



CARNAVALE RESOURCES LIMITED

9 February 2016

CARNAVALE RESOURCES

(A.C.N 119 450 243)

ASX Code: **CAV**

Shares: 370.5M

Options: 186.2M
(Nov 2016 @ \$0.03)

Perf Shares 42.0M

M. Cap \$3.7M (@ \$0.01)

Directors

Ron Gajewski (Chairman)

Andrew Beckwith (MD)

Rhett Brans (NED)

Andrew Chapman (NED)

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

Exploration is currently advancing two prospective gold-silver-copper projects located in Arizona and Nevada, USA.

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Completion of First Tranche of Capital Raising

Further to its announcement dated 3 February 2016, Carnavale Resources Ltd (ASX: CAV, the "Company") confirms that the first tranche of the capital raising for 113,714,652 ordinary shares at an issue price of \$0.008 each has been completed raising \$909,717 (before costs of the issue).

The second tranche of the capital raising for up to 87.5 million ordinary shares at an issue price of \$0.008 each to raise a further \$700,000 to clients and or principals of Cicero and Directors of Carnavale will be issued subject to shareholder approval at a meeting of shareholders planned for March 2016.

The Company provides notice pursuant to ASX Listing Rule 3.10.5A that:

(a) Dilution to existing shareholders as a result of the issue

Number of Shares on issue prior to the Placement: **256,785,348**

	Shares	Dilution
Placement issue under Shareholder Approval	40,000,000	10.79%
Placement issue under Listing Rule 7.1	44,036,118	11.89%
Placement issue under Listing Rule 7.1A	29,678,534	8.01%
Total Shares and Dilution as a result of the Placement	113,714,652	30.69%

Number of Shares on issue following the Placement: **370,500,000**

Specifically regarding the Shares issued under LR 7.1A, the Company provides the following approximate details of existing shareholder participation:

The percentage of the post-placement capital held in aggregate by pre-placement security holders who did not participate in the placement is 63.02%; the percentage of the post-placement capital held in aggregate by pre-placement security holders who did participate in the placement is 14.72% and the percentage of the post-placement capital held in aggregate by participants in the placement who were not previously security holders is 22.26%.

(b) The Company issued shares to sophisticated investors as it was considered to be the most efficient and expedient method for raising the funds required to achieve the stated objectives.

(c) No underwriting arrangements were in place for the placement.

(d) Commission for the placement was 6% (plus GST) for the majority of the funds raised.



An Appendix 3B is attached with respect to the new shares issued and the Company gives notice that:

- it issued the securities without disclosure to investors under Part 6D.2 of the Corporations Act 2001 ("Act");
- this notice is being given under section 708A(5)(e) of the Act;
- as at today's date, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act; and
- as at today's date there is no other information that is excluded information which is required to be set out in this notice pursuant to section 708A(6)(e) of the Act.

For further information contact:

Ron Gajewski

Chairman

Carnavale Resources Ltd

P: 08 9380 9098

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Carnavale Resources Limited

ABN

49 119 450 243

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 113,714,652 Ordinary shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares ranking equally with existing shares |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes - the ordinary shares rank equally with existing quoted shares (CAV)
5	Issue price or consideration	\$0.008 per share.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To provide funding for ongoing working capital, existing project funding and the assessment of new investment opportunities in both the resource and non-resource sectors.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i	Yes.
6b	The date the security holder resolution under rule 7.1A was passed	24 November 2015.
6c	Number of +securities issued without security holder approval under rule 7.1	44,036,118 Ordinary shares.
6d	Number of +securities issued with security holder approval under rule 7.1A	29,678,534 Ordinary shares.

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	40,000,000 Ordinary shares – approved by shareholders at the AGM on 24 November 2015.	
6f	Number of +securities issued under an exception in rule 7.2	N/A.	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes. Issue price: \$0.008 Date on which the price at which the securities were issued was agreed: 2 February 2016. 15 day VWAP: \$0.0064 (source IRESS) N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Listing rule 7.1 – 481,684. Listing rule 7.1A – Nil.	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	9 February 2016	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		370,500,000	Ordinary Shares (CAV).

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	186,208,836 Unlisted Options exercisable at 3 cents on or before 30 November 2016. 7,103,180 Related A Class Performance Shares 13,896,820 Unrelated A Class Performance Shares 7,103,180 Related B Class Performance Shares 13,896,820 Unrelated B Class Performance Shares Performance Shares converting to fully paid ordinary shares on a 1 for 1 basis on satisfaction of specified conditions

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No plans to pay dividends at this stage.
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Part 2 - Pro rata issue – Not Applicable

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	

+ See chapter 19 for defined terms.

31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) ☒ +Securities described in Part 1.

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 9 February 2016.
(Director/Company secretary)

Print name: P Jurman

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	202,785,348
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	21,000,000 fully paid ordinary shares issued on 13 March 2015 as settlement of the acquisition to acquire Tojo Minerals Pty Ltd. Prior shareholder approval given at the general meeting on 26 September 2014. 32,500,000 ordinary shares and 16,250,000 unlisted options issued free on 26 June 2015 as part of a private placement to sophisticated investors. Shareholder approval given at the annual general meeting on 24 November 2015. 500,000 fully paid ordinary shares issued on 20 July 2015 on conversion of options. 40,000,000 shares issued to shareholders as part of a private placement to sophisticated investors on 9 February 2016. Prior shareholder approval given at the annual general meeting on 24 November 2015.
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	296,785,348
Step 2: Calculate 15% of “A”	

+ See chapter 19 for defined terms.

“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	44,517,802
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not</i> counting those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	44,036,118 ordinary shares issued on 9 February 2016 as part of a private placement to sophisticated investors.
“C”	44,036,118
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	44,517,802
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	44,036,118
Total [“A” x 0.15] – “C”	481,684 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

⁺ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	296,785,348
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	29,678,534
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	29,678,534 fully paid ordinary shares issued on 9 February 2016 as part of a private placement to sophisticated investors.
“E”	-
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	29,678,534
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	29,678,534
Total [“A” x 0.10] – “E”	Nil. <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.