

\$6 MILLION PATERSON FARM IN WITH RIO TINTO

KEY POINTS

- **Rio Tinto Exploration (“RTX”) to explore Carawine’s Baton and Red Dog tenements in the Paterson Province, Western Australia under a farm in and joint venture agreement**
- **RTX to pay \$200,000 cash up-front and subscribe for \$300,000 of Carawine shares**
- **RTX required to spend \$1 million on exploration and complete at least 2,000m of drilling within the first two years**
- **RTX has the right to earn a 70% interest by spending at least \$5.5 million within six years**
- **RTX can earn to 80% interest by sole funding to a discovery milestone, or completion of a scoping-level study on any discovery**
- **RTX brings high calibre technical knowledge, exploration resources and recent track record of discovery success in the region**
- **Terms ensure Carawine is well positioned to share in the benefits of any discovery**
- **Carawine will continue target generation work on its other Paterson tenements, including four new applications, whilst evaluating further sole funding and joint venture options**

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 Rio Tinto Exploration Pty Limited (“**RTX**”) to explore Carawine’s Baton (E45/4871 & E45/4955) and Red Dog (E45/4881) Tenements (“**the Tenements**”). RTX is a wholly owned subsidiary of Rio Tinto Limited (“**Rio Tinto**”) (ASX:RIO).

The Tenements are part of Carawine’s Paterson Project in Western Australia (Figure 1), with work to date identifying more than twenty high-priority target areas, covering a range of potential deposit types in the Paterson region, all requiring follow-up exploration.

Carawine Managing Director David Boyd said the commitment from Rio Tinto underlined the exciting potential of Carawine’s Red Dog and Baton prospects in the Paterson Province.

“To have one of the world’s largest resources companies committing to significant expenditure on our Baton and Red Dog tenements is a strong endorsement of the prospectivity of the Tenements,” Mr Boyd said.

“RTX is actively exploring in the Paterson to complement their Winu discovery. They have the technical knowledge and resources to rapidly and systematically evaluate the numerous high priority targets at Baton and Red Dog, increasing the chances of a successful discovery.

“This deal also ensures Carawine is well positioned to share in the benefit of any discoveries, with Rio Tinto 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.”

Key terms of the Agreement are summarised as follows:

- RTX will pay Carawine A\$200,000 in cash within 30 days of execution of the Agreement
- RTX must complete the following within the first two years of the Agreement (the “Minimum Commitment”):
 - exploration expenditure of at least A\$1 million, and
 - at least 2,000m of diamond and/or RC drilling

- At the completion of the Minimum Commitment, RTX will subscribe to A\$300,000 worth of Carawine shares, calculated using the 20-day volume-weighted average price immediately prior to subscription (“Share Subscription”). RTX must complete the Minimum Commitment and the Share Subscription before it can withdraw from the Agreement.
- RTX then has the right to earn a 70% interest in the Tenements by completing the following within six years of the Agreement date:
 - 3,000m of diamond or reverse circulation (“RC”) drilling, and
 - exploration expenditure of A\$5.5 million, both inclusive of the Minimum Commitment.
- Once RTX has earned a 70% interest in the Tenements, a Joint Venture will be formed.
- Following the formation of the Joint Venture, RTX have the right to earn an additional 10% interest in the Tenements by sole funding Joint Venture expenditure up until the earlier of:
 - definition of total Mineral Resources on the Tenements containing material with an *in-situ* (in-ground) value equivalent to at least A\$1 billion; or,
 - completion of a scoping-level study in respect of any mineral deposit discovered on the Tenements.
- Once the Joint Venture is formed and following either RTX earning an extra 10% interest through achievement of the sole funding milestones, or electing not to sole fund an extra 10% interest, either party may elect to contribute to Joint Venture expenditure according to its interest or dilute.
- If either party’s interest falls to below 10%, then this interest will automatically convert to a 1% net smelter royalty payable on the first fifteen years of production.

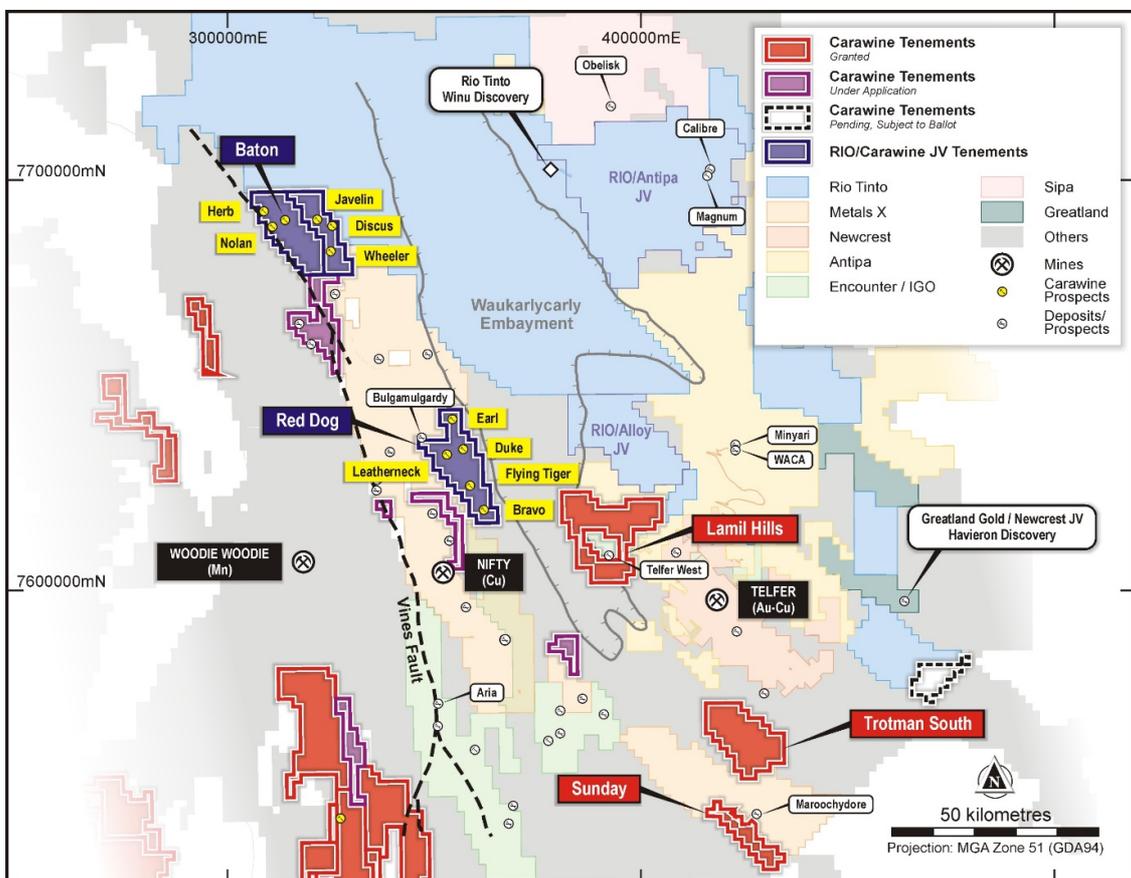


Figure 1: Paterson Project tenements showing location of areas subject to the Agreement.

Carawine’s tenement holding in the Paterson has also recently increased, with the Company being successful in four ballots for competing tenement applications. These include a large tenement immediately south and adjoining the Baton tenements, as well as tenements which extend to within 1km of Metals X’s Nifty Copper operation (Figure 1) (refer to the Company’s ASX announcement released today (28 October 2019)).

Carawine will continue target generation work on its other Paterson Project tenements in line with its strategy of advancing exploration programs in its own right, and/or considering suitable joint venture opportunities.

Importantly, this Agreement also allows the Company to concentrate its resources in the near term on exploration at its Jamieson Project in Victoria, where it has identified porphyry-related mineralisation at its Hill 800 prospect, and significant potential for additional large copper-gold porphyry mineral systems.

A detailed helicopter-borne magnetic survey has commenced at Jamieson, with results to be used to provide targets for direct drill testing of the porphyry model at depth. Drilling is planned to commence mid-November, initially targeting extensions to known porphyry-related mineralisation at Hill 800 from 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.

ENDS

For further information please contact:

David Boyd
Managing Director
Tel: +61 8 6319 0400
info@carawine.com.au

Media: Paul Ryan
Citadel-MAGNUS
Tel: +61 8 6160 4900
pryan@citadelmagnus.com

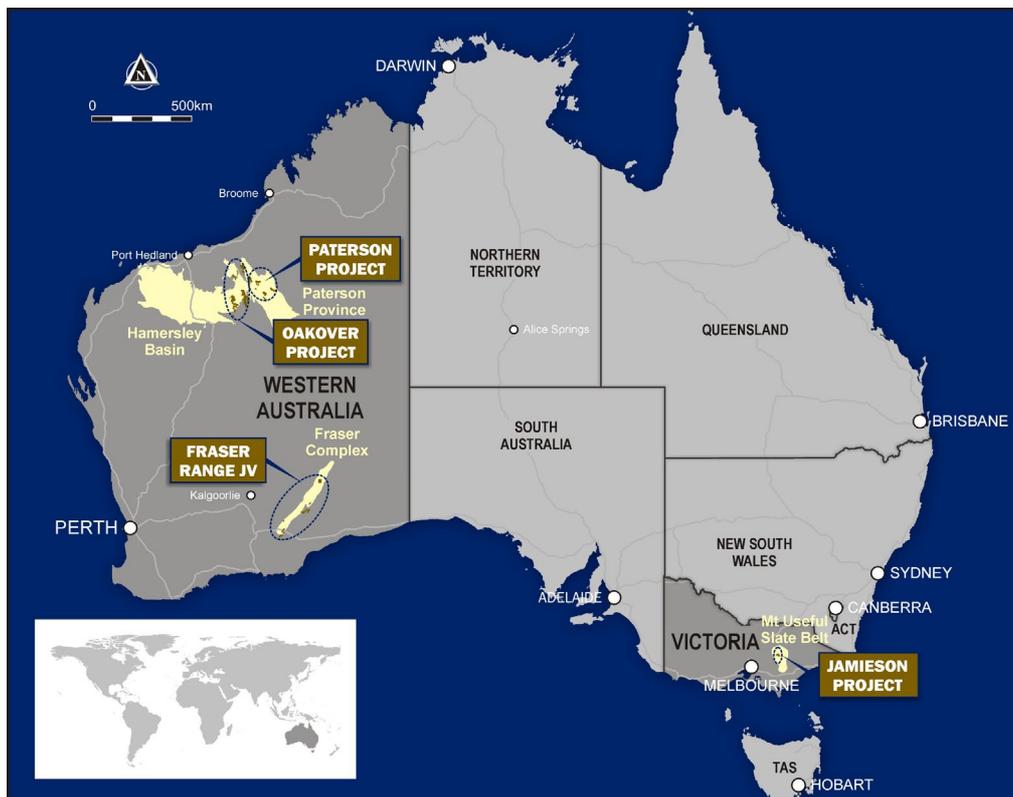


Figure 2: Carawine's project locations.

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:

- Paterson: "Paterson tenement holding increased" 28 October 2019
- 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
- Paterson: "Paterson Gravity Survey Prioritises Baton Targets" 27 August 2019
- Paterson: "Sixteen EM Targets Identified at the Paterson Project" 29 July 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 a 70% interest in the Baton and Red Dog tenements by spending \$5.5 million in six years, and a right to earn a further 10% interest (to 80%) by continuing to sole fund to a prescribed milestone. The remaining tenement areas are held 100% by the Company.

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\$17.4 million
Issued shares:	69.8 million	Cash (at 30 June, 2019):	A\$1.2 million*
<i>* approximately \$2 million raised in first tranche of a two-tranche share placement, announced 20 September 2019</i>			