

### CARNAVALE RESOURCES

#### A.C.N 119 450 243

Shares:	223.7M
Options:	166.5M
Perf Shares	42.0M
Cash:	\$1.15M Dec 2014
M.Cap	\$4.2M (@ \$0.019)

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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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## Positive Soil Results Enhance High Grade Exploration Targets at Red Hills, Nevada

*Carnavale is pleased to report encouraging positive soil sampling results that further enhance the Exploration Targets at the Red Hills project located in eastern Nevada, USA.*

- **Positive soil results potentially double the Rattler Shear Zone Target from 550m to over 1,100m**
- **Cobra Target enhanced by soil anomalies**
- **Additional priority anomalies defined at Tiger and Viper**
- **Underground sampling of Rattler and Cobra adits underway with visible oxide copper mineralisation noted in the 123m long Cobra adit**

*Two promising initial exploration targets have been defined at the Rattler and Cobra prospects and ongoing work is progressing with an aim to commence drill testing during June 2015.*

### Rattler Exploration Target<sup>1</sup>

Range 2.3Mt to 9.6Mt @ 4.5 to 9.2g/t AuEq<sup>2</sup>  
(330,000 - 2,800,000 AuEqOz)

Target based on sub-vertical shear zone with potential upper dimensions - 20m wide x 500m x 300m vertical.

Soil results now define anomalous multi-element zone >1,100m strike and 150m width downslope with a peak of 145ppb Au, 76.5g/t Ag, 0.20% Zn and 1.0% Pb.

### Cobra Exploration Target<sup>1</sup>

Range 2.5Mt to 9.6Mt @ 4.5 to 14.7g/t AuEq<sup>2</sup>  
(360,000 to 4,500,000 AuEqOz)

Target based on two interpreted dipping shear zones with upper potential dimensions - 10m wide x 600m long and 200m down-dip

Soil results now define 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.

<sup>1</sup> - 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)



### Introduction

Carnavale Resources Ltd (ASX: CAV) is pleased to report on the results of the detailed soil sampling programme at the Red Hills Project, Nevada USA. Carnavale recently acquired Tojo Minerals Pty Ltd, which has rights to earn up to 75% in the Red Hills project, where the Company is exploring for large Carlin style gold-silver deposits and has also discovered high grade copper-gold-silver-zinc-lead replacement mineralisation in two shear zones associated with numerous historic mine workings and has the potential to host more than one significant orebody.

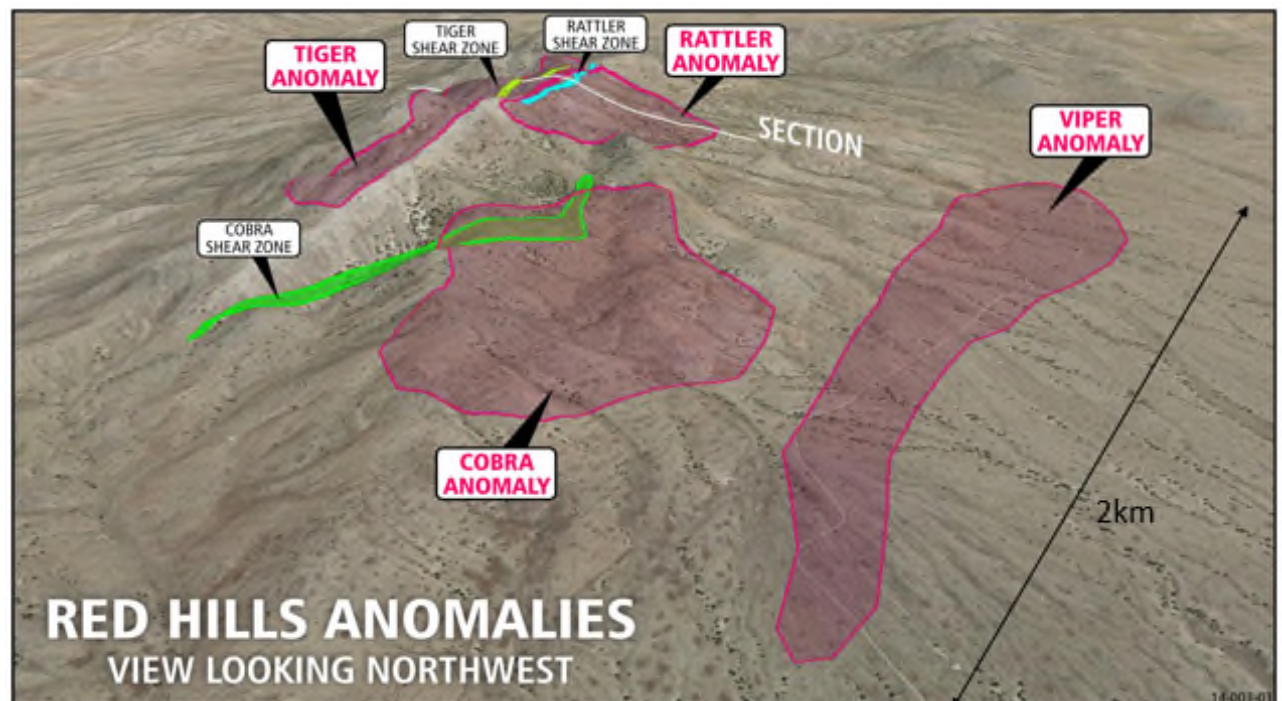
### Exploration Targets and Soil Results

The Company has recently finalised 1,247 detailed soil samples over the higher priority areas of the four main anomalies at Rattler, Cobra, Tiger and Viper (Figure 1).

The soil sampling was carried out on varying nominal sample spacing including Rattler 50m x 25m and 50m x 10m over the Rattler Shear Zone, Cobra 100m x 20m, Tiger 50m x 10m and Viper 25m x 50m.

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. The soil results are discussed further below in conjunction with the exploration targets previously defined at Rattler and Cobra.

**Figure 1** Red Hills anomaly plan





## Rattler Exploration Target<sup>1</sup> and Soil Results

The Rattler Exploration Target<sup>1</sup> 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.

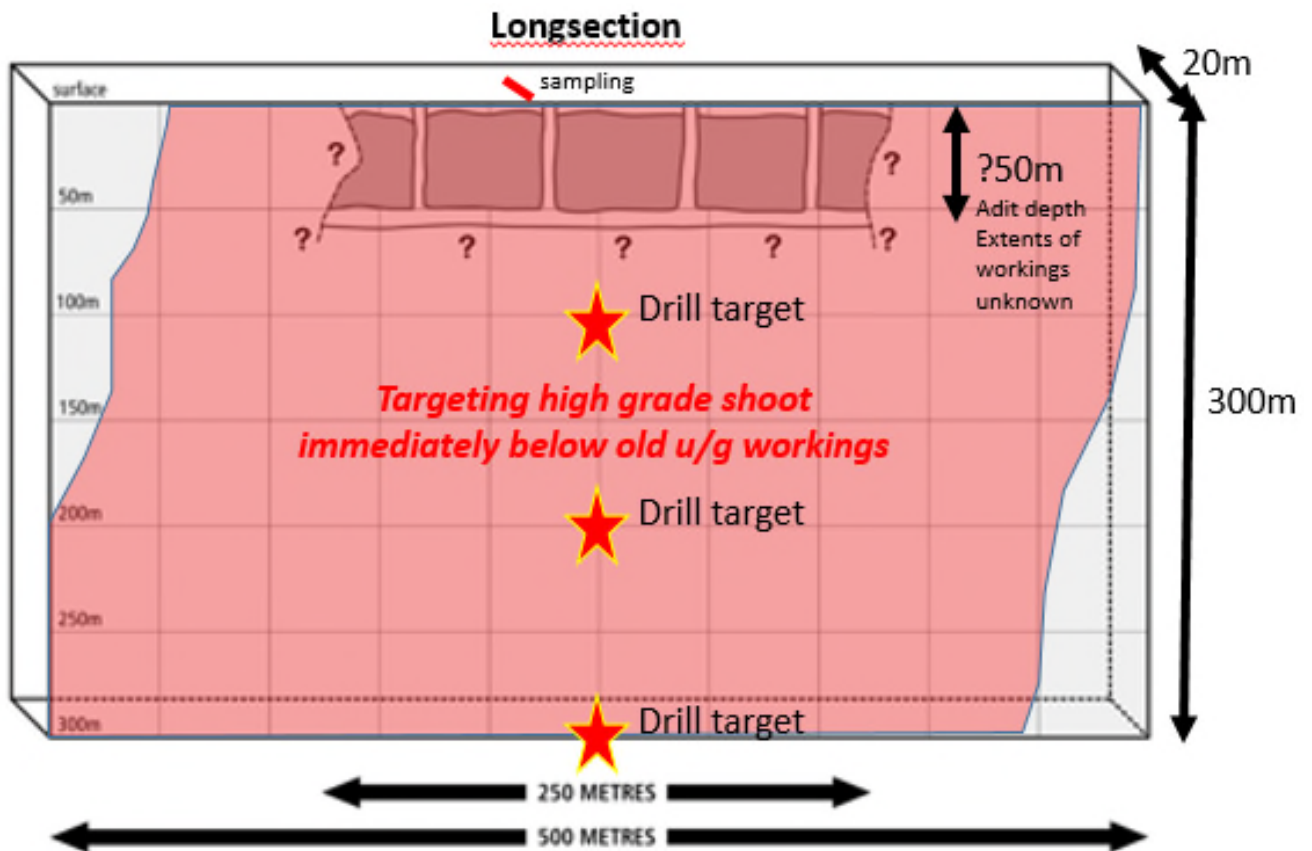
**2.3Mt @ 4.5g/t to 9.2g/t AuEq<sup>2</sup> (330,000 to 680,000oz AuEqOz)<sup>1</sup>**

**9.6Mt @ 4.5g/t to 9.2g/t AuEq<sup>2</sup> (1,390,000 to 2,800,000oz AuEqOz)<sup>1</sup>**

<sup>1</sup> **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 target tonnage range is based on minimum dimensions of 250m along strike x 7.8m width and 300m vertical depth to a high of 400m along strike x 20m width x 300m vertical depth (Refer to ASX release dated 16 March 2015 and also Appendix 1 of this report). Historic mining is estimated to have occurred over approximately 250m strike length and a minimum of 50 vertical metres based on the relative locations of the shafts and the main horizontal extraction adit.

**Figure 2 Schematic long section of Rattler Exploration Target showing historic mining to 50m depth and proposed drill targets.**

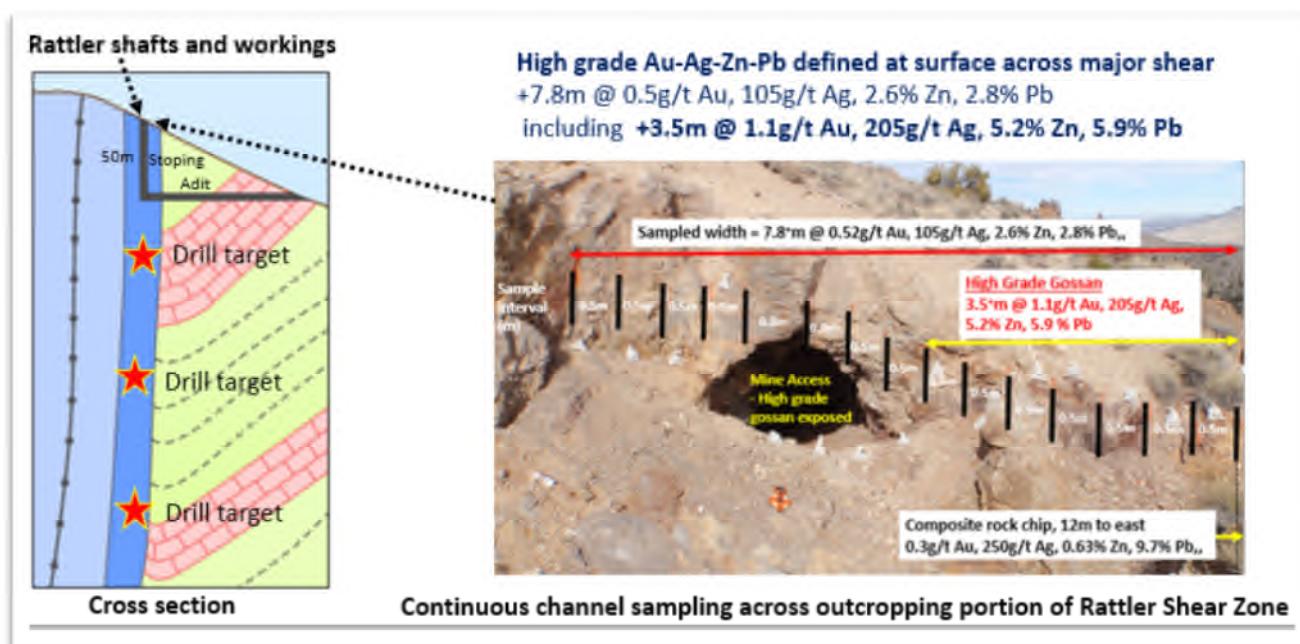


The grade range is based on detailed continuous surface channel sampling across the Rattler Shear Zone which has yielded continuous outcropping high grade multi-commodity Au-Ag-Zn-Pb mineralisation.

Channel sampling across the shear zone has defined a **7.8m+ wide zone grading 0.52g/t Au, 105g/t Ag, 2.6% Zn, 2.8% Pb (4.5g/t AuEq<sup>2</sup>)**. Importantly, this channel sampling was unable to sample the previously mined gossanous material (refer to the void in the photograph in Fig 3) which would be added to the remnant gossan hosted mineralisation adjacent (right hand side to the void) which reported as significantly higher grade mineralisation **3.5m+ @ 1.1g/t Au, 205g/t Ag, 5.2% Zn, 5.9% Pb (9.2g/t AuEq<sup>2</sup>)**. This mineralisation remains open across and along strike due to the poorly outcropping nature of the shear zone and heavy scree slope cover.

Additional width potential is considered likely as selective rock chip sampling 12m to the east of the channel sampling yielded strong mineralisation from an outcrop of silicified material grading **0.3g/t Au, 250g/t Ag, 0.6% Zn, 9.7% Pb (8.1g/t AuEq<sup>2</sup>)**. This outcrop is interpreted to potentially represent the silicified margin of the overall shear against the massive and silicified dolomites units.

**Figure 3 Channel sampling across the Rattler Shear Zone showing historical mining void and higher grade gossan sampling in red text.**



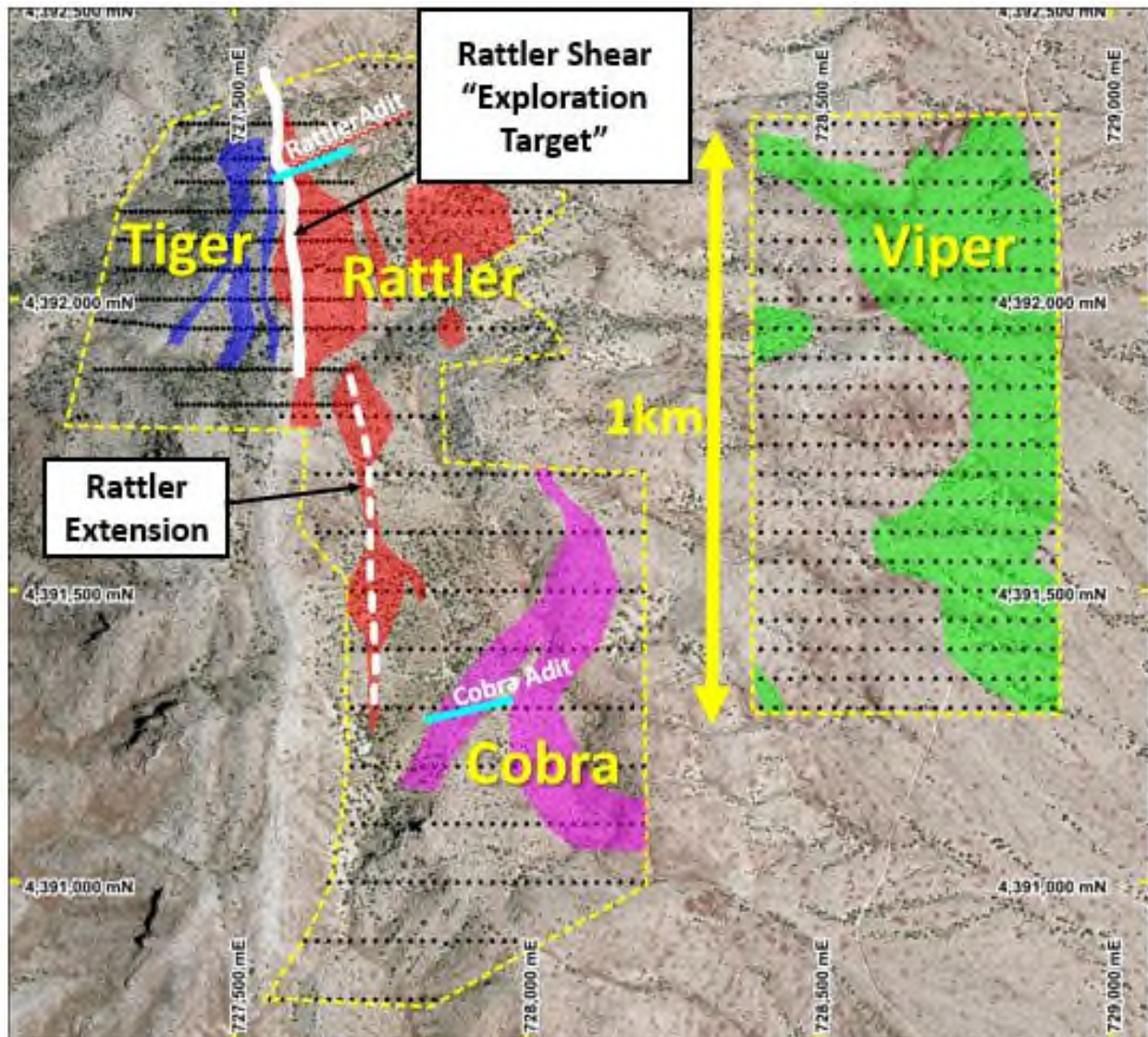
### New Soil Results

The new soil sampling results (50m x 10m basis) over the mapped Rattler Shear Zone now confirms highly anomalous results over a **potential strike length of at least 500m coincident with the 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 that first thought and extend over 1,100m in total (Fig 4).**



**Figure 4** Rattler Shear Zone and Rattler Extension to the south, also showing Tiger, Cobra and Viper priority anomalies. Also note, the Rattler and Cobra adit locations (blue lines) where mapping and sampling is currently underway.



These results are considered to be very encouraging as the Rattler Shear Zone generally does not outcrop very well through the heavy quartz rich scree except adjacent to the historic mine workings like in the above photograph in Figure 3. The wide spread of downslope results suggests either the soils results represent potential parallel new zones to the east or contamination down slope from the shear zone.

In general, the Rattler Shear Zone and associated mineralisation is extensively masked by quartz rich scree spreading downslope from the outcropping Eureka Quartzite located above the mineralisation. Resistive and more massive silicified dolomites are the dominant outcropping rocks within the area with the more recessive shear zone rocks and softer siltstone units only outcrop poorly at best. Therefore to detect and “see the mineralisation” below this masking quartz rich scree has required detailed attention to sampling.

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.

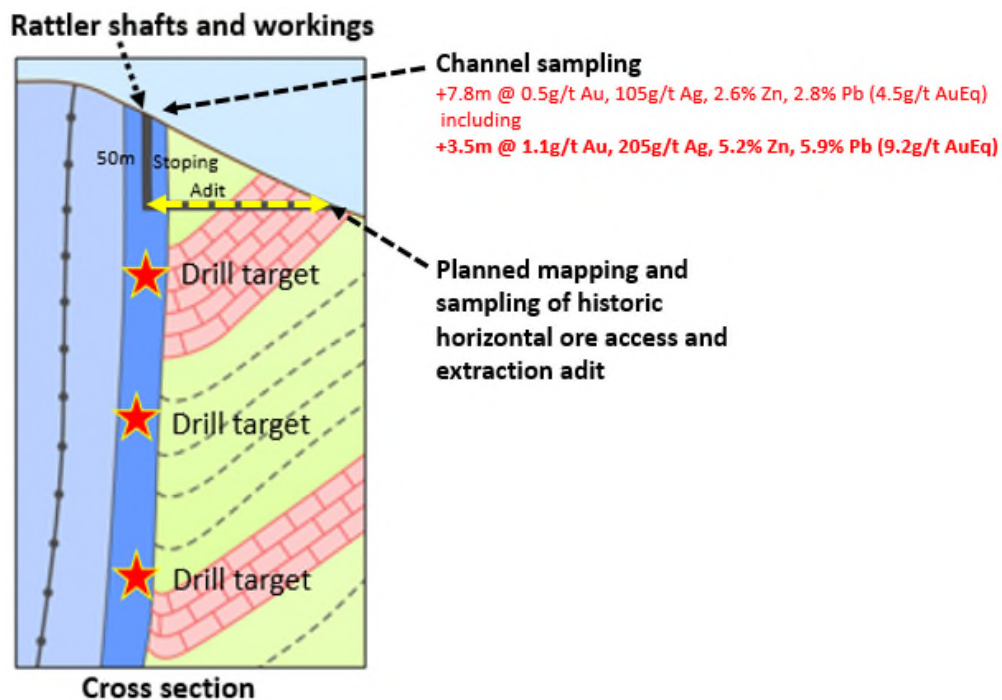


### Underground Adit Mapping and Sampling

Underground mapping and sampling of the historic horizontal ore access and extraction adit under the main priority Rattler Shear Zone is currently underway. The adit is located approximately 50 metres below the elevation of the channel sampling and numerous shafts higher on the ridge. This implies mining of the high grade gossan within the wider mineralised shear zone occurred over at least 50 vertical metres. This horizontal adit was then used as the main ore access and removal point and it is anticipated will provide access to allow mapping and direct sampling of the mined ore zone(s).

This programme of work aims to better understand the 3 dimensional orientation of the mineralisation at depth and provide added sampling for grade definition purposes. From this information preferred drill locations will be determined and lodged for permitting approval. Drilling is currently anticipated to commence in June 2015.

**Figure 5** Planned mapping and sampling of Rattler adit (highlighted in yellow)





## Cobra Exploration Target<sup>1</sup> and Soil Results

The Cobra Exploration Target<sup>1</sup> has a range of 2.5Mt to 9.6Mt at a potential 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 AuEq<sup>2</sup>) has been identified on the Cobra Shear Zone. 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 AuEq<sup>2</sup> (360,000 to 1,180,000oz AuEqOz)<sup>1</sup>**

**9.6Mt @ 4.5g/t to 14.7g/t AuEq<sup>2</sup> (1,390,000 to 4,540,000oz AuEqOz)<sup>1</sup>**

<sup>1</sup> ***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).***

Mapping and sampling in the Cobra Anomaly area has defined a series of west and north-west dipping shear zones and historical workings including the larger main Cobra extraction adit. The shears are associated with poorly outcropping alteration associated with deformed dolomite units and poorly outcropping siltstone units.

Near the main extraction adit (and previously reported) limited channel sampling over a 4m portion of the poorly outcropping shear zone with minor visible oxide copper mineralisation (malachite) returned **3.0m+ @ 1.5% Cu, 0.6g/t Au, 317g/t Ag, 9.9% Zn, 4.0% Pb (14.7g/t AuEq<sup>2</sup>)** and remains open. This well mineralised outcrop is located vertically above and adjacent to the adit opening.

The exploration target tonnage range is based on two shear zones each with minimum dimensions of 400m along strike x 4m width and 200m depth to an upper range high of 600m strike x 10m width x 200m down-dip depth (Refer to ASX release dated 16 March 2015 and also Appendix 1 of this report). Historic narrow high grade mining has occurred along both shears.

### **New Soil Results**

The recent soil sampling, completed on a 100m x 20m basis, highlights 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 4). Further infill sampling is currently being planned in conjunction with the adit mapping and sampling to provide further definition to the anomalies and to aid drill targeting.

### **Underground Adit Mapping and Sampling**

Underground mapping and sampling of the main historic horizontal adit is currently underway. Initial inspection shows the adit is developed along a north-west dipping shear zone which is associated with the smaller bifurcation shown in the Cobra soil anomaly (Fig 4).

Historic mining has occurred along a strike length of 123m and appears to be developed along the an upper hanging wall shear zone immediately below a highly fractured and altered dolomite seen on surface. The previously reported surface channel sampling would correspond to this upper hanging wall shear (3.0m+ @ 1.5% Cu, 0.6g/t Au, 317g/t Ag, 9.9% Zn, 4.0% Pb (14.7g/t AuEq<sup>2</sup>)). Underground, this hanging wall shear varies from 1-3m thick and occasional visible oxide copper (malachite and azurite) mineralisation is noted along significant portions of the adit.

Below the hanging wall shear zone, is a well developed and highly altered breccia zone (3-6m thick) hosting further visible oxide copper (malachite and azurite) mineralisation and relates to the largest stoping up and down dip.

The upper shear zone together with the lower breccia represents a potential 4-9m true width target plus a lower shear zone is expected to occur below the breccia, however, this lower shear has not been observed to date. Drilling of this target zone to determine the overall true width of mineralisation will be included in the proposed June diamond drilling programme.

## Tiger and Viper Targets

The detailed soil sampling over the Tiger prospect area was completed on a 50m x 10m basis and results show three subparallel 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 subparallel to the main Rattler Shear Zone and range from only 60m to 300m to the west (Figure 4).

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.

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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.*



### **Background Information**

#### **Carnavale Resources (ASX: CAV)**

Carnavale Resources Limited is an exploration and development company based in Perth Western Australia, with a focus on the discovery and development of gold and base metal deposits. Carnavale is listed on the Australian Securities Exchange (ASX), ticker symbol [CAV] and on the German Stock Exchange in Frankfurt under YBB.

#### **Red Hills, Nevada USA Copper-Gold-Silver-Zinc-Lead Project**

*(Joint Venture right to earn up to 75%)*

The Red Hills Gold-Silver Project, Nevada USA, is considered prospective for large Carlin style gold-silver and also base metals deposits. Nevada is currently the largest gold producing state in the USA, with approximately 80% of the US gold production coming from Nevada with the majority from Carlin style deposits.

Recent new discoveries of Carlin style mineralisation at Long Canyon (2.6<sup>+</sup>Moz and growing) and Kinsley, both occur in eastern Nevada and have the same rock formations as mapped at Red Hills. These major new discoveries are of particular importance as previously these host rocks were considered un-prospective for large scale Carlin style deposits. At Long Canyon, new owner Newmont, has stated they believe the deposit has the potential to grow in excess of 10M ounces and have recently announced the intention to develop the oxide portion of the deposit. At Kinsley, located approximately 70km to the north of Red Hills, recent drilling has intersected encouraging high grade gold mineralisation (e.g. 36m @ 8.5g/t and 53m @ 7.5g/t) deeper in the same geological sequence.

In 2007, Joint Venture partners Columbus Gold, through Cordex Exploration recognised the potential for Long Canyon style gold mineralisation at Red Hills and staked the area. Recent soil and rock chip sampling by Carnavale has confirmed the presence of extensive areas of elevated to high grade copper, gold, silver, zinc and lead mineralisation and geophysical surveys provide additional support to buried intrusive bodies as potential sources of the mineralised fluids.

Under the Joint Venture, Carnavale has the right to earn up to 75% of the project. Previous exploration is considered to be limited to a number of small trenches on the flanks of the hills presumably for uranium prospecting and to date ten (10) old rotary drill hole locations have been found. No data is known on any of these historical exploration activities.

**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.)*

**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
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All samples are soil samples completed as a sieved sampling at the nominated point location. Sample size was approximately 0.25- 0.4kg.</li> <li>The sample is collected from the soil profile after clearing the surface of debris to a depth of approximately 0.2m.</li> <li>All analytic results have been completed at an industry acceptable commercial laboratory. Soil samples were dried and pulverized and then 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.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Geological description was taken from the soil site.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> </ul>	<ul style="list-style-type: none"> <li>Soil samples were sieved to a sample size of minus 2mm on site.</li> <li>Sample was bagged for transportation to the laboratory</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Assay techniques are appropriate for the style of mineralisation targeted.</li> <li>Reputable independent industry commercial laboratory was utilized for all samples</li> <li>Quality control measures are considered satisfactory for this style of sampling.</li> <li>Laboratory standards and blanks have been used</li> <li>Duplicate samples were taken on site on a nominal 1 duplicate every 20 samples</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>All samples are surface soil samples</li> <li>No drilling undertaken</li> <li>Field data was collected, checked and entered into a digital database in the Perth office</li> <li>Digital independent laboratory assay data was sent to the Perth office, checked and merged with the field data and stored in a digital database</li> <li>No adjustments have been made to the original laboratory data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>All sample locations are located by hand held GPS to an accuracy of +/- 3m.</li> <li>Locations are recorded in UTM (NAD 27 Zone 11)</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Soil sampling is not to be used to determine a resource estimate. Additional detailed follow-up sampling and drilling is recommended to qualify and quantify the anomalous areas in greater detail</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The soil sampling is a point sample taken from the residual soil profile and is considered a representative sample of the weathered bedrock source. The results may differ from results obtained from fresh bedrock.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were delivered direct to the independent laboratory by company personnel/consultants</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Final field and assay data is checked and assessed by geologist in Perth office.</li> <li>Company geologist has reviewed and completed a tour of the laboratory and their systems in Reno, USA.</li> </ul>

### Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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%</li> <li>The sample results occur within unpatented claims in Nevada, USA</li> <li>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</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Carnavale has completed and reported prior surface soil, rock chip sampling and geophysical surveys.</li> <li>Reported previous rock chip sampling and magnetic data acquisition by Cordex Exploration (and related party Columbus Gold) is acknowledged in the report.</li> <li>10 historical open hole drill holes have been discovered in the project area, however no record of this work has been discovered</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The deposit style is currently unknown, however mineralization targeted is Carlin style (Au-Ag) and shear zone hosted Au-Ag and base metals.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>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"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the</li> </ul>	<ul style="list-style-type: none"> <li>All assay data is uncut soil sample results.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>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"> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>All samples are from the surface and as sieved soil samples on a systematic grid basis with grid spacing nominated in the report.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>Plans of general anomalous regions are provided in report.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>The report defines the anomalous areas and peak values where considered appropriate</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>Geological mapping of the area has been undertaken and where possible material data is included in the report</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>Further work is defined in the report and includes further infill and extensional soil sampling where necessary plus drilling on the two defined exploration targets. The proposed drilling aims to test the grade and widths of the known mineralisation.</li> </ul>