



13 October 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](mailto:ListingsCompliancePerth@asx.com.au)

Dear Ms Harris

## PRICE AND VOLUME QUERY

We refer to your enquiry letter dated 9 October 2020 in relation to an increase in Carnavale Resources Limited's (CAV) share price from a low of \$0.011 on 5 October 2020 to a high of \$0.017 on 9 October 2020 as well as the increase in the volume of CAV's securities traded on 9 October 2020. Our responses are noted below.

*1. Is CAV aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?*

The Company is not aware of any information concerning it, that has not been announced and which, if known, may reasonably be regarded as an explanation for recent trading in the Company's securities.

*2. If the answer to question 1 is "yes".*

*(a) Is CAV relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in CAV's securities would suggest to ASX that such information may have ceased to be confidential and therefore CAV may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.*

N/A.

*(b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).*

N/A.

*(c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?*

N/A.

*3. If the answer to question 1 is "no", is there any other explanation that CAV may have for the recent trading in its securities?*

No, but CAV advises that on 11 September 2020 that it had commenced a RC and diamond drilling program targeting shallow (less than 400m) EM conductors at the Grey Dam Nickel Project.

CAV advises that the drilling program was completed on Wednesday 7 October 2020 and all samples have been sent to the laboratory for processing. CAV notes that the assay process has commenced but no results have been generated by the laboratory as of today.

There have been 7 batches of samples dispatched to ALS during the program. The first batch of samples was received by ALS at their Kalgoorlie facility on 13 September 2020 with the final batch submitted to ALS in Kalgoorlie on 8 October 2020.

CAV confirms that it has not received any results from the laboratory. CAV expects to receive the assay results from the laboratory within the next 4 weeks.

4. 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 ASX Listing Rules and, in particular, Listing Rule 3.1.

CAV ensures confidentiality and security of the samples by adopting the following procedure in conjunction with its contractors (who are bound by contractual confidentiality provisions):

- RC drill samples are collected by Company representatives in the field from the drill rig as the sample is created through a cone splitter. These samples are collected from the cone splitter in 1m and 2m numbered calico bags for analysis. Company representatives have custody of the samples which are then securely transported to the ALS Laboratory in Kalgoorlie.
- Diamond drill samples are produced by the drill crew and laid in core trays at the drill site. The core trays are collected by the Company representative daily and transported to the Company's secured premises in Kalgoorlie to be logged and sampled. The core is cut using a diamond saw and sampled at 1m intervals which are then securely transported to the ALS Laboratory in Kalgoorlie.
- At ALS, the samples are placed in sealed bulka bags for transport by registered courier to the ALS lab in Perth. The samples are stored at the secure ALS Facility in Perth before being booked in for sample preparation and analysis.

5. Please confirm that CAV's responses to the questions above have been authorised and approved under 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



9 October 2020

Mr Paul Jurman  
Company Secretary  
Carnavale Resources Limited  
Level 2, 389 Oxford Street  
MOUNT HAWTHORN WA 6016

By email:

Dear Mr Jurman

**Carnavale Resources Limited ('CAV'): Price - Query**

ASX refers to the following:

- A. The change in the price of CAV's securities from a low of \$0.011 on 5 October 2020 to a high of \$0.017 today.
- B. The significant increase in the volume of CAV's securities traded today.

**Request for information**

In light of this, ASX asks CAV to respond separately to each of the following questions and requests for information:

- 1. Is CAV aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
- 2. If the answer to question 1 is "yes".
  - (a) Is CAV relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in CAV's securities would suggest to ASX that such information may have ceased to be confidential and therefore CAV may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
  - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
  - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- 3. If the answer to question 1 is "no", is there any other explanation that CAV may have for the recent trading in its securities?
- 4. Please confirm that CAV is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 5. Please confirm that CAV's responses to the questions above have been authorised and approved under 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.

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### **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 **2:00 PM AWST Friday, 9 October 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, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, 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.

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Yours sincerely

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**Elizabeth Harris**  
Manager, Listings Compliance (Perth)