



7 July 2010

The Manager
ASX Ltd
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir

TERMINATION OF PARMEGIANA JOINT VENTURE AGREEMENT

The Directors of Carnavale Resources Limited ("Carnavale" or the "Company") have been advised by its Brazilian Partner VALE S/A (Vale) that it will not exercise its option to continue with the Parmegiana Iron Ore Project.

The Company, upon receipt of all technical data from work completed by Vale, will review results of the exploration work completed to date to determine the way forward for the development of the Parmegiana Iron Ore Project.

For further information please contact Ron Gajewski on +61 8 92406876.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ron Gajewski", is written over a light grey circular watermark.

Ron Gajewski
Executive Director

Carnavale Resources website: www.carnavaleresources.com.au

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