CARNAVALE RESOURCES

(A.C.N 119 450 243)

ASX Code: **CAV**

Shares: 202.7M

Options: 166.5M

Cash: $1.56M Sept 2014

M.Cap $2.43M (@ $0.012)

Directors

Ron Gajewski (Chairman)

Andrew Beckwith (MD)

Klaus Eckhof (NED)

Rhett Brans (NED)

Carnavale Resources Limited is an exploration and development company based in Perth, Western Australia.

Carnavale has entered an option to acquire Tojo Minerals Pty Ltd, which has rights to acquire two highly prospective gold-silver-copper projects in Arizona and Nevada, USA.

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Large gold and copper supergene blanket confirmed at Little Butte, Arizona USA

RC drilling at the Railway Prospect,

- Confirms broad extensions to the large blanket of secondary oxide gold and copper mineralisation
- Mineralisation occurs as flat lying, low grade and partially overlapping zones of supergene gold and copper with more substantial zones listed below:

  7.6m @ 2.57g/t Au, 0.14% Cu from 10.7m (2.82g/t AuEq)
  12.2m @ 0.60g/t Au, 0.08% Cu from 29m (0.73g/t AuEq)
  70.1m @ 0.22g/t Au, 0.18% Cu from 12.2m (0.52g/t AuEq)
  45.7m @ 0.73g/t Au, 0.24% Cu from 10.7m (1.15g/t AuEq)
  62.5m @ 0.43g/t Au, 0.12% Cu from 25.9m (0.61g/t AuEq)

- Higher grade gold and/or copper zones all occurring within the broader lower grade supergene RC drilling intercepts include:

  3m @ 6.07g/t Au
  1.5m @ 3.49g/t Au
  1.5m @ 2.21%Cu
  1.5m @ 17.25g/t Au and 1.65% Cu
  1.5m @ 2.78g/t Au
  7.6m @ 1.74g/t Au
  1.5m @ 1.52g/t Au
  3m @ 1.51g/t Au
  1.5m @ 2.32g/t Au
  1.5m @ 1.51g/t Au

- Carnavale considers the large supergene blanket represents the remnant weathered portion of a primary higher grade deposit occurring below the weathering profile and the company is currently reassessing all data with the view to potentially carrying out a detailed EM survey for greater resolution of sulphide rich conductors at depth with later diamond drilling to test any defined EM conductors.

Little Butte Gold and Copper Project, Arizona USA

Carnavale has recently completed an RC drilling programme comprised of 18 holes for a total advance of 1734m, on the Railway Prospect at the Little Butte Project, Arizona USA.

The programme was designed to test the near surface weathered portions of the prospect area to confirm continuity of the higher grade gold zones in the hematite rich and structurally controlled breccia's along the south-eastern margin and the shallow broad secondary "supergene" gold and copper mineralization evident in the central and northern portions of the prospect. The programme took longer than anticipated primarily due to lower daily drilling rates and statutory requirements to drill "wet" to suppress dust emissions, with drilling completed by mid-December.

RC drilling at the Little Butte Project, Arizona USA

Overall, the RC drilling confirms the continuity of previously defined shallow and broad secondary supergene gold and copper zones in the deeply weathered and hematite rich siltstones and sandstones.

Drill hole location data and results of the recent RC drilling undertaken by Carnavale are presented in Tables 1 and 2 (Appendix 1) and Table 3 provides drilling intercepts from historical drilling recalculated into broader supergene blankets calculated to gold equivalent to cater for the partially overlapping gold and copper mineralisation, some of which was not reflected in the higher grade intercept calculations, previously reported on ASX release dated 17 September 2014.

A summary of the more significant and broad shallow supergene intercepts (>7.5m downhole and greater than 0.30g/t AuEq) from the Railway Prospect are presented below:

NEW Drilling

LB-1402R 7.6m @ 2.57g/t Au, 0.14% Cu from 10.7m (2.82g/t AuEq
LB-1406R 12.2m @ 0.6g/t Au, 0.08% Cu from 29m (0.73g/t AuEq)
LB-1407R 70.1m @ 0.22g/t Au, 0.18% Cu from 12.2m (0.52g/t AuEq)
LB-1409R 45.7m @ 0.73g/t Au, 0.24% Cu from 10.7m (1.15g/t AuEq)
LB-1410R 12.2m @ 0.08g/t Au, 0.27% Cu from 9.1m (0.53g/t AuEq)
LB-1411R 36.6m @ 0.19g/t Au, 0.16% Cu from 6.1m (0.47g/t AuEq)
LB-1413R 62.5m @ 0.43g/t Au, 0.12% Cu from 25.9m (0.61g/t AuEq)
LB-1416R 38.1m @ 0.15g/t Au, 0.23% Cu from 4.6m (0.57g/t AuEq)
LB-1417R 62.5m @ 0.08g/t Au, 0.14% Cu from 9.1m (0.32g/t AuEq)
LB-1418R 73.2m @ 0.22g/t Au, 0.1% Cu from 18.3m (0.38g/t AuEq)

HISTORICAL Drilling

LB-1001 18.3m @ 0.53g/t Au, 0.05% Cu from 36.6m (0.57g/t AuEq)
LB-1002 29.0m @ 1.25g/t Au, 0.03% Cu from 19.8m (1.29g/t AuEq)
LB-1006 39.6m @ 0.23g/t Au, 0.12% Cu from 7.6m (0.43g/t AuEq)
LB-1009 29.0m @ 5.39g/t Au, 0.16% Cu from 3m (5.65g/t AuEq)
LB-1010 44.2m @ 2.25g/t Au, 0.36% Cu from 0m (2.85g/t AuEq)
LB-1013 26.2m @ 2.4g/t Au, 0.18% Cu from 6.1m (2.71g/t AuEq)
LB-1014 42.7m @ 1.2g/t Au, 0.11% Cu from 12.8m (1.39g/t AuEq)
LB-1015 20.9m @ 1.32g/t Au, 0.31% Cu from 1.4m (1.84g/t AuEq)
LB-1016 46.3m @ 0.4g/t Au, 0.12% Cu from 4m (0.61g/t AuEq)
LB-1017 11.7m @ 0.15g/t Au, 0.37% Cu from 14.5m (0.77g/t AuEq)
LB-1018 19.5m @ 0.42g/t Au, 0.22% Cu from 9.4m (0.8g/t AuEq)
LB-1019 11.9m @ 0.02g/t Au, 0.27% Cu from 7.6m (0.47g/t AuEq)
LB-1019 24.4m @ 0.05g/t Au, 0.18% Cu from 28.9m (0.35g/t AuEq)
LB-1101 30.5m @ 2.35g/t Au, 0.07% Cu from 39.6m (2.46g/t AuEq)
LB-1106 10.7m @ 0.12g/t Au, 0.2% Cu from 0m (0.46g/t AuEq)
LB-1106 71.6m @ 0.71g/t Au, 0.07% Cu from 19.8m (0.83g/t AuEq)
LB-1107 59.4m @ 0.14g/t Au, 0.21% Cu from 15.2m (0.48g/t AuEq)
LB-1109 9.1m @ 0.25g/t Au, 0.03% Cu from 13.7m (0.3g/t AuEq)

The new drilling confirms the gross continuity of the broad flat lying and generally low grade and partially overlapping gold and copper supergene plume of mineralization over approximately 80m strike length, up to 300m in width and to a maximum thickness of approximately 50m in the central portions of the Railway Prospect (Fig 1, 2 and 3). Drilling to the north and south has partially demonstrated potential for this supergene mineralisation to extend over approximately 400m strike length and remains open particularly to the west and north. The results also show the internal higher grade gold zones within the broad supergene zones are less continuous than expected. The supergene copper mineralisation demonstrates quite consistent partially overlapping zones in the range of 0.1-0.4% Cu values in individual samples.

Selected RC holes were targeted on the higher grade gold zones hosted in hematite rich breccia along the south eastern margin of the prospect. Results of these holes have failed to extend and confirm continuity of this immediate gold zone. Interpretation of the results suggests this style of mineralization may have a possible stacked northwest trend or be “unstructured” in nature rather than a continuous north-south orientation as previously viewed.

Deeper Targets in Fresh Bedrock

Based on all the drilling results to date, Carnavale considers the spatially large and dispersed supergene plume of gold and copper mineralization evident at the Railway Prospect represents a highly encouraging anomaly above or nearby to a deeper fresh bedrock and sulphide rich target. This deeply weathered setting is similar to the Degrussa Cu-Au deposit discovered by Sandfire Resources NL in Australia. Initial and extensive early exploration work at Degrussa included soil sampling and shallow drilling into the highly weathered near surface rocks where a large plume of anomalous gold and copper provided encouraging but sub-economic mineralisation. The break through discovery holes occurred when deeper holes were extended and intersected the fresh sulphide rich orebody hosting high grade copper and gold mineralisation. EM surveys were subsequently used to define further targets at this discovery.

Additional support to a deeper fresh bedrock target is provided by the earlier IP (induced polarization) survey that highlights at least two chargeability anomalies associated with an interpreted north south trending structural feature located coincident with the large supergene plume.

Carnavale is currently reassessing this data with the view to potentially carrying out an additional detailed EM (electro-magnetic) survey for greater resolution of sulphide rich conductors (an electrical response to a sulphide rich orebody) at depth with later diamond drilling to test any defined EM conductors.

“We have been able to confirm the continuity of the broad secondary supergene gold and copper zones. These results also have highlighted to us that the two previously identified IP anomalies at depth may hold the key to the economics of this project and we will continue to investigate the option of further testing”, Managing Director Mr Andy Beckwith commented.

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The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr Andrew Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. 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.

Fig 1 Drill Section 3762600N, showing broad Au-Cu supergene blanket and remaining open to west

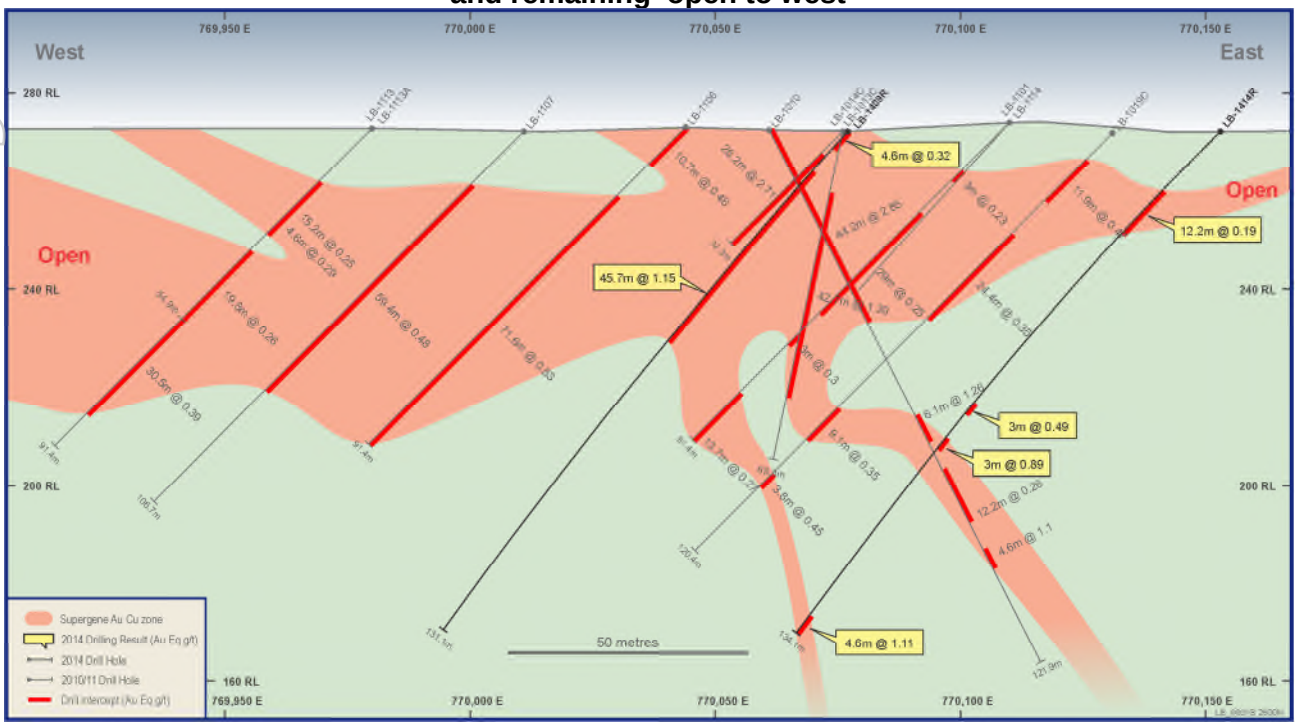


Fig 2 Drill Section 3762640N, showing broad Au-Cu supergene blanket and remaining open to west

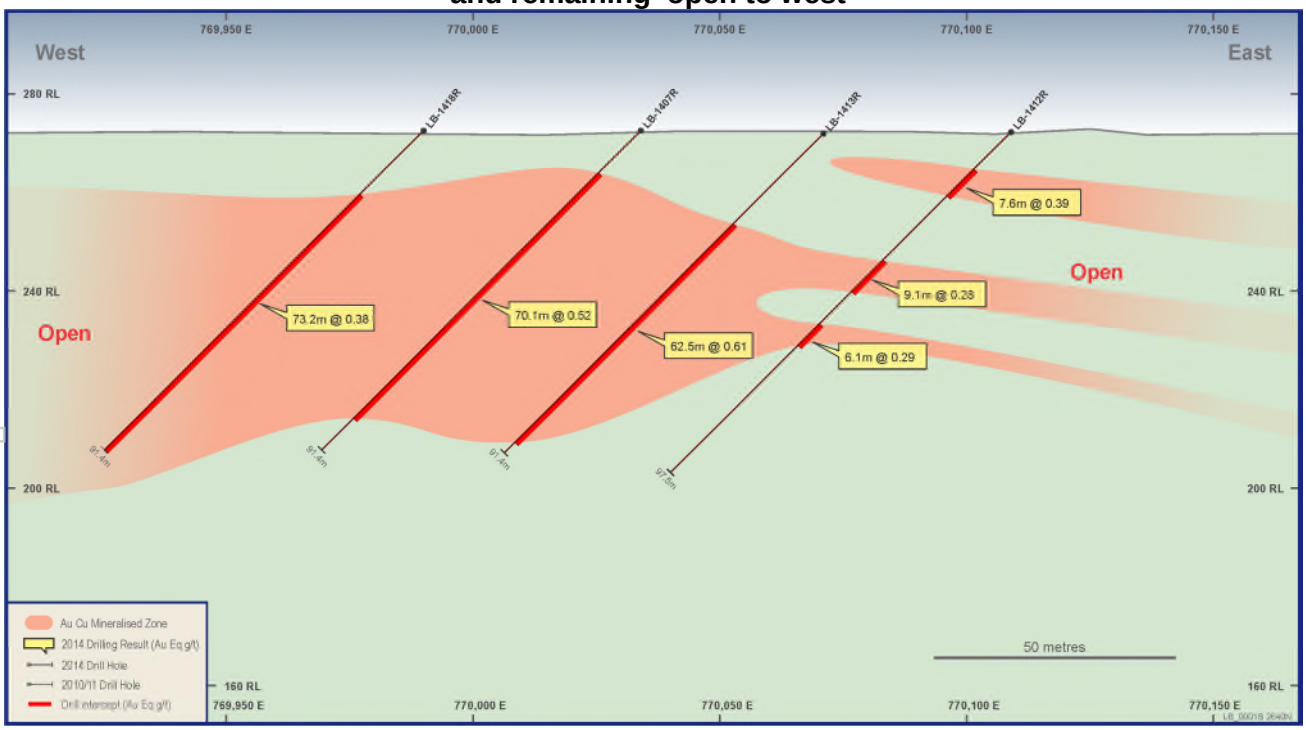
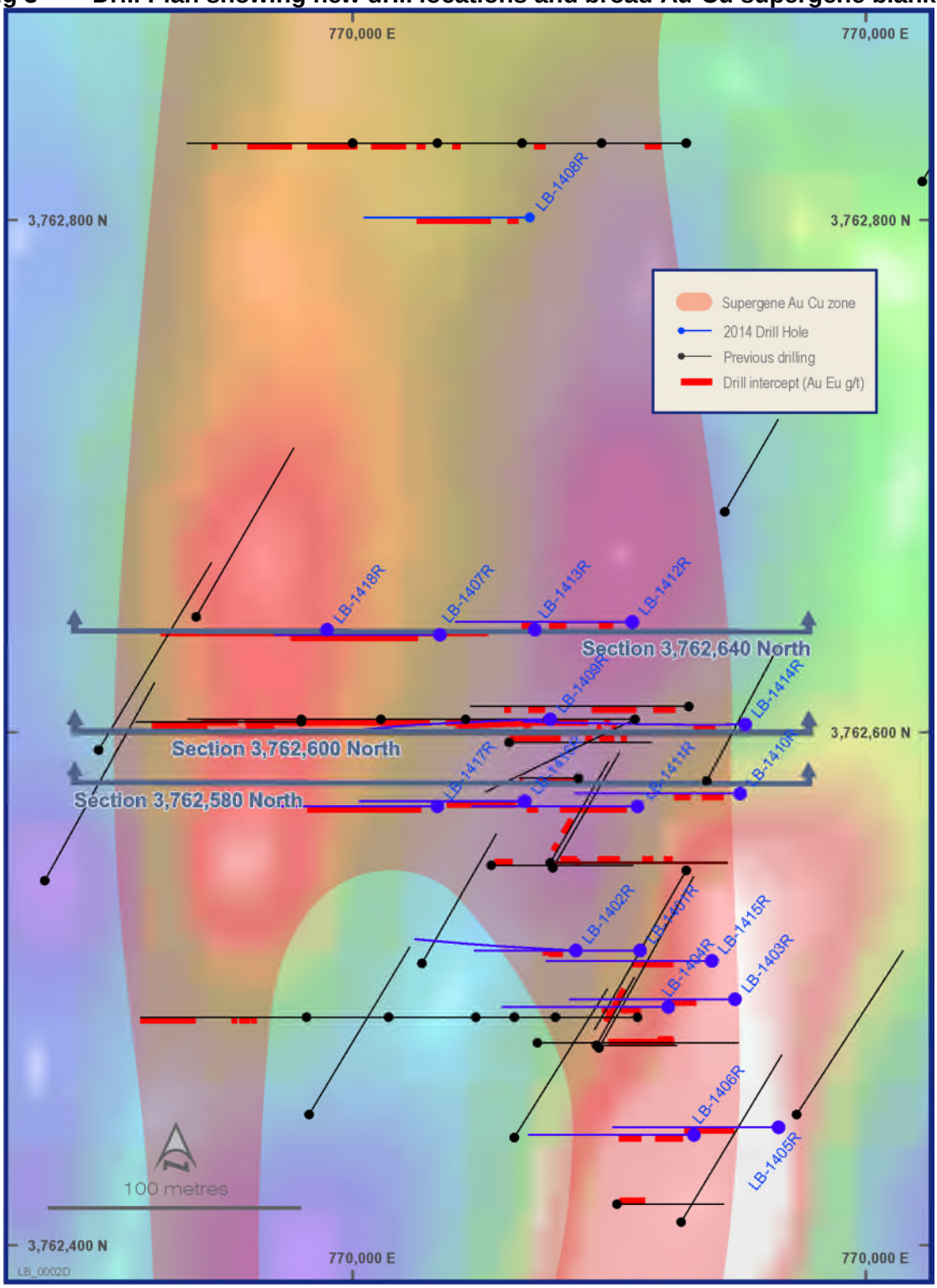


Fig 3 Drill Plan showing new drill locations and broad Au-Cu supergene blanket



Appendix 1 Drill Hole Information

Table 1 Drill hole location data

Drill Hole	Total depth (m)	Easting (m)	Northing (m)	Azimuth (°)	Dip(°)
LB-1401R	91.44	770112	3762515	270	-45
LB-1402R	91.44	770087	3762515	270	-45.3
LB-1403R	91.44	770149	3762496	270	-45
LB-1404R	91.44	770123	3762493	270	-45
LB-1405R	91.44	770166	3762446	270	-45
LB-1406R	91.44	770133	3762443	270	-45
LB-1407R	91.44	770034	3762638	270	-45
LB-1408R	91.44	770069	3762801	270	-45
LB-1409R	131.06	770077	3762605	270	-47.92
LB-1410R	91.44	770151	3762576	270	-45
LB-1411R	91.44	770111	3762571	270	-45
LB-1412R	97.54	770109	3762643	270	-45
LB-1413R	91.44	770071	3762640	270	-45
LB-1414R	134.11	770153	3762603	270	-45.18
LB-1415R	91.44	770140	3762511	270	-45
LB-1416R	91.44	770067	3762573	270	-45
LB-1417R	91.44	770033	3762571	270	-45
LB-1418R	91.44	769990	3762640	270	-45

Hole Coordinates UTM NAD27 Zone 11
Location data recorded by hand held GPS to accuracy of +/-3m
Original hole depths and sample depths recorded in feet and calculated to metres (rounding discrepancies may occur)

Table 2 Railway Prospect – New 2014 RC drilling results

(All results shown where AuEq > 0.2g/t AuEq and intercept length >3m, internal dilution to max 5m)
(High grade gold intervals based on gold grade >1.5 g/t calculated on lower Au cutoff = 0.5g/t, max internal waste = 2m)
(High grade copper intervals based on copper grade >1.0% calculated on lower Cu cutoff = 0.5%, max internal waste = 2m)

LB-1401R 7.6m @ 0.45g/t Au, 0.02% Cu from 42.7m (0.46g/t AuEq)
LB-1402R 7.6m @ 2.57g/t Au, 0.14% Cu from 10.7m (2.82g/t AuEq)
including 3m @ 6.07g/t Au
LB-1404R 10.7m @ 0.01g/t Au, 0.23% Cu from 15.2m (0.39g/t AuEq)
LB-1404R 3m @ 0.67g/t Au, 0.02% Cu from 33.5m (0.7g/t AuEq)
LB-1405R 27.4m @ 0.08g/t Au, 0.18% Cu from 24.4m (0.38g/t AuEq)
LB-1406R 15.2m @ 0.02g/t Au, 0.21% Cu from 6.1m (0.37g/t AuEq)
LB-1406R 12.2m @ 0.6g/t Au, 0.08% Cu from 29m (0.73g/t AuEq)
including 1.5m @ 3.49g/t Au
LB-1407R 70.1m @ 0.22g/t Au, 0.18% Cu from 12.2m (0.52g/t AuEq)
including 1.5m @ 2.21%Cu
LB-1408R 6.1m @ 0.05g/t Au, 0.12% Cu from 6.1m (0.25g/t AuEq)
LB-1408R 41.1m @ 0.17g/t Au, 0.07% Cu from 21.3m (0.29g/t AuEq)
LB-1409R 4.6m @ 0.22g/t Au, 0.06% Cu from 0m (0.32g/t AuEq)

LB-1409R **45.7m @ 0.73g/t Au, 0.24% Cu from 10.7m (1.15g/t AuEq)**
including 1.5m @ 17.25g/t Au and 1.65% Cu
LB-1410R **12.2m @ 0.08g/t Au, 0.27% Cu from 9.1m (0.53g/t AuEq)**
LB-1410R 9.1m @ 0.06g/t Au, 0.12% Cu from 27.4m (0.27g/t AuEq)
LB-1411R 36.6m @ 0.19g/t Au, 0.16% Cu from 6.1m (0.47g/t AuEq)
LB-1412R 7.6m @ 0.01g/t Au, 0.23% Cu from 10.7m (0.39g/t AuEq)
LB-1412R 9.1m @ 0.22g/t Au, 0.04% Cu from 36.6m (0.28g/t AuEq)
LB-1412R 6.1m @ 0.1g/t Au, 0.11% Cu from 54.9m (0.29g/t AuEq)
LB-1413R **62.5m @ 0.43g/t Au, 0.12% Cu from 25.9m (0.61g/t AuEq)**
including 1.5m @ 2.78g/t Au and
including 7.6m @ 1.74g/t Au
LB-1414R 3m @ 0.49g/t Au, 0% Cu from 74.7m (0.49g/t AuEq)
LB-1414R **3m @ 0.9g/t Au, 0% Cu from 83.8m (0.89g/t AuEq)**
including 1.5m @ 1.52g/t Au
LB-1414R **4.6m @ 1.14g/t Au, 0.01% Cu from 129.5m (1.11g/t AuEq)**
including 3m @ 1.51g/t Au
LB-1416R **38.1m @ 0.15g/t Au, 0.23% Cu from 4.6m (0.57g/t AuEq)**
including 1.5m @ 2.32g/t Au
LB-1417R 62.5m @ 0.08g/t Au, 0.14% Cu from 9.1m (0.32g/t AuEq)
LB-1418R 73.2m @ 0.22g/t Au, 0.1% Cu from 18.3m (0.38g/t AuEq)
including 1.5m @ 1.51g/t Au

Table 3 Railway Prospect – Historical drilling results
(All results shown where AuEq > 0.2g/t AuEq and intercept length >3m, internal dilution to max 5m)
(High grade gold intervals previously reported in ASX release dated 17 September 2014)

LB-1001 9.1m @ 0g/t Au, 0.16% Cu from 13.7m (0.28g/t AuEq)
LB-1001 **18.3m @ 0.53g/t Au, 0.05% Cu from 36.6m (0.57g/t AuEq)**
LB-1002 **29m @ 1.25g/t Au, 0.03% Cu from 19.8m (1.29g/t AuEq)**
LB-1003 6.1m @ 0.03g/t Au, 0.12% Cu from 45.7m (0.23g/t AuEq)
LB-1005 9.1m @ 0.5g/t Au, 0% Cu from 73.2m (0.5g/t AuEq)
LB-1006 **39.6m @ 0.23g/t Au, 0.12% Cu from 7.6m (0.43g/t AuEq)**
LB-1007 **15.2m @ 0.11g/t Au, 0.21% Cu from 3m (0.46g/t AuEq)**
LB-1007 4.6m @ 0.25g/t Au, 0.01% Cu from 71.6m (0.26g/t AuEq)
LB-1008 13.7m @ 0.03g/t Au, 0.1% Cu from 9.1m (0.2g/t AuEq)
LB-1008 18.3m @ 0.24g/t Au, 0.02% Cu from 41.1m (0.27g/t AuEq)
LB-1008 **9.1m @ 0.95g/t Au, 0% Cu from 79.2m (0.95g/t AuEq)**
LB-1008 7.6m @ 0.94g/t Au, 0% Cu from 97.5m (0.95g/t AuEq)
LB-1009 **29m @ 5.39g/t Au, 0.16% Cu from 3m (5.65g/t AuEq)**
LB-1010 **44.2m @ 2.25g/t Au, 0.36% Cu from 0m (2.85g/t AuEq)**
LB-1010 **6.1m @ 1.25g/t Au, 0% Cu from 65.5m (1.26g/t AuEq)**
LB-1010 12.2m @ 0.24g/t Au, 0.01% Cu from 77.7m (0.26g/t AuEq)
LB-1010 **4.6m @ 1.07g/t Au, 0.01% Cu from 96m (1.1g/t AuEq)**
LB-1012A 10.7m @ 0.07g/t Au, 0.1% Cu from 21.3m (0.23g/t AuEq)
LB-1013 **26.2m @ 2.4g/t Au, 0.18% Cu from 6.1m (2.71g/t AuEq)**
LB-1014 **42.7m @ 1.2g/t Au, 0.11% Cu from 12.8m (1.39g/t AuEq)**

LB-1015 20.9m @ 1.32g/t Au, 0.31% Cu from 1.4m (1.84g/t AuEq)
LB-1015 2.1m @ 0g/t Au, 0.16% Cu from 30.5m (0.26g/t AuEq)
LB-1016 46.3m @ 0.4g/t Au, 0.12% Cu from 4m (0.61g/t AuEq)
LB-1017 11.7m @ 0.15g/t Au, 0.37% Cu from 14.5m (0.77g/t AuEq)
LB-1018 19.5m @ 0.42g/t Au, 0.22% Cu from 9.4m (0.8g/t AuEq)
LB-1019 11.9m @ 0.02g/t Au, 0.27% Cu from 7.6m (0.47g/t AuEq)
LB-1019 24.4m @ 0.05g/t Au, 0.18% Cu from 28.9m (0.35g/t AuEq)
LB-1019 9.1m @ 0.33g/t Au, 0.01% Cu from 79.2m (0.35g/t AuEq)
LB-1019 3.8m @ 0.44g/t Au, 0% Cu from 98m (0.45g/t AuEq)
LB1101 30.5m @ 2.35g/t Au, 0.07% Cu from 39.6m (2.46g/t AuEq)
LB1101A 3m @ 0.16g/t Au, 0.09% Cu from 30.5m (0.31g/t AuEq)
LB1101A 3m @ 0.24g/t Au, 0.08% Cu from 47.2m (0.37g/t AuEq)
LB1102 4.6m @ 0.59g/t Au, 0.06% Cu from 10.7m (0.69g/t AuEq)
LB-1104 6.1m @ 0.04g/t Au, 0.16% Cu from 76.2m (0.3g/t AuEq)
LB-1105 3m @ 0.27g/t Au, 0.06% Cu from 27.4m (0.36g/t AuEq)
LB-1105 3m @ 0.4g/t Au, 0.02% Cu from 38.1m (0.43g/t AuEq)
LB-1105 30.5m @ 0.07g/t Au, 0.1% Cu from 61m (0.24g/t AuEq)
LB-1106 10.7m @ 0.12g/t Au, 0.2% Cu from 0m (0.46g/t AuEq)
LB-1106 71.6m @ 0.71g/t Au, 0.07% Cu from 19.8m (0.83g/t AuEq)
LB-1107 59.4m @ 0.14g/t Au, 0.21% Cu from 15.2m (0.48g/t AuEq)
LB-1108 4.6m @ 0.42g/t Au, 0.01% Cu from 77.7m (0.43g/t AuEq)
LB-1109 9.1m @ 0.25g/t Au, 0.03% Cu from 13.7m (0.3g/t AuEq)
LB-1109 6.1m @ 0.47g/t Au, 0.01% Cu from 77.7m (0.49g/t AuEq)
LB-1110 4.6m @ 0.29g/t Au, 0.01% Cu from 53.3m (0.31g/t AuEq)
LB-1110 18.3m @ 1.58g/t Au, 0.04% Cu from 64m (1.64g/t AuEq)
LB-1111 3m @ 0.01g/t Au, 0.15% Cu from 33.5m (0.26g/t AuEq)
LB-1111 27.4m @ 0.23g/t Au, 0.11% Cu from 44.2m (0.41g/t AuEq)
LB-1111 9.1m @ 0.3g/t Au, 0.01% Cu from 82.3m (0.32g/t AuEq)
LB-1112 24.4m @ 0.02g/t Au, 0.15% Cu from 33.5m (0.26g/t AuEq)
LB-1112 3m @ 0.07g/t Au, 0.15% Cu from 74.7m (0.33g/t AuEq)
LB-1113 4.6m @ 0.04g/t Au, 0.15% Cu from 24.4m (0.29g/t AuEq)
LB-1113 19.8m @ 0.08g/t Au, 0.11% Cu from 35.1m (0.26g/t AuEq)
LB-1113A 15.2m @ 0.04g/t Au, 0.13% Cu from 15.2m (0.25g/t AuEq)
LB-1113A 30.5m @ 0.1g/t Au, 0.17% Cu from 51.8m (0.39g/t AuEq)
LB-1114 3m @ 0g/t Au, 0.13% Cu from 13.7m (0.23g/t AuEq)
LB-1114 28.9m @ 0.07g/t Au, 0.1% Cu from 25.9m (0.25g/t AuEq)
LB-1114 3m @ 0.12g/t Au, 0.1% Cu from 61m (0.3g/t AuEq)
LB-1114 13.7m @ 0.26g/t Au, 0.01% Cu from 77.7m (0.27g/t AuEq)

(Locations of pre 2014 drill holes are listed in ASX release dated 17 September 2014)

All drill hole AuEq calculations for Table 2 and 3 are based on an assumed gold price of US$1200/ounce and copper price of US$6500/tonne and the following formula AuEq(g/t) =Au(g/t)+1.68Cu(%). Au and Cu grades are uncut and 100% recovery is assumed for both Au and Cu to provide an in situ total metal content.

Table JORC Code, 2012 Edition – Surface sampling details

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Sampling of the RC drilling has been completed on a 5 foot basis (converted to metres for reporting purposes). Samples were drilled wet through water injection during drilling as a statutory state requirement in Arizona to eliminate dust. Then collected through a cyclone and rotating splitter where approximately 12.5% was collected for assay purposes and an additional 25% collected as a second sample and retained for future purposes. • RC drilling pulps, second field sample and logging chip trays have been retained. The holes have been geologically logged on site during the drilling programme • Assays have been completed at an industry acceptable commercial laboratory using a 30gram Au Fire Assay with AA finish and Copper (Cu) and Silver (Ag) analysed via a four acid digest and ICP-AEs finish. Industry prepared commercial standards were inserted into batches on a ratio of 1:20 samples.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling comprises 18 holes for 1,734 metres of RC (reverse circulation) utilizing an experienced drilling contractor. The reported mineralisation is considered representative of the mineralisation within the targeted shear zones and remobilised supergene mineralisation.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists*	• RC drilling recoveries are considered acceptable. • Grade verses sampling bias is not known at this stage, however a cautionary note is made of the fact that due to the wet drilling statutory requirement there is potential for the samples to be over or under estimating the grade due to possible "winnowing or washout" of the

Criteria	JORC Code explanation	Commentary
	between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	mineralisation during the wet drilling process.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geological logging has been completed on all holes. No geotechnical logging has been completed due to the RC drilling methodology. The drilling indicates the entire drill holes are in highly weathered bedrock.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC drilling is drilled wet, split via rotating wet splitter and sampled wet into calico bags on site during the drilling process. • Commercial standard assays for quality control measures have been completed on a ratrio of 1 standard to 20 field samples. • Sampling is considered to be representative.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Assay techniques are appropriate for the style of mineralisation targeted. • Reputable independent industry laboratory utilized for all analysis • Quality control measures are considered satisfactory and unbiased.

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	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Review of the RC drilling has been completed by a third party contract geologist on site. • Carnavale geologist has been on site during drilling and verified drilling and sampling procedures • Drilling data has been reviewed and checked by Carnavale geologist upon receipt from third party contract geologist
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill holes are located by hand held GPS to an accuracy of +/- 3m. • Three RC drill holes were surveying down hole using a gyro equipment. • All location data is provide in UTM NAD27 Zone 11 coordinate system
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Currently the drilling and sampling is of insufficient density to determine a resource estimate.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling orientation is considered to be appropriate to test the width of mineralized structure, however additional drilling is required to further test the interpreted orientation of mineralisation, continuity along strike and at depth
Sample	• *The measures taken to ensure*	• Sample were collected from site by the

Criteria	JORC Code explanation	Commentary
security	*sample security.*	commercial laboratory staff or delivered direct to the laboratory by Carnavale contract geologist.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Carnavale geologist was on site to review and approve drilling, sampling and logging procedures.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Full list of results are reported in Appendix 1. The property is under an option to earn into the project. Tojo has the right to earn 100% of the project over 10 years and $6M project expenditure and the third party vendor retains a 3% net smelter royalty on production • The drill results occur within registered patented and unpatented claims in Arizona, USA • The area is managed by the Bureau of Land Management (BLM), a government body. Future drilling and any mining will require approval from the BLM and other regulatory bodies
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Drilling was completed by a third party experience drilling contractor. On site drilling supervision was undertaken by an experienced contract geologist with results reviewed by a second Nevada based third party geologist prior to being presented to Carnavale.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit style is currently unknown, however mineralization is interpreted to occur associated with two vertical structures defined by geophysical data. The mineralization is hosted in highly weathered siltstones and coarser sandstones and conglomerates and associated with veining, shearing and breccias.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole*	• The reported results are presented in Appendix 1. • All drilling occurs on east west orientated drill lines with angled drill holes to the west, targeting the north south trending structure and perpendicular to the interpreted mineralisation strike.

Criteria	JORC Code explanation	Commentary
	• *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* •	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Reported gold intercepts use uncut assay values on length weighted basis. • Cutoff grades and intercepts calculations provided in Appendix 1 • Gold equivalent calculations are based on a gold price of $1200per ounce and $6500/tonne for copper. • Formula AuEq(g/t) =Au(g/t)+1.68Cu(%) • Au and Cu grades are uncut and 100% recovery is assumed for both Au and Cu to provide an in situ total metal content. • Silver (Ag) is present in the drilling assays however has not been included in the AuEq calculation as considered immaterial on a financial basis.
Relationship between mineralis-ation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The reported drill results are down hole lengths. Orientation of mineralisation is currently poorly defined and therefore true widths are not known. Where the mineralisation is interpreted to be of a supergene nature then this mineralisation is considered flat lying. • Drilling is interpreted to be perpendicular to the strike of mineralisation. • True widths of the supergene mineralisation have been discussed in the text and have been measured from the drilling sections based on interpretation of the outer limits to the mineralisation
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plans and sections of significant results provided in report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be*	• The Company considers the mineralisation is likely to occur as a series of plunging higher grade shoots along the interpreted shear zones with an enclosing envelope of lower grade flat lying remobilised mineralisation surrounding these shoots in the weathering zone. The

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	practiced to avoid misleading reporting of Exploration Results.	summary results provided in this release reflect known mineralisation to date and provides a representative of the style and grade of mineralisation defined to date.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Drilling was targeted on structures defined by an existing third party IP geophysical survey and prior historical third party drilling results.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work recommend at the Railway prospect incudes - bottle roll sample analyses using both acid and cyanide based processing to provide an indication of potential copper and gold recoveries on the drilling samples. - Additional RC drilling to fully define lateral extents of mineralisation - Selected diamond to confirm gold and copper grades and allow for detailed metallurgical testwork including column leach testing