

Dear Shareholder

2 July 2019

PARTICIPATION IN PRO-RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE

We are pleased to inform you that Carnavale Resources Limited (**CAV** or the **Company**) is undertaking a 1:1 pro-rata non-renounceable entitlements issue (**Rights Issue** or **Offer**) of up to approximately 742,999,560 fully paid ordinary shares (**New Shares**) (together with one free attaching option (**New Options**) for every two New Shares subscribed for and issued) to raise up to approximately \$2,228,998. The price of the New Shares under the Offer is \$0.003 each. The Company lodged a prospectus for the Offer (**Prospectus**) with ASX and ASIC on 28 June 2019.

The Rights Issue will be open to existing shareholders of CAV with registered addresses in Australia and New Zealand.

If you are eligible to participate, you will receive a hard copy of the Prospectus, together with a personalised Entitlement and Acceptance Form soon after the despatch date of the documentation on 8 July 2019 — please refer to the timetable below. In calculating Entitlements, fractions will be rounded down to the nearest whole number.

The Rights Issue is not underwritten. The purpose of the Rights Issue is to raise approximately \$2,228,998 (before costs) which will be applied firstly to meet the expenses of the Rights Issue (\$40,979) and the remainder will be used to fund exploration on the Company's projects and for general working capital.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form.

Actions required for Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by the Company no later than 5.00pm (WST) on 19 July 2019;
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Company by no later than 5.00pm on 19 July 2019, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.003 per New Share); or

- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates of the Offer

The Company proposes to conduct the Rights Issue according to the following timetable:

Prospectus lodged with ASIC	28 June 2019
Shares trade "ex" the entitlements issue on ASX	3 July 2019
Record Date	4 July 2019
Despatch of Prospectus and Opening Date	8 July 2019
Closing Date	19 July 2019
Shares quoted on a deferred settlement basis	22 July 2019
Allotment of Securities and despatch of holding statements (deferred settlement trading ends)	26 July 2019

CAV reserves the right to extend the closing date, subject to the ASX Listing Rules, in which case the date of issue of the Securities will alter accordingly.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares and New Options, please contact your financial adviser or Paul Jurman, the Company Secretary, on +61 8 9380 9098.

Yours faithfully



Paul Jurman
Company Secretary