

Dear Shareholder

2 July 2019

PRO-RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE

On 28 June 2019, Carnavale Resources Limited (**CAV** or the **Company**) announced the details of a 1:1 pro-rata non-renounceable entitlements issue (**Rights Issue** or **Offer**) of up to approximately 742,999,560 fully paid ordinary shares (**New Shares**) (together with one free attaching option (**New Options**) for every two New Shares subscribed for and issued) to raise up to approximately \$2,228,998. The price of the New Shares under the Offer is \$0.003 each. The Offer is not being underwritten.

The proposed use of the funds under the Rights Issue (net of expenses) is to be applied initially to meet the expenses of the Rights Issue (\$40,979) and the remainder will be allocated to funding exploration on the Company's projects and for general working capital.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (WST) on 4 July 2019, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue (ASX Code: CAV).

The prospectus relating to the Offer (**Prospectus**) has been lodged with ASX and the Australian Securities and Investments Commission (**ASIC**) and is available on the ASX website, www.asx.com.au.

The Offer is not being extended to shareholders of the Company with a registered address which is in any jurisdiction other than Australia and New Zealand (**Ineligible Shareholder**).

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares and New Options to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Paul Jurman, the Company Secretary, on +61 8 9380 9098.

Yours faithfully



Paul Jurman
Company Secretary