



CARNAVALE RESOURCES LIMITED

27 OCTOBER 2014

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A.C.N 119 450 243

ASX Code: **CAV**

Shares: 201.7M

Options: 166.5M

Cash: \$1.56M Sept 2014

M.Cap \$3.83M (@ \$0.019)

Directors

Ron Gajewski (Chairman)

Andrew Beckwith (MD)

Klaus Eckhof (NED)

Rhett Brans (NED)

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

Carnavale has entered an option to acquire Tojo Minerals Pty Ltd, which has rights to acquire two highly prospective gold-silver-copper projects in Arizona and Nevada, USA.

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RC Drilling Commences

Railway Prospect

Little Butte Project, Arizona

Carnavale Resources Limited ("Carnavale" or the "Company") is pleased to advise the RC drilling rig has arrived on site and drilling has commenced on the Railway Prospect, Little Butte Project, Arizona USA (Refer Figure 1).

The initial focus is to test for shallow, open pittable, oxide gold resources hosted along a regional north-south shear zone, where previous drilling has intersected high grade gold in two sub-vertical primary structures and broad zones of remobilised supergene gold and copper in highly weathered sediments (siltstone and sandstones).

The drilling will focus on defining infill holes to confirm continuity of the higher grade gold mineralisation along each north south structure and also extensions along approximately 450m of strike.

Highlights of previous drill results:

4.6m @ 33.65 g/t Au
22.9m @ 4.06 g/t Au
10.1m @ 2.59 g/t Au
10.7m @ 4.65 g/t Au
9.1m @ 2.21 g/t Au
44.2m @ 1.04 g/t Au
13.7m @ 2.02 g/t Au

The RC drilling programme comprises 28 holes for a nominated total of 2700m.

Carnavale expects to be able to provide results over the next 4 - 8 weeks as drilling progresses.

For further information contact:

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Figure 1

Background Information

Carnavale is an ASX listed (ASX: CAV) exploration and development company based in Perth Western Australia, with a focus on the discovery and development of gold and base metal deposits.

Carnavale has entered an option agreement with Tojo Minerals Pty Ltd (Tojo), which has the rights to two highly prospective gold and base metal projects located in Arizona and Nevada of the USA. Carnavale has the right to elect to acquire Tojo 100% and is required to fund a minimum of US\$500,000 assessing the projects during the option period to Feb 2015.

Red Hills, Nevada USA – Gold and Silver (and Base Metals) Project

(Tojo – Joint Venture right to earn up to 75%)

Carnavale has recently defined four large scale multi-element anomalies at Red Hills, showing similarities to other large Carlin deposits, together with strong to high grade outcropping Carlin style Au-Ag and shear zone related Pb-Zn-Ag-Au mineralisation. Proposed future exploration activities include detailed grid based mapping, soil and rock chip sampling to define initial priority drill targets.

The Red Hills Gold-Silver Project, Nevada USA, is considered highly prospective for large Carlin style gold and silver deposits plus added scope for high grade base metals (lead and zinc). Nevada is currently the largest gold producing state in the USA, with a large proportion of gold production coming from Carlin style deposits.

The Red Hills project comprises mineral claims covering approximately 13.4km², with little modern exploration evident in the area, even though the project lies along the eastern extensions of the Carlin Trend, arguably one of the most prolific gold trends in the USA.

Additionally, the recent large multi-million ounce Long Canyon (+2.6Moz) discovery, purchased by Newmont in 2011, has significantly enhanced the prospectivity for large Carlin style orebodies in eastern Nevada. This discovery and other projects like Kinsley, only 70km north of Red Hills, have demonstrated the host geological sequence is now a “highly



fertile target” for major new Carlin style discoveries.

Little Butte, Arizona USA – Gold (and Copper) Project

(Tojo - option to earn 100%, subject to third party NSR)

Carnavale’s initial focus is to test for shallow, open pittable, oxide gold resources hosted along a regional north-south shear zone, where previous drilling has intersected high grade gold in two sub-vertical primary structures and broad zones of remobilised supergene gold and copper in highly weathered sediments (siltstone and sandstones).

Overall, the Company sees potential to develop a near term Stage 1 – open pit oxide gold production centre similar to the Copperstone Gold Deposit, located only 25km to the south west, where production between 1986 to 1993 produced a total of 514,000 ounces of gold at an average grade of 2.4g/t, utilising low risk and low capex heap leach and a small CIP facility. Additional high grade (>10g/t) underground ore is currently being developed.

The Little Butte project comprises mineral claims covering approximately 9km², in an area where there are numerous small scale historical copper and gold workings. Recent limited RC and diamond drilling has defined strong gold mineralisation and associated remobilised gold and copper over approximately 500m strike length that has strong similarities to the Copperstone Gold Deposit.

Competent Persons Statement

The information in this report that relates to the Little Butte Project was first reported by the Company in compliance with JORC 2012 in a market release dated 17 September 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement dated 17 September 2014.