

QUARTERLY ACTIVITY REPORT

For the period ended 31 March 2015

Carnavale is pleased to report on exploration activities completed during and subsequent to the period on its Red Hills and Little Butte projects located in eastern Nevada and western Arizona USA, respectively.

Highlights

- **Two significant resource targets defined at Red Hills with initial drill testing planned for June.**
- **Mapping of historic Rattler and Cobra underground workings highlights both deposits associated with a major thrust fault setting with past mining along multiple lodes and confirms the large scale nature of the targets.**
 - **At Cobra, mining occurred over the entire 123m long adit with stopes up to 8m wide along a north west dipping brecciated and sheared fault zone**
 - **At Rattler, three different lodes have been mined with the main lode defined along a strongly sheared margin between a dolomitic breccia and a massive and highly fractured quartz unit with stopes up to 10m wide.**
 - **Visible copper oxides (malachite and azurite) noted in both underground workings with sample results expected in the next two to three weeks**
- **Recent soil sampling results potentially double the Rattler Shear Zone Target from 550m to over 1,100m**
- **Carnavale secured joint venture and option rights to copper-gold-silver projects in USA with completion of acquisition of Tojo Minerals Pty Ltd.**

Planned exploration activities for the period to June 2015 includes:

Red Hills

- **Results of underground adit sampling**
- **Commencement of diamond drilling at Rattler and Cobra targets**

Little Butte

- **Completion of Dipole-Dipole IP survey**

CARNAVALE RESOURCES

(A.C.N 119 450 243)

ASX Code: **CAV**

Shares: 223.7M

Options: 166.5M

Perf Shares 42.0M

Cash: \$0.95M (Mar 2015)

M.Cap \$3.8M (@ \$0.017)

Directors

Ron Gajewski (Chairman)

Andrew Beckwith (MD)

Klaus Eckhof (NED)

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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Carnavale Resources Ltd (ASX: CAV) is pleased to report on exploration activities completed during and subsequent to the period to 31 March 2015.

RED HILLS PROJECT, NEVADA

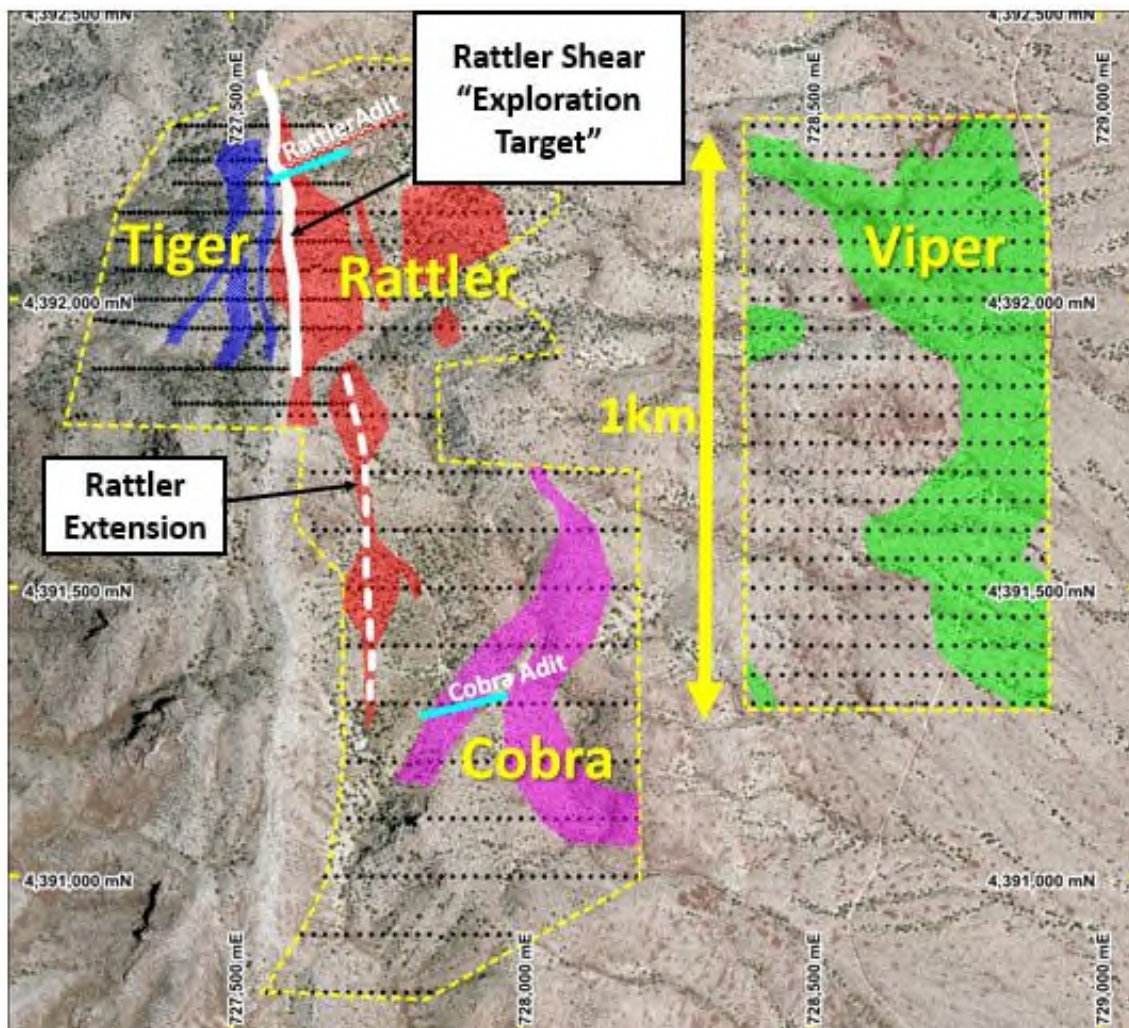
(Joint Venture rights to earn up to 75%)

Soil Sampling

The Company has recently finalised and reported on 1,247 detailed soil samples over the higher priority areas of the four main anomalies at Rattler, Cobra, Tiger and Viper. (refer to ASX release dated 20 April 2015)

The soil results are considered very encouraging and enhance both exploration targets at Rattler and Cobra plus have defined substantial zones at Tiger coincident with numerous old workings. The Viper results provide more subtle anomalies and further work in this area is currently being planned to determine the relevance of the anomalies.

Figure 1 Rattler Shear Zone and Rattler Extension to the south, also showing Tiger, Cobra and Viper priority anomalies.





The soil sampling results over the mapped Rattler Shear Zone confirm highly anomalous results over a potential strike length of at least 500m coincident with the mapped Rattler Shear Zone and to a maximum width of 150m downslope from the shear zone. Peak results include 145ppb Au, 76.5g/t Ag, 0.2% Zn and 1.0% Pb.

Encouragingly, additional potential is now defined by a gold anomaly that is slightly displaced to the east from the interpreted Rattler Shear Zone and continues for another 650m further along strike to the south into the Cobra area. This new gold extension suggests the Rattler Shear may now be double than first thought and extend over 1,100m in total.

Additional soil anomalies occur further to the east associated with a laminated siltstone sequence with further extensional and infill work required to fully define and understand this added potential in this area.

At Cobra, the soil sampling has highlighted a bifurcating zone approximately 650m long and up to 100m wide with a peak of 67ppb Au, 8.8g/t Ag, 0.26% Zn and 0.44% Pb and associated with a number of historic workings including the larger adit and highly elevated outcrop sampling (Figure 1).

Field inspection of the anomaly together with the underground sampling indicates the anomalous soil results are associated with a significant north west dipping thrust fault together with a zone of bedding parallel mineralisation plus lesser east-west trending structures. Historical mining has occurred on all three styles of mineralisation with the most significant mining occurring along the major north-west dipping thrust fault.

The detailed soil sampling over the Tiger prospect area shows three sub-parallel trends, two 400m long and the third 200m long and semi-coincident with a series of historic workings and also a small parasitic fold. Peak results include 169ppb Au, 37.4g/t Ag, 248ppm Zn and 612ppm Pb. Importantly, the Tiger anomalies are sub-parallel to the main Rattler Shear Zone and range from only 60m to 300m to the west (Figure 1).

Systematic sampling over the Viper Target has defined a more subtle series of multi-element "Carlin style" anomalies. The main anomalous trend strikes approximately 1km long in a north-south orientation and is interpreted to reflect an anomalous contact zone between the Pogonip and lower Notch Peak stratigraphic units under thin carbonate rich soils. This stratigraphic contact is an important target as strong "Carlin style" gold mineralisation occurs in this position at the Long Canyon gold deposit. Further assessment of this area is required to fully understand the potential of this area.

Underground Mapping and Sampling

The company has just completed a programme of mapping and sampling of historic underground workings at Cobra, Rattler and Tiger. The mapping of these workings has been very informative and confirms the potential for large scale multi-commodity deposits. The samples have been submitted and results are anticipated in two to three weeks.

Overall, the mapping clearly shows strong structural controls on all the styles of mineralisation and previously mined lodes. The mineralisation is strongly associated with a large regional scale thrust fault system where multiple lodes are evident in thrust splays, breccia and sheared contacts.

Rattler is host to the largest workings with past mining occurring along three lodes. The adit cuts perpendicular across the lodes with the first footwall lode occurring along a 2-3m wide sub-vertical sheared contact between flat west dipping sediments and a 60m thick quartz unit. The second lode is along an oblique structure (1-2m wide) within the massive 60m thick quartz unit and the final and largest lode is along the sheared contact between the thick quartz unit and a massive dolomite

breccia. This third “main lode” has been extensively mined along strike however only approximately 60m was able to be accessed and mapped due to the drive and associated stopes having collapsed along strike in both directions. The steep dipping stopes occur along this contact and into the breccia where widths up to 10m were observed. Visible copper oxides (malachite and azurite) are evident in the stopes and along the contact.

This “main lode” is interpreted to represent the well mineralised zone sampled at surface (50m vertically above) where previously reported channel sampling yielded **7.8m+ wide zone grading 0.52g/t Au, 105g/t Ag, 2.6% Zn, 2.8% Pb (4.5g/t AuEq²) including 3.5m+ @ 1.1g/t Au, 205g/t Ag, 5.2% Zn, 5.9% Pb (9.2g/t AuEq²)**. Importantly, visible copper mineralisation is seen in the stopes however only anomalous copper is reported in the surface sampling.

At Cobra, past mining has occurred within an adit 123m long at the base of a heavily altered and deformed massive dolomite unit. The mineralisation is hosted by a north west dipping thrust splay ramping up through the sediment package with significant shearing and breccia development. Visible copper oxides (malachite and azurite) are variably noted along the workings and correlate with the previously reported surface channel sampling which yielded **3.0m+ @ 1.5% Cu, 0.6g/t Au, 317g/t Ag, 9.9% Zn, 4.0% Pb (14.7g/t AuEq²)** adjacent to the adit entrance.

Two smaller adits and associated workings were also mapped and sampled at Tiger, immediately west of the Rattler Shear Zone. These workings are centred on a zone of north south trending structures similar and parallel to the Rattler trend. The mineralisation is interpreted to be hosted by a pair of parallel shears with smaller “ladder structures” linking between the bounding shears within a dolomitic breccia.

Sampling of all the workings has been completed where access was considered safe, with results expected in the next two to three weeks.

Two Immediate Exploration Targets¹

The Rattler Exploration Target¹ has been identified along the Rattler Shear Zone with a potential tonnage range of 2.3Mt to 9.6Mt at a potential grade range of 0.5-1.1g/t Au, 105-205g/t Ag, 2.6%- 5.2% Zn, 2.8%-5.9% Pb (4.5g/t to 9.2g/t AuEq). This target at the nominated potential tonnage and grade ranges represents an excellent and immediate high priority drill target.

2.3Mt @ 4.5g/t to 9.2g/t AuEq² (330,000 to 680,000oz AuEqOz)¹

9.6Mt @ 4.5g/t to 9.2g/t AuEq² (1,390,000 to 2,800,000oz AuEqOz)¹

¹ *Please note the Exploration Targets referred to in this report are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. (Refer to Appendix 1 for further information).*

The Cobra Exploration Target¹ has been identified along the Cobra Shear Zone with a potential range of 2.5Mt to 9.6Mt at a grade range of 0.5-0.6g/t Au, 105-317g/t Ag, 2.6-9.9% Zn, 2.8-5.9% Pb, 0-1.5% Cu (4.5g/t to 14.7g/t AuEq²). This target at the nominated potential tonnage and grade ranges represents an additional and immediate high priority drill target.

2.5Mt @ 4.5g/t to 14.7g/t AuEq² (360,000 to 1,180,000oz AuEqOz)¹

9.6Mt @ 4.5g/t to 14.7g/t AuEq² (1,390,000 to 4,540,000oz AuEqOz)¹

¹ *Please note the Exploration Targets referred to in this report are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. (Refer to Appendix 1 for further information).*



LITTLE BUTTE PROJECT, ARIZONA

(Option to earn 100%, subject to a royalty)

Railway Prospect

During the period, the company reported on RC drilling completed in the previous December quarter (refer to ASX release dated 13 January 2015).

The results of the drilling confirmed broad extensions to the large blanket of secondary oxide gold and copper mineralisation at the Railway prospect, however only limited zones of higher grade material was defined. The bulk of the mineralisation occurs as flat lying, low grade and partially overlapping zones of supergene gold and copper with more substantial zones listed below:

7.6m @ 2.57g/t Au, 0.14% Cu from 10.7m (2.82g/t AuEq)

12.2m @ 0.60g/t Au, 0.08% Cu from 29m (0.73g/t AuEq)

70.1m @ 0.22g/t Au, 0.18% Cu from 12.2m (0.52g/t AuEq)

45.7m @ 0.73g/t Au, 0.24% Cu from 10.7m (1.15g/t AuEq)

62.5m @ 0.43g/t Au, 0.12% Cu from 25.9m (0.61g/t AuEq)

Higher grade gold and/or copper zones all occurring within the broader lower grade supergene RC drilling intercepts included: 3m @ 6.07g/t Au, 1.5m @ 3.49g/t Au, 1.5m @ 2.21% Cu, 1.5m @ 17.25g/t Au and 1.65% Cu, 1.5m @ 2.78g/t Au, 7.6m @ 1.74g/t Au, 1.5m @ 1.52g/t Au, 3m @ 1.51g/t Au, 1.5m @ 2.32g/t Au and 1.5m @ 1.51g/t Au.

Assessment of the current data suggests the supergene blanket represents the remnant weathered portion of a primary higher grade deposit occurring below the weathering profile. A portion of the higher grade oxide gold mineralisation is hosted by a highly altered hematite rich breccia and coincident with a shallow chargeability IP anomaly. Assessment of this earlier data suggest the survey is only testing shallow depths and a new survey using a new configuration is required to test for the breccia in the fresh bedrock.

A new dipole dipole IP survey has been commissioned with the contractor mobilising this week. An initial three lines are planned with additional lines contingent upon receiving positive results in the first three lines.

PROPOSED EXPLORATION ACTIVITIES

Exploration activities for the June 2015 quarter are to be focussed on preparation and commencement of the diamond drilling programme to test the Rattler and Cobra mineralised systems and to complete the Little Butte dipole dipole IP survey.

Results of the recently completed adit sampling are anticipated in the next two to three weeks.



CORPORATE

At 31 March 2015, the Company's cash position was \$0.95M, with no debt.

During the quarter, the Company completed the acquisition of Tojo Minerals Pty Ltd (Tojo). Carnavale issued Tojo shareholders 21M fully paid shares and 42M performance shares, which will have the right to convert to up to 42M fully paid shares in Carnavale upon the successful completion of the resource based performance milestones. (refer to ASX release "Option to Acquire Gold-Silver-Copper projects in USA", dated 30 July 2015").

On 31 March 2015, Mr. Andrew Chapman joined the Board of Carnavale. The appointment was a condition of the acquisition of Tojo Minerals Pty Ltd and supports the new growth strategy of the Company.

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Carnavale Resources Ltd

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Peter Taylor

Investor Relations

NWR Communications

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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.

Appendix 1**Note 1 Exploration Targets**

Red Hills has previously supported historic underground mining at a number of locations but the most substantial and majority occur at the Rattler, Cobra and Tiger prospect areas. Government reports (USGS) are very limited however the reported production from the Red Hills area is quoted as 229 ounces of gold, 35,029 ounces of silver, 550 pounds of copper and 789,782 pounds of lead, mined during the period 1908-1918. There is a report which suggests the grade of the lead rich ore was in excess of 20% Pb. However it is assumed this grade and the quoted mine production would have been Pb+Zn combined not just Pb. This high grade lead, (zinc), copper, silver and gold rich ore occurs as outcropping gossans and was mined via shafts and underground stoping and extracted through horizontal adits in the Red Hills area. No detailed mining records have been found to date.

The Rattler and Cobra exploration targets are based on the following:

<i>Rattler Lower range</i>	<i>250m strike x 7.8m width x 300m depth x SG of 4 for massive sulphides = 2.3Mt</i>
<i>Rattler Upper range</i>	<i>400m strike x 20m width x 300m depth x SG of 4 for massive sulphides = 9.6Mt</i>
<i>Cobra Lower range</i>	<i>2 shears zones each 400m strike x 4m width x 200m depth x SG of 4 for massive sulphides = 2.5Mt</i>
<i>Cobra Upper range</i>	<i>2 shears zones each 600m strike x 10m width x 200m depth x SG of 4 for massive sulphides = 9.6Mt</i>

Carnavale has undertaken detailed mapping, continuous channel sampling across a portion of the poorly outcropping mineralised shear zones

At Rattler the continuous channel sampling occurred near the entrance to one of the many vertical shafts at Rattler. A number of shafts occur along the Rattler shear zone for approximately 250m strike length and an historic adit is located approximately 50 vertically below the shafts. This horizontal adit was used to extract the ore from the sub-vertical shear zone via typical underground operations of that era (early 1900's).

The detailed channel sampling was undertaken on a nominal 0.5m basis perpendicular to the strike of mineralisation and therefore represents a good approximation of the true width of the ore zone at this point along the shear zone. This width remains open as the sampling stopped due to a lack of outcrop due to scree material on the steep slope. Mineralisation is evident approximately 12m to the east in siliceous rock which is interpreted to represent the eastern silicified margin of the shear. The west margin is not yet defined however another silicified rock outcrop occurs to the west (~10m), suggestive of the shear zone greater than 20m width. Geological mapping indicates the shear zone occurs over approximately 2km strike length however there is strongest development over approximately 500m strike at the Rattler prospect area and this is additionally supported by highly anomalous rock chip samples taken sporadically along the shear zone. The depth of the mineralised system is unknown however based on the elevations of the shafts and the lower extraction adit at least 50 vertical metres has been historically mined at the Rattler mine workings.

Geological and geophysical interpretations suggest a deep (>1.2km) intrusion at depth. This intrusion is considered the source of the mineralising fluids and the shear zones represent the fluid pathways. The estimation depth of 300 vertical metres is considered a realistic (and not overly optimistic) assumption based on the scale of the structures mapped and depth to the intrusion

At Cobra, the mineralisation is hosted in an interpreted flatter west dipping shear zone that bifurcates around a massive highly altered and deformed dolomite unit. Where the shear zone separates into two zones extensive mining and adit development has occurred similar to the Rattler mining area. Channel sampling near the adit has provided a minimum width of 4m. The shear zone and related iron rich alteration is mapped over far wider zones up to 30m wide and 900m in strike length. Additional small workings and shafts occur on narrow high grade massive sulphide zone which are interpreted to represent smaller and narrower splays in the footwall to the major shear and parallel to bedding. This potential has not been included in the Exploration Target calculations.

The density (SG) assumed is equal to 4, based on massive sulphide mineralisation noted and other deposits of a similar nature.

Note 2 Gold Equivalence

The Gold Equivalence 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\$1100/oz Au, US\$5000/t Cu, US\$15/oz Ag, US\$2100/t Zn and US\$1800/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.)

Appendix 2

Carnavale Resources Limited (ASX:CAV) provides the following addendum to the March 2015 Quarterly Activities Report lodged with the ASX on 30 April 2015 in relation to additional information required by Listing Rule 5.3.3.

Schedule of Mining Tenements, Beneficial Interests and agreements

Held as at the end of the March 2015 Quarter

Project/Location	Country	Tenement	Percentage held/earning
Red Hills Project - Nevada	USA	Red 4,6,8,10,12,14, 16,18, 20-48,50-65,74- 82,86-91,95-124	0% held ³

³ Carnavale, through 100% owned subsidiary Tojo Minerals Pty Ltd (Tojo), holds joint venture earn-in rights with Columbus Gold Corporation whereby Tojo has the right to initially earn 51% of the project tenements via expenditure of US\$2M over a period of three years from the execution date of 15 August 2013. Tojo has the additional right to elect to earn an additional 24% (total of 75%) via additional expenditure of US\$7M over a further period of 4 years from this election. Expenditure thereafter is on a pro rata basis with dilution clauses standard in this type of agreement. The project has an underlying 2% Net Smelter Royalty (NSR) to a third party. The agreement has the right for Tojo to purchase 1% of the third party NSR for US\$2M.

Project/Location	Country	Tenement	Percentage held/earning
Little Butte Project - Arizona	USA	Ben 1-9, 10A,11-98, Loma 2,4,5,7,9-12, Locher Ent. 1-4, Smoke Hole 3-5,8,11, Little Butte Ext 2-4, Dollie W, Jaguar, Paradise #2, Paradise, Paradise #1, Paradise Extension, Llano	0% held ⁴

⁴ Carnavale, through 100% owned subsidiary Tojo Minerals Pty Ltd (Tojo), holds a Property Option Agreement with MinQuest Inc, whereby Tojo has the right to earn 100% of the project tenements via expenditure of US\$6M over a period of ten years from the execution date of 31 July 2013, subject to a retained 3% Net Smelter Royalty (NSR) by MinQuest.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

CARNAVALE RESOURCES LIMITED

ABN

49 119 450 243

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(183)	(829)
(b) development	-	-
(c) production	-	-
(d) administration	(93)	(351)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	28
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other –	-	-
Net Operating Cash Flows	(269)	(1,152)
Cash flows related to investing activities		
1.8 Payment for purchase or renewal of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – opening cash on acquisition of Tojo	98	98
Net investing cash flows	98	98
1.13 Total operating and investing cash flows (carried forward)	(171)	(1,054)

1.13	Total operating and investing cash flows (brought forward)	(171)	(1,054)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	520
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue expenses	-	(20)
	Net financing cash flows	-	500
	Net increase (decrease) in cash held	(171)	(554)
1.20	Cash at beginning of quarter/year to date	1,154	1,528
1.21	Exchange rate adjustments to item 1.20	12	21
1.22	Cash at end of quarter	995	995

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	101
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	A\$'000
Directors fees, consultancy charges and remuneration	86
Accounting , occupancy, secretarial and legal expenses	15

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Settlement and completion of the transaction to acquire a 100% interest in the share capital of Tojo Minerals Pty Ltd (“Tojo”), which has rights to acquire two highly prospective gold-silver-copper projects in Arizona and Nevada, USA was completed in March 2015. The total consideration paid by the Company on settlement was:

- Issue of 21,000,000 fully paid ordinary shares.
- Issue of 42,000,000 Performance shares, which will have the right to convert to up to 42M fully paid shares in Carnavale upon the successful completion of the resource based performance milestones.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	120
Total	220

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	495	354
5.2 Deposits at call	500	800
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	995	1,154

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed *		-	-
6.2	Interests in mining tenements acquired or increased		-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	223,785,348	223,785,348		
7.4 Changes during quarter				
Issue of Shares – Tojo Acquisition	21,000,000	21,000,000	<i>Non-cash</i>	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options and Performance Rights <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Unlisted options Issued during quarter	166,458,836	-	<i>3 cents</i>	<i>30 Nov 2016</i>
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled/Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		
7.13 +Performance Shares A Class Performance Shares	21,000,000	-	-	<i>13 Mar 2018</i>
B Class Performance Shares	21,000,000	-	-	<i>13 Mar 2019</i>
7.14 Changes during quarter A Class Performance Shares	21,000,000	-	-	<i>13 Mar 2018</i>
B Class Performance Shares	21,000,000	-	-	<i>13 Mar 2019</i>

Please see next page for conversion terms of Performance Shares

Conversion terms of Performance Shares

21M B Class Convertible Performance Shares have the right to convert to 21M Shares upon the successful completion of a JORC Code compliant indicated mineral resource of not less than 500,000 ounces of gold or gold equivalent at greater than or equal to 0.8g/tonne gold or gold equivalent in respect of the Little Butte Project or if a decision to mine is made based on a preliminary feasibility study on the Little Butte Project within 3 years from the date of issue of the Performance Shares.

21M B Class Convertible Performance Shares have the right to convert to 21M Shares upon the successful completion of a JORC Code compliant indicated mineral resource of not less than 500,000 ounces of gold or gold equivalent at greater than or equal to 0.8g/tonne gold or gold equivalent in respect of the Red Hills Project or if a decision to mine is made based on a preliminary feasibility study on the Red Hills Project within 4 years from the date of issue of the Performance Shares.

Compliance statement

- 1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Print name: Paul Jurman
Company Secretary

Date: 30 April 2015

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.