

ASX Release

Completion of Capital Raising

CARNAVALE RESOURCES

(A.C.N 119 450 243)

ASX Code: **CAV**

Shares: 572M

Options: 60.0M (Dec 2019 @ \$0.02)

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.

Office

Level 2, Suite 9
389 Oxford Street
Mount Hawthorn Western Australia
6016

Post

PO Box 281
Mount Hawthorn WA 6915

Contact Details

Ph +61 8 9380 9098
Fax +61 8 9380 6761
admin@carnavaleresources.com

Further to its announcement dated 1 February 2017, Carnavale Resources Ltd (ASX: CAV) confirms that it has issued 113 million shares at an issue price of 0.6 cents per share to raise \$678,000.

An Appendix 3B is attached with respect to the new securities 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.

Yours faithfully



Paul Jurman

Company Secretary

For further information contact:

Ron Gajewski (Chairman)

Andrew Beckwith (Director)

P: +61 8 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 | 113,000,000 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	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>The ordinary shares rank equally with existing quoted shares (CAV).</p>
5	Issue price or consideration	\$0.006 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.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes.
6b	The date the security holder resolution under rule 7.1A was passed	24 November 2016.
6c	Number of +securities issued without security holder approval under rule 7.1	67,193,794 Ordinary shares.
6d	Number of +securities issued with security holder approval under rule 7.1A	45,806,206 Ordinary shares. (*see note below)

+ See chapter 19 for defined terms.

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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)	N/A
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: \$0.006 Date on which the price at which the securities were issued was agreed: 27 January 2017. 15 day VWAP: \$0.0077 (source IRESS)
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
<p>* Information required by LR 3.10.5A:</p> <p>(i) Dilution to existing shareholders as a result of the issue</p> <p>A total of 45,806,206 shares were issued pursuant to Listing Rule 7.1A, representing 8.01% of the post-placement capital. The balance of the capital raising, comprising 67,193,794 ordinary shares was completed under the Company’s 15% capacity.</p> <p>The percentage of the post-placement capital held in aggregate by pre-placement security holders who did not participate in the placement is 78.58%; the percentage of the post-placement capital held in aggregate by pre-placement security holders who did participate in the placement is 6.91% and the percentage of the post-placement capital held in aggregate by participants in the placement who were not previously security holders is 14.51%.</p> <p>(ii) The Directors believe that the issue price at which the placement has been completed is superior to pricing that may have worked for a pro-rata issue and hence has delivered a better overall result for the Company</p> <p>(iii) No underwriting arrangements were in place for the placement, nor were there any fees or commissions paid by the Company.</p>		
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 – 578,015. Listing rule 7.1A – Nil.
7	<p>+Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	3 February 2017

+ See chapter 19 for defined terms.

		Number	+Class
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	571,999,560	Ordinary Shares (CAV).

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	60,000,000	Unlisted Options exercisable at 2 cents on or before 30 December 2019.

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?		
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12	Is the issue renounceable or non-renounceable?		
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13	Ratio in which the +securities will be offered		
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14	+Class of +securities to which the offer relates		
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15	+Record date to determine entitlements		
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?		
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17	Policy for deciding entitlements in relation to fractions		
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+ See chapter 19 for defined terms.

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- 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 *in full* through a broker?

+ See chapter 19 for defined terms.

- 31 How do security holders sell *part* 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 – only with respect to ordinary shares.
- (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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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ 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: 3 February 2017.
(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	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	256,785,348
<i>Add</i> the following: <ul style="list-style-type: none"> • 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 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</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> 	<p>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.</p> <p>73,714,652 ordinary shares issued on 9 February 2016 as part of a private placement to sophisticated investors. Shareholder approval given at the general meeting on 23 March 2016.</p> <p>87,500,000 shares issued to shareholders as part of a private placement to sophisticated investors on 8 April 2016. Prior shareholder approval given at the general meeting on 23 March 2016.</p> <p>62,060 fully paid ordinary shares issued on 1 December 2016 on conversion of options.</p>
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	458,062,060
<i>Step 2: Calculate 15% of “A”</i>	

+ See chapter 19 for defined terms.

“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	68,709,309
<i>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</i>	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <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> 	<p>937,500 ordinary shares issued as consideration for consulting services on 6 July 2016.</p> <p>67,193,794 ordinary shares issued on 3 February 2017 as part of a private placement to sophisticated investors.</p>
“C”	-
<i>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</i>	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	68,709,309
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	68,131,294
Total [“A” x 0.15] – “C”	578,015 <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>	458,062,060
Step 2: Calculate 10% of “A”	
“D” <i>Note: this value cannot be changed</i>	0.10
Multiply “A” by 0.10	45,806,206
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 <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – 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>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</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	45,806,206 fully paid ordinary shares issued on 3 February 2017 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>	45,806,206
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	45,806,206
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.