



18 August 2020

Ms Elizabeth Harris
Manager, Listings Compliance (Perth) ASX Limited
Level 40, Central Park, 152-158 St Georges Terrace
Perth WA 6000

ListingsCompliancePerth@asx.com.au

Dear Ms Harris

ASX AWARE QUERY

We refer to ASX's letter dated 14 August 2020 and the queries raised therein relating to the Company's announcement dated Tuesday, 4 August 2020 (the "Announcement"), disclosing that the Company had entered into a binding option agreement with Western Resources Pty Ltd to acquire 80% of the high-grade Kookynie Gold Project in Western Australia ("Information").

The Company responds as follows:

1. Does CAV consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes, the Company considers the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

2. If the answer to question 1 is "no", please advise the basis for that view.

N/A.

3. When did CAV first become aware of the Information?

On Monday 27 July 2020, representatives of CAV met with Bryan Alexander, owner of Western Resources Pty Ltd ("Vendor") who presented information concerning the Kookynie Gold Project in Western Australia. Following the meeting, CAV undertook high level technical due diligence on the tenements comprising the Kookynie Gold Project and commenced commercial negotiations with the vendor in the afternoon on Monday 27 July 2020. A formal offer was made to the Vendor in the late afternoon of Tuesday 28 July 2020. Following further discussion and correspondence, the parties agreed on commercial terms and executed a binding agreement option late in the evening of 28 July 2020.

4. If the answer to question 1 is "yes" and CAV first became aware of the Information before the Relevant Date, did CAV make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe CAV was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps CAV took to ensure that the Information was released promptly and without delay?

Negotiations with the Vendor were ongoing on Monday 27 July 2020 and Tuesday 28 July 2020 and a binding agreement capable of being announced to the ASX was not reached until late evening Tuesday 28 July 2020. Once negotiations had concluded with the Vendor and the binding option agreement was executed, CAV submitted a request for a trading halt to the quotation of its securities, which came into effect before the market opening on Wednesday 29 July 2020. CAV then prepared and finalised the Announcement whilst the Company's securities were in a trading halt and subsequently in a voluntary suspension prior to eventual lodgement of the Announcement with ASX on the Relevant Date (4 August 2020).



5. Please confirm that CAV is complying with the Listing Rules and, in particular, Listing Rule 3.1.

Yes, the Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that CAV's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CAV with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that the responses to the questions above have been authorised and approved by the Board.

Yours sincerely

Paul Jurman
Company Secretary



14 August 2020

Mr Paul Jurman
Company Secretary
Carnavale Resources Ltd

By email: jurmanp@crcpl.com.au

Dear Mr Jurman

Carnavale Resources Ltd ('CAV'): General – Aware Query

ASX refers to the following:

- A. CAV's announcement entitled "Carnavale acquires High Grade Gold Project - Kookynie" lodged on the ASX Market Announcements Platform on 4 August 2020 ('Relevant Date') ('Announcement'), disclosing that CAV had entered into a binding option agreement with Western Resources Pty Ltd to acquire 80% of the high-grade Kookynie Gold Project in Western Australia ('Information').
- B. The trading halt applied to CAV's securities on Wednesday 29 July 2020 and subsequent suspension of CAV's securities from official quotation on 31 July 2020. The securities of CAV were reinstated to official quotation on 4 August 2020 following the lodgement of the Announcement.
- C. The change in the price of CAV's securities from a low of \$0.0045 on Friday 24 July 2020 to an intraday high of \$0.006 on Tuesday 28 July 2020.
- D. The significant increase in the volume of CAV's securities traded from 24 July 2020 to 28 July 2020.
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*

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- *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed.”*
- H. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:
- “Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Request for information

Having regard to the above, ASX asks CAV to respond separately to each of the following questions and requests for information:

1. Does CAV consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did CAV first become aware of the Information?
4. If the answer to question 1 is “yes” and CAV first became aware of the Information before the Relevant Date, did CAV make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe CAV was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps CAV took to ensure that the Information was released promptly and without delay.
5. Please confirm that CAV is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that CAV’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CAV with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Tuesday, 18 August 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CAV’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CAV to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CAV's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CAV's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CAV's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CAV's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Elizabeth Harris
Manager, Listings Compliance (Perth)