

CARNAVALE RESOURCES

A.C.N 119 450 243

Shares:	256.7M
Options:	186.2M
Perf Shares:	42.0M
Cash:	\$1.2M (Jun 2015)
M.Cap	\$7.9M (@ \$0.031)

Directors

Ron Gajewski (Chairman)

Andrew Beckwith (MD)

Rhett Brans (NED)

Andrew Chapman (NED)

Carnavale Resources Limited is an exploration and development company based in Perth, Western Australia.

Carnavale has two highly prospective gold-silver-copper projects in Arizona and Nevada, USA.

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Diamond Drilling Programme Commences at Red Hills Project, Nevada

Carnavale Resources (CAV, the Company) is pleased to announce that preparations for the Phase 1 diamond drilling programme have now been completed and diamond drilling has commenced initially at the Cobra Prospect with subsequent drilling to occur at the Rattler Prospect. The attached presentation provides a summary of the proposed drilling programme.

- **5 diamond holes for total of 1,200 metres to test high grade poly-metallic mineralisation at the Cobra (3 holes) and Rattler Prospects (2 holes)**

The purpose of the 1,200m drilling programme is to test beneath the two high grade polymetallic (Au-Ag-Cu-Pb-Zn) targets defined at Cobra and Rattler which have been identified in previously reported mapping, detailed soil, rock chip and underground channel sampling.

At Cobra the diamond drilling will target immediate depth extensions to the recently reported high grade poly-metallic shear and breccia hosted Au-Ag-Cu-Pb-Zn mineralisation sampled in the historic underground stopes and is mapped up to 9m thick in the Cobra Thrust Fault (refer to ASX release dated 20 May 2015).

At Rattler drilling will target similar shear hosted mineralisation beneath the larger historic underground mine workings.

The programme is expected to take 30 to 45 days, with results to be released progressively.

Overall average grade

0.67g/t Au, 494g/t Ag, 1.1% Cu, 3.6% Pb, 3.4% Zn (~12g/t AuEq)

Breccia average grade

0.97g/t Au, 726g/t Ag, 1.6% Cu, 4.0% Pb, 4.8% Zn (~17g/t AuEq)

Andrew Beckwith, Managing Director comments:

"This will be an exciting programme as we will be drilling immediately below the high grade Au-Ag-Cu-Pb-Zn mineralisation sampled in the old underground stopes.

We expect to confirm and extend this known high grade mineralisation at depth and then move into the next Phase 2 programme of drilling which will be to test along strike with the aim of building a significant resource as quickly as possible."



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27 July 2015

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The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr Andrew Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Beckwith is a Director of Carnavale Resources Limited. Mr Beckwith 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 Resource and Ore Reserves". Mr Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Gold Equivalence (AuEq) calculation represents total metal value for each metal, assuming 100% recovery, summed and expressed in equivalent gold grade or ounces. The metal prices used in the calculation being US\$1,100/oz Au, US\$5,000/t Cu, US\$15/oz Ag, US\$2,100/t Zn and US\$1,800/t Pb.

The Gold Equivalent Formula is

AuEq (g/t) = Au(g/t) + 1.41Cu(%) + 0.013Ag(g/t) + 0.59Zn(%) + 0.51Pb(%) (Rounding errors may occur.)

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ASX:CAV

*Exploring: the art of finding
...and creating wealth through discovery*



Diamond Drilling Programme

Red Hills Project, Nevada

July 2015

Managing Director – Andrew Beckwith
www.carnavaleresources.com

Competent Persons Statement

The information in this report that relates to exploration results and exploration targets is based on, and fairly represents information and supporting documentation prepared by Mr Andrew Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Beckwith is a Director of Carnavale Resources Limited. Mr Beckwith 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 Resource and Ore Reserves". Mr Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward Looking Statement

This presentation has been prepared by Carnavale Resources Limited ("Carnavale" or the "Company") and should not be considered as an offer or invitation or inducement to subscribe for or the purchase of any securities in the Company. This presentation contains forecasts and forward looking statements. Such forecasts, projections and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied.

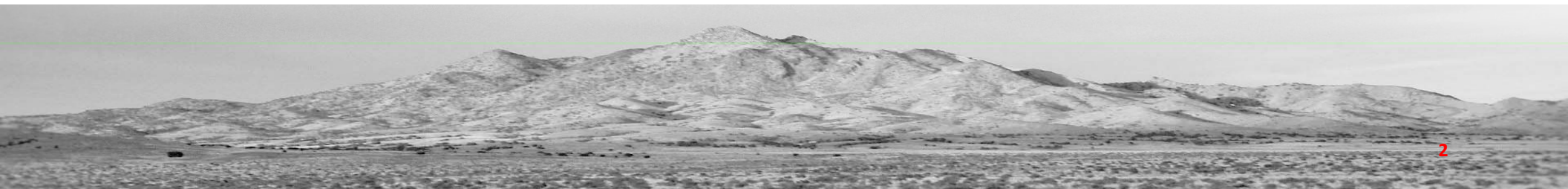
This overview of Carnavale does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company's prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

Gold Equivalence

Gold Equivalence (AuEq) calculation represents total metal value for each metal, assuming 100% recovery, summed and expressed in equivalent gold grade or ounces. The metal prices used in the calculation being US\$1,100/oz Au, US\$5,000/t Cu, US\$15/oz Ag, US\$2,100/t Zn and US\$1,800/t Pb.

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$$\text{AuEq(g/t)} = \text{Au(g/t)} + 1.41\text{Cu(\%)} + 0.013\text{Ag(g/t)} + 0.59\text{Zn(\%)} + 0.51\text{Pb(\%)} \text{ (Rounding errors may occur).}$$



Summary

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Diamond Drill testing Two High Grade Au-Ag-Cu-Pb-Zn Polymetallic Targets

- ✓ Programme of 5 holes for 1,200m commenced
- ✓ Proven High Grade Au-Ag-Cu-Pb-Zn from surface and in historic mines
- ✓ Right metals Au, Cu, Zn with very high Ag credits

Cobra – First 3 diamond holes immediately under high grade stopes in old workings

- ✓ Cobra Thrust average grade - 0.67g/t Au, 494g/t Ag, 1.1% Cu, 3.6% Pb, 3.4% Zn (**~12g/t AuEq**)
- ✓ Cobra Thrust Breccia zone - 0.97g/t Au, 726g/t Ag, 1.6% Cu, 4.0% Pb, 4.8% Zn (**~17g/t AuEq**)

Rattler - First 2 diamond holes under high grade shear zone and larger old workings

- ✓ Rattler Thrust average grade - 0.67g/t Au, 494g/t Ag, 1.1% Cu, 3.6% Pb, 3.4% Zn (**~4.5g/t AuEq**)
- ✓ Rattler Thrust Gossan zone - 0.97g/t Au, 726g/t Ag, 1.6% Cu, 4.0% Pb, 4.8% Zn (**~9g/t AuEq**)

Drill Programme

Rig on site and drilling

Aims

- ✓ **Define true width of mineralisation**, beneath historic mines
- ✓ **Define grade potential** of Au-Ag-Cu-Pb-Zn mineralisation
- ✓ **Provide continuity** of mineralisation at depth
- ✓ **Provide metallurgical samples** for recovery testwork

Programme

- **Phase 1 – “Low risk” Discovery diamond drilling**
 - ❖ **Cobra – vertical array of 3 holes for total ~700m on one section**
 - ❖ **Rattler – horizontal array of 2 holes for total ~500m over two sections**
 - ❖ **Metallurgical testwork once drilling completed**
 - ❖ **Phase 2 - Follow-up drilling as warranted based on positive results**

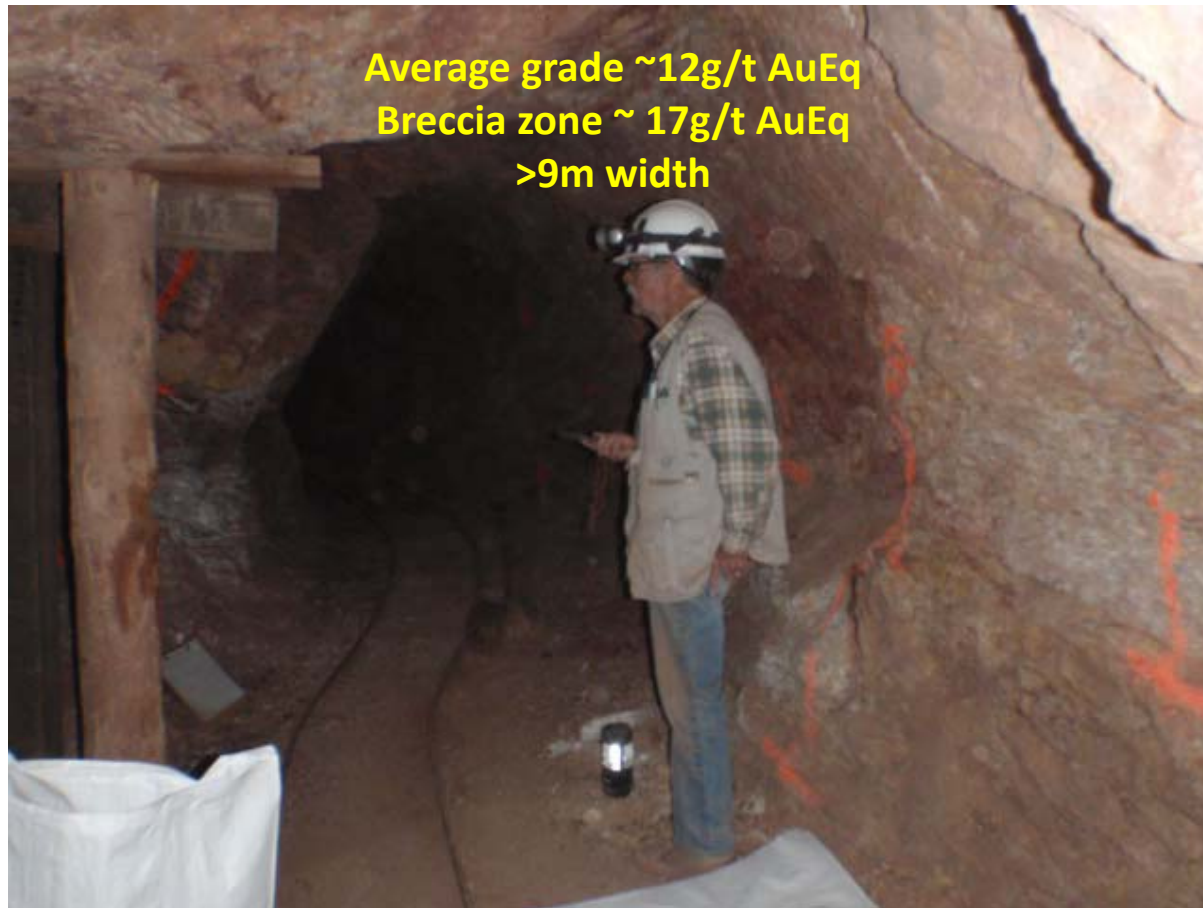
Cobra

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“Drilling immediately under high grade stopes”



Cobra

High grade historic stope sampling

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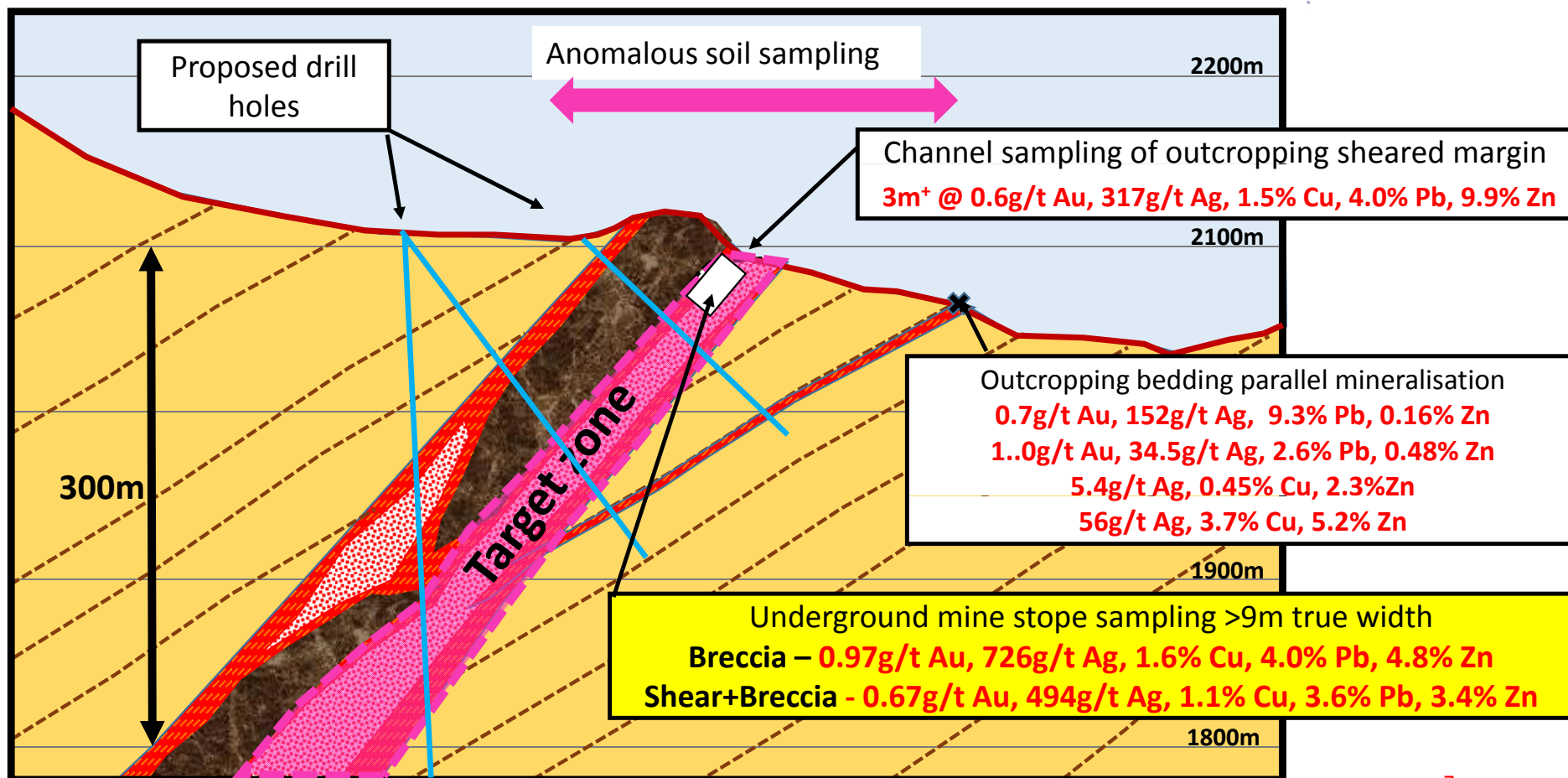
Breccia Zone Assay Results					
Au g/t	Ag g/t	Cu %	Pb %	Zn %	AuEq g/t ²
0.68	265	0.6	4.4	13.1	14.96
0.21	180	2.2	3.9	4.1	9.98
1.42	379	2.7	3.0	1.3	12.43
0.10	550	1.8	0.7	1.8	11.30
1.79	850	1.5	4.8	4.0	19.77
1.61	2130	1.0	7.1	4.4	36.91
Average Grade of Breccia Zone					
0.97	726	1.6	4.0	4.8	17.56
Average Grade of Cobra Thrust Fault					
0.67	494	1.1	3.6	3.4	12.46

Cobra – Drill Section

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Cobra

Breccia mineralisation

Breccia zone ~ 17g/t AuEq



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Cobra

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Shear mineralisation

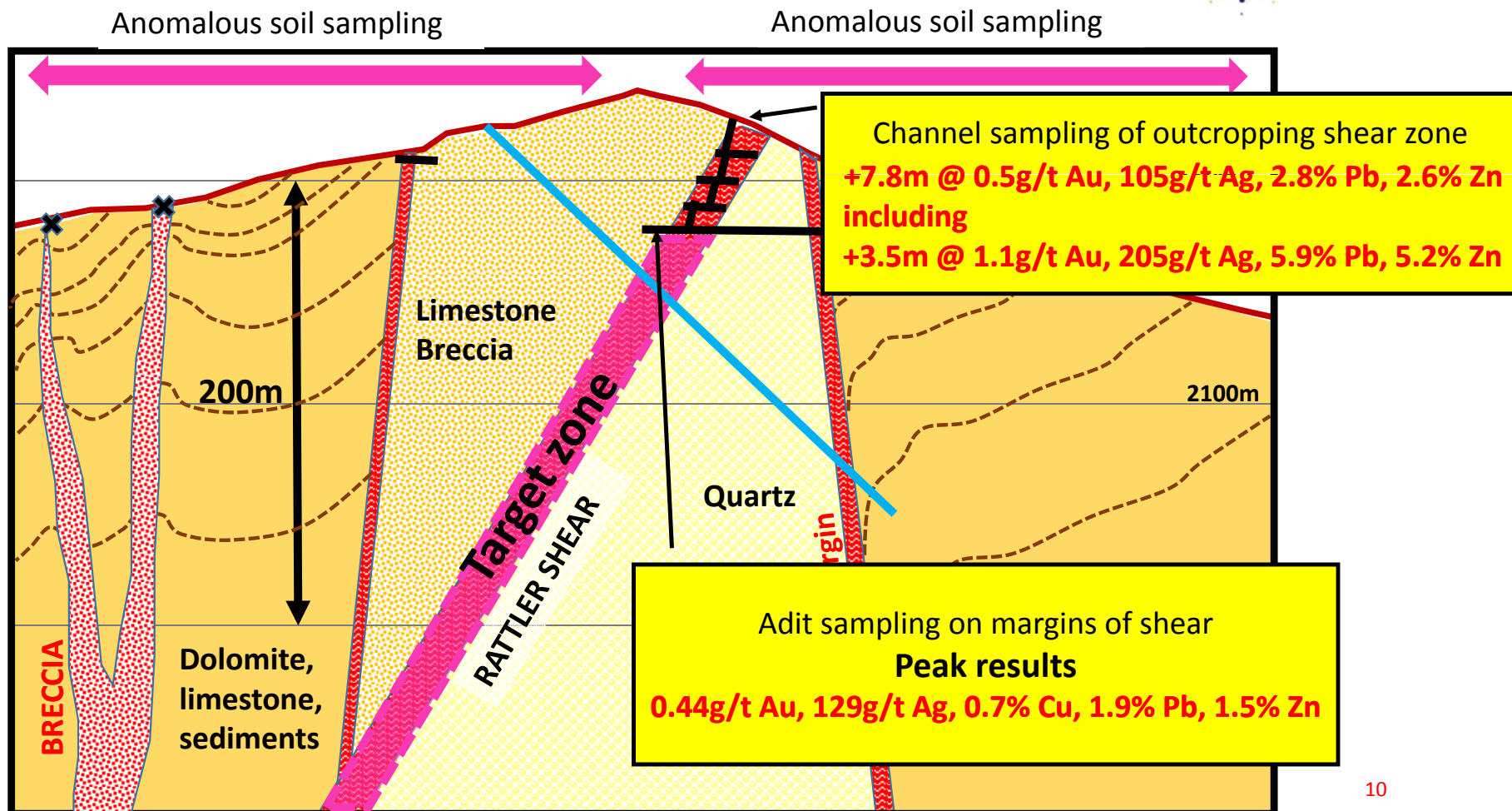


Rattler- Drill Section

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Rattler

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“Au-Ag-Cu-Pb-Zn breccia”



Red Hills – Grade Potential

Targeting similar sized and high grade orebodies

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Deposit	Status	Tonnes (Mt)	Au g/t	Ag g/t	Zn %	Pb %	Cu %	Calculated *AuEq g/t
Red Hills (CAV earning up to 75%)	Drilling now	??	0.67	494	3.4	3.6	1.1	12
Century (MMG)	Production	14*		36	9.8	1.5		6.9
Rosebery (MMG)	Production	5.7*	1.5	120	10.3	3.5	0.3	11
Golden Grove (MMG)	Production	Zn 1.6*	1.9	100	10.7	1.3	0.7	10.9
		Cu 4.6*	0.8	18	0.8	0.1	2.4	4.9
DeGrussa (Sandfire Resources)	Production	10.6*	1.3				3.5	6.2
Jaguar# (Independence Group)	Production	1.3*	0.8	154	10.1		1.8	10.8
Dugald River (MMG)	Development	24*		41	12.5	2.0		8.8
Woodlawn (Heron Resources)	Past prod, Dev	14	0.5	74	9.1	3.6	1.6	10.7
Thalanga*(Red River Resources)	Past prod, Dev	4	0.4	77	9.3	3.0	1.6	10.4
Hellyer-Que (Bass Metals)	Past production	>17	2.6	172	13.7	7.2	0.4	16.6
Teutonic Bore (Independence Group)	Past production	2.5	0.2	146	9.6	0.8	3.5	12.7

* Current company reported mine reserves. Data sourced from relevant company websites

News flow

Progressive drilling results

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	June	July	Aug	Sept	Oct
Corporate	Raised \$0.65M ✓	Drilling fully funded			
Red Hills	Drilling approvals and site prep ✓		<u>Drilling underway</u> Diamond drill test Rattler and Cobra		Met test work
			Progressive drilling results		
Little Butte	IP survey	✓ Survey complete, modelling, assessment and targeting in progress			

Corporate Snapshot

CARNAVALE RESOURCES LIMITED

ASX Code: **CAV**

Shares: **256.7M**

Range: **\$0.01 - \$0.045** (prev. 6 months)

Options: **186.2M** (@ \$0.03 Nov 2016)

Pf shares: **42M** (subject to resource hurdles)

Cash: **\$1.2M** (June 2015)

M. Cap: **\$7.9M** (@ \$0.031)

Directors and Officers

Ron Gajewski (Chairman)

Andrew Beckwith (MD)

Rhett Brans (NED)

Andrew Chapman (NED)

Paul Jurman (CS)



Chairman - Ron Gajewski

Mr Gajewski is an accountant by profession, with many years of experience as a director of public listed companies and as a corporate advisor to public companies.



Managing Director - Andy Beckwith

Mr Beckwith is a geologist and successful explorer whose past experience includes senior roles with Anglo Gold Ashanti, Acacia Resources, Normandy NFM, North Flinders, BP Minerals and more recently at Westgold Resources.



Non Executive Director - Rhett Brans

Mr Brans is a mining engineer with over 40 years of experience in project development of treatment plants and mine developments.



Non Executive Director - Andrew Chapman

Mr Chapman is a chartered accountant with over 20 years' experience with publicly listed companies in the mineral resources, oil and gas and technology sectors.

Red Hills Terms

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Tojo has right to earn 75% in Joint Venture with Columbus Gold Corp (TSX-V: CGT)

- \$2M to earn initial 51% within 3yrs (decision point)
- Additional \$7M to increase to 75% within further 4 yrs
- At 75%, Columbus has right to fund pro rata or revert to 2% NSR. Tojo has right to buy down to 1% NSR for \$2M
- 2nd vendor retains 2% NSR. Tojo has right to buy down to 1% NSR for \$2M.