

CARNAVALE RESOURCES

A.C.N 119 450 243

Shares:	256.7M
Options:	186.2M
Perf Shares	42.0M
Cash:	\$1.2M June 2015
M.Cap	\$5.1M (@ \$0.02)

Directors

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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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Red Hills Drilling Update

Carnavale Resources (ASX: CAV) provides the following update on the ongoing diamond drilling programme at the Cobra and Rattler Prospects within the Red Hills project, located in eastern Nevada, USA.

The diamond drilling programme has advanced, albeit significantly slower than planned, with the first two holes completed at the Cobra Prospect and the third hole currently underway, for a total of 350m drilled to date.

Once the third hole is completed at Cobra the rig will be mobilized to the Rattler Prospect, which is expected to occur in the coming week. In an effort to speed up the drilling programme, the contractor is in the process of replacing the current rig with another more powerful diamond/RC rig.

At Cobra, the planned programme of three drill holes aims to test the down dip potential of previously reported high grade polymetallic mineralisation (average grade 0.67g/t Au, 494g/t Ag, 1.1% Cu, 3.6% Pb and 3.4% Zn) sampled in the nearby historic mining adit.

Geologically, the mineralisation in the historic adit is interpreted to be hosted in a north - west dipping shear zone associated with significant shearing and brecciation within a limestone and siltstone package of rocks.

The first two holes have now been completed, logged and sampled. Logging indicates a similar sequence of limestone and siltstone as expected however only minor shearing is evident. Analytical results of the first hole, 15RHD01, have now been received with no significant results obtained. Results for the remaining two holes 15RHD02 and 15RHD03 remain pending.

Additional drill holes are currently being considered to test alternative structural orientations or potential strong plunging shoot controls.



Cobra Prospect - Drill hole locations

Hole no.	Easting (m)	Northing (m)	Elevation(m)	Azimuth	Dip (°)	Depth(m)
15RHD01	727868	4391343	2109	146	-40	134.24
15RHD02	727868	4391343	2109		Vertical	125.75
15RHD03	727851	4391442	2104	160	-55	in progress

No significant results received from hole 15RHD01

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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.

Table 1 JORC Code, 2012 Edition – Surface sampling details

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sounds, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> All samples are cut half core continuous samples taken systematically down the entire length of the hole. Sample size is in 2-3.5kg range. The core is sampled on a nominal 1m basis of continuous half core with the entire hole sampled. Variations in length of sample occur when the geologists samples to a geological boundary. All analytic results have been completed at an industry acceptable commercial laboratory. All samples are dried, crushed with 1kg split from the crushed sample. This 1kg is then pulverized, analysed for gold using a 30gram charge by fire assay and ICP-AES finish plus 33 multi-element suite by four acid digest and ICP-AES finish. Additional analyses for high grade silver and associated gold are by Fire Assay Fusion, fire assay and gravimetric finish.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> All drilling is HQ diameter diamond core using triple tube. The core is orientated using a Coretell Multifunction Orientation Tool.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Core recovery is measured at each "core run" relative to depth drilled for that run. To date core recovery is considered very high and therefore sampling representative.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> The entire hole is geologically logged, photographed and basic geotechnical logging completed prior to cutting and sampling on site and at the company's facilities. The sampling is considered suitable for resource estimation.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	<ul style="list-style-type: none"> The entire hole is cut in half with sampling of the entire half cut core on a nominal 1m basis. . Samples were cut and bagged on site for transportation to the laboratory. Industry prepared and certified standards are submitted with each batch of samples on a minimum of one per 20 samples. The samples were in the control of the company

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>or laboratory personnel at all times or in locked secure premises.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Assay techniques are appropriate for the style of mineralisation targeted. Reputable independent industry commercial laboratory was utilized for all samples Quality control measures are considered satisfactory for this style of sampling. Laboratory standards and blanks have been used. Industry prepared and certified standards are submitted with each batch of samples. All standard sample results are compared to the certified results prior to acceptance of the laboratory results.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> All samples are from diamond drill core Field and logging data was collected, checked and entered into a digital database in the Perth office Digital independent laboratory assay data was sent to the Perth office, checked and merged with the field data and stored in a digital database No adjustments have been made to the original laboratory data.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All drill holes are located by hand held GPS to an accuracy of +/- 3m. Locations are recorded in UTM (NAD 27 Zone 11) Downhole lengths are measured using tape measures.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The downhole sampling is continuous and therefore considered appropriate and representative. The data is considered satisfactory for use in a resource calculation if required in the future.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The sampling of the core is considered appropriate for the style and orientation of bedding and structures.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were delivered direct to the independent laboratory by company personnel/consultants. Core logging and sampling has been completed

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		in the Company facility which is secured and locked at all times.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Final field and assay data is checked and assessed by geologist in Perth office and on site in the field. Company geologist has reviewed and completed a tour of the laboratory and their systems in Reno, USA.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The property is under a joint venture agreement whereby Carnavale has the right to earn an initial 51% via \$2M expenditure within a total of 3 years and may elect to earn an additional 24% (total 75%) via additional \$7M expenditure in a further 4 years. Vendors retain combined 4% net smelter royalty on production, with Carnavale having the right to purchase up to 2% NSR for \$1M per 1% The sample results occur within unpatented claims in Nevada, USA The area is managed by the Bureau of Land Management (BLM), a government body. Future drilling and any mining will require approval from the BLM and other regulatory bodies
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Carnavale and joint venture partner Cordex Exploration (and related party Columbus Gold) has completed and reported prior surface soil, rock chip sampling and geophysical surveys. 10 historical open hole drill holes have been discovered in the project area, however no record of this work has been discovered to date
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The deposit style is currently unknown, however mineralization targeted is Carlin style (Au-Ag) and shear zone hosted Au-Ag and base metals.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> The details and location of the drill holes is listed in the report
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short 	<ul style="list-style-type: none"> All assay data is uncut continuous half core.

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	<p><i>lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> All samples are down hole lengths
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> No significant results
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> The report provides geological context to the sampling. .
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> Previous geological mapping of the nearby workings has been undertaken
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Further work is defined in the report and includes additional proposed diamond drilling to test for mineralisation Additional drilling beyond the currently proposed drilling will be required to undertake a resource estimate.