period	32,810,000	$0.09
Granted during the half-year	-	-
Exercised during the half-year	-	-
Cancelled during the half-year	-	-
Expired or lapsed during the half-year	(1,000,000)	$0.25
Outstanding at the end of the period	31,810,000	$0.09
Exercisable at the end of the period	31,650,000	$0.09

(ii) Weighted average remaining contractual life

The weighted average remaining contractual life of the share options outstanding as at 31 December 2014 is 0.98 years.

(iii) Range of exercise prices

The range of exercise prices for options outstanding at the end of the period was $0.021 - $0.10.

(iv) Weighted average fair value

The weighted average fair value of options granted during the half-year was $0.00.

9. SHARE BASED PAYMENTS (CONTINUED)

(c) Shares

In October and November 2014 shares were issued to drillings contractors and consultants for services rendered. A total of 6,978,374 ordinary shares were issued at market value calculated by a 10 day VWAP at the end of each invoice month for a total consideration of $107,802.

(d) Recognised share based payment expense in profit or loss	31 December 2014 $	31 December 2013 $
The expense recognised for director and employee services received during the period is shown in the table below:		
Expense arising from employee share plan acquisitions (a)	**3,852**	83,039
Expense arising from employee options issued (b)	**1,941**	4,554
Expense arising from consultants options issued (b)	**-**	6,600
Expense arising from contractor shares issued (c)	**107,802**	-
Total share based payments expensed in profit or loss	**113,595**	94,193
Share based payments recognised in share issue costs (b)	**-**	3,600
Total share based payments	**113,595**	97,793

10. FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The following financial instruments are subject to recurring fair value measurements:

	31 December 2014 $	30 June 2014 $
Available-for-sale financial assets:		
- Listed equity securities – Level 1	-	36,470
Financial liabilities at fair value through profit or loss – Level 3	(600,000)	-

Valuation techniques used to derive level 3 fair values:

The fair value of convertible notes not traded in an active market is determined using an internally prepared discounted cash flow valuation technique using observable inputs (such as share price and the terms and conditions of the convertible notes as disclosed per note 6) and release of the initial calibration adjustment to the profit or loss.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amounts of current receivables, current trade and other payables and borrowings is assumed to approximate their fair value.

11. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities.

12. EVENTS OCCURING AFTER THE REPORTING PERIOD

At the date of this report there are no other matters or circumstances which have arisen since 31 December 2014 that have significantly affected or may significantly affect:

- the operations, in financial periods subsequent to 31 December 2014, of the Group;
- the results of those operations, in financial periods subsequent to 31 December 2014, of the Group; or
- the state of affairs, in financial periods subsequent to 31 December 2014, of the Group.

DIRECTORS' DECLARATION

The directors of the Group declare that:

1. the financial statements and notes as set out on pages 3 to 12 are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   b. give a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the period ended on that date; and

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Marcel Hilmer
Executive Director & CEO

Perth,
10 March 2015

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DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF CARAVEL MINERALS LIMITED

As lead auditor for the review of Caravel Minerals Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- 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.

C Burton

Chris Burton

Director

BDO Audit (WA) Pty Ltd

Perth, 10 March 2015

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Caravel Minerals Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Caravel Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2014, 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, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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*. As the auditor of Caravel Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon additional funding through the issue of shares. This condition, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the financial statements.

BDO Audit (WA) Pty Ltd

BDO

C Burton

Chris Burton

Director

Perth, 10 March 2015