

Appendix 5B

Mining exploration entity quarterly report

Name of entity

CARNAVALE RESOURCES LIMITED

ABN

49 119 450 243

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(20)	(859)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(117)	(289)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Due diligence expenses incurred	(81)	(81)
Net Operating Cash Flows		(216)	(1,223)
Cash flows related to investing activities			
1.8	Payment for purchase or renewal of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(1)
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 –	-	-
Net investing cash flows		-	(1)
1.13	Total operating and investing cash flows (carried forward)	(216)	(1,224)

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1.13	Total operating and investing cash flows (brought forward)	(216)	(1,224)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	910	925
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	(61)	(64)
	Net financing cash flows	849	861
	Net increase (decrease) in cash held	633	(363)
1.20	Cash at beginning of quarter/year to date	280	1,253
1.21	Exchange rate adjustments to item 1.20	-	23
1.22	Cash at end of quarter	913	913

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	91
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	45
Accounting , occupancy, secretarial and legal expenses	46

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

N/A.

- 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	120
4.2 Development	-
4.3 Production	-
4.4 Administration	90
Total	210

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	913	280
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	913	280

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 *	Little Butte Project - Arizona	Option to earn 100% of the project tenements	-	-
6.2 Interests in mining tenements acquired or increased			-	-

In February 2016, Carnavale terminated the Little Butte Option Agreement.

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 (description)	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	370,500,000	370,500,000		
7.4 Changes during quarter				
Placement	113,714,652	113,714,652	0.8 cents	-
7.5 +Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options and Performance Rights (description and conversion factor)			Exercise price	Expiry date
7.8 Unlisted options Issued during quarter	186,208,836	-	3 cents	30 Nov 2016
	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled/Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		
7.13 +Performance Shares				
B Class Performance Shares	21,000,000	-	-	13 Mar 2019
7.14 Changes during quarter				
A Class Performance Shares redeemed	(21,000,000)	-	-	

Please see next page for conversion terms of Performance Shares

Conversion terms of Performance Shares

21M A Class Convertible Performance Shares had 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.

In February 2016, Carnavale terminated the Little Butte Option Agreement and the 21 million A Class Convertible Performance Shares were redeemed by the Company for a nominal sum in accordance with the terms 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: 28 April 2016

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.