CARAVEL MINERALS LIMITED

(Formerly Silver Swan Group Limited)

ACN 120 069 089

ANNUAL REPORT

2013

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

Level 3, 18 Richardson Street
West Perth 6005
Western Australia

Telephone: +61 8 9316 0766
Facsimile: +61 8 9316 0799
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

Hardy Bowen
Lawyers
Level 1, 28 Ord Street
West Perth 6005
Western Australia

AUDITOR

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

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Chief Executive Officer's Report

DEAR FELLOW SHAREHOLDER,

The past year, not unlike the previous year, was characterized by significant changes to the Company.

The gold project in the Extremadura region of Western Spain and the long held projects in the Murchison Province of Western Australia were either sold or surrendered during the year. This was necessary, as the results from exploration were not encouraging enough for the company to continue to fund them. Regrettably, it was also necessary to retrench the excellent team that had been managing these projects.

A transformational event in March 2013 was the acquisition of a material number of promising projects from Kingsgate Consolidated Limited. The portfolio consisted of 8 distinct exploration projects covering 4953km^2 in Western Australia and Queensland. Highly prospective gold-copper-molybdenum drill ready targets were identified in Western Australia, as well as an existing JORC inferred resource of approximately 140,000 ounces of gold at the Wynberg Project in Queensland. Transfer of key employees from Kingsgate Consolidated Limited provided continuity in exploration activities.

The Company's focus since March 2013 was on two of these newly acquired projects. Firstly, on its 100%-owned Calingiri Project in Western Australia located 120km NE of Perth, near Calingiri, Western Australia. It was very pleasing that the Company was able to release a JORC compliant Exploration Target with a substantial range of tonnes of copper and molybdenum in early July 2013. Secondly, the Company focused on the Wynberg Project, located 30 km east of Cloncurry in North Queensland. In August 2013, the Company announced the discovery of broad zones of primary Cloncurry-style copper-gold mineralisation and alteration. The results have significantly upgraded the potential and prospectivity of the Wynberg Project that could be a game-changing development for the project.

At a corporate level, late in 2012, the Chairman and Managing Director both resigned to pursue other business interests. A reconstituted board of directors was appointed with strong and experienced non-executive directors. As the sole Executive Director and CEO, it has been satisfying to work with the board and our team to achieve the excellent progress in the few months since acquisition of the Kingsgate projects. In noting the above achievements, it is disappointing to see the lacklustre performance of the Company's share price. The Board is keenly aware of this and we believe that by continuing to deliver real progress on the ground our shareholders will ultimately be rewarded.

Yours faithfully,

Marcel Hilmer
Executive Director and CEO

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 year ended 30 June 2013.

DIRECTORS

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

Mr Marcel Hilmer (*appointed 20 November 2012*)
Mr James Harris
Mr Brett McKeon (*appointed 20 December 2012*)
Mr Peter Alexander (*appointed 29 April 2013*)
Mr David Archer *(resigned 19 December 2012)*
Dr Susan Vearncombe (*resigned 16 November 2012*)
Mr Michael Elias (*resigned 19 November 2012*)
Mr Gavin Wendt *(resigned 19 November 2012)*
Mr Matthew May *(appointed 17 October 2012 and resigned 19 December 2012)*

Unless otherwise indicated, all Directors held their positions from the beginning of the year to the date of this report.

QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES OF DIRECTORS

MARCEL HILMER

Executive Director and CEO (appointed 20 November 2012)
Mr Hilmer is a Fellow and long-standing member of the Institute of Chartered Accountants in Australia with more than 25 years' experience in executive management of global public and private organizations. He has significant expertise in international mergers and acquisitions throughout Africa, Europe, Asia and Australia. Mr Hilmer is the CEO of Forsys Metals Corp., a TSX listed uranium developer. Immediately prior to this he was a business development executive with First Quantum Minerals Limited for six years where he was instrumental in effecting a number of First Quantum's significant acquisitions. In addition to Mr Hilmer's extensive mining sector experience, from 1995 to 2004 he was the Director and Head of European Operations for Nifco Inc., a global automotive parts supplier. Other than Forsys Metals Corp. Mr Hilmer does not currently hold any directorships of other listed companies, nor has he done in the past three years.

JAMES HARRIS, FAICD

Non-Executive Director
Mr Harris has had extensive experience in both government and private enterprise in Australia and overseas. He worked for ten years with both Alcoa of Australia and the United Group Limited. His qualifications are in Legal Studies and Public Administration and he is a Fellow of the Australian Institute of Company Directors. He is currently a Director of Swanline Developments Pty Ltd and its associated companies. Mr Harris does not currently hold any directorships of other listed companies, nor has he done in the past three years.

BRETT MCKEON

Non-Executive Director (appointed 20 December 2012)
Mr McKeon's background is in group strategy, corporate governance and driving future growth and direction. Brett has practised for over 25 years in the financial services industry and brings considerable management, capital raising, public company and sales experience to the Board. Brett is also a founding Director of AFG and is the company's Managing Director and in 2006 he was awarded the Ernst & Young Entrepreneur of the Year for WA. Mr McKeon does not currently hold any directorships of other listed companies, nor has he done in the past three years.

PETER ALEXANDER

Non-Executive Director (appointed 29 April 2013)

Peter Alexander is a geologist by profession and has over 40 years experience in mineral exploration and mining in Australia and overseas. Peter was Managing Director and Chief Executive Officer of Dominion Mining Ltd from 1997 until his retirement in January 2008, at which time he continued as a Non-Executive Director until the takeover by Kingsgate Consolidated in 2010. Peter is currently a Non-Executive Director of Kingsgate and Non-Executive Chairman of Doray Minerals. Peter managed the start-up and operation of Dominion's Challenger gold mine in South Australia and, under Peter's management, Dominion won the Gold Mining Journal's "Gold Miner of the Year" three years in succession. Other than stated above, Mr Alexander does not currently hold any directorships of other listed companies, nor has he done in the past three years.

DIRECTORS INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

	Interest in Securities at the date of this Report		
	Shares	**Listed Options**	**Unlisted Options**
Marcel Hilmer	22,630,982	13,333,333	-
James Harris	2,633,334	987,500	450,000
Brett McKeon	9,109,426	8,333,333	-
Peter Alexander	1,333,333	1,333,333	-

SIMON ROBERTSON B. BUS MAPP FIN.

Company Secretary

Mr Robertson gained a Bachelor of Business from Curtin University in Western Australia and Master of Applied Finance from Macquarie University in New South Wales. He is a member of the Institute of Chartered Accountants and the Chartered Secretaries of Australia. Mr Robertson currently holds the position of Company Secretary for a number of publically listed companies and has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.

PRINCIPAL ACTIVITIES

The principal activities of the group during the financial year were the exploration of mineral tenements in Queensland, Western Australia and Spain.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the year ended 30 June 2013.

REVIEW OF OPERATIONS AND ACTIVITIES

Summary Review of Activities

Caravel is a junior explorer domiciled in Perth, Australia and listed on the Australian Securities Exchange (ASX: CVV). The Company is a gold, copper and base metals exploration and resource development company with projects located in Queensland and Western Australia. Caravel has a technically strong and well-established exploration and mine development team. In March 2013 Caravel completed the acquisition of an attractive exploration portfolio from Kingsgate Consolidated Limited. The portfolio consists of 8 distinct exploration projects covering 4953km2 in Western Australia and Queensland. Highly prospective gold-copper-molybdenum drill ready targets were identified in Western Australia, as well as an existing JORC inferred resource of approximately 140,000 ounces of gold at the Wynberg Project in Queensland. Transfer of key employees from Kingsgate Consolidated Limited provided continuity in exploration activities.

The Company's focus is on its 100%-owned Calingiri Project in Western Australia located 120km NE of Perth, near Calingiri, Western Australia. This project released a JORC compliant Exploration Target with a substantial range of tonnes of copper and molybdenum in early July 2013. Another priority project is the Cloncurry-style copper-gold mineralisation and alteration at the Wynberg Project, located 30 km east of Cloncurry in North Queensland. The Company announced the discovery of broad zones of primary Cloncurry-style copper-gold mineralisation and alteration. The results have significantly upgraded the potential and prospectivity of the Wynberg Project.

During the year the Company released a number of additional news releases on the progress at the Calingiri and Wynberg Projects which are available from the Company website or from the ASX.

The company's future activities will focus on completing additional exploration at Calingiri including IP and RC drilling, as well as soil sampling and drilling at the Wynberg Project.

The JV gold exploration activities in Spain were discontinued as a result of poor exploration results.

A number of long held Meekatharra tenements were either surrendered or sold, as significant costs to retain these tenements could not be justified based on extensive unsuccessful exploration carried out in previous years. A write-down of exploration and evaluation expenditure to $400,000 was recorded in the accounts. This being equal to the maximum expected gross sale proceeds, resulting in an impairment loss of $1,630,017.

During the year the Company received R&D rebates from the Australian Government for eligible exploration expenditure incurred at the Quinns Project Meekatharra being $45,029 relating to 2011 expenditure and $557,548 for 2012 expenditure. An additional claim for 2013 eligible expenditure will be lodged with the Company tax return but no rebate has been booked in the accounts at 30 June 2013 as it is subject to approval by the Australian Taxation Office.

CORPORATE AND FINANCIAL POSITION

The group's net loss from operations for the year was $7,555,741 (2012: $5,408,888).

At 30 June 2013 the group had a cash balance of $1,908,222 (2012: $2,505,165).

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 had net assets of $5,464,701 (2012: $4,427,822). 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 or entering into joint venture agreements 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.

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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The shareholders approved a change of company name from Silver Swan Group Limited to Caravel Minerals Limited on 19 November 2012 at the Annual General Meeting.

On 16 November 2012 Dr Susan Vearncombe resigned as Managing Director. On 20 November Mr Marcel Hilmer was appointed as Executive Director and CEO. Non-executive Directors Mr Michael Elias and Mr Gavin Wendt resigned effective 19 November 2012 and Executive Chairman Mr David Archer resigned 19 December 2012. Non-Executive Directors Mr Brett McKeon and Mr Peter Alexander were appointed 20 December 2012 and 29 April 2013 respectively.

During the year the company sold, ceased activity and or surrendered a number of tenements that were held prior to the acquisition of the Kingsgate Consolidated ("Kingsgate") group of tenements. Details of the asset acquisition from Kingsgate are included at note 16 in the Consolidated Financial Statements.

During the year the Company raised additional capital of $8,329,263 through the issue of 356,764,862 shares as detailed in note 19 of the Consolidated Financial Statements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

At the date of this report there are no other matters or circumstances, which have arisen since 30 June 2013 that have significantly affected or may significantly affect:

(i) the operations in financial years subsequent to 30 June 2013 of the group;
(ii) the results of those operations in financial years subsequent to 30 June 2013 of the group; or
(iii) the state of affairs in financial years subsequent to 30 June 2013 of the group.

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 period ended 30 June 2013, and the number of meetings attended by each director.

	Board Meetings Number Eligible to attend	Board Meetings Number attended
Marcel Hilmer	6	6
Brett McKeon	4	4
Peter Alexander	0	0
David Archer (resigned 19 December 2012)	11	11
Susan Vearncombe (resigned 16 November 2012)	5	5
Michael Elias (resigned 19 November 2012)	7	7
James Harris	15	15
Gavin Wendt (resigned 19 November 2012)	7	6
Matthew May (appointed 17 October 2012 and resigned 19 December 2012)	7	6

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 was $8,534 (2012: $ 8,236) 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

Grant Date	Expiry Date	Exercise Price	Number under option
5 September 2008	31 August 2013	$0.7492	100,000
17 November 2010	15 December 2013	$0.4192	2,300,000
14 September 2011	6 September 2013	$0.1742	10,000,000
21 November 2011	21 November 2014	$0.1992	500,000
21 November 2011	21 November 2014	$0.2992	500,000
1 March 2012	28 February 2015	$0.1000	2,000,000
13 August 2012	15 June 2015	$0.0692	5,017,922
27 August 2012	15 June 2015	$0.0692	34,873,347
7 October 2012	15 June 2015	$0.0692	7,500,000
29 November 2012	15 June 2015	$0.0692	12,500,000
27 March 2013	26 March 2016	$0.1000	20,000,000
10 May 2013	9 May 2014	$0.0252	1,700,000
10 May 2013	9 May 2015	$0.0287	1,700,000
28 June 2013	31 May 2016	$0.0350	115,982,326
Total			**214,673,595**

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.

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services during the period ended 30 June 2013 by the auditor (BDO Audit (WA) Pty Ltd ("BDO")) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001, as:

(i) There were no non-audit service provided during the year; and
(ii) Details of amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in Note 25 to the Consolidated Financial Statements.

Based on the above, the Board is satisfied that the nature and scope of the non-audit service provided did not compromise the auditor's independence.

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

Mr Marcel Hilmer	Executive Director and CEO (*appointed 20 November 2012*)
Mr James Harris	Non-Executive Director
Mr Brett McKeon	Non-Executive Director (*appointed 20 December 2012*)
Mr Peter Alexander	Non-Executive Director (*appointed 29 April 2013*)
Mr David Archer	Executive Chairman *(resigned 19 December 2012)*
Dr Susan Vearncombe	Managing Director *(resigned 16 November 2012)*
Mr Michael Elias	Non-Executive Director *(resigned 19 November 2012)*
Mr Gavin Wendt	Non-Executive Director *(resigned 19 November 2012)*
Mr Matthew May	Non-Executive Director *(appointed 17 October 2012 and resigned 19 December 2012)*

There were no changes in KMP after the reporting date and before the date the annual financial report was authorised for issue.

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 only been incorporated since June 2006 and is 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.

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. Fees for non-executive directors are not linked to the performance of the Company or shareholder wealth. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and subject to shareholder approval, have received or may receive options or shares issued under the Caravel Employee Share Acquisition Plan. This effectively links directors' performance to the share price performance and therefore to the interests of shareholders.

For this reason there are no performance conditions prior to grant, but instead an incentive to increase the value to all shareholders.

During the financial year ended 30 June 2013 no options were granted to Non-Executive Directors. During the financial year ended 30 June 2012, there were 500,000 $0.20 options expiring 21 November 2014 and 500,000 $0.30 options expiring 21 November 2014 granted to Non-Executive Directors.

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 2013 and 30 June 2012 is detailed in Tables 1 and 2 respectively on page 8 and 9 of this report.

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 2013 and 30 June 2012 are detailed in Tables 1 and 2 respectively on page 8 and 9 of this report.

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.

Structure

Variable remuneration may be delivered in the form of options or cash bonus. No cash bonuses were granted during the year ended 30 June 2013 or in the prior year.

During the financial year ended 30 June 2013, there were 7,500,000 shares granted to the Executive Director under the terms of the Caravel Employee Share Acquisition Plan. During the financial year ended 30 June 2012, there were 3,000,000 $0.10 options expiring 28 February 2015 granted to the Executive Chairman.

Executives receive a superannuation guarantee contribution required by the government, which is currently 9.25% and do not receive any other retirement benefit. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to executives is valued at cost to the Company and expensed.

EMPLOYMENT CONTRACTS

Executive Director and CEO (current)

The employment conditions of the Executive Director, Mr Marcel Hilmer, are formalised in a contract of employment with the current contract for a two year fixed term, which commenced on 20 November 2012. The total current remuneration package as at 30 June 2013 was $245,250 per annum inclusive of a 9% superannuation contribution.

Notice of at least three months is required for either party to terminate the contract.

Managing Director (resigned 16 November 2012)

The employment conditions of the Managing Director, Dr Vearncombe, were formalised in a contract of employment with a two year fixed term, which commenced on 1 March 2012. The total remuneration package was $350,000 per annum inclusive of a 9% superannuation contribution. Either party required three months notice to terminate the contract. The Managing Director resigned 16 November 2012 and received a termination payment of $312,363 in line with her contract and period of service.

Executive Chairman (resigned 19 December 2012)

The employment conditions of the Executive Chairman, Mr Archer, were formalised in a contract of employment with a two year fixed term, which commenced on 5 December 2011. The total remuneration package was $250,000 per annum inclusive of a 9% superannuation contribution. Either party could terminate the contract with no notice period required. The Executive Chairman resigned 19 December 2012.

KEY MANAGEMENT PERSONNEL REMUNERATION

TABLE 1: REMUNERATION FOR THE YEAR ENDED 30 JUNE 2013

	Short Term Salary, Fees & Commissions	Long Term Benefits Termination Payments	Post-employment Superannuation	Share Based Payments Shares	Share Based Payments Options	Total	Remuneration consisting of share based payments
	$	$	$	$	$	$	%
Executive Directors							
Marcel Hilmer (1)	113,032	-	25,000	34,770	-	172,802	20%
David Archer (2)	221,474	-	-	-	14,935	236,409	6%
Susan Vearncombe (3)	118,095	312,363	38,741	-	-	469,199	-%
Non-Executive Directors							
James Harris	37,752	-	3,398	-	-	41,150	-%
Brett McKeon (4)	20,183	-	1,816	-	-	21,999	-%
Peter Alexander (5)	6,582	-	592	-	-	7,174	-%
Matthew May (6)	6,631	-	597	-	-	7,228	-%
Michael Elias (7)	14,472	-	1,302	-	-	15,774	-%
Gavin Wendt (7)	14,472	-	1,302	-	-	15,774	-%
Total	**552,693**	**312,363**	**72,748**	**34,770**	**14,935**	**987,509**	

(1) *Marcel Hilmer appointed 20 November 2012*
(2) *David Archer resigned 19 December 2012. Options expense is the 2013 vesting portion of options issued in 2012*
(3) *Susan Vearncombe resigned 16 November 2012. Short-term remuneration includes termination payment of $312,363*
(4) *Brett McKeon appointed 20 December 2012*
(5) *Peter Alexander appointed 29 April 2013*
(6) *Matthew May appointed 17 October 2012 and resigned 19 December 2012*
(7) *Michael Elias and Gavin Wendt resigned 19 November 2012*

TABLE 2: REMUNERATION FOR THE YEAR ENDED 30 JUNE 2012

	Short Term Salary, Fees & Commissions	Post-employment Superannuation	Share Based Payments Options	Total	Remuneration consisting of share based payments
	$	$	$	$	%
Executive Directors					
David Archer	145,833	-	43,446	189,279	23%
Susan Vearncombe	343,364	30,818	-	374,182	-%
Non-Executive Directors					
James Harris	44,044	3,964	-	48,008	-%
Paul Trettel	18,876	1,699	-	20,575	-%
Michael Elias	37,752	3,398	-	41,150	-%
Gavin Wendt	37,752	3,398	17,102	58,252	29%
Total	**627,621**	**43,277**	**60,548**	**731,446**	

TABLE 3: COMPENSATION OPTIONS – GRANTED AND VESTED DURING THE YEAR

As discussed above under "Remuneration Structure", options granted to Directors and other KMP are not linked to either individual performance or the performance of the Company, but are instead issued as an incentive to align the goals of Directors and other KMP with those of all shareholders.

There are no performance conditions prior to vesting and all options were issued for nil consideration.

For the year ending 30 June 2013 no options were granted to Directors or other KMP. During the financial year ended 30 June 2012, there were 3,000,000 $0.10 options expiring 28 February 2015 granted to the Executive Chairman. A share based payment expense of $14,935 was recognised in the 2013 accounts in relation to the vesting portion of 1,000,000 options granted to Mr David Archer in the 2012 financial year. The remaining 1,000,000 unvested options were cancelled on 19 December 2012 when the Executive Chairman resigned.

Director	Grant date	Number granted	Value per option at grant date	Exercise price per option	Expiry date	First exercise date	Last exercise date	Vested	Vested %
D Archer	1-Mar-12	3,000,000	$0.027	$0.10	28-Feb-15	1-Mar-12	28-Feb-15	2,000,000	66.7%

For details on the valuation of the options, including models and assumptions used, please refer to Note 22 in the Consolidated Financial Statements.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

There were no forfeitures or cancellations during the year.

The maximum grant, which will be payable assuming that all service criteria are met, is equal to the number of options granted multiplied by the fair value at the grant date. The minimum grant payable assuming that service criteria are not met is zero.

The plan rules contain a restriction on removing the "at risk" aspect of the instruments granted to executives. Plan participants may not enter into any transaction designed to remove the "at risk" aspect of an instrument before it vests.

SHARES ISSUED ON EXERCISE OF COMPENSATION OPTIONS

No compensation options were exercised during the year.

TABLE 4: SHARES GRANTED AS PART OF REMUNERATION 30 JUNE 2013

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. The following shares were issued to KMP under the terms of the plan.

2013	Date shares granted	Number of Shares Granted	Issue Price	Value of shares granted	Shares vested at 30 June 2013	Vested %	Value of shares to be vested	Vesting date unvested shares
Marcel Hilmer	15-Mar-2013	7,500,000	$0.0276	$72,000	3,750,000	50%	$37,230	15-Mar-2014

Summary of the key loan terms:

- Loan amount: $207,317.86
- Interest rate: 0%
- Term of loan: unlimited
- Vesting conditions 50%: remains eligible employee for 7 days from grant date
- Vesting conditions for balance: remains eligible employee for one year from grant date
- Subject to the conditions of the Caravel Employee Share Acquisition Plan as approved by shareholders on 13 March 2013

For details on the valuation of the shares, including models and assumptions used, please refer to Note 22 in the Consolidated Financial Statements.

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 2012 ANNUAL GENERAL MEETING

Caravel received 87% of “Yes” votes on its remuneration report for the 2012 financial year and was therefore adopted by the shareholders

END OF AUDITED REMUNERATION REPORT

Signed in accordance with a resolution of the directors.

Marcel Hilmer
Executive Director & CEO
Perth
29 August 2013

COMPETENT PERSON STATEMENT

The information in this report that relates to the Wynberg Mineral Resource estimate is based on information compiled by Tony Poustie who is 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.

The information in this report that relates to Exploration Targets and Exploration Results for the Calingiri and Wynberg Projects 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.

Corporate Governance Statement
30 June 2013

The Board of Directors of Caravel Minerals Limited (the “Company”) is responsible for the governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Since the introduction of the ASX Principles of Good Corporate Governance and Best Practice Recommendations (“ASX Guidelines”), the Company has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Guidelines, the Company has followed each Recommendation where the Board has considered the Recommendation to be appropriate. Where, after due consideration, the Company’s corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

The table below summarises the Company’s compliance with the Corporate Governance Council’s Recommendations.

	Recommendation	Comply Yes / No	Reference / Explanation
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	Page 12
1.2	Companies should disclose the process for evaluation the performance of senior executives.	Yes	Page 15
2.1	A majority of the Board should be independent directors.	Yes	Page 13
2.2	The chairperson should be an independent director.	No	Page 13
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Yes	Page 13
2.4	The Board should establish a nomination committee.	No	Page 16
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes	Page 15
3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: - the practices necessary to maintain confidence in the Company’s integrity; - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	Page 14
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of the policy.	Yes	Website
	The policy should include requirements for the board to establish measureable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	No	Page 16
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity for the Board in accordance with the diversity policy and progress to achieving them.	No	Page 16
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes	Page 16
4.1	The Board should establish an audit committee.	No	Page 16
4.2	Structure the audit committee so that it consists of: - only non-executive directors; - a majority of independent directors; - an independent chairperson, who is not chairperson of the Board; - at least three members.	No	Page 16
4.3	The audit committee should have a formal charter.	No	Page 16
4			
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	Page 14
6.1	Design and disclose a communications strategy to promote effective communications with shareholders and encourage effective participation at general meetings and disclose their policy or a summary of that policy.	Yes	Website and Page 14
7.1	The Board or appropriate Board committee should establish policies on risk oversight and management.	Yes	Page 15

7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes	Page 15
7.3	Disclose whether the Board has received assurance from the CEO and CFO that the declaration provided in accordance with CA section 295A is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	Page 15
8.1	The Board should establish a remuneration committee.	No	Page 16
8.2	The remuneration committee should be structured so that it: - consists of a majority of independent directors - Is chaired by an independent chair - Has at least 3 directors	No	Page 16
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Yes	Refer Remuneration report

The Company's corporate governance practices were in place throughout the year ended 30 June 2013.

Further information about the Company's corporate governance practices is set out on the Company's website at www.caravelminerals.com.au in accordance with the recommendations of the ASX, information published on the Company's website includes charters (for the Board and its sub-committees), codes of conduct and other policies and procedures relating to the Board and its responsibilities.

BOARD OF DIRECTORS

ROLE OF THE BOARD AND MANAGEMENT

The Board represents shareholders' interests in developing and then continuing a successful business, which seeks to optimise medium to long-term financial gains for shareholders. By not focusing on short-term gains for shareholders, the Board believes that this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Company is managed in such a way to best achieve this desired result. Given the early development stage of this business, the Board currently undertakes an active, not passive role.

The Board is responsible for evaluating and setting the strategic directions for the Company, establishing goals for management and monitoring the achievement of these goals. The Executive Director is responsible to the Board for the day-to-day management of the Company.

The Board has sole responsibility for the following:

- Protection and enhancement of shareholder value.
- Formulation, review and approval of the objectives and strategic direction of the Company.
- Monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results.
- Approving all significant business transactions including acquisitions, divestments and capital expenditure.
- Ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained.
- The identification of significant business risks and ensuring that such risks are adequately managed.
- The review of performance and remuneration of executive directors and key staff.
- The establishment and maintenance of appropriate ethical standards.
- Evaluating and, where appropriate, adopting with or without modification the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Company seeks to follow the best practice recommendations for listed companies as outlined in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations where appropriate for its size and the complexity of its operations.

As the Company's activities increase in size, scope and/or nature the Company's corporate governance principles will be reviewed by the Board and amended as appropriate.

COMPOSITION OF THE BOARD AND NEW APPOINTMENTS

The Company currently has the following Board members:

Marcel Hilmer	Executive Director and Chief Executive Officer
James Harris	Independent Non-Executive Director
Brett McKeon	Independent Non-Executive Director
Peter Alexander	Independent Non-Executive Director

The Company's Constitution provides that the number of Directors shall not be less than three and not more than ten. There is no requirement for any share holding qualification.

The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. The Board also requires the CEO and the Chairperson roles be fulfilled by different individuals. Currently the Company does not have a formally appointed chairperson.

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed and the optimum number of Directors required for the Board to properly perform its assigned responsibilities and functions will be appointed.

The membership of the Board, its activities and composition are subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next annual general meeting. Under the Company's Constitution the tenure of Directors (other than Executive Director, regardless of whether this is a joint or singular position) is subject to reappointment by shareholders not later than the third anniversary following his last appointment. Subject to the requirements of the Corporations Act 2001, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. An Executive Director may be appointed for any period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

COMMITTEES OF THE BOARD

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time including audit, remuneration or nomination committees preferring at this stage to manage the Company through the full board of Directors.

The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required.

If the Group's activities increase in size, scope and nature, the appointment of separate or special committees will be reviewed by the Board and implemented if appropriate.

CONFLICTS OF INTEREST

In accordance with the Corporations Act 2001 and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

ETHICAL STANDARDS

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Company.

CODE OF CONDUCT FOR DIRECTORS

The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision making by the Directors. The Code is based on a Code of Conduct for Directors prepared by the Australian Institute of Company Directors.

CODE OF CONDUCT FOR DIRECTORS, OFFICERS, EMPLOYEES AND CONTRACTORS

The Company has established a Code of Conduct (Code) which aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour of the directors, officers, employees and contractors (collectively, the Employees) in carrying out their roles for the Company. Through this Code, the Company seeks to encourage and develop a culture of professionalism, honesty and responsibility in order to maintain and enhance its reputation as a valued employer, business operator and "corporate citizen". The Code is designed to broadly outline the ways in which the Company wishes to conduct its business. The Code does not cover every possible situation that Employees may face, but is intended to provide Employees with a guide to taking a commonsense approach to any given situation, within an overall framework.

DEALINGS IN COMPANY SECURITIES

The Company has established a Security Trading Policy that is provided to all Directors and employees on commencement.

The constitution permits directors to acquire shares or options in the Company. The Company's policy prohibits Directors from dealing in shares or options whilst in possession of price sensitive information not released to the public. Directors must notify the company secretary once they have bought or sold shares or options in the Company or exercised options over ordinary shares. In accordance with the provisions of the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange, the Company on behalf of the directors must advise the Australian Securities Exchange of any transactions conducted by them in shares and / or options in the Company.

DISCLOSURE OF INFORMATION

DISCLOSURE OF INFORMATION POLICY

The Disclosure of Information Policy requires all executives and Directors to inform the Executive Director / CEO or the Company Secretary when the Executive Director / CEO is not available, of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

Information is not material and need not be disclosed if:

a) A reasonable person would not expect the information to be disclosed or is material but due to a specific valid commercial reason is not to be disclosed; and
b) The information is confidential; and
c) One of the following applies:
   i. It would breach a law or regulation to disclose the information;
   ii. The information concerns an incomplete proposal or negotiation;
   iii. The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
   iv. The information is generated for internal management purposes;
   v. The information is a trade secret;

The Executive Director is responsible for interpreting and monitoring the Company's disclosure policy and where necessary informing the Board. The company secretary is responsible for all communications with ASX.

COMMUNICATION WITH SHAREHOLDERS

The Company's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company. The strategy provides for the use of systems that ensure a regular and timely release of information about the Company is provided to shareholders. Mechanisms employed include:

- Announcements lodged with ASX;
- ASX Quarterly Cash Flow Reports;
- Half Yearly Report;
- Periodic presentations to investors;
- Presentations at the Annual General Meeting/General Meetings; and
- Annual Report.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Company's strategy and goals.

RISK MANAGEMENT

OVERVIEW OF THE RISK MANAGEMENT SYSTEM

The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. This includes assessing, monitoring and managing operational, financial reporting, and compliance risks for the Company. The Company is not of a size nor are its affairs of such complexity to justify the establishment of a formal system for reporting risk management and associated compliance and controls. Instead, a director, in accordance with company policy, approves all expenditure, is intimately acquainted with all operations and reports all relevant issues to the other directors at the directors' meetings.

RISK PROFILE

The Company is not currently considered to be of a size, nor are its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

Major risks arise from such matters as actions by competitors, government policy changes, the robustness of the technologies being used or proposed to be used, environment, occupational health and safety, financial reporting and the purchase, development and use of information systems.

RISK MANAGEMENT, COMPLIANCE AND CONTROL

The board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities.

INTEGRITY OF FINANCIAL REPORTING

The Company's Executive Director / CEO and Chief Financial Officer (or equivalent) report in writing to the Board that:

- the financial statements of the Company for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

ROLE OF AUDITOR

The Company's practice is to invite the auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

PERFORMANCE REVIEW

The Board has adopted a self-evaluation process to measure its own performance during each financial year. Also, an annual review is undertaken in relation to the composition and skills mix of the Directors of the Company.

Arrangements will be put in place by the Board to monitor the performance of the Company's executives to include:

- a review by the Board of the Company's financial performance; and
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual.

REMUNERATION ARRANGEMENTS

The Company's Remuneration Policy is set out in the Remuneration Report Section of the Director's Report, and is also included in the 2013 Consolidated Financial Statements.

DIVERSITY

The Company recognizes the value contributed to the organization by employing people with varying skills, cultural backgrounds, ethnicity and experience. Caravel believes its diverse workforce is the key to its continued, growth, improved productivity and performance.

In line with the Corporate Governance recommendations, the Company has implemented a Diversity Policy which is available from the Company's website. Although the Company has a small workforce, one quarter of its workforce at 30 June 2013 were female. This has been consistent during the year ended 30 June 2013.

The Company promotes an inclusive culture and has a zero tolerance of discrimination. No cases of discrimination were reported during the year. The company is supportive of flexible working arrangements. Due to the size of the company, working arrangements are dealt with on a case by case basis.

The Executive Director is responsible for the ongoing implementation of the diversity policy.

COMPLIANCE WITH ASX CORPORATE GOVERNANCE RECOMMENDATIONS

During the Company's 2013 financial year ("Reporting Period") the Company complied with the ASX Principles and Recommendations other than in relation to the matters specified below.

Principle No	Best Practice Recommendation	Reasons for Non-compliance
2.2	The chairperson should be an independent director.	Currently the Company does not have a formally appointed chairperson. The Board will consider the appointment of a chairperson at an appropriate time. Three of the four current Board members are independent directors.
2.4	A separate Nomination Committee has not been formed.	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification of attributes required in new Directors. Where appropriate independent consultants are engaged to identify possible new candidates for the Board.
3.2, 3.3	The Diversity Policy does not include measureable objectives for achieving gender diversity.	The Board considers due to the size of the Company setting of measurable diversity objectives is not appropriate. The company has minimal full time employees and utilises external consultants and contractors to complement the full time workforce as and when required.
4.1,4.2, 4.3	A separate Audit Committee has not been formed.	The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems.
8.1, 8.2	There is no separate Remuneration Committee.	The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company.

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

29 August 2013

The Directors
Caravel Minerals Limited
Level 3
18 Richardson Street
WEST PERTH WA 6005

Dear Sirs,

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

As lead auditor of Caravel Minerals Limited for the year ended 30 June 2013, 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 audit; and
- 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.

C Burton

Chris Burton
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

Consolidated Statement of Profit and Loss and Other Comprehensive Income For the Year Ended 30 June 2013

	Note	Consolidated 2013 $	Company 2012 $
Revenue from continuing operations	5(a)	**95,015**	186,294
Other income	5(b)	**603,468**	75,063
Administration services		**(1,376,872)**	(1,584,647)
Depreciation expense	14	**(73,773)**	(83,351)
Employee expenses	5(c)	**(2,068,570)**	(1,684,809)
Exploration expenses		**(1,917,204)**	(1,677,797)
Exploration expenditure written off	15	**(1,630,017)**	(422,505)
Loss from continuing operations before income tax expense		**(6,367,953)**	(5,191,752)
Income tax expense relating to continuing operations	8	**-**	-
Loss from continuing operations		**(6,367,953)**	(5,191,752)
Loss from discontinued operations	7	**(1,187,788)**	(217,136)
Loss for the year		**(7,555,741)**	(5,408,888)
Other comprehensive income Items that may be reclassified to profit and loss			
Foreign currency translation adjustment		**45,803**	-
Unrealised loss on available-for-sale investments		**(26,050)**	-
Other comprehensive income for the year net of taxes		**19,753**	-
Comprehensive loss attributable to the shareholders of the Company		**(7,535,988)**	(5,408,888)
Comprehensive loss attributable to the shareholders of the Company arises from:			
Continuing activities		**(6,394,003)**	(5,191,752)
Discontinued operations		**(1,141,985)**	(217,136)
		(7,535,988)	(5,408,888)
Basic and diluted loss per share (cents per share) for continuing operations attributable to the shareholders of the Company	6	**(2.53)**	(4.21)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company	6	**(3.00)**	(4.39)

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 30 June 2013

	Note	**Consolidated 2013 $**	Company 2012 $
Current Assets			
Cash and cash equivalents	9	**1,908,222**	2,505,165
Trade and other receivables	10	**269,351**	6,771
Other current assets	11	**391**	3,098
		2,177,964	2,515,034
Non-current assets held for sale	12	**400,000**	-
Total Current Assets		**2,577,964**	2,515,034
Non-Current Assets			
Investments	13	**23,966**	-
Plant and equipment	14	**155,205**	212,834
Exploration and evaluation expenditure	15	**3,787,218**	2,035,017
Total Non-Current Assets		**3.966,389**	2,247,851
TOTAL ASSETS		**6,544,353**	4,762,885
Current Liabilities			
Trade and other payables	17	**979,465**	294,110
Provisions	18	**100,187**	40,953
Total Current Liabilities		**1,079,652**	335,063
TOTAL LIABILITIES		**1,079,652**	335,063
NET ASSETS		**5,464,701**	4,427,822
EQUITY			
Share capital	19	**33,537,775**	25,208,512
Accumulated loss		**(30,403,502)**	(22,847,761)
Reserves		**2,330,428**	2,067,071
TOTAL EQUITY		**5,464,701**	4,427,822

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

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2013

	Note	Consolidated 2013 $	Company 2012 $
Share capital			
Common shares			
Balance as at beginning of year		**25,208,512**	20,334,404
Share issuance net of costs	19	**8,329,263**	4,874,108
Balance as at end of year		**33,537,775**	25,208,512
Total share capital		**33,537,775**	25,208,512
Accumulated loss			
Balance as at beginning of year		**(22,847,761)**	(17,438,873)
Loss for the year attributable to shareholders of the Company		**(7,555,741)**	(5,408,888)
Total accumulated loss		**(30,403,502)**	(22,847,761)
Reserves			
Share based payments reserve			
Balance as at beginning of year		**2,056,832**	1,695,577
Share based compensation		**243,604**	361,255
Balance as at end of year		**2,300,436**	2,056,832
Converted option reserve			
Balance as at beginning of year		**10,239**	10,239
Options converted		**-**	-
Balance as at end of year		**10,239**	10,239
Foreign currency translation			
Balance as at beginning of year		**-**	-
Currency translation differences on foreign operations		**45,803**	-
Balance as at end of year		**45,803**	-
AFS reserve			
Balance as at beginning of year		**-**	-
Available-for-sale investment		**(26,050)**	-
Balance as at end of year		**(26,050)**	-
Total reserves		**2,330,428**	2,067,071
Total comprehensive income for the period		**(7,535,988)**	(5,408,888)

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

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2013

	Note	**Consolidated 2013 $**	Company 2012 $
Cash flows from operating activities			
Interest received		**51,312**	182,244
Government grants		**603,469**	75,063
Payments to suppliers and employees		**(4,388,657)**	(2,094,311)
Payments for exploration and evaluation expenditure		**(1,932,502)**	(3,166,801)
Net cash used in operating activities	9(b)	**(5,666,378)**	(5,003,805)
Cash flows from investing activities			
Proceeds from sale of tenements		**5,000**	-
Payments for available-for-sale investments		**(50,016)**	-
Cash received on asset acquisition		**45,481**	-
Proceeds from disposal of plant and equipment		**59,471**	-
Payments for plant and equipment		**(19,228)**	(12,553)
Net cash used in investing activities		**40,708**	(12,553)
Cash flows from financing activities			
Proceeds from issue of shares		**5,244,776**	5,228,000
Share issue costs		**(216,049)**	(353,892)
Net cash inflow from financing activities		**5,028,727**	4,874,108
Decrease in cash and cash equivalents held		**(596,943)**	(142,250)
Cash and cash equivalents at the beginning of the financial year		**2,505,165**	2,647,415
Cash and cash equivalents at the end of the financial year	9(a)	**1,908,222**	2,505,165

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

1. Corporate Information

The annual report of Caravel Minerals Limited for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 29 August 2013.

Caravel Minerals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of operations and principal activities of the Company are described in the Directors' Report.

2. Summary of Significant Accounting Policies

a) Basis of preparation

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.

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

The financial report is presented in Australian dollars.

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.

b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Caravel Minerals Limited ('company' or 'parent entity') as at 30 June 2013 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 entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

A list of controlled entities is contained in note 4 to the financial statements.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

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.

c) Foreign currency transactions and balances

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Caravel Minerals Limited's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the profit or loss.

c) Foreign currency transactions and balances (continued)

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

d) Investments and other financial assets

Classification

The group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised in other comprehensive income.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities held at cost less impairment, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of assets

The consolidated entity assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and included in profit or loss. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through profit or loss.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and reward of ownership. When the securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in profit or loss as gains and losses for investment securities.

e) Exploration and 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.

f) 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 and loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

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%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Derecognition

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 and loss and other comprehensive income.

g) 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.

h) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying value amount of the financial asset.

Government Grants

Government grant revenue is measured at the fair value of the consideration received or receivable.

i) 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.

i) Income tax (continued)

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 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.

j) 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.

k) Trade and other receivables

Trade receivables are initially recognised and carried at original invoice amount less provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition. A provision for impairment is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

l) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Company as a lessee

Operating lease payments, where substantially all the risk and benefits remain with the lessor, are recognised as an expense in the statement of profit and loss and other comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

m) 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.

n) Provisions and employee benefits

Provisions are recognised when the Group has a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

o) 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 by an external valuer using a Black-Scholes model.

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).

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 and 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 earnings per share (see Note 6).

Under the employee share scheme, shares are issued to employees by providing interest free loans and will vest over the restriction period. The shares are held by the Trust until the loan is repaid. Within the loan period the employee must have paid off the loan balance, at which point the shares are delivered to the employee, or surrendered the shares. Surrender of the shares by the employee after the restriction period, is treated as discharging any outstanding amount on the loan, irrespective of the value of the shares.

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.

p) 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.

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.

q) Earnings per share (EPS)

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.

r) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

s) Segment reporting

AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting to the Chief Executive Officer (“CEO”).

t) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

u) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the income statement.

v) Acquisition accounting

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

w) 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 $7,555,741 during the year ended 30 June 2013 and as of that date the Group had net assets of $5,464,701 (2012: $4,427,822). 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.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments,* AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9,* AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and* AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (effective from 1 January 2015)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. In the current reporting period, the group recognised $26,050 of such loss in other comprehensive income.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The group has not yet decided when to adopt AASB 9.

(ii) AASB 10 *Consolidated Financial Statements,* AASB 11 *Joint Arrangements,* AASB 12 *Disclosure of Interests in Other Entities*, revised AASB 127 *Separate Financial Statements,* AASB 128 *Investments in Associates and Joint Ventures*, AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* and AASB 2012-10 *Amendments to Australian Accounting Standards –Transition Guidance and Other Amendments* (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation –Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. The Company has assessed its consolidation conclusions at 30 June 2013 and has determined that adoption of AASB 10 will not result in any change to the consolidation status of any of its subsidiaries.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

The group's investment in various tenement farm-in agreements will be classified as joint operations under the new rules. As the group already recognises its own expenses, assets and liabilities in accounting for these investments, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the group's investments.

x) New accounting standards and interpretations that are not yet mandatory (continued)

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a “partial disposal” concept. The group is still assessing the impact of these amendments.

The group will adopt the new standards from their operative date. They will therefore be applied in the financial statements for the annual reporting period ending 30 June 2014.

(iii) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group will adopt the new standard from its operative date, which means that it will be applied in the annual reporting period ending 30 June 2014.

(iv) Revised AASB 119 *Employee Benefits* and AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119* (September 2011)

In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called ‘corridor’ method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. Employee benefits expected to be settled (as opposed to due to settled under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period will in future be discounted when calculating leave liability. The amendments will have to be implemented retrospectively.

This standard has no impact as there are no leave provision amounts that are non-current. The Group will apply the new standard when it becomes operative, being from 1 July 2013.

(v) Interpretation 20 (issued November 2011): *Stripping Costs in the Production Phase of a Surface Mine* (Effective 1 January 2013)

Clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 102 Inventories if the benefits from stripping activity is realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current, stripping activity asset if certain recognition criteria are met (as an addition to, or enhancement of, an existing asset).

The entity does not currently operate a surface mine. There will therefore be no impact on the financial statements when this interpretation is first adopted.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. 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

Determination of mineral resources

The determination of mineral resources impacts the accounting for asset carrying values. Caravel Minerals Limited estimates its mineral resources in accordance with the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004* (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

Impairment of capitalised exploration and evaluation expenditure

It is the Group's policy to capitalise costs related to the acquisition of properties that contain mineral resources. The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

Share-based payment transactions

The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined by the Company Secretary using a Black-Scholes model, with the assumptions detailed in Note 22. 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 expenses and equity.

Valuation of performance shares issued

During the year ended 30 June 2011, the Company entered into an agreement with Gledich Associates Pty Ltd to purchase certain tenements. Consideration for the tenements included 2,000,000 performance shares (issued 2 September 2011). The performance shares are subject to performance milestones (as disclosed in Note 19). The Company has valued the performance shares at $nil at 30 June 2013 as achievement of the performance milestones are not probable. If the performance milestones are not met by 30 April 2016, the 2,000,000 performance shares are converted into 1 ordinary share on that date.

4. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name of entity	Country of incorporation	Class of shares	Equity holding 30 June 2013	Date of incorporation
Caravel Resources Netherlands Cooperatief U.A.	Netherlands	Ordinary	99.999%	16 July 2012
Recursos Minerales Caravel Espana S.L.	Spain	Ordinary	100%	19 July 2012
Quadrio Resources Pty Ltd	Australia	Ordinary	100%	11 June 1985
Caravel Employee Share Plan Pty Ltd	Australia	Ordinary	100%	13 March 2013

	2013 $	2012 $
5. REVENUE AND EXPENSES		
(a) Revenue from continuing operations		
Interest revenue	**51,312**	182,244
Profit on disposal of plant and equipment	**29,381**	-
Other revenue	**14,322**	4,050
	95,015	186,294
(b) Other income		
Government R&D rebate	**603,468**	75,063
(c) Employee Expenses		
Directors Fees	**(314,983)**	(284,257)
Salaries and wages	**(1,246,021)**	(1,160,852)
Termination payments	**(331,175)**	-
Superannuation	**(160,558)**	(110,324)
Leave provisions	**38,380**	10,439
Other expenses	**-**	(64,494)
Share based payments expense	**(54,213)**	(75,321)
	(2,068,570)	(1,684,809)

6. LOSS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

Net loss used in calculating basic and diluted loss per share:		
From continuing operations	**(6,367,953)**	(5,191,752)
From discontinued operations	**(1,187,788)**	(217,136)

	2013 No. of Shares	2012 No. of Shares
Weighted average number of ordinary shares and potential ordinary shares used in calculating basic earnings per share	**252,096,465**	123,318,716
Effect of dilutive securities (see below)	**-**	-
Adjusted weighted average number of ordinary shares and potential ordinary shares used in calculating basic and diluted earnings per share	**252,096,465**	123,318,716

Non-dilutive securities

As at reporting date, 38,800,000 (2012: 23,985,000) unlisted options and 175,873,595 (2012: nil) listed options (which represent potential ordinary shares) were not dilutive as they would decrease the loss per share.

Conversions, calls, subscriptions or issues after 30 June 2013

There have been no 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.

7. SEGMENT INFORMATION

Management has determined that the Group operates in one industry, in two geographical locations, being mineral exploration in Australia and Spain. 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.

	Revenue		Results		Assets	
Geographic Region	**2013 $**	2012 $	**2013 $**	2012 $	**2013 $**	2012 $
Australia	**-**	-	**(2,943,752)**	(1,894,933)	**4,187,218**	2,035,017
Discontinued operations - Spain	**-**	-	**(1,187,788)**	(217,136)	**-**	-
Unallocated amounts	**95,015**	186,294	**(3,424,201)**	(3,296,819)	**2,357,135**	2,727,868
	95,015	186,294	**(7,555,741)**	(5,408,888)	**6,544,353**	4,762,885

RECONCILIATION OF SIGNIFICANT UNALLOCATED AMOUNTS ABOVE:

Results	**2013 $**	2012 $
Revenue	**95,015**	186,294
Administration expenses	**(1,376,873)**	(1,790,016)
Employee benefits	**(2,068,570)**	(1,684,809)
Depreciation	**(73,773)**	(83,351)
	(3,424,201)	(3,296,819)
ASSETS		
Cash and cash equivalents	**1,908,222**	2,505,165
Trade and other receivables	**269,351**	6,771
Plant and equipment	**155,205**	212,834
Other assets	**24,357**	3,098
	2,357,135	2,727,868

DISCONTINUED OPERATIONS

a) Description

On 26 March 2012 the Company entered into a Farm-in and Joint Venture Heads of Agreement with Astur Gold Corporation and Exploraciones Mineras Del Cantabrico SL in respect of the La Codosera Gold Project in Spain. On 1 August 2012 the Company established a wholly owned Spanish subsidiary Recuros Minerales Caravel Espana S.L. ("RMCE") to complete the exploration on the project. As a result of unsatisfactory drilling results from an extensive exploration program conducted from August to December 2012, the Company decided to cease further exploration in Spain. At 30 June 2013 RMCE has ceased operations and is in the process of winding-up.

Financial information relating to discontinued operations for the year is set out below.

b) Financial performance and cash flow information

	2013 $	2012 $
Revenue	**319**	**-**
Expenses	**(1,188,107)**	(217,136)
Loss before income tax	**(1,187,788)**	(217,136)
Income tax expense	**-**	-
Loss from discontinued operations	**(1,187,788)**	(217,136)
Net cash outflow from ordinary activities	**1,326,090**	217,136
Net cash outflow from investing activities	**511**	-
Net cash outflow from financing activities	**-**	-
Net decrease in cash consumed by the division	**1,326,601**	217,136

	2013 $	2012 $
8. INCOME TAX		
(a) The major components of income tax are:		
Current income tax		
Current income tax benefit	**(1,604,030)**	(1,586,353)
Current income tax benefit not recognised	**1,604,030**	1,586,353
Deferred income tax		
Relating to the origination and reversal of temporary differences	**672,356**	72,063
Deferred tax assets not brought to account as their realisation is not regarded as probable	**(672,356)**	(72,063)
Income tax (benefit)/expense recorded in the statement of profit and loss and other comprehensive income	**-**	-
(b) A reconciliation between tax expense and the product of accounting loss before tax multiplied by the Company's applicable income tax rate is as follows:		
Accounting loss before tax from continuing operations	**(6,367,953)**	(5,191,752)
Loss before income tax from discontinued operations	**(1,187,788)**	(217,136)
Accounting loss before income tax	**(7,555,741)**	(5,408,888)
At the Company's statutory income tax rate of 30% (2012: 30%)	**(2,266,722)**	(1,622,666)
Non-deductible expenses	**652**	
Share based payments	**16,264**	108,376
Research & development tax offset prior year adjustment	**(26,580)**	-
Deferred tax assets not brought to account as their realisation is not regarded as probable	**2,276,386**	1,514,290
	-	-
Income tax expense reported in the consolidated statement of profit and loss and other comprehensive income	**-**	-
Income tax attributable to discontinued operations	**-**	-
	-	-

R&D tax rebate of $603,468 has been recognised in other income.

	Statement of Financial Position		Statement of Profit & Loss and Other Comprehensive Income	
(c) Deferred income tax	**2013 $**	2012 $	**2013 $**	2012 $
Deferred income tax at 30 June relates to the following:				
Deferred Tax Liabilities				
Exploration and evaluation assets	**(1,256,166)**	(610,505)	**-**	-
Recognition of losses to offset future taxable income	**1,256,166**	610,505	**-**	-
	-	-	**-**	-
Deferred Tax Assets				
Accruals	**119,846**	6,000	**(113,846)**	(3,000)
Provisions	**30,056**	12,286	**(17,770)**	3,132
Section 40-880 deductions	**163,185**	172,266	**2,208**	31,356
Australian losses available to offset against future taxable income	**5,160,238**	7,109,593	**(2,208,205)**	(1,586,353)
Foreign losses available to offset against future taxable income	**246,867**	-	**-**	-
Recognition of losses to offset future taxable income	**(1,256,166)**	(610,505)	**645,661**	(126,752)
Deferred tax assets not brought to account as their realisation is not regarded as probable	**(4,464,026)**	(6,689,640)	**1,691,952**	1,681,617
	-	-	**-**	-

	2013 $	2012 $
9. Cash and Cash Equivalents		
(a) Reconciliation to the Statement of Financial Position and Statement of Cash Flows		
Cash at bank and on hand	**1,908,222**	2,505,165
(b) Reconciliation of net loss after income tax expense to net cash outflow from operating activities		
Net loss after income tax expense	**(7,555,741)**	(5,408,888)
Adjustment for non-cash income and expense items		
Share based payments	**54,213**	361,255
Depreciation expense	**74,284**	83,351
Profit on disposal of plant and equipment	**(29,380)**	-
Loss on disposal of plant and equipment	**39,959**	
Impairment of tenements	**1,630,017**	422,505
Changes in assets and liabilities		
Decrease/(Increase) in receivables	**(247,558)**	111,963
Decrease/(Increase) in other current assets	**2,707**	3,351
(Decrease)/Increase in payables	**403,501**	(566,903)
(Decrease)/Increase in provisions	**(38,380)**	(10,439)
Net cash outflow from operating activities	**(5,666,378)**	(5,003,805)

(c) Significant Non-Cash Investing Activities

On 27 March 2013 the Company acquired 100% of the issued capital of Quadrio Resources Pty Ltd ("Quadrio"), In consideration the Company issued 135,000,000 ordinary shares and 20,000,000 unlisted options to the vendor (refer note 16).

(d) Credit Standby Arrangements with Banks

At reporting date, the Group had no used or unused financing facilities (2012: nil).

10. Trade and Other Receivables

	2013	2012
Trade receivables	**8,250**	-
GST and FBT receivables	**261,101**	6,771
	269,351	6,771

11. Other Current Assets

	2013	2012
Accrued interest	**191**	2,898
Security deposits	**200**	200
	391	3,098

12. Non-Current Assets Held For Sale

	2013	2012
Interest in Meekatharra mining tenements	**400,000**	-

The Company has made a decision to divest its interest in a number of mining tenements in the Meekatharra area, known as Quinns, Bourkes, Abbotts and Yagahong. At 30 June 2013 the Company was in negotiations with a number of parties to sell these tenements and the value of exploration and evaluation expenditure has been written down to reflect the estimated proceeds of sale. These assets have been transferred from exploration and evaluation expenditure as per note 16.

	2013	2012
	$	$
13. INVESTMENTS		
Shares of Crusader Resources Limited	**23,966**	-
	23,966	-

At 30 June 2013 the Company held 104,200 shares of Crusader Resources Limited which had a fair market value of $23,966. These shares were purchased on 24 August 2012 at a price of $0.48 per share for consideration of $50,016.

14. PLANT AND EQUIPMENT

	2013	2012
Leasehold Improvements – at cost	**-**	93,216
Accumulated depreciation	**-**	(61,326)
Net carrying amount	**-**	31,890
Computer equipment – at cost	**119,224**	152,749
Accumulated depreciation	**(101,638)**	(118,685)
Net carrying amount	**17,586**	34,064
Vehicles – at cost	**166,474**	141,959
Accumulated depreciation	**(107,185)**	(104,654)
Net carrying amount	**59,289**	37,305
Exploration equipment – at cost	**183,537**	183,366
Accumulated depreciation	**(116,515)**	(94,414)
Net carrying amount	**67,022**	88,952
Office equipment – at cost	**16,858**	27,450
Accumulated depreciation	**(12,240)**	(17,976)
Net carrying amount	**4,618**	9,474
Software – at cost	**54,755**	54,755
Accumulated depreciation	**(48,065)**	(43,606)
Net carrying amount	**6,690**	11,149
Total plant and equipment	**540,848**	653,495
Accumulated depreciation	**(385,643)**	(440,661)
Net carrying amount	**155,205**	212,834

(a) Reconciliations

	2013	2012
Leasehold Improvements		
Balance at the beginning of year	**31,890**	42,519
Disposal	**(25,905)**	-
Depreciation expense	**(5,985)**	(10,629)
Balance at end of year	**-**	31,890
Computer equipment		
Balance at the beginning of year	**34,064**	39,133
Additions	**7,479**	11,020
Disposals	**(9,833)**	-
Depreciation expense	**(14,124)**	(16,089)
Balance at end of year	**17,586**	34,064
Vehicles		
Balance at the beginning of year	**37,305**	53,293
Additions	**76,244**	-
Disposals	**(29,610)**	-
Depreciation expense	**(24,650)**	(15,988)
Balance at end of year	**59,289**	37,305

	2013 $	2012 $
14. PLANT AND EQUIPMENT (CONTINUED)		
Exploration equipment		
Balance at the beginning of year	**88,952**	117,397
Additions	**467**	917
Disposals	**(110)**	-
Depreciation expense	**(22,287)**	(29,362)
Balance at end of year	**67,022**	88,952
Office equipment		
Balance at the beginning of year	**9,474**	12,706
Additions	**2,321**	616
Disposals	**(4,398)**	-
Depreciation expense	**(2,779)**	(3,848)
Balance at end of year	**4,618**	9,474
Software		
Balance at the beginning of year	**11,149**	18,583
Additions	**-**	-
Depreciation expense	**(4,459)**	(7,434)
Balance at end of year	**6,690**	11,149
Total		
Balance at the beginning of year	**212,834**	283,632
Additions	**86,511**	12,553
Disposals	**(69,856)**	-
Depreciation expense – continuing operations	**(73,773)**	(83,351)
Depreciation expense – discontinued operations	**(511)**	-
Balance at end of year	**155,205**	212,834

15. EXPLORATION & EVALUATION EXPENDITURE

	2013 $	2012 $
The Group has exploration costs carried forward in respect of areas of interest:		
Areas of interest:		
Meekatharra tenements	**-**	2,035,017
Quadrio Resources Pty Ltd tenements (refer note 16)	**3,787,218**	-
	3,787,218	2,035,017

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. During the year the Company decided to divest some of the Meekatharra tenements which were impaired to reflect the potential non-recoverability of the exploration expenditure.

	2013 $	2012 $
Reconciliation:		
Meekatharra tenements		
Balance at the beginning of year	**2,035,017**	2,457,522
Sale of mining tenements	**(5,000)**	-
Impairment	**(1,630,017)**	(422,505)
	400,000	2,035,017
Transferred to non-current assets held for sale	**(400,000)**	-
Balance at end of year	**-**	2,035,017

	2013 $	2012 $
15. EXPLORATION & EVALUATION EXPENDITURE (CONTINUED)		
Quadrio Resources tenements		
Balance at the beginning of year	-	-
Purchase of mining tenements	**3,787,218**	-
Impairment	**-**	-
Balance at end of year	**3,787,218**	-

16. ASSET ACQUISITION

On 27 March 2013 the Company acquired 100% of the issued capital of Quadrio Resources Pty Ltd ("Quadrio") from Dominion Mining Limited. Quadrio has interests in exploration tenements in Western Australia and Queensland.

The consideration paid for the transaction was the issue of 135,000,000 fully paid ordinary shares in Caravel Minerals Limited and 20,000,000 unlisted options at an exercise price of $0.10 and expiry date of 26 March 2016.

Details of the fair value of assets and liabilities acquired as at 27 March 2013 are as follows:

	Number	Price	$
Purchase consideration comprises:			
Ordinary shares	135,000,000	$0.025	3,375,000
Options exercisable at $0.10 each	20,000,000		182,391
Other costs attributable to assets acquired			260,000
			3,817,391
Net assets acquired:			
Cash			45,481
Trade receivables			15,023
Plant and equipment			67,283
Exploration and evaluation assets[1]			3,787,218
Employee provisions			(97,614)
			3,817,391

(1) Fair value supported by independent valuation prepared by Agicola Mining Consultants dated 26 April 2013.

	2013 $	2012 $
17. TRADE AND OTHER PAYABLES		
Trade payables [1]	**579,980**	274,110
Accruals	**399,485**	20,000
	979,465	294,110

(1) Terms & Conditions

Trade creditors are non-interest bearing and are normally settled on 30 days terms.

18. PROVISIONS

	2013 $	2012 $
Employee benefits	**100,187**	40,953
	100,187	40,953

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of $100,187 (2012 - $40,953) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	2013 $	2012 $
Current leave obligations expected to be settled after 12 months	**19,702**	-

The measurement and recognition criteria relating to employee benefits have been included in Note 2 to this report.

	2013 $	2012 $

19. CONTRIBUTED EQUITY

(a) Issued and paid up capital

	2013 $	2012 $
499,329,935 (2012: 131,565,072) fully paid ordinary shares	**33,537,775**	25,208,512

(b) Movement in shares on issue

	No.	$
(1) Ordinary Shares		
Balance – 1 July 2011	79,285,072	20,334,404
Issue of Shares*(i)*	52,280,000	5,228,000
Less Transaction costs	-	(353,892)
Balance – 30 June 2012	131,565,072	25,208,512
Issue of Shares*(ii)*	356,764,862	8,619,728
Less Transaction costs	-	(290,465)
Issue of shares Employee Share Scheme*(iii)*	11,000,000	-
Conversion of performance shares*(v)*	1	-
Balance – 30 June 2013	499,329,935	33,537,775
(2) Treasury Shares		
Acquisition of shares by the Trust	(11,000,000)	-
	488,329,935	-
(3) Performance Shares		
Balance 1 July 2011	4,000,000	-
Issue of Shares*(iv)*	2,000,000	-
Balance – 30 June 2012	6,000,000	-
Cancellation and conversion*(v)*	(4,000,000)	-
Balance – 30 June 2013	2,000,000	-

(i) Shares issued as follows:
- 10,000,000 @ $0.10 each on 1 August 2011
- 42,280,000 @ $0.10 each on 2 September 2011

(ii) Shares issued as follows:
- 10,035,837 @ $0.032 each on 13 August 2012
- 55,746,699 @ $0.032each on 28 August 2012
- 15,000,000 @ $0.035 each on 8 October 2012
- 25,000,000 @ $0.035 each on 19 November 2012
- 135,000,000 @ $0.025 each on 27 March 2013
- 115,982,326 @ $0.015 each on 28 June 2013

(iii) Employee Share Acquisition Plan shares issued as follows
- 7,500,000 @ $0.0237 each on 15 March 2013
- 1,500,000 @ $0.0237 each on 4 April 2013
- 2,000,000 @ $0.0239 each on 4 April 2013

(iv) Performance Shares issued as follows:
- 2,000,000 @ $Nil each on 2 September 2011

(v) Performance Shares cancelled as follows:
- 4,000,000 @ $Nil each on 2 April 2013 converted to 1 ordinary share

(c) Terms and conditions of contributed equity

Ordinary Shares

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.

4,000,000 Unlisted Performance Shares

The Performance Shares will convert to ordinary shares on a 1 for 1 basis on satisfaction, prior to the expiry date, of the Verification Milestone. As the Verification Milestone was not achieved by the expiry date of 22 April 2013, the Performance Shares were subsequently converted to one ordinary share in the Company.

2,000,000 Unlisted Performance Shares (issued 2 September 2011)

The Performance Shares will convert to ordinary shares on a 1 for 1 basis on satisfaction, prior to the expiry date, of the Verification Milestone.

The Verification Milestone is the identification of an independently calculated Mineral Resource of 250,000 ounces of gold at the Indicated Category as defined by JORC or such amount of a metal other than gold that has an equivalent value at the time of determination as 250,000 ounces of gold from the tenements acquired under the Heads of Agreement.

19. CONTRIBUTED EQUITY (CONTINUED)

The expiry date is 30 April 2016.

The Performance Shares do not carry voting rights and are not transferable.

There are no participation rights or entitlements inherent in the Performance Shares and holders will not be entitled to participate in new issues of capital during the currency of the Performance Shares.

If the Company is wound up prior to conversion of the Performance Shares the Performance Shareholders have no right to be paid cash for the issue price, nor any right to participate in the surplus assets or profits of the Company.

If prior to the expiry date the Verification Milestone is not met, then the total number of Performance Shares will convert into one ordinary share.

No value has been attributed to the Performance Shares as the tenement has been abandoned and the Verification Milestone will not be achieved.

Treasury shares
Information relating to the employee share acquisition plan is disclosed in note 22(a).

(d) Capital 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 2013, the Company issued 367,764,862 ordinary shares including treasury shares (2012: 52,280,000 ordinary shares).

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

20. KEY MANAGEMENT PERSONNEL

	2013 $	2012 $
(a) Compensation for Key Management Personnel		
Short term employee benefits	**552,693**	627,621
Termination payments	**312,363**	-
Post-employment benefits	**72,748**	43,276
Share based payments	**49,705**	60,548
Total compensation	**987,509**	731,445

(b) Option holdings of Key Management

30 June 2013	Balance at beginning of year	Granted as remuneration	Options expired	Net change other	Balance at end of year	Vested at 30 June 2013 Total	Exercis-able	Not exerc-isable
Directors								
Marcel Hilmer	-	-	-	13,333,333	13,333,333	13,333,333	13,333,333	-
James Harris	700,000	-	(250,000)	987,500	1,437,500	1,437,500	1,437,500	-
Brett McKeon	-	-	-	8,333,333	8,333,333	8,333,333	8,333,333	-
Peter Alexander	-	-	-	1,333,333	1,333,333	1,333,333	1,333,333	-
David Archer	3,000,000	-	(1,000,000)	(1) (2,000,000)	-	-	-	-
Susan Vearncombe	4,000,000	-	(3,500,000)	(1)(500,000)	-	-	-	-
Michael Elias	1,700,000	-	(1,250,000)	(1)(450,000)	-	-	-	-
Gavin Wendt	1,000,000	-	-	(1)(1,000,000)	-	-	-	-
	10,400,000	-	(6,000,000)	20,037,499	24,437,499	24,437,499	24,437,499	-

20. KEY MANAGEMENT PERSONNEL (CONTINUED)

30 June 2012	Balance at beginning of year	Granted as remuneration	Options expired	Net change other	Balance at end of year	Vested at 30 June 2012		
						Total	Exercis-able	Not exerc-isable
Directors								
David Archer	-	3,000,000	-	-	3,000,000	3,000,000	1,000,000	2,000,000
James Harris	1,366,667	-	(666,667)	-	700,000	700,000	700,000	-
Paul Trettel	1,575,000	-	(1,125,000)	(1)(450,000)	-	-	-	-
Susan Vearncombe	4,000,000	-	-	-	4,000,000	4,000,000	4,000,000	-
Michael Elias	1,700,000	-	-	-	1,700,000	1,700,000	1,700,000	-
Gavin Wendt	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
	8,641,667	4,000,000	(1,791,667)	(450,000)	10,400,000	10,400,000	8,400,000	2,000,000

(1) *Number of options held at resignation date.*

(c) Shareholdings of Key Management

30 June 2013	Balance 1 July 12	Granted as remuneration	On exercise of options	Net change other	Balance 30 June 13
Marcel Hilmer	-	7,500,000	-	15,130,982	22,630,982
James Harris	1,316,668	-	-	1,316,666	2,633,334
Brett McKeon	-	-	-	9,109,426	9,109,426
Peter Alexander	-	-	-	1,333,333	1,333,333
David Archer	1,350,000	-	-	(1)(1,350,000)	-
Susan Vearncombe	708,423	-	-	(1)(708,423)	-
Michael Elias	100,000	-	-	(1)(100,000)	-
	3,475,091	7,500,000	-	24,731,984	35,707,075

30 June 2012	Balance 1 July 11	Granted as remuneration	On exercise of options	Net change other	Balance 30 June 12
David Archer	-	-	-	1,350,000	1,350,000
James Harris	1,066,668	-	-	250,000	1,316,668
Susan Vearncombe	155,787	-	-	552,636	708,423
Paul Trettel	2,825,000	-	-	(1)(2,825,000)	-
Michael Elias	50,000	-	-	50,000	100,000
	4,097,455	-	-	(622,364)	3,475,091

(1) *Number of shares held at resignation date.*

(d) Loans to Key Management Personnel

On 15 March 2013 the Company established a loan to Executive Director Marcel Hilmer for purchase of shares in the Company issued under the Caravel Employee Share Acquisition Plan (refer note 22). This loan has been recognised in treasury shares in accordance with accounting for limited recourse loans.

(e) Other transactions

SJS Resource Management, a company of which Dr Julian Vearncombe, the spouse of Dr Susan Vearncombe, is a director was paid $29,171(2012: $181,371) for the provision of geological services by Dr Julian Vearncombe and his employees and is on normal commercial terms. This item has been recognised as an expense in the consolidated statement of profit and loss and other comprehensive income.

Kings Park Capital Pty Ltd, a company of which Mr Paul Trettel is a director, was paid a consultancy fee of $Nil (2012: $9,092) and is on normal commercial terms.

On 24 August 2012 the Company purchased 104,200 shares at $0.48 per share in Crusader Resources Limited. Mr David Archer was Chairman of Crusader Resources Limited at the time of purchase.

21. RELATED PARTIES

(a) Transactions with KMP
Details relating to KMP, including remuneration paid, are included in Note 20 and the audited remuneration report section of the directors' report.

(b) Transactions with Other Related Parties
There were no transactions with other related parties during the current or previous financial year.

22. 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. 11,000,000 shares were issued under this scheme during the year ended 30 June 2013 including a total of 7,500,000 shares issued to the Chief Executive Officer as approved by shareholders at the general meeting held 13 March 2013.

Director	Date shares granted	Loan expiry date	Price	Balance 1 July 2012	Granted Issue during the year	Balance at 30 June 2013	Vested at 30 June 2013
Marcel Hilmer	15-Mar-2013	15-Mar-2014	$0.0276	-	7,500,000	**7,500,000**	3,750,000
Employees							
Rowen Colman	4-Apr-2013	25-Mar-2015	$0.0237	-	1,500,000	1,500,000	-
Anthony Poustie	4-Apr-2013	1-Feb-2015	$0.0239	-	2,000,000	2,000,000	-
				-	3,500,000	**3,500,000**	**-**
Total				**-**	11,000,000	**11,000,000**	3,750,000

Employee Share Acquisition Plan shares to Director
On 15 March 2013, 7,500,000 shares were issued to the Chief Executive Officer, as approved by shareholders at the general meeting held 13 March 2013. The shares were issued at 2.76 cents per share, being a 0.48% discount to VWAP, and a corresponding loan totalling $207,317.86 was entered into in accordance with the Caravel Employee Acquisition Plan as part of the Director's remuneration and having regard for his future contribution to the Company.

Summary of the key loan terms:
Loan amount: $207,317.86
Interest rate: 0%
Term of loan: unlimited
Vesting conditions 50%: remains eligible employee for 7 days from grant date
Vesting conditions for balance: remains eligible employee for one year from grant date
Subject to the conditions of the Caravel Employee Share Acquisition Plan as approved by shareholders on 13 March 2013

The loans become non-recourse, except against the shares held in trust for the participant, when the vesting conditions have been satisfied.

The fair value at grant date of $72,000 was calculated using the Black Scholes pricing model that took into account the following inputs:

- exercise price: $0.0276
- market price of shares at grant date: $0.028
- expected volatility of the Company's shares: 104%
- risk free interest rate: 2.72%
- time to maturity: 2 years
- expected dividend yield: nil

The value of the instruments 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 $34,770 for the year ended 30 June 2013.

22. SHARE BASED PAYMENTS (CONTINUED)

(i) Employee Share Acquisition Plan shares to employees

On 4 April 2013, 3,500,000 shares were issued to the employees at 2.37-2.39 cents per share, being a 2.05-2.73% discount to VWAP, and corresponding loans totalling $83,360.77 were entered into in accordance with the Caravel Employee Acquisition Plan as part of the employee's remuneration and having regard for their future contribution to the Company.

Summary of the key loan terms:

- Loan amount: $83,360.77
- Interest rate: 0%
- Term of loan: unlimited
- Vesting conditions 50%: remains eligible employee for one year from employment date
- Vesting conditions for balance: remains eligible employee for two years from employment date
- Subject to the conditions of the Caravel Employee Share Acquisition Plan as approved by shareholders on 13 March 2013

The loans become non-recourse, except against the shares held in trust for the participant, when the vesting conditions have been satisfied.

The fair value at grant date of $11,025 was calculated using the Black Scholes pricing model that took into account the following inputs:

- exercise price: $0.0237-$0.0239
- market price of shares at grant date: $0.024
- expected volatility of the Company's shares: 102%
- risk free interest rate: 2.72%
- time to maturity: 2 years
- expected dividend yield: nil

The value of the instruments 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 $2,608 for the year ended 30 June 2013.

(b) Options

3,400,000 unlisted options were granted under the Caravel Employee Option Scheme during the year ended 30 June 2013 (2012: 1,250,000). During the year ended 30 June 2013 1,585,000 options issued under the scheme were cancelled (2012: 375,000). The directors are not eligible to participate in this scheme. No options were issued to directors during the year ended 30 June 2013 (shareholders approved the issue of a total of 4,000,000 options to directors in 2012).

In addition, during the year ended 30 June 2013, 7,000,000 listed options were issued to an advisor of the Company (2012: 10,000,000 unlisted options). The options were issued for underwriting services provided to the Company. The options granted to the advisor have been valued by the advisor at $0.001 each as the fair value of services performed.

Also during the year ended 30 June 2013, 20,000,000 unlisted options and 135,000,000 shares were issued as part payment for acquisition of 100% of the issued shares in Quadrio Resources Pty Ltd (refer note 16).

Terms and conditions of each grant to directors, employees and consultant are described below. Modifications to grants during 2013 are detailed at (vii) below and no modifications to grants occurred in 2012.

(i) Terms and conditions of share-based payments

Terms and conditions of options granted during the year ended 30 June 2013

<u>Terms and conditions of Options granted to an Advisor</u>

- Each Option shall be issued for no consideration.
- Each Option entitles the holder to subscribe for one Share upon exercise.
- The exercise prices of the Options are $0.07.
- The Options are exercisable at any time prior to the Expiry Date.
- The Options expire on 15 June 2015.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- No application for quotation of the Options will be made by the Company.
- The Options are non-transferable.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules, which apply to the reconstruction at the time of the reconstruction.

22. SHARE BASED PAYMENTS (CONTINUED)

Terms and conditions of Options granted to Employees
- Each Option shall be issued for no consideration.
- Each Option entitles the holder to subscribe for one Share upon exercise.
- The exercise prices of the Options are $0.0295.
- The Options are exercisable at any time prior to the Expiry Date.
- The Options expire on 9 May 2015.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- No application for quotation of the Options will be made by the Company.
- The Options are non-transferable.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules, which apply to the reconstruction at the time of the reconstruction.

Terms and conditions of Options granted to Employees
- Each Option shall be issued for no consideration.
- Each Option entitles the holder to subscribe for one Share upon exercise.
- The exercise prices of the Options are $0.026.
- The Options are exercisable at any time prior to the Expiry Date.
- The Options expire on the earlier of 9 May 2014 or the date the employee ceases to be an employee of the Company because of retirement, voluntary cessation or mutual agreement of the Company and holder.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- No application for quotation of the Options will be made by the Company.
- The Options are non-transferable.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules, which apply to the reconstruction at the time of the reconstruction.

Terms and conditions of options granted during the year ended 30 June 2012

Terms and conditions of Options granted to a Director
- Each Option shall be issued for no consideration.
- Each Option entitles the holder to subscribe for one Share upon exercise.
- The exercise prices of the Options are $0.10.
- The Options are subject to vesting conditions and are exercisable at any time after vesting but prior to the Expiry Date.
- The Options expire on 28 February 2015.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- No application for quotation of the Options will be made by the Company.
- The Options are non-transferable.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules, which apply to the reconstruction at the time of the reconstruction.

Terms and conditions of Options granted to a Director
- Each Option shall be issued for no consideration.
- Each Option entitles the holder to subscribe for one Share upon exercise.
- The exercise prices of the Options are $0.20.
- The Options are exercisable at any time prior to the Expiry Date.
- The Options expire on 21 November 2014.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- No application for quotation of the Options will be made by the Company.
- The Options are non-transferable.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules, which apply to the reconstruction at the time of the reconstruction.

Terms and conditions of Options granted to a Director
- Each Option shall be issued for no consideration.
- Each Option entitles the holder to subscribe for one Share upon exercise.
- The exercise prices of the Options are $0.30.
- The Options are exercisable at any time prior to the Expiry Date.
- The Options expire on 21 November 2014.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- No application for quotation of the Options will be made by the Company.
- The Options are non-transferable.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules, which apply to the reconstruction at the time of the reconstruction.

22. SHARE BASED PAYMENTS (CONTINUED)

Terms and conditions of Options granted to Employees

- Each Option shall be issued for no consideration.
- Each Option entitles the holder to subscribe for one Share upon exercise.
- The exercise prices of the Options are $0.10.
- The Options are exercisable at any time prior to the Expiry Date.
- The Options expire on the earlier of 20 March 2015 or the date the employee ceases to be an employee of the Company because of retirement, voluntary cessation or mutual agreement of the Company and holder.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- No application for quotation of the Options will be made by the Company.
- The Options are non-transferable.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules, which apply to the reconstruction at the time of the reconstruction.

Terms and conditions of Options granted to an Employee

- Each Option shall be issued for no consideration.
- Each Option entitles the holder to subscribe for one Share upon exercise.
- The exercise prices of the Options are $0.10.
- The Options are exercisable at any time prior to the Expiry Date.
- The Options expire on the earlier of 25 March 2015 or the date the employee ceases to be an employee of the Company because of retirement, voluntary cessation or mutual agreement of the Company and holder.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- No application for quotation of the Options will be made by the Company.
- The Options are non-transferable.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules, which apply to the reconstruction at the time of the reconstruction.

Terms and conditions of Options granted an Employee

- Each Option shall be issued for no consideration.
- Each Option entitles the holder to subscribe for one Share upon exercise.
- The exercise prices of the Options are $0.10.
- The Options are subject to vesting conditions and are exercisable at any time after vesting but prior to the Expiry Date.
- The Options expire on 17 May 2015.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- No application for quotation of the Options will be made by the Company.
- The Options are non-transferable.

Terms and conditions of Options granted to Consultants

- Each Option shall be issued for no consideration.
- Each Option entitles the holder to subscribe for one Share upon exercise.
- The exercise prices of the Options are $0.175.
- The Options are subject to vesting conditions and are exercisable at any time after vesting but prior to the Expiry Date.
- The Options expire on 6 September 2013.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- No application for quotation of the Options will be made by the Company.
- The Options are non-transferable.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules, which apply to the reconstruction at the time of the reconstruction

(ii) 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 year:

	2012 No.	**2012 WAEP**
Outstanding at the beginning of the period	12,901,667	$0.38
Granted during the year	15,250,000	$0.16
Exercised during the year	-	-
Cancelled during the year	(4,166,667)	$0.32
Outstanding at the end of the period	23,985,000	$0.25
Exercisable at the end of the period	21,985,000	$0.27

22. SHARE BASED PAYMENTS (CONTINUED)

	2013 No.	2013 WAEP
Outstanding at the beginning of the year	23,985,000	$0.25
Granted during the year	30,400,000	$0.09
Exercised during the year	-	-
Cancelled during the year	(5,585,000)	$0.25
Expired or lapsed during the year	(3,000,000)	$0.46
Outstanding at the end of the year	45,800,000	$0.13
Exercisable at the end of the year	42,400,000	$0.14

(iii) Weighted average remaining contractual life

The weighted average remaining contractual life of the share options outstanding as at 30 June 2013 is 1.76 years (2012: 1.57 years).

(iv) Range of exercise prices

The range of exercise prices for options outstanding at the end of the year was $0026. - $0.75 (2012: $0.10 - $0.75).

(v) Weighted average fair value

The weighted average fair value of options granted during the year was $0.007 (2012: $0.16)

(vi) Option pricing model

Options granted as part of employee emoluments have been independently 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 ended 30 June 2013:

	2013	2012
Dividend yield (%)	**0%**	0%
Expected volatility (%)	**108%**	80%-85%
Risk free interest rate (%)	**2.42%**	2.39%-3.76%
Expected life of the option (years)	**1-2 years**	1.98-3 years
Option exercise price ($)	**$0.026-$0.030**	$0.10-$0.30
Share price at grant date ($)	**$0.015**	$0.045-$0.096

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.

(vii) Option modifications

On 28 June 2013, as a result of Rights Issue of one (1) Share for every three (3) Shares held at an issue price of $0.015, the exercise price of the following options were adjusted in accordance with the respective terms and conditions attached to the options:

Option Type	Exercise Price $	Expiry Date	New Exercise Price $
Listed Options	0.0700	15-Jun-2015	0.0692
Unlisted Options	0.7500	31-Aug-2013	0.7492
Unlisted Options	0.1750	06-Sep-2013	0.1742
Unlisted Options	0.4200	15-Dec-2013	0.4192
Unlisted Options	0.0260	9-May-2014	0.0252
Unlisted Options	0.2000	21-Nov-2014	0.1992
Unlisted Options	0.3000	21-Nov-2014	0.2992
Unlisted Options	0.0295	9-May-2015	0.0287

(c) Recognised share based payment expense in profit or loss	2013 $	2012 $
The expense recognised for director and employee services received during the year is shown in the table below:		
Expense arising from employee share plan acquisitions (a)	**37,378**	-
Expense arising from employee options issued (b)	**16,835**	361,255
Total share based payments	**54,213**	361,255

23. Financial Instruments

(a) 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 2.

	2013	2012
	$	$
(b) Interest rate risk		
At reporting date, the Group had the following financial assets exposed to interest rate risk:		
Cash and cash equivalents	**1,908,222**	2,505,165

None of the Group's financial liabilities are interest bearing. The weighted average interest rate of cash and cash equivalents is 2.5% (2012: 3.5%).

(b) 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.

(c) 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 9, is available for use by the Group without restrictions.

Financial liabilities (note 17) of the Group at 30 June 2013 and 30 June 2012 are expected to be settled within 6 months of year-end.

(d) Price Risk

The group is exposed to equity securities price risk. This arises from investments held by the group and classified as available-for-sale. 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.

(e) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2.

(f) Sensitivity Analysis

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 2013 and 2012, and represents management's judgement of a reasonably possible movement.

23. FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2013	Carrying Amount $	Interest Rate Risk -1% Net Loss $	Equity $	Interest Rate Risk +1% Net Gain $	Equity $
Financial assets					
Cash and cash equivalents	1,908,222	(19,082)	(19,082)	19,082	19,082

None of the Group's financial liabilities are interest bearing.

30 June 2012	Carrying Amount $	Interest Rate Risk -1% Net Loss $	Equity $	Interest Rate Risk +1% Net Gain $	Equity $
Financial assets					
Cash and cash equivalents	2,505,165	(25,052)	(25,052)	25,052	25,052

None of the Group's financial liabilities are interest bearing.

	2013 **$**	2012 $
24. COMMITMENTS AND CONTINGENCIES		
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
- not later than 1 year	**123,660**	151,820
- later than 1 year but not later than 5 years	**237,015**	-
	360,675	151,820

The property lease is a non-cancellable operating lease expiring on 31 May 2016, with rent payable monthly in advance. The lease allows for subletting of all lease areas with the consent of the lessee.

(b) Exploration commitments		
Estimated expenditures at reporting date, committed to but not provided for, including commitments to maintain rights of tenure to exploration tenements, being lease rentals and minimum expenditure obligations.		
Payable:		
- not later than 1 year	**1,297,544**	2,816,624
- later than 1 year but not later than 5 years	**-**	-
	1,297,544	2,816,624

(c) Contingencies

The Group has no contingent liabilities at reporting date.

25. REMUNERATION OF AUDITORS

The auditor of Caravel Minerals Limited is BDO Audit (WA) Pty Ltd.

Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
An audit or review of the financial reports of the Group	**42,153**	36,000
Valuation of options for notice of meeting	**-**	-
	42,153	36,000

26. 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 Note 2.

	Parent	
	2013	2012
	$	$
Current assets	**1,844,306**	2,515,034
Non-current assets	**4,187,469**	2,247,851
Total assets	**6,031,775**	4,762,885
Current liabilities	**568,675**	335,063
Non-current liabilities	**-**	-
Total liabilities	**568,675**	335,063
Contributed equity	**33,537,775**	25,208,512
Accumulated losses	**(30,359,300)**	(22,847,761)
Available-for-sale reserve	**(26,050)**	-
Converted option reserve	**10,239**	10,239
Share-based payment reserve	**2,300,436**	2,056,832
Total equity	**5,463,100**	4,427,822
Loss for the year from continuing operations	**(7,146,643)**	(5,191,752)
Loss for the year from discontinued operations	**(364,896)**	(217,136)
Other comprehensive income/loss for the year	**(26,050)**	-
Total comprehensive loss for the year	**(7,537,589)**	(5,408,888)

Guarantees in relation to subsidiaries

Caravel Minerals Limited has not issued any guarantees on behalf of subsidiaries.

Contingent liabilities

As at 30 June 2013 Caravel Minerals Limited has no contingent liabilities.

27. EVENTS OCCURING AFTER THE REPORTING PERIOD

On August 2013 the sale of mining tenements known as Bourkes, Abbotts and Yagahong at Meekatharra was concluded with Doray Minerals Limited. Total sale proceeds of $150,000 exclusive of GST reflects the carrying value of these non-current assets held for sale as detailed in note 12.

Other than the matter above, at the date of this report there are no other matters or circumstances which have arisen since 30 June 2013 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2013, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2013, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2013, of the Group.

Directors' Declaration
30 June 2013

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 Company are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2013 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 2013.

On behalf of the Board.

Marcel Hilmer
Executive Director & CEO

Perth,
29 August 2013

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CARAVEL MINERALS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Caravel Minerals Limited (formally Silver Swan Group Limited), which comprises the consolidated statement of financial position as at 30 June 2013, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 report.

Opinion

In our opinion:

(a) the financial report of Caravel Minerals Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates that the consolidated entity incurred a net loss of $7,555,741 during the year ended 30 June 2013. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the financial statements.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. 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.

Opinion

In our opinion, the Remuneration Report of Caravel Minerals Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

C Burton

Chris Burton
Director

Perth, Western Australia
Dated this 29th day of August 2013

ASX Additional Information

The shareholder information set out below was applicable as at 16 September 2013:

1. Twenty Largest Shareholders

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Shares

Name	No of Ordinary Shares Held	Percentage of Issued Shares
KINGSGATE CAPITAL Pty Ltd	135,000,000	26.89%
WARATAH INVESTMENT Ltd	22,266,057	4.44%
HSBC CUSTODY NOMINEES (AUSTRALIA) Ltd	17,631,288	3.51%
CARAVEL EMPLOYEE SHARE PLAN Pty Ltd	13,659,832	2.72%
IONA RESOURCES Ltd	13,333,333	2.66%
ARCHER David	11,428,571	2.28%
BROWN William Richard	10,304,460	2.05%
M & C HILMER SUPER FUND	10,000,000	1.99%
TAYLOR Nicholas Charles	9,625,000	1.92%
TAYLOR Nicholas Charles	8,375,008	1.67%
MBM INVESTMENT Pty Ltd	8,333,333	1.66%
KUBALE Graham	7,333,333	1.46%
EL PRADO HOLDINGS Pty Ltd	6,908,332	1.38%
HSBC CUSTODY NOMINEES (AUSTRALIA) Ltd CW Acct	5,073,828	1.01%
HILMER Celeste Leonie	4,881,387	0.97%
VITOR Pty Ltd	4,670,000	0.93%
GARRIDO INVESTMENT Pty Ltd	4,594,293	0.92%
QUIVIRA Pty Ltd	4,419,497	0.88%
POUSTIE Anthony & R M	4,216,666	0.84%
BROWN William Richard	3,695,000	0.74%
Total Top 20	305,749,218	60.92%
Others	196,240,549	39.08%
Total Ordinary Shares on Issue	501,989,767	100.00%

Listed Options – CVVO $0.07 Expiring 15 June 2015

Name	No of Listed Options Held	Percentage of Listed Options Issued
WARATAH INVESTMENT Ltd	11,133,029	18.59%
ARCHER David	5,714,285	9.54%
TAYLOR Nicholas Charles	4,812,500	8.04%
WATT Marilyn	4,613,556	7.70%
TAYLOR Nicholas Charles	2,952,062	4.93%
BRYCKI Christopher	2,750,000	4.59%
COTTON Ross & Danielle	2,500,000	4.17%
HAYMAN Peter James	2,000,000	3.34%
PARKER Ian M P & C S	1,712,500	2.86%
MZIMA SPRINGS Pty Ltd	1,500,000	2.50%
MEMORIAL Joseph Boampong	1,500,000	2.50%
ABN AMRO CLEARING SYDNEY	1,425,000	2.38%
ZANGARI Vince	1,375,500	2.30%
VECTOR NOMINEES Pty Ltd	1,100,000	1.84%
BRYCKI Mark W & N J	1,000,000	1.67%
HART Anna Carina & Paul	923,236	1.54%
GECKO RESOURCES Pty Ltd	900,000	1.50%
BIMEDENT Pty Ltd	750,000	1.25%
GOLDBONDSUPER Pty Ltd	712,500	1.19%
CLAPSY Pty Ltd	662,062	1.11%
Total Top 20	50,036,230	83.54%
Others	9,855,039	16.46%
Total Listed Options CVVO on Issue	59,891,269	100.00%

Listed Options – CVVOA $0.035 Expiring 31 May 2016

Name	No of Listed Options Held	Percentage of Listed Options Issued
IONA RESOURCES Ltd	13,333,333	11.50%
M & C HILMER SUPER FUND	10,000,000	8.62%
MBM INVESTMENT Pty Ltd	8,333,333	7.19%
LOCANTRO SPECULATIVE INV	8,000,000	6.90%
KUBALE Graham	7,333,333	6.32%
GARRIDO INVESTMENT Pty Ltd	4,500,000	3.88%
EL PRADO HOLDINGS Pty Ltd	3,713,332	3.20%
POUSTIE Anthony & R M	3,416,666	2.95%
ROWLEY FAMILY SUPER FUND	3,333,333	2.87%
VITOR Pty Ltd	3,333,333	2.87%
HILMER Celeste Leonie	3,333,333	2.87%
BRYCKI Mark W & N J	2,500,000	2.16%
ANCONA NOMINEES Pty Ltd	2,000,000	1.72%
A & R ASSETS Pty Ltd	2,000,000	1.72%
BROWN William Richard	2,000,000	1.72%
FERGUSON CORPORATION Pty Ltd	1,666,666	1.44%
ZOLTEK Pty Ltd	1,666,666	1.44%
DOOGARY INVESTMENT Pty Ltd	1,666,666	1.44%
SAFAR Michael	1,540,000	1.33%
BRYCKI Christopher	1,500,000	1.29%
Total Top 20	85,169,994	73.43%
Others	30,812,332	26.57%
Total Listed Options CVVOA on Issue	115,982,326	100.00%

2. DISTRIBUTION OF EQUITY SECURITIES

(a) Analysis of security by size holding as at 16 September 2013:

	Ordinary Shares		Listed Options CVVO		Listed Options CVVOA	
	Number of Security Holders	Number of Security Holders	Number of Securities Held	Number of Securities Held	Number of Security Holders	Number of Securities Held
1 – 1,000	45	7,260	7	4,956	6	2,739
1,001 – 5,000	66	213,674	17	50,286	8	27,172
5,001 – 10,000	124	1,151,481	9	67,663	4	34,166
10,001 – 100,000	371	17,975,012	31	1,291,188	24	995,596
100,001 – and over	332	482,642,340	51	58,477,176	65	114,922,653
	938	501,989,767	115	59,891,269	107	115,982,326

(b) Number of holders of unmarketable parcels – Ordinary shares

Unmarketable Parcels – 389

3. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the company's register at 16 September 2013 are:

Name	Number of Shares Held
KINGSGATE CAPITAL Pty Ltd	135,000,000
WARATAH INVESTMENTS Ltd	47,937,624

4. UNQUOTED SECURITIES

As at 16 September 2013, the following unquoted securities are on issue:

Unquoted Securities	Number on Issue	Number of Holders
$0.4192 Options expiring 15/12/2013	2,300,000	5
$0.0252 Options expiring 09/05/2014	1,480,000	7
$0.1992 Options expiring 21/11/2014	500,000	1
$0.2992 Options expiring 21/11/2014	500,000	1
$0.1000 Options expiring 28/02/2015	2,000,000	1
$0.0287 Options expiring 09/05/2015	1,480,000	7
$0.1000 Options expiring 26/03/2016	20,000,000	1
Total unquoted securities	28,260,000	

5. RESTRICTED SECURITIES

As at 16 September 2013, there are 137,000,000 shares and 20,000,000 unlisted $0.10 options expiring 26 March 2016 which are subject to escrow restrictions.

6. 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.

7. On-Market Buy Back

There is currently no on-market buy back program for any of Caravel Minerals Limited's listed securities.

8. Tenements

The following tenements were held at 30 June 2013:

Prospect Name and Location	Tenements	Ownership Interest
Abbotts (WA)	E51/913, E51/1043, E51/1277, E51/1278, M51/390, M51/566, M51/567, M51/656, M51/657, M51/658	100%
Bentley (WA)	E69/2656, E69/2885 (option to earn up to 70%)	0%
Bryah (WA)	E51/1290	70%
	E51/1344, E51/1369	100%
Bullock Pool (WA)	E70/2908, E70/3201	100%
Calingiri (WA)	E70/2788, E70/2789, E70/3547, E70/3674, E70/3680, E70/3755, E70/3881, E70/4327, E70/4328, E70/4329, E70/4330	100%
Kukerin (WA)	E70/2835, E70/2836, E70/2837, E70/2840, E70/3012	100%
Meekatharra East (WA)	E51/960, M51/530, M51/562, M51/563, M51/564, M51/565, M51/789, M51/831, M51/848, P51/2667, P51/2668, P51/2669, P51/2670, P51/2671, P51/2672, P51/2673, P51/2674, P51/2675, P51/2676, P51/2677, P51/2705, P51/2706, P51/2707, P51/2712, P51/2713	100%
Nanicup Bridge (WA)	E70/2910, E70/3754	100%
Perenjori (WA)	E70/2857	100%
Quinns (WA)	E51/903, E51/1157, E51/1310, E51/1432, M51/19, M51/72, M51/475, M51/476, M51/505, M51/527, M51/531, M51/532, M51/533, M51/534, M51/574, M51/642, M51/648, M51/730, M51/731, M51/732, M51/776, P51/2391, P51/2541, P51/2542, P51/2559, P51/2560, P51/2614, P51/2678, P51/2679, P51/2680, P51/2681, P51/2682	100%
Stakewell (WA)	L51/27, L51/28, L51/32, M51/368, M51/448, M51/449, M51/450, M51/552, M51/579	100%
Wongan Hills (WA)	E70/2343, E70/2796	80%
	E70/3430, E70/3431, P70/1576, P70/1593	100%
Wynberg (QLD)	EPM12409	100%
	EPM15627 (option to earn up to 80%)	0%