

\$6 MILLION PATERSON FARM-IN AND JOINT VENTURE AGREEMENT WITH FORTESCUE

KEY POINTS

- Fortescue Metals Group Ltd (“Fortescue”) to explore Carawine’s eastern Paterson Project tenements in Western Australia targeting copper, gold and base metals
- Fortescue to pay \$125,000 cash up front and spend \$0.5 million on exploration in the first eighteen months
- Fortescue has the right to earn up to a 75% interest by spending \$6 million total in two stages:
 - Stage 1: 51% interest after \$1.5 million exploration spend within three years
 - Stage 2: 24% interest after additional \$4.5 million exploration spend within four years
- Agreement provides Fortescue with a significant and highly prospective tenement holding within the Paterson Province
- Agreement ensures Carawine is well positioned to share in the benefits of any discovery
- Complements Carawine’s recent farm-in and joint venture agreement with Rio Tinto Exploration Pty Ltd (announced to the ASX on 28 October 2019), with the potential for up to \$11.5 million to be spent on exploration at the Paterson Project under both agreements
- Recent addition of four new tenements not subject to farm-in agreements ensures Carawine retains a strong tenement position in the Paterson Province in its own right

Gold and base metals explorer Carawine Resources Limited (“Carawine” or “the Company”) (ASX:CWX) is pleased to announce it has entered into a Farm-In and Joint Venture Agreement (“the Agreement”) with FMG Resources Pty Ltd to explore Carawine’s “Lamil Hills” (E45/5326), “Trotman South” (E45/4847) and “Sunday” (E45/5229) Tenements (“the Tenements”). FMG Resources Pty Ltd is a wholly owned subsidiary of Fortescue Metals Group Ltd (“Fortescue”) (ASX:FMG).

The Tenements are part of Carawine’s Paterson Project in Western Australia (Figure 1). Lamil Hills is within 30km to the northwest of Newcrest Mining’s Telfer gold-copper mine. Trotman South is 30km to the south of the Telfer mine. Sunday is within 5km of Metals X’s Maroochydore copper-cobalt deposit. The tenements are at an early exploration stage, with Carawine’s work to date comprising target generation activities based mostly on work by previous explorers.

Carawine Managing Director David Boyd said the Agreement with Fortescue represents another great opportunity for the Company to realise the significant potential of its Paterson Project tenements.

“With the addition of Fortescue as a partner in the Paterson we now have two major resource companies funding exploration on our Paterson tenements. This Agreement gives Fortescue access to under-explored tenements over highly prospective ground” Mr Boyd said.

“This deal also ensures Carawine is well positioned to share in the benefit of any discoveries, with Fortescue well placed to support a potential development should the exploration activities be successful. We look forward to sharing the details of the exploration programs as they progress.”

“The Agreement with Fortescue represents a further endorsement of Carawine’s exploration targeting strategy, which has already led to the formation of active joint ventures with Rio Tinto Exploration in the Paterson province and with Independence Group NL in the Fraser Range region of WA.”

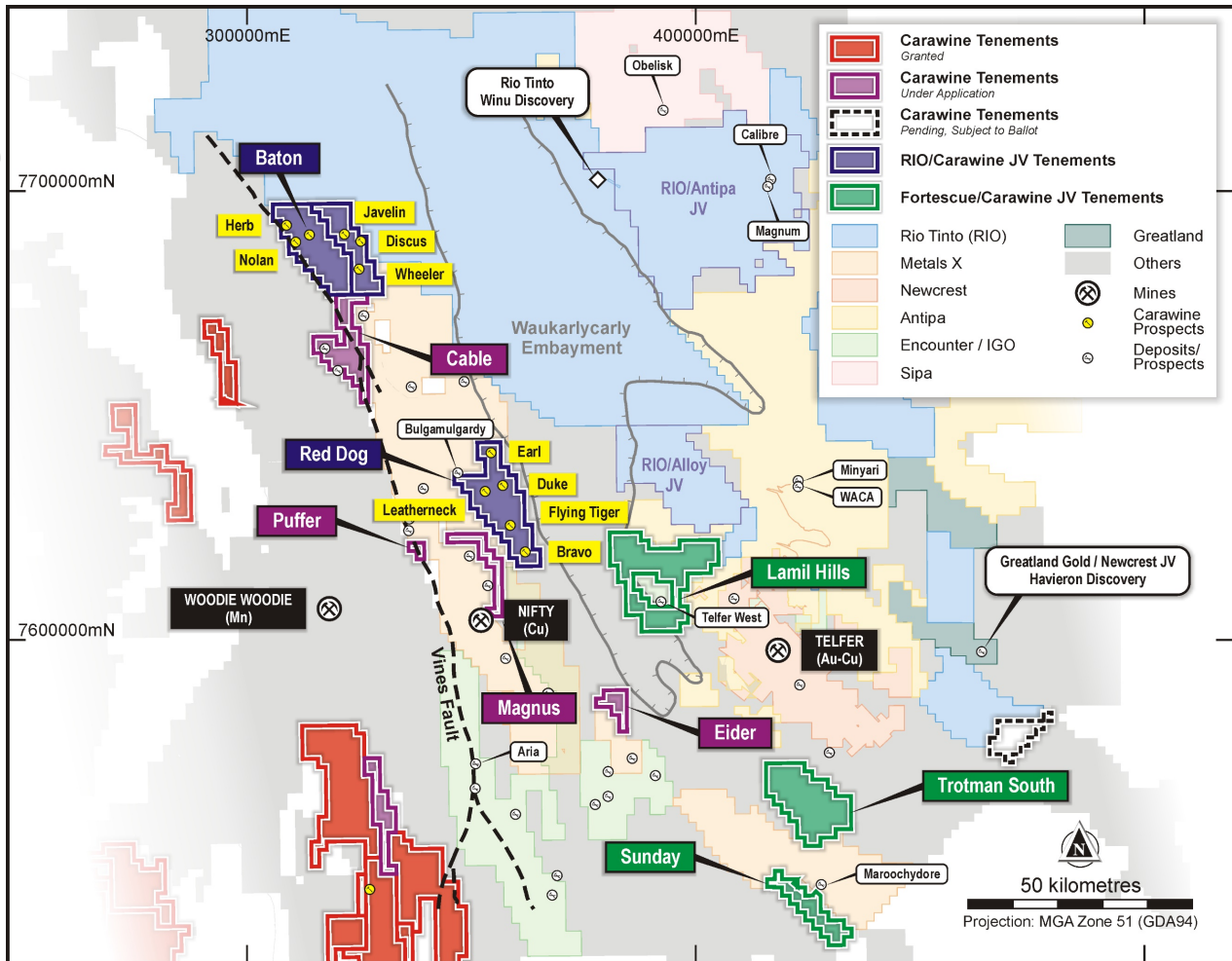


Figure 1: Carawine's Paterson Project with Fortescue Agreement tenements shown in green.

Key terms of the Agreement are summarised as follows:

- Fortescue will pay Carawine A\$125,000 in cash within 30 days of execution of the Agreement.
- Fortescue must spend at least A\$500,000 within the first eighteen months of the Agreement before it can withdraw (the "Minimum Obligation").
- Fortescue then has the right to earn a 51% interest in the Tenements by spending A\$1.5 million on exploration within three years, inclusive of the Minimum Obligation.
- Once Fortescue has earned a 51% interest in the Tenements, a Joint Venture will be formed.
- Fortescue may then elect to earn an additional 24% interest in the Tenements by spending an additional A\$4.5 million on exploration over an additional four years during which Carawine will be free carried (the "Additional Farm-In").
 - Once Fortescue has earned the additional 24% interest in the Tenements, bringing its total interest in the Tenements to 75%, Carawine has the right to contribute to further exploration expenditure according to its interest, or dilute.
 - If Fortescue elect not to proceed with the Additional Farm-In, Carawine has the right to contribute to exploration expenditure according to its interest, or dilute.
- If any party's interest in the Tenements falls to below 5%, then the other party has the right to purchase that interest at fair market value.

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Carawine's Paterson Project

As announced to the ASX on 28 October 2019, Carawine entered into a farm-in and joint venture agreement with Rio Tinto Exploration Pty Limited ("**RTX**"), a wholly owned subsidiary of Rio Tinto Limited ("**Rio Tinto**") (**ASX:RIO**) to explore its Baton and Red Dog tenements in the western Paterson Province (Figure 1). The agreement gives RTX the right to earn a 70% interest by spending A\$5.5 million on exploration over six years and an additional 10% interest by meeting certain discovery-related milestones. RTX have a minimum obligation comprising an aggregate of A\$0.5 million in cash and share subscription payments, and A\$1 million in exploration expenditure (refer ASX announcement 28 October 2019 - "\$6 Million Paterson Farm-In with Rio Tinto").

The combined terms of the Fortescue and RTX agreements represent a minimum commitment to Carawine of at least A\$2 million (aggregate of cash, share subscription and exploration expenditure), with the potential for up to A\$11.5 million to be spent on exploration under both agreements over the next six to seven years.

The Company also recently added four new tenement applications to its Paterson Project which are not subject to any farm-in or joint venture agreements (Figure 1). These include a large tenement immediately south and adjoining the Baton tenements, and tenements that extend to within 1km of Metals X's Nifty Copper operation (refer ASX announcement 28 October 2019 - "Paterson Tenement Holding Increased").

Carawine will continue to progress these tenements towards grant and evaluate their exploration potential in this highly prospective and sought-after exploration region. The Company will then look to generate targets on which to focus further exploration, either in its own right or by seeking suitable partners.

Jamieson Project Update

The Paterson Project farm-in and joint venture agreements also enable the Company to concentrate its resources on exploration at its Jamieson Project in Victoria, where it has identified porphyry-related mineralisation at the Hill 800 prospect, and significant potential for additional large copper-gold porphyry mineral systems elsewhere on the project.

A detailed helicopter-borne magnetic survey over the Jamieson Project was recently completed, with results to be used to provide targets for direct drill testing of modelled porphyry targets at depth. Drilling is planned to commence mid-November, initially targeting extensions to known porphyry-related mineralisation at Hill 800 at relatively shallow depths (refer ASX announcements 11 September and 16 October 2019).

Additional details of the Company's exploration projects are available from the Company's website: www.carawine.com.au.

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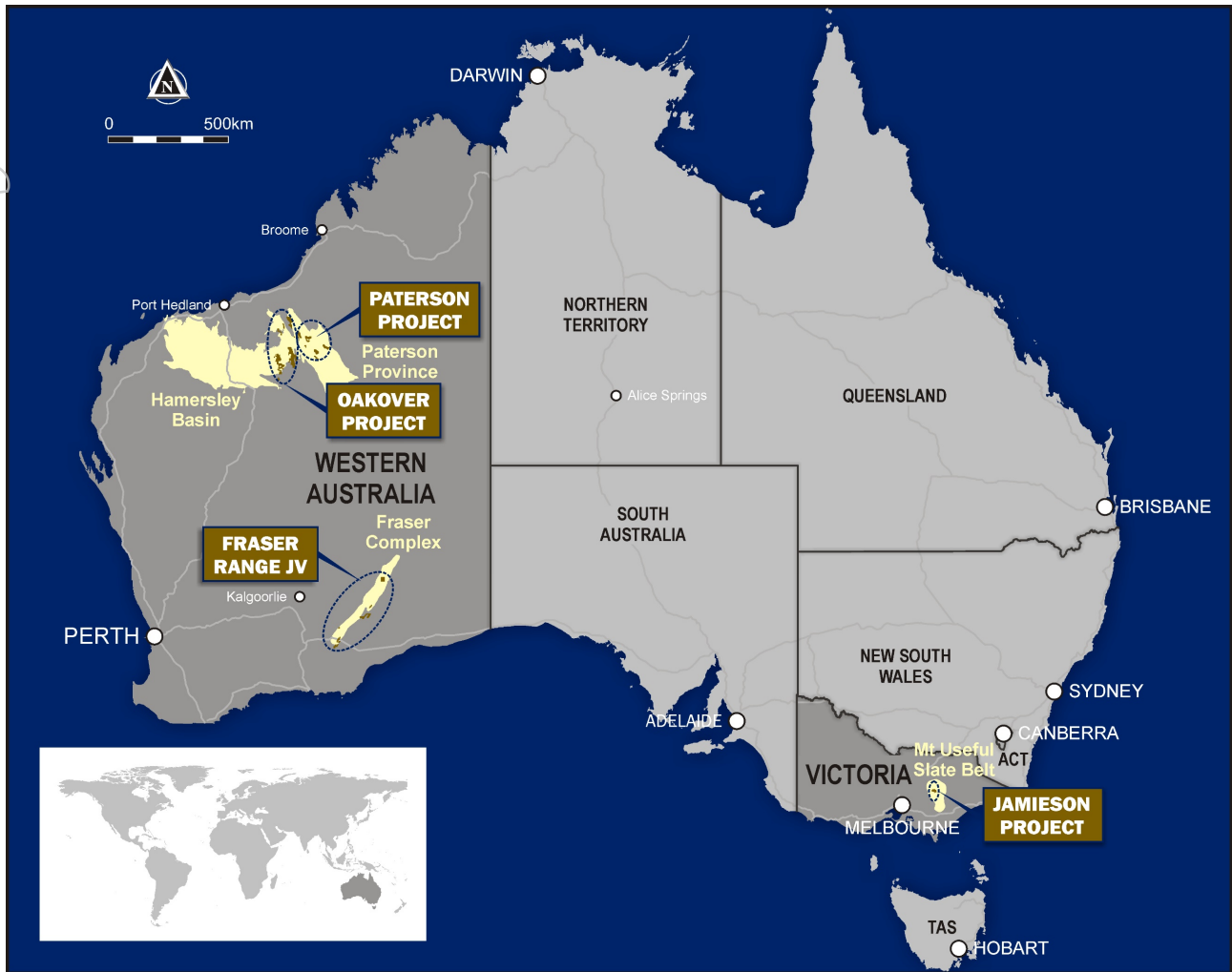


Figure 2: Carawine's project locations.

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COMPLIANCE STATEMENTS

This announcement includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012). The information was extracted from the Company's previous ASX Announcements as follows:

- Jamieson: "Carawine Targets Copper-Gold Porphyries at its Victorian Jamieson Project" 16 October 2019
- Jamieson: "Copper-gold Porphyry Targets at Hill 800" 11 September 2019

Copies of these are available from the ASX Announcements page of the Company's website: www.carawine.com.au

The information that relates to Exploration Results is based on information compiled by Mr Michael Cawood, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Cawood holds shares and options in and is a full-time employee of Carawine Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code (2012)"). Mr Cawood consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. The Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the relevant original market announcements.

FORWARD LOOKING AND CAUTIONARY STATEMENTS

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "predict", "foresee", "proposed", "aim", "target", "opportunity", "could", "nominal", "conceptual" and similar expressions. Forward-looking statements, opinions and estimates included in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Company's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So, there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

ABOUT CARAWINE RESOURCES

Carawine Resources Limited is an exploration company whose primary focus is to explore for, and ultimately develop, economic gold, copper and base metal deposits within Australia. The Company has four projects, each targeting high-grade deposits in well-established mineralised provinces throughout Australia.

JAMIESON PROJECT (Au-Cu, Zn-Au-Ag)

The Jamieson Project is located near the township of Jamieson in the northeastern Victorian Goldfields and comprises granted exploration licences EL5523 and EL6622, covering an area of about 120 km² and containing the Hill 800 gold-copper and Rhyolite Creek zinc-gold-silver prospects within Cambrian-aged felsic to intermediate volcanics.

Hill 800 was discovered by New Holland Mining NL (New Holland) in 1994, following sampling of outcropping gold-rich gossans, with drilling returning results with significant widths and high gold grades. The Rhyolite Creek Prospect, located about 5km south of Hill 800, was discovered in 2008, with diamond drilling intersecting a zone of strong alteration and sulphide mineralisation returning high grade zinc, gold and silver from an interpreted seafloor Volcanogenic Massive Sulphide (VMS) system.

PATERSON PROJECT (Au-Cu, Cu-Co)

The Paterson Project, situated in the Paterson Province at the eastern edge of the Pilbara Craton, is dominated by Proterozoic age rocks of the Rudall Metamorphic Complex and the overlying Yeneena Supergroup. The Paterson area is host to the Telfer Au-Cu deposit, and the Nifty and Maroochydore stratabound Cu-(Co) deposits.

Carawine’s Paterson Project comprises six granted exploration licences and five exploration licence applications (one subject to ballot) over an area of about 1,500km² across nine regions: Lamil Hills, Trotman South, Red Dog, Baton, Sunday, Cable, Puffer, Eider and Magnus. Carawine has a farm-in and joint venture agreement with Rio Tinto Exploration Pty Ltd (“RTX”), a wholly owned subsidiary of Rio Tinto Limited (ASX:RIO), whereby RTX have the right to earn up to 80% interest in the Baton and Red Dog tenements by spending \$5.5 million in six years to earn 70% interest and then sole funding to a prescribed milestone.

Carawine also has a farm-in and joint venture agreement with FMG Resources Pty Ltd, a wholly owned subsidiary of Fortescue Metals Group Ltd (ASX:FMG), whereby FMG have the right to earn up to 75% interest in the Lamil Hills, Trotman South and Sunday tenements by spending \$6 million in seven years.

The Company retains full rights on the remaining five exploration licences.

OAKOVER PROJECT (Cu, Co, Mn, Fe)

Located in the highly prospective Eastern Pilbara region of Western Australia, the Oakover Project comprises fourteen granted exploration licences and one exploration licence application with a total area of about 2,500km², held 100% by the Company. The Oakover Project is centred on the Proterozoic Oakover Basin and is prospective for copper, cobalt, manganese and iron.

FRASER RANGE PROJECT (Ni-Cu-Co)

The Fraser Range Project includes 6 granted exploration licences in five areas: Red Bull, Bindii, Big Bullocks, Similkameen and Big Bang in the Fraser Range region of Western Australia. The Project is considered prospective for magmatic nickel-sulphide deposits such as that at the Nova nickel-copper-cobalt operation. Carawine has a joint venture with Independence Group NL (IGO) over the Red Bull, Bindii, Big Bullocks and Similkameen tenements (the Fraser Range Joint Venture). IGO currently hold a 51% interest and can earn an additional 19% interest in the tenements by spending \$5 million by the end of 2021.

ASX Code:	CWX	Market Capitalisation:	\$A\$18 million
Issued shares:	69.8 million	Cash (at 30 September 2019):	\$A\$2.6 million*
* approximately \$1 million to be raised in second tranche of a two-tranche share placement, dependent on shareholder approval on 14 November 2019, as announced 20 September 2019			

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