



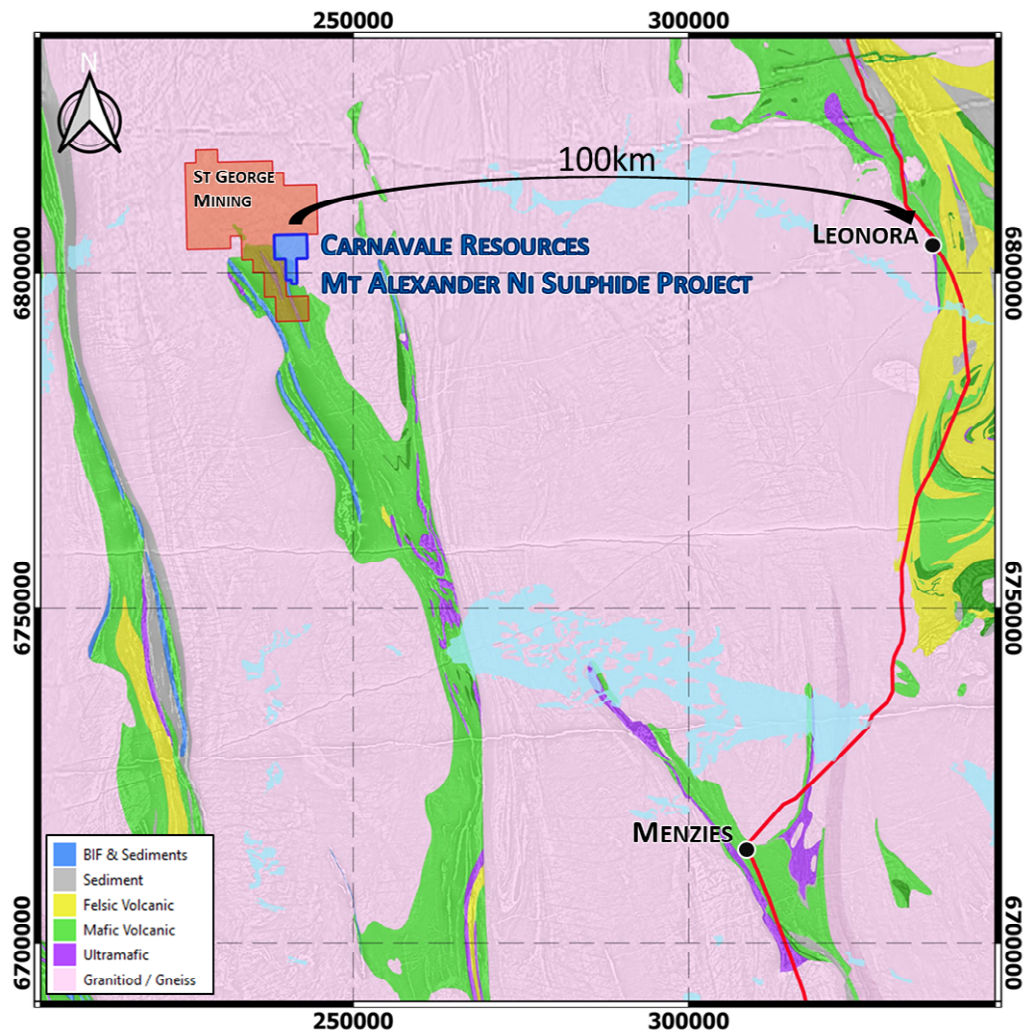
New Mt Alexander Nickel Sulphide Project, WA

- Carnavale secures option to acquire 80% of the Mt Alexander Nickel Sulphide Project, located immediately south and adjacent to ASX Listed St George Mining Cathedrals Ni deposit.
- Shallow and high grade Cathedrals' Ni-Cu-Co-PGE Sulphide style mineralisation to be targeted.
- 4 dominant east-north-east trending prospective "magnetic low" corridors interpreted

Carnavale Resources (ASX: CAV or the Company) is pleased to advise it has secured the right to acquire up to 80% of the tenement portfolio held by prospector Mr Mathew Vanmaris (Vanmaris), located immediately south and adjacent to the St George Mining Cathedrals Ni Sulphide deposit, approximately 100km west of Leonora, Western Australia.

The **Mt Alexander Ni Sulphide Project** covers approximately 24km² of the prospective granite greenstone belt that hosts the St George Cathedral Project mineralisation. St George have been successful in discovering significant high grade massive nickel-copper-cobalt-platinum group mineralisation in massive sulphide bodies hosted in ENE trending mafic intrusion within the poorly explored granite dominated portion of the greenstone belt. Early low cost exploration activities, using a combination of mapping and surface rock chip sampling followed by EM geophysical surveys, has been highly successful in delineating direct drill targets along the Cathedrals Trend.

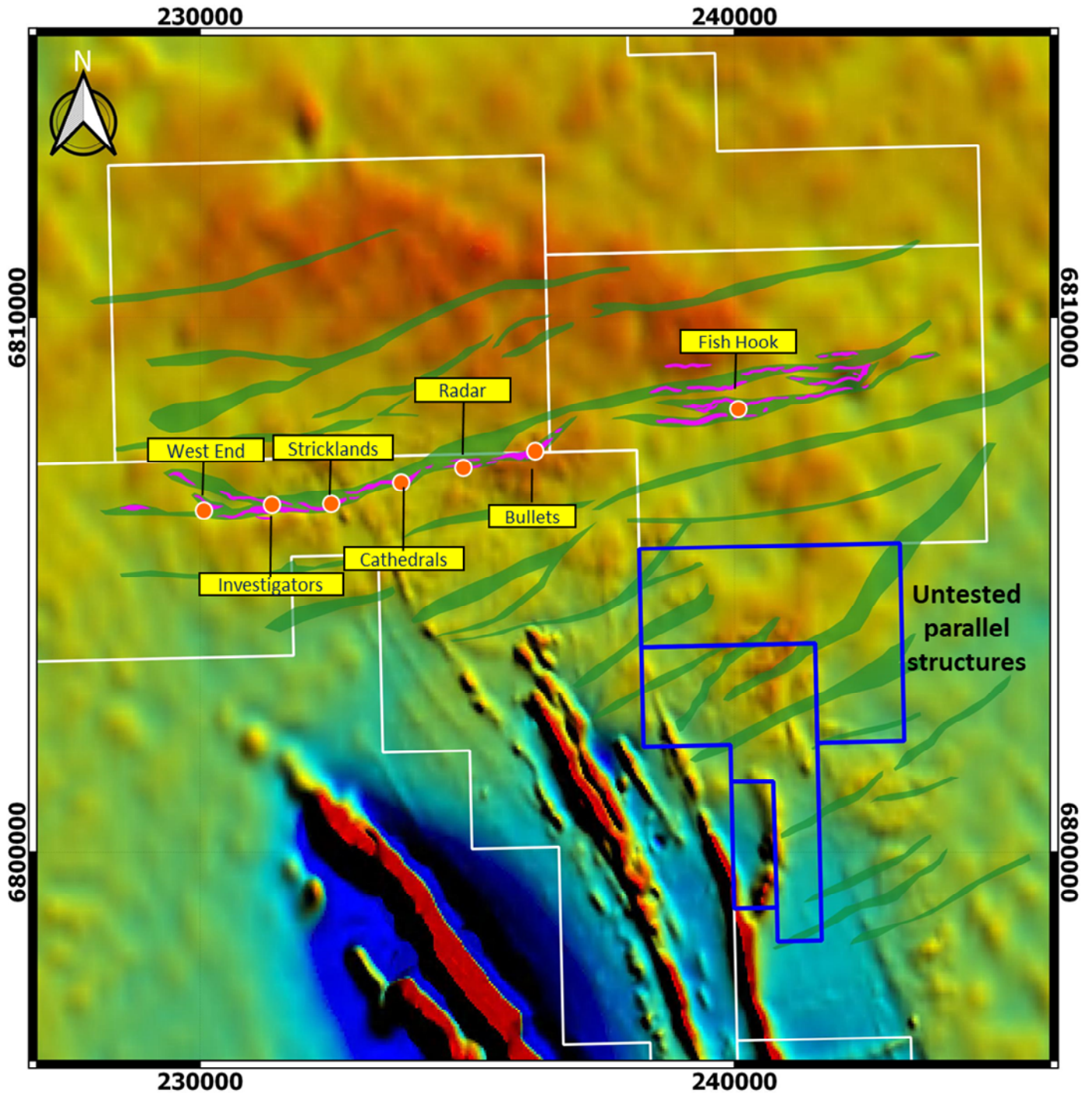
Figure 1 Location of Carnavale's Mt Alexander Ni Sulphide Project, Western Australia.





Carnavale's immediate exploration priority is to undertake reconnaissance mapping, rock chip and soil sampling over the prospective ENE corridors and subject to positive results follow-up EM surveys will be planned over priority targets to generate drill targets. A review by Carnavale and consultants indicates limited exploration has previously occurred on the tenements and certainly no activities have focussed on this new Cathedrals Ni sulphide style of mineralisation.

Figure 2 Carnavale's new Mt Alexander Ni Sulphide Project showing proximity to the Cathedrals Ni Sulphide Trend





ACQUISITION TERMS

Carnavale has secured an option (“Agreement”) to acquire an 80% interest in E29/960, E29/961 and P29/2356 (“Vanmaris tenements”).

The key terms of the Agreement include:

- Carnavale is to pay a non-refundable Option Fee comprising \$10,000 cash and issue Vanmaris 10 million fully paid shares in Carnavale.
- Carnavale will have a four (4) year period (Option Period) from signing the Agreement during which Carnavale has the sole right to explore the Vanmaris tenements at its sole cost and risk.
- Carnavale is required to maintain the Vanmaris tenements in good standing during the Option Period.
- Carnavale has the right to withdraw from the Agreement at any time by providing 30 business days written notice and leaving the Vanmaris tenements in good standing.
- Carnavale may at any time during the Option Period elect to acquire 80% of the Vanmaris tenements by written notice (Option Exercise Notice) and payment of \$250,000 in cash or fully paid Carnavale shares at Carnavale’s election. The calculation for the quantum of shares will be based on the 10 trading days VWAP of CAV shares preceding the date of Option Exercise Notice
- Upon receipt of the Option Exercise Notice, Vanmaris will have 30 days to elect to either
 - retain 20% equity in the Vanmaris tenements on a pro rata contributing Joint Venture basis; or
 - transfer the remaining 20% equity in the Vanmaris tenements to Carnavale in exchange for the grant of a 1% Net Smelter Royalty on the Vanmaris tenements (“Vanmaris Royalty”).
- Carnavale retains a first right of refusal to acquire the Vanmaris Royalty for \$750,000.

The vendor is a non-related party to Carnavale or its Directors.

This announcement was authorised by Mr Andrew Beckwith, Managing Director of Carnavale Resources Limited.

For further information contact:

Ron Gajewski

Chairman

P: +61 8 9380 9098

Andrew Beckwith

Managing Director

Competent Persons Statement

The information in this report that relates to Exploration Results is based on, and fairly represents information and supporting documentation prepared by Mr. Andy Beckwith, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Beckwith is a director of Carnavale Resources Limited. Mr. Beckwith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves”. Mr. Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Statements regarding Carnavale’s plans with respect to the mineral properties, resource reviews, programmes, economic studies and future development are forward-looking statements. There can be no assurance that Carnavale’s plans for exploration and any future development of its mineral properties will proceed any time in the future. There can also be no assurance that Carnavale will be able to confirm the presence of mineralisation or future mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Carnavale’s mineral properties.