

ASX:CWX

Directors:

Mr Will Burbury
Non-Executive Chairman

Mr David Boyd
Managing Director

Mr Bruce McQuitty
Mr David Archer
Non-Executive Directors

Capital Structure

Ordinary Shares: 55.8M
Unlisted Options: 11.1M
Unlisted Performance Rights: 2.2M

Market Capitalisation: A\$15.6M
Cash Reserves: A\$5.0M
(at 30 June 2018)

Registered Office

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QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2018

HIGHLIGHTS

Jamieson Project

- ▶ Record high-grade gold and gold-copper intersections from diamond drilling program at Hill 800:

740 Zone

- 93m @ 3.22g/t Au from 2.3m *including* 31m @ 6.64g/t Au
- 52m @ 2.37g/t Au from 71m *including* 30m @ 3.76g/t Au

Footwall Stringer Zone

- 37m @ 4.91g/t Au, 0.4% Cu from 177m *including* 10m @ 5.66g/t Au, 0.9% Cu *and* 5m @ 24.1g/t Au, 0.4% Cu
- 1.1m @ 10.3g/t Au, 1.0% Cu from 162m (to eoh)
- ▶ Exceptional grade and continuity of mineralised system demonstrated with three holes exceeding 100 gram x metres gold.
- ▶ Results from remaining seven holes expected in coming weeks.

Oakover Project

- ▶ Follow up ground geophysical surveys commenced at Western Star copper-cobalt prospect.
- ▶ Two tenements granted over prospective Manganese ground.

Paterson Project

- ▶ New tenement application over western strike extensions of the Maroochydore Cu-Co deposit host formation.

Fraser Range JV (IGO 51%, earning to 70%)

- ▶ Red Bull tenements (20km south of the Nova mine): Spectrem deep airborne electromagnetic survey 60% complete, final results due Q3 2018. Aircore drilling planned late 2018/early 2019.

Corporate

- ▶ Jamieson Project earn-in complete, Carawine now holds 100% of the Project.
- ▶ Approximately 55% of the Loyalty Options distributed at and prior to the Company's listing on the ASX in December 2017 have vested (10,115,585 Options). These Options are exercisable at \$0.30 on or before 14 December 2020.
- ▶ Cash position of A\$5.0 million as at 30 June, 2018

SUMMARY

Carawine Resources Limited (“Carawine”, “the Company”) is focussed on the exploration and development of economic gold, copper, cobalt and base metal deposits within Australia. The Company has four exploration projects, each targeting high-grade deposits in well-established mineralised provinces in Western Australia and Victoria (Figure 1).

The Company’s activities during the Quarter were focussed on diamond drilling at the Hill 800 prospect in Victoria. Subsequent to the end of the Quarter ground geophysical surveys commenced at the Western Star prospect in the Eastern Pilbara.

At the Jamieson Project in north east Victoria a 14 hole diamond drilling program was completed at the Hill 800 gold-copper prospect with a total of 2,376m drilled. The first phase drilling program concentrated on defining the style and orientation of gold mineralisation and exploring the system’s strike and depth extents. Assay results from 7 drill holes have been received, with remaining results expected during late July and early August. To date the results have exceeded expectations with exceptional grades and widths of gold mineralisation in the main “740” zone, and identification of additional gold-copper mineralisation in the “Footwall Stringer Zone.”

At the Oakover Project in the Eastern Pilbara region of Western Australia, an infill and extension dipole-dipole induced polarisation (DDIP) ground geophysical survey commenced at the Western Star copper-cobalt prospect. This program will also include a moving loop electromagnetic survey over the centre of the prospect. Results are expected early in Q3. Also within the Oakover Project, two exploration licences were granted over ground prospective for manganese. Geological reconnaissance on these and other Oakover project tenements will take place during Q3, as part of an intensive campaign of field work within the Oakover Project scheduled for H2 2018, including drill-testing of the Western Star prospect.

At the Paterson Project in the Eastern Pilbara region of Western Australia, the Company was successful in lodging an exploration licence application over vacant ground covering the interpreted western extensions of the host unit to the Maroochydore copper-cobalt deposit (held by Metals X Ltd). Carawine’s ground holding in the highly prospective Paterson Region now comprises 6 tenement applications over an area of 1,070km² in a province which has recently seen a significant increase in exploration activity.

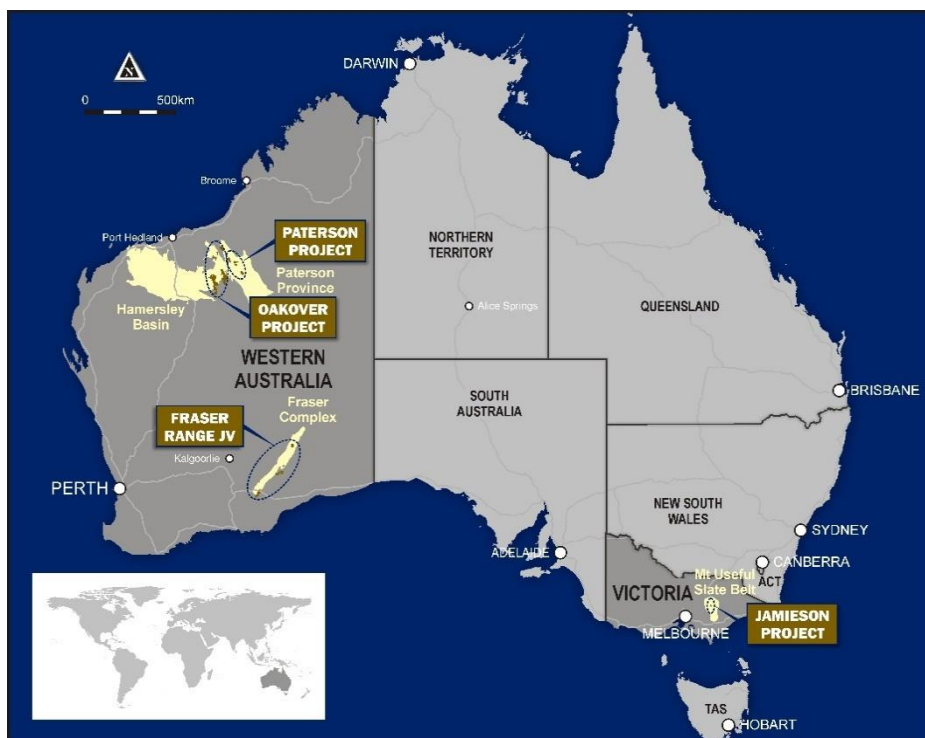


Figure 1: Carawine’s project locations.

At the Fraser Range Joint Venture (“FRJV”), operator Independence Group NL (“IGO”; ASX:IGO) has advised that airborne electromagnetic surveys using the powerful SPECTREM-PLUS AEM system (“Spectrem”) are in progress over the Red Bull tenements (20km south of the Nova mine), with results expected to be finalised by October, 2018. Spectrem is also planned to cover the Big Bullocks tenement (in the northern Fraser Range) in late 2018, where two target areas have been defined from previous work. IGO also advise that regional and targeted aircore drilling is planned for the latter half of 2018 at Red Bull and Similkameen (20km north of the Nova mine).

Early in the Quarter the Company applied for a new tenement: E28/2759 “Big Bang,” in the central Fraser Range region, about 40km to the south of Legend Mining’s (ASX:LEG) Rockford Project. The Rockford Project contains the recent Area D nickel discovery, and Legend have recently commenced a 10,000m aircore drilling program across their tenements in the region (source: ASX:LEG announcement dated 17 July, 2018).

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

The Jamieson Project is located near the township of Jamieson in northeast Victoria and comprises granted exploration licence EL5523, covering an area of 34 km² and containing the Hill 800 gold and Rhyolite Creek zinc-gold-silver prospects (Figure 2). During the Quarter Carawine completed its earn-in of the Project and now holds a 100% interest in the Project.

The most advanced prospect at Jamieson and the initial focus of Carawine’s exploration program is the Hill 800 gold prospect, discovered in 1994 by previous explorers who identified a 1km-long NE-trending zone of alteration and gold anomalism along the northern edge of a ridge-line. Between 1996 and 1999, several phases of reverse circulation (RC) and a limited diamond drilling program returned a number of significant, high-grade gold results. Despite the excellent results, the effectiveness of the drilling was restricted by limited site preparation and the use of large truck-mounted drill rigs, leading to a number of oblique intersections, and several drill holes missing mineralisation.

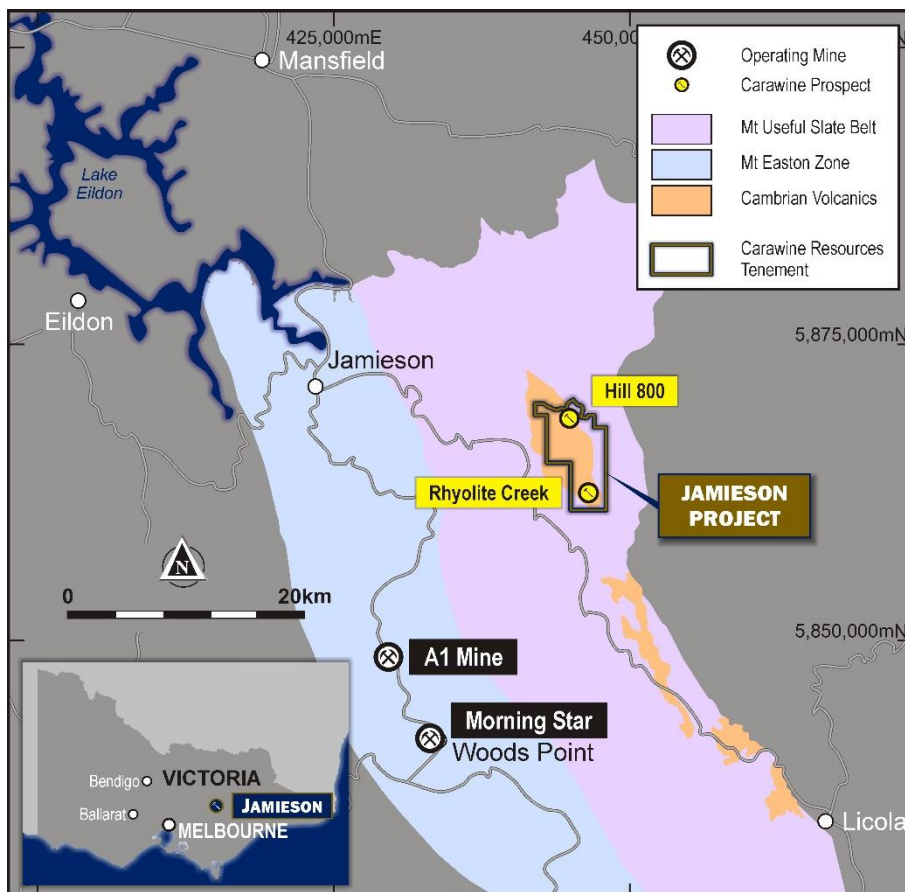


Figure 2: Location of the Jamieson Project.

During the Quarter, the Company commenced and completed a 14 hole diamond drilling program with a total of 2,376m drilled. This initial program was designed with the objectives of defining the style and orientation of gold mineralisation and exploring the system’s strike and depth extents. The program was completed over 2 months with two drill rigs, including one from local contractors Starwest Drilling.

Assay results have been received for 7 holes to date, exceeding the Company’s expectations of both width and grade of gold mineralisation at Hill 800, including:

740 Zone

- 92.7m @ 3.22g/t Au from 2.3m (0.3g/t Au cut off), hole H8DD006 including 11.7m @ 5.59g/t Au from 2.3m and 31m @ 6.64g/t Au from 58m (1g/t Au cut off)
- 52m @ 2.37g/t Au from 71m (0.3g/t Au cut off) including 30m @ 3.76g/t Au from 90m (1g/t Au cut off) hole H8DD001

Footwall Stringer Zone

- 37m @ 4.91g/t Au, 0.4% Cu from 177m (0.3g/t Au cut off) including 10m @ 5.66g/t Au, 0.9% Cu from 182m and 5m @ 24.1g/t Au, 0.4% Cu from 203m (1g/t Au cut off) hole H8DD002
- 1.1m @ 10.3g/t Au, 1.0% Cu intersected at the end of hole (ie. remains open), hole H8DD004

(Downhole widths may not represent true width, see ASX announcements dated 7 June, 25 June and 10 July 2018 for details)

The 92.7m intersection in H8DD006 has a gold accumulation of 299 gram x metres which is the highest from Hill 800 obtained to date, eclipsing the previous best interval of 182 gram x metres. The record intersection, along with two other intersections exceeding 100 gram x metres (H8DD001, H8DD002), demonstrate the strong continuity of gold mineralisation and indicate the potential for a significant mineralised system.

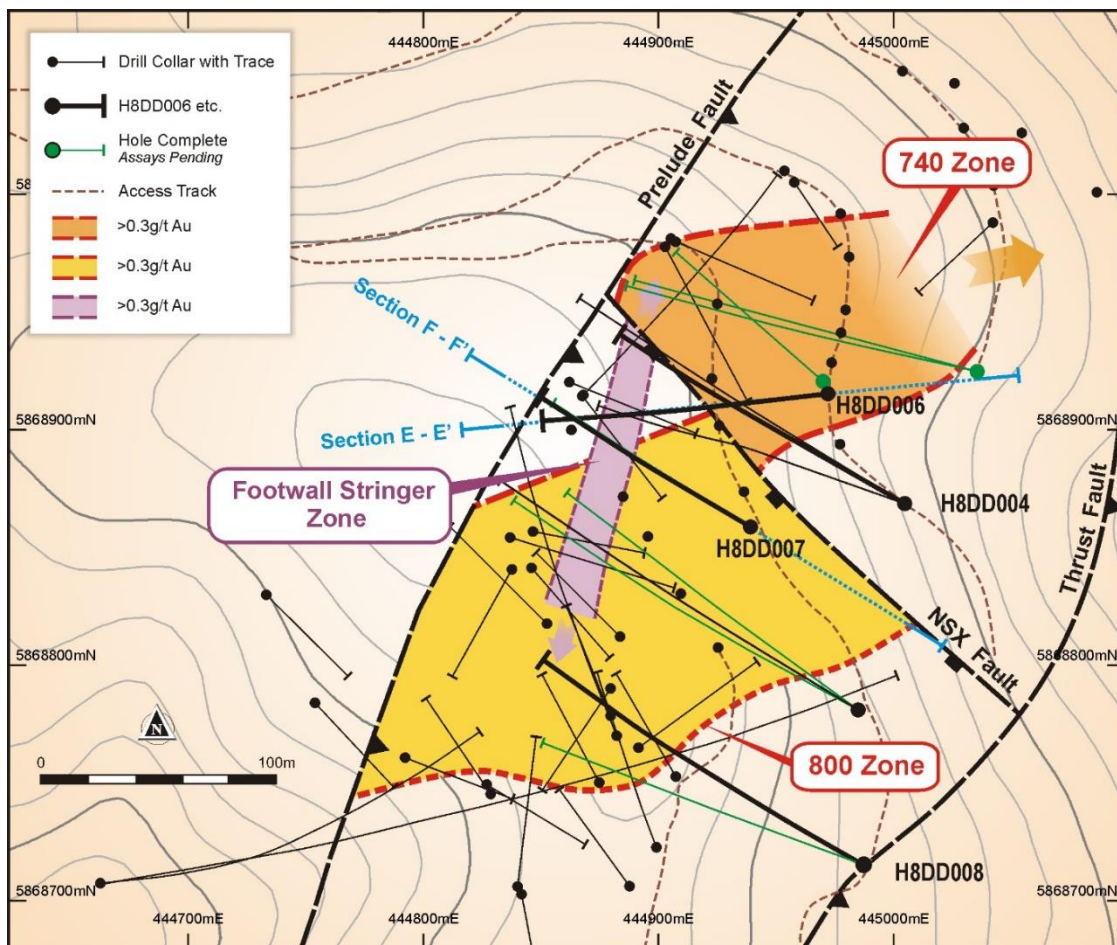


Figure 3: Drill hole plan showing mineralised zones and interpreted structures projected to surface

The assay results received to date have also provided a clearer picture of the orientation of mineralisation and controlling structures. The newly defined “800” and “740” Zones are outcropping, coherent bodies of gold mineralisation characterised by pervasive silica-sericite-pyrite alteration (Figure 5). These zones are separated by a south west dipping fault (“NSX Fault”) and have a combined strike length of more than 300 metres, with further repetitions possible along strike (Figures 3, 6 & 7).

The “Footwall Stringer” Zone is separated from the 800 and 740 Zones by a steep north east trending fault (“Prelude Fault”). This zone represents an additional style of high grade gold-copper mineralisation and to date is intersected in drill holes H8DD002, H8DD004 and the historic drill hole HED1 which have established a strike extent of over 120m (Figures 3 and 8). The mineralisation is characterised by coarse gold (e.g. up to 4mm diameter in H8DD002) (Figure 4) associated with a quartz, pyrite and chalcocopyrite vein network within chlorite altered, brecciated andesite and basalt lavas



Figure 4: Visible gold in the Footwall Stringer zone (H8DD002, 203.9m down-hole).

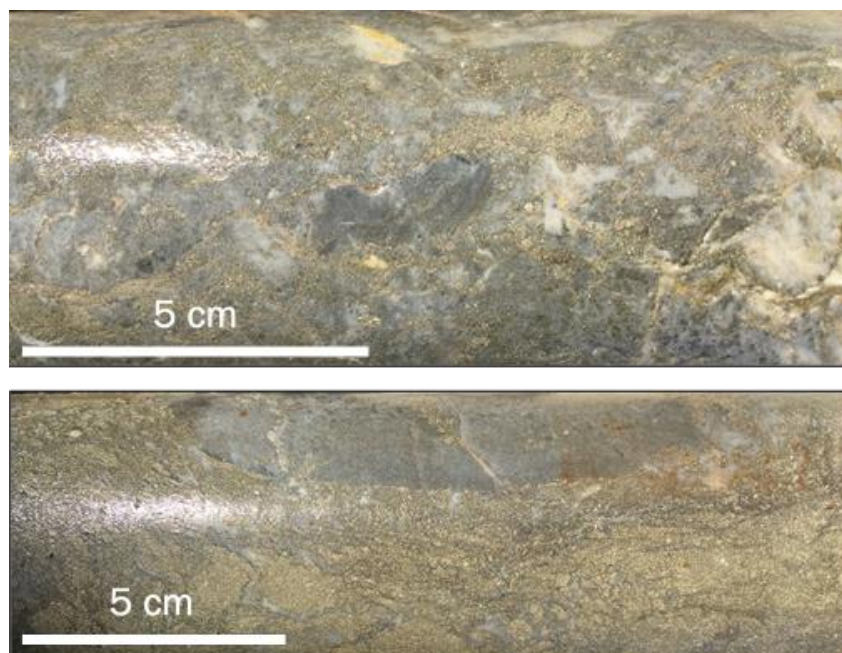


Figure 5: H8DD006 silica-sericite-pyrite alteration associated with the 92.7m @ 3.22g/t Au intersection

These latest results indicate significant strike and depth potential to the mineralised system at Hill 800, with both the style and shape common in VHMS systems.

Further details of the drilling program and assay results received to date can be found in the Company’s ASX announcements dated 1 May, 7 June, 25 June and 10 July 2018. Assay results from the remaining drill holes are expected to be received and reported in coming weeks.

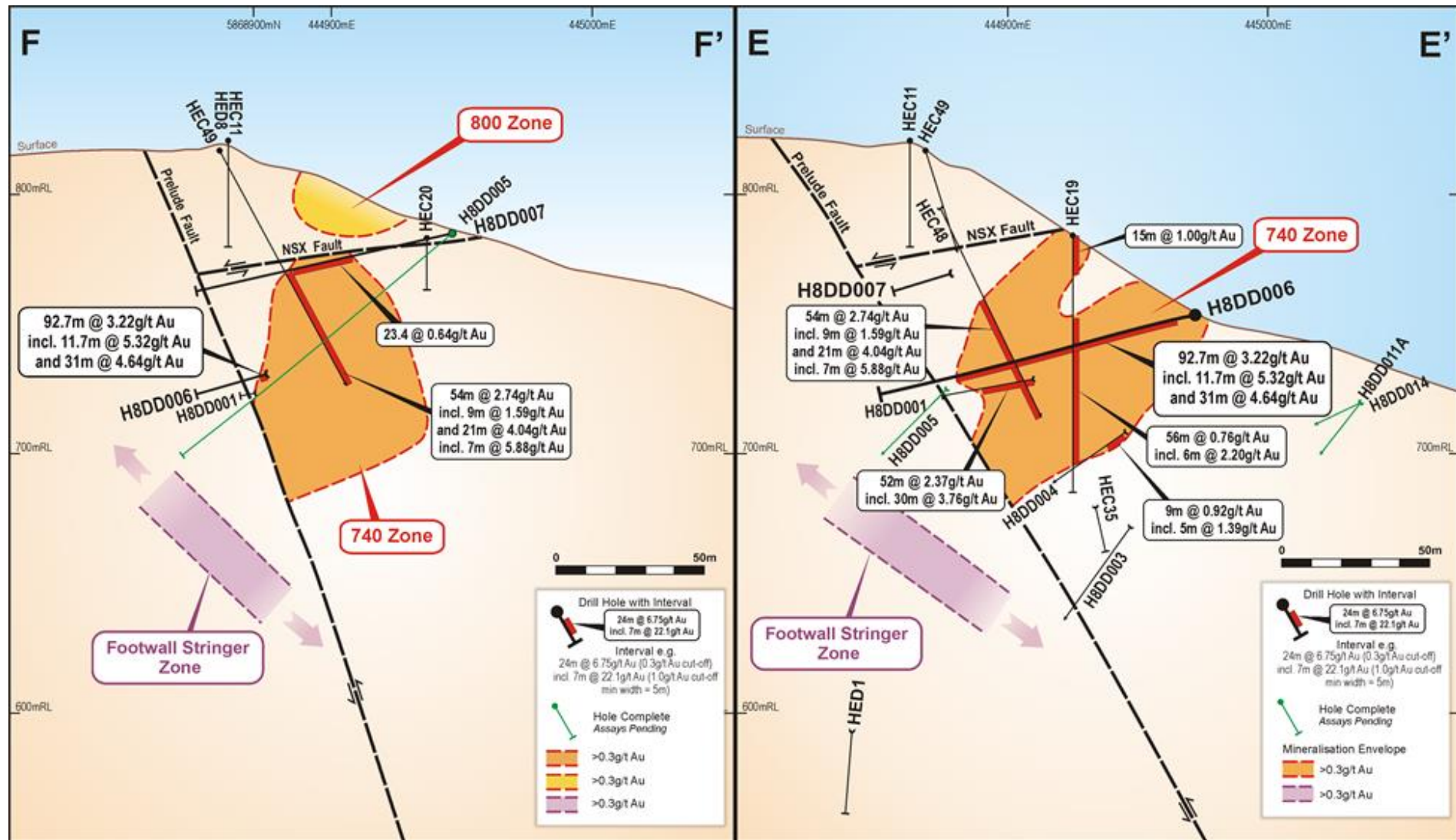


Figure 6: Cross Sections E-E' and F-F' showing the 800 and 740 Zones (+/- 10m)

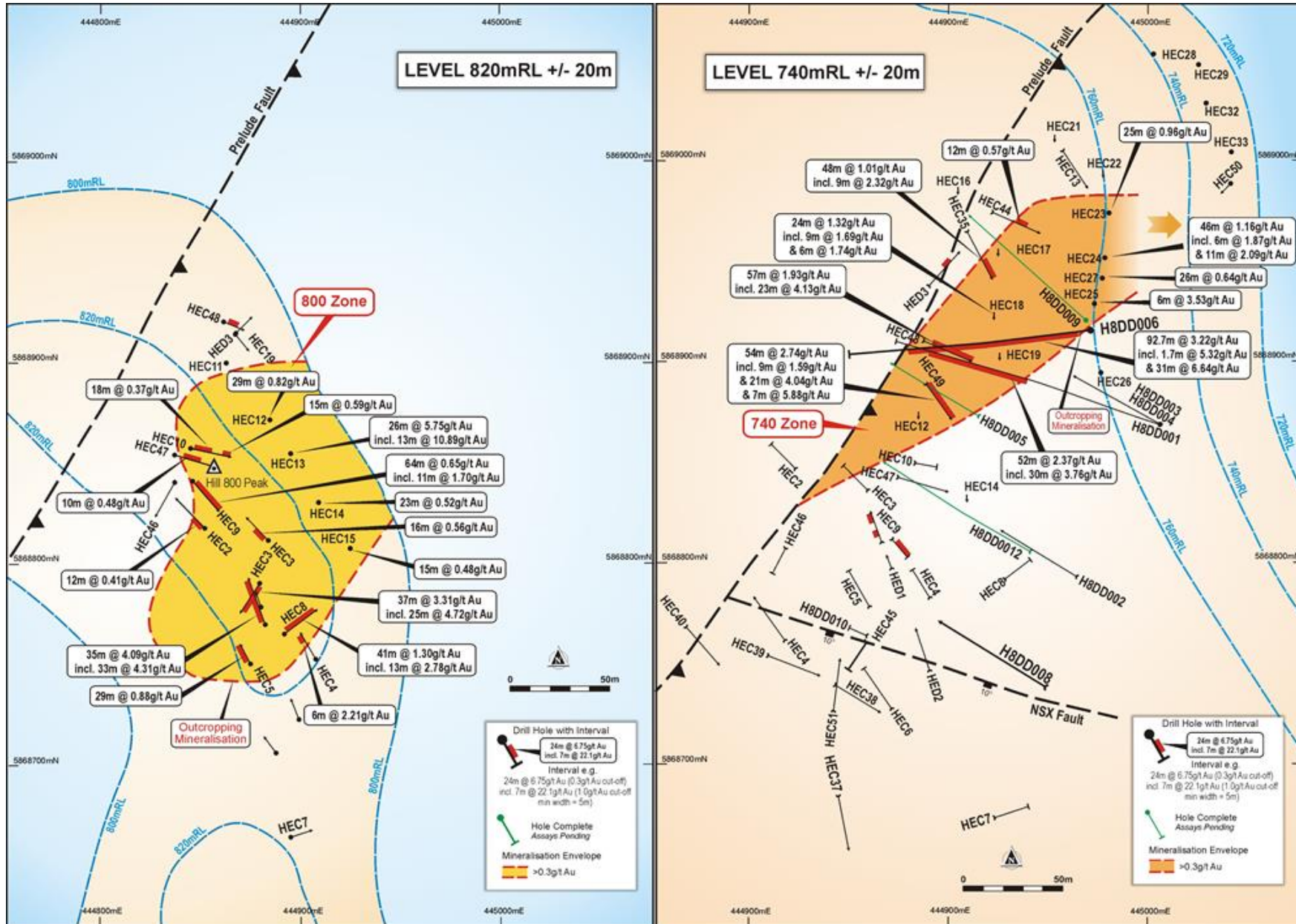


Figure 7: 820RL and 740RL Level plans showing mineralised outlines for the 800 and 740 Zones (+/- 20m window)

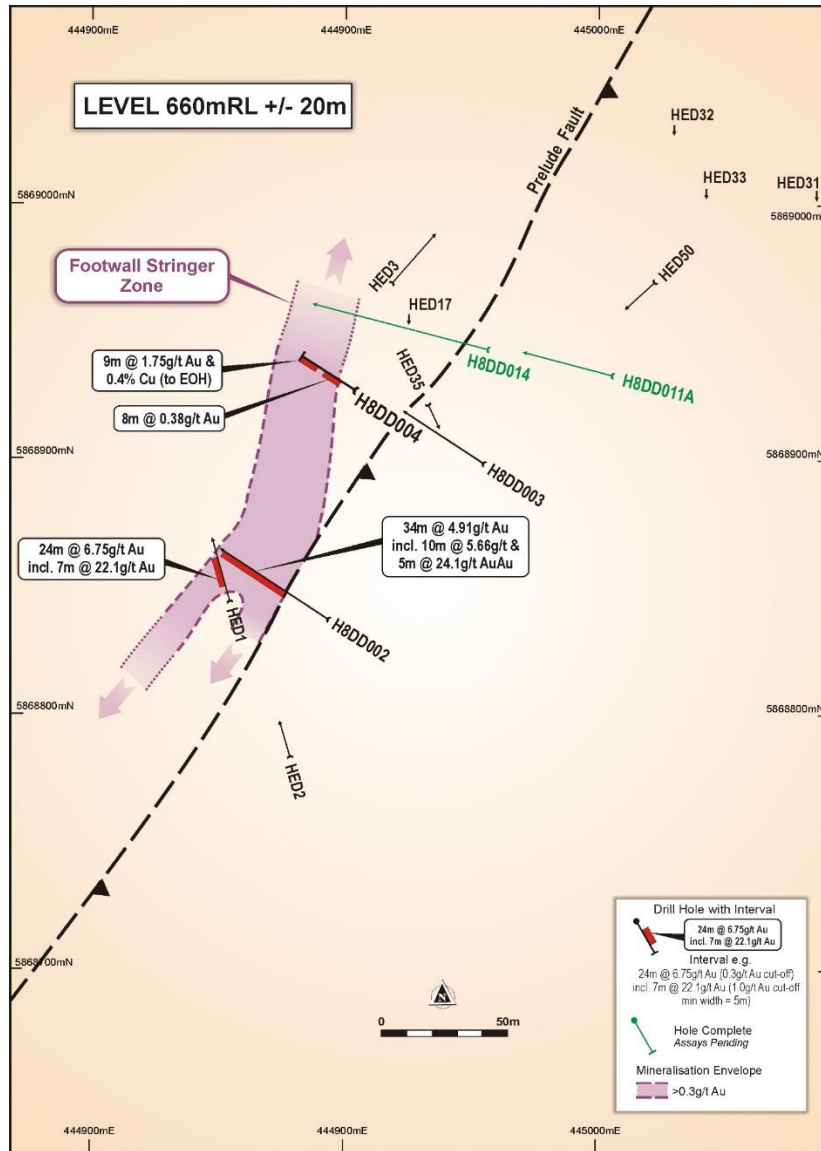


Figure 8: 660RL Level plan showing mineralised outline for the Footwall Stringer Zone (+/- 20m window).

Also at Hill 800 during the Quarter a down-hole electromagnetic (DHEM) survey was completed at Hill 800 using drill hole H8DD002. A second survey planned for drill hole H8DD003 was unable to be completed due to a shallow blockage in the hole. Modelling of the survey data supports the presence of a plunging, elongate conductive source about 150m below and to the south-southeast of H8DD002. This source location is generally consistent with that of the historic HED1 DHEM modelled conductor previously announced (see ASX announcement dated 12 February 2018), however the extent and orientation are different. Given this, further surveys will be required to refine the source location and orientation with sufficient certainty to target drilling. This work is planned for Q4 2018. Significantly, the measured source conductance levels are consistent with those related to well-developed copper-sulphide, or zinc sulphide systems, representing a promising target for future drilling programs.

OAKOVER PROJECT (Cu-Co)

Located in the highly prospective Eastern Pilbara region of Western Australia, the Oakover Project comprises nine granted exploration licences and six exploration licence applications with a total area of about 3,270km², held 100% by the Company (Figure 9). The Oakover Project is centred on the Proterozoic Oakover Basin and is prospective for copper, cobalt, manganese and iron.

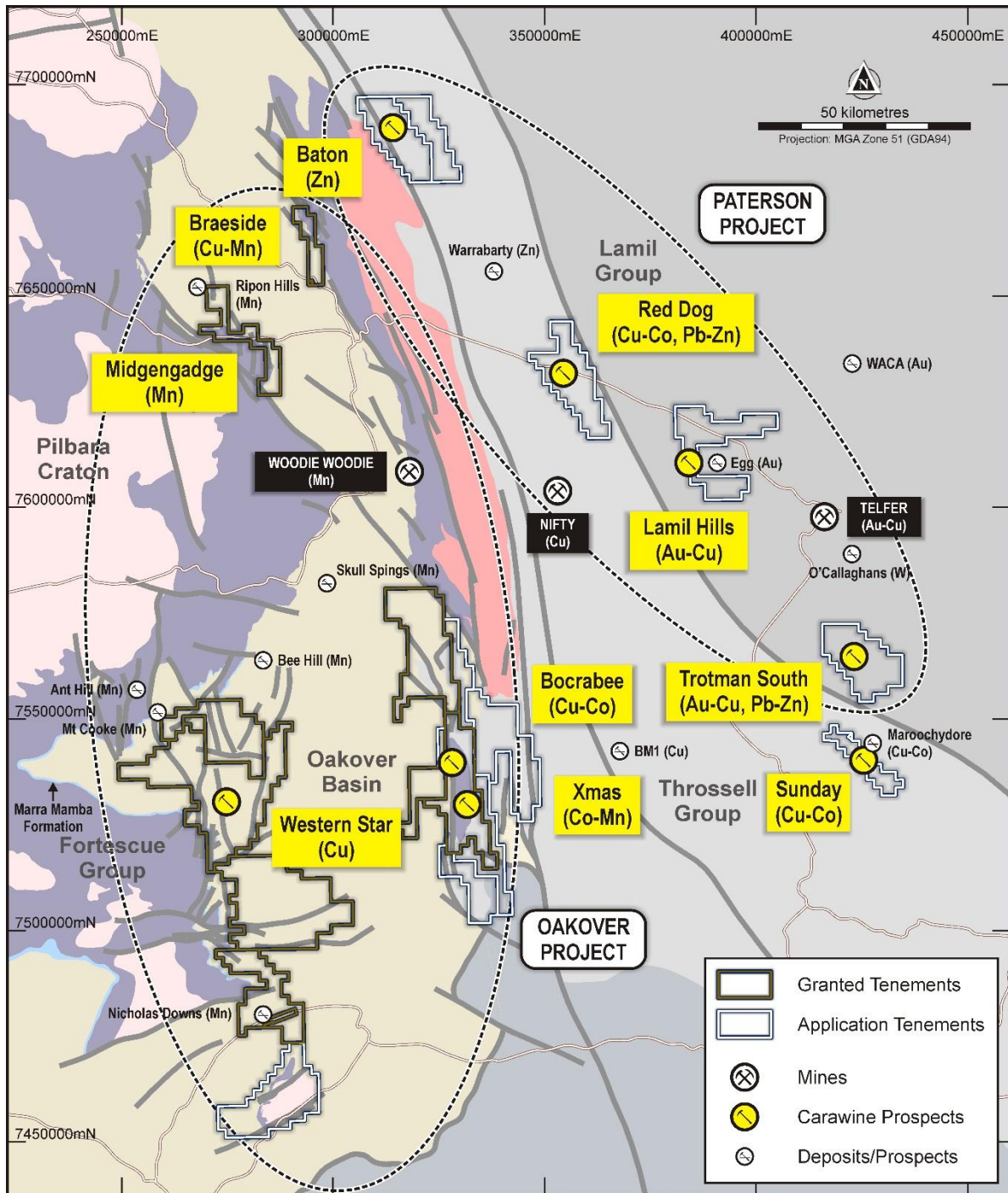


Figure 9: Oakover and Paterson Project tenement location plan, with location of the Xmas prospect and new tenement applications.

Western Star Copper-Cobalt

Preliminary dipole-dipole IP (DDIP) surveys at the Western Star prospect in 2017 indicated the potential for depth extensions to high grade surface copper and cobalt mineralisation, defined from rock chip samples ranging from 0.03% up to 43.7% Cu, and 7.8ppm up to 884ppm Co (Figure 10) (see ASX announcement dated 19 December, 2017 for details). Towards the end of the Quarter, an infill and

extension dipole-dipole induced polarisation (DDIP) ground geophysical survey commenced at Western Star, and will be followed by a moving loop electromagnetic (MLEM) survey. Results from these surveys are expected early in Q3, and together with existing surface mapping, rock chip sample and DDIP results, will be used to design a drilling program planned for September.

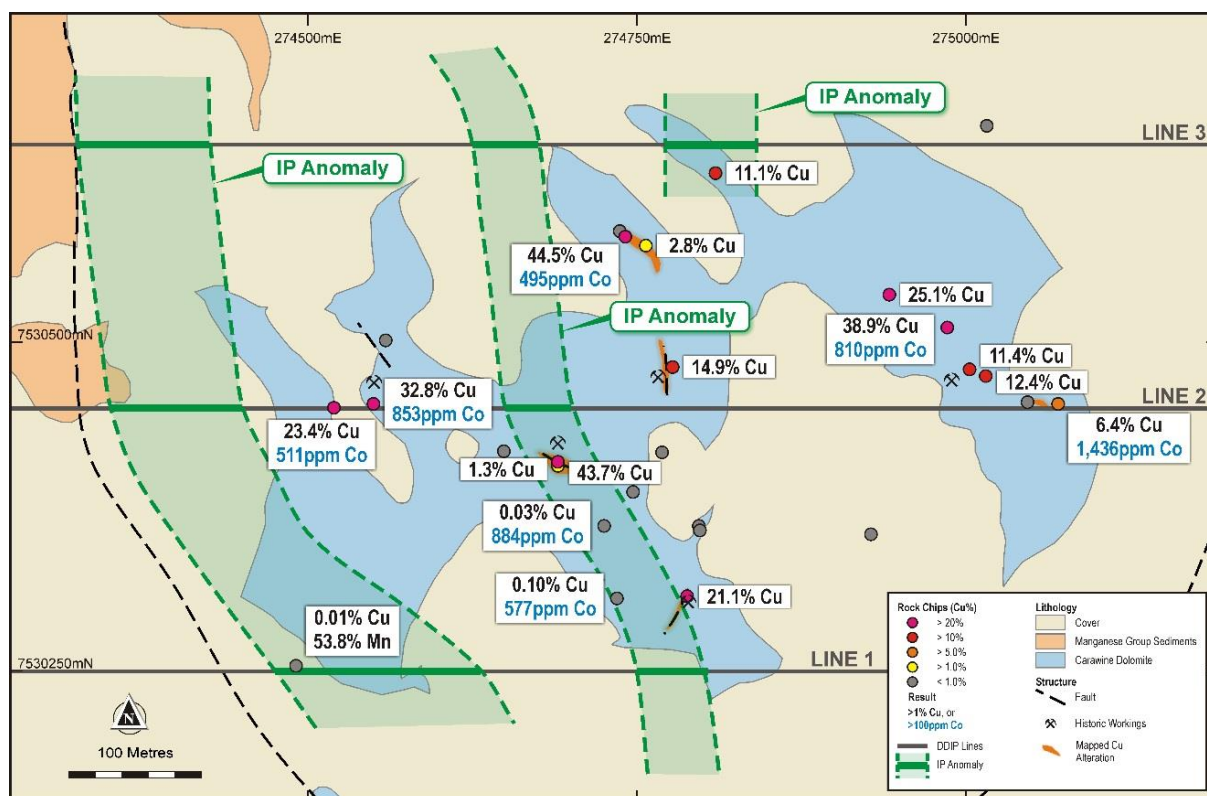


Figure 10: Western Star prospect plan showing location of historic workings, rock chip sample locations and current DDIP lines with interpreted anomaly trends.

Braeside and Midgengadge Manganese and Copper

During the Quarter, two exploration licences E45/4958 (“Braeside”) and E45/4959 (“Midgengadge”) were granted over ground in the Oakover Basin historically prospective for manganese and copper (Figure 9). Reviews of previous exploration and geological reconnaissance will take place on these tenements during Q3.

Xmas Region Cobalt-Manganese

Carawine has identified a number of significant cobalt-manganese prospects within its Oakover Project, including at the Xmas prospect where historic rock chip sampling has returned results of up to 0.31% cobalt mineralisation from outcrop within 1 km of strike, and at a number of other large and highly anomalous cobalt-manganese lag anomalies with associated high-grade rock chip samples (Figure 11, Table 1; see ASX announcements dated 21 December 2017 and 26 March for details).

Table 1: Oakover project regional cobalt-manganese prospect summary*.

Prospect	Cobalt Lag Anomaly	Peak Cobalt Lag Value	Peak Cobalt Rock Chip Value
Xmas	5km x 1km	0.49% Co / 18.1% Mn	0.31% Co / 28.4% Mn
Bocrabee	8km x 2km	0.33% Co / 10.5% Mn	0.40% Co / 25.0% Mn
Cape Warton	3km x 1km	0.05% Co / 3.1% Mn	0.19% Co / 31.4% Mn
Xmas South	5km x 1km	0.09% Co / 58.4% Mn	0.12% Co / 18.2% Mn
Easter	9km x 1km	0.23% Co / 7.0% Mn	
Leo	2km x 1km	0.28% Co / 21.0% Mn	
Davis	4km x 2km	0.16% Co / 12.8% Mn	

* lag anomaly defined above 0.025% Co, rock chip above 0.05% Co; see ASX announcement of 26 March 2018 for details

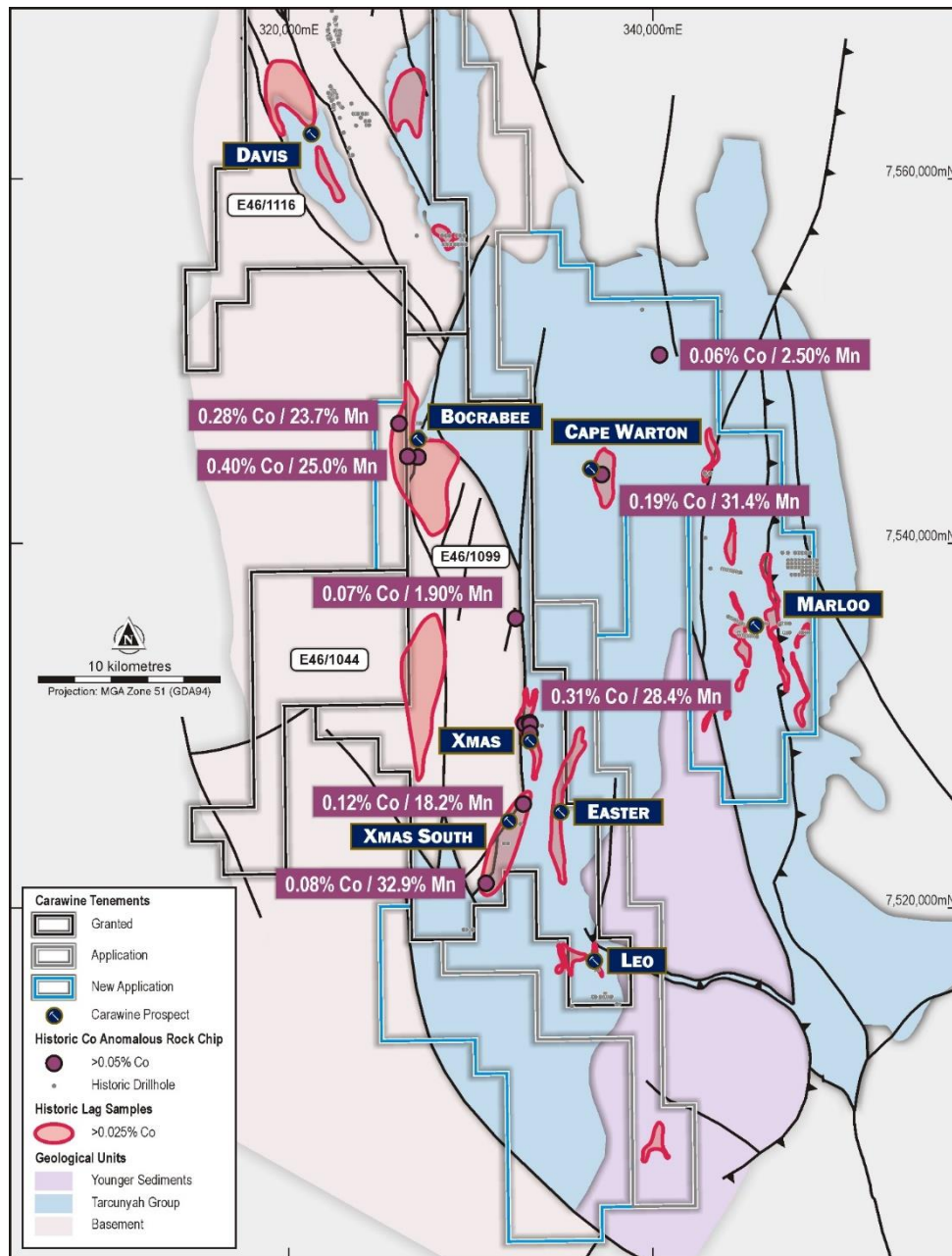


Figure 11: Regional cobalt-manganese targets.

Work planned for the H2 2018 comprises field mapping and geochemical sampling at each prospect/lag anomaly with the objective of identifying and defining associated surface mineralisation. Evaluation, modelling and prioritisation of historic geophysical anomalies is also planned, which together with the results from field work will be used to prioritise further work such as ground geophysical (DDIP) surveys and drilling.

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 exploration licence applications over an area of about 1,073km² across five regions: Lamil Hills, Trotman South, Red Dog, Baton and Sunday (Figure 12).

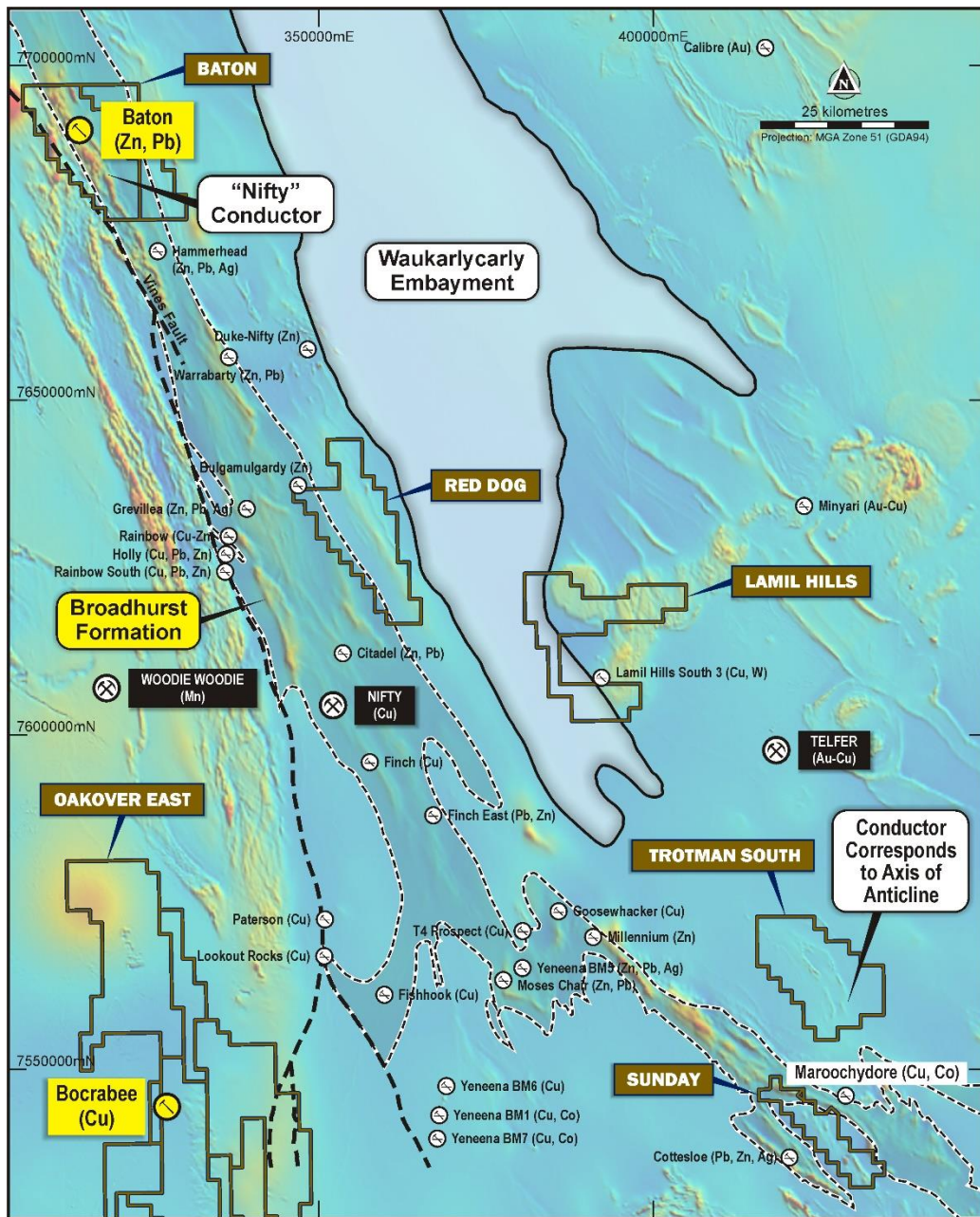


Figure 12: Paterson project tenements over a regional magnetic image.

During the Quarter Carawine was successful in applying for exploration licence E45/5229 (“Sunday”) over vacant ground immediately west of Metals X’s Maroochydore copper-cobalt deposit. Maroochydore is located approximately 85km southeast of Nifty, and comprises an oxide Mineral Resource of 43.5 million tonnes @ 0.91% Cu and 391ppm Co, and a primary sulphide Mineral Resource of 5.43 million tonnes @ 1.66% Cu and 292ppm Co, based upon limited drilling to date (source: Metals X Ltd (ASX:MLX) Resource and Reserve Statement 18 August 2016). Sunday covers the interpreted western strike extension of the Broadhurst Formation which is host to both Maroochydore, and the Nifty copper deposit. The Company will prioritise progressing this tenement towards grant.

The Company will continue to progress its Paterson tenements towards grant, prior to planning exploration activities.

FRASER RANGE PROJECT (Ni-Cu-Co)

The Fraser Range Project includes 5 granted exploration licences in four areas: Red Bull, Bindii, Big Bullocks and Similkameen; and one new exploration licence application 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 (Figure 13).

Carawine has a joint venture with Independence Group NL (IGO) for the five granted 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.

IGO have advised that airborne electromagnetic surveying using the powerful SPECTREM-PLUS AEM system (“Spectrem”) is currently in progress over the FRJV Red Bull tenements (about 20km south of the Nova mine), with results expected to be finalised by October 2018. Spectrem is also planned over the Big Bullocks tenement (in the northern Fraser Range) for Q4 2018, where two target areas have been defined from previous work. Independence also advise that regional and targeted aircore drilling is planned during H2 2018 at Red Bull and Similkameen (20km north of the Nova mine). Results from this work will be reported as they are received from IGO.

Early in the Quarter the Company applied for a new tenement: E28/2759 “Big Bang,” in the central Fraser Range region, 40km to the south of Legend Mining’s (ASX:LEG) Rockford Project. The Rockford Project contains the recent Area D nickel discovery, and Legend have recently commenced a 10,000m aircore drilling program across their tenements in the region (source: ASX:LEG announcement dated 17 July, 2018).

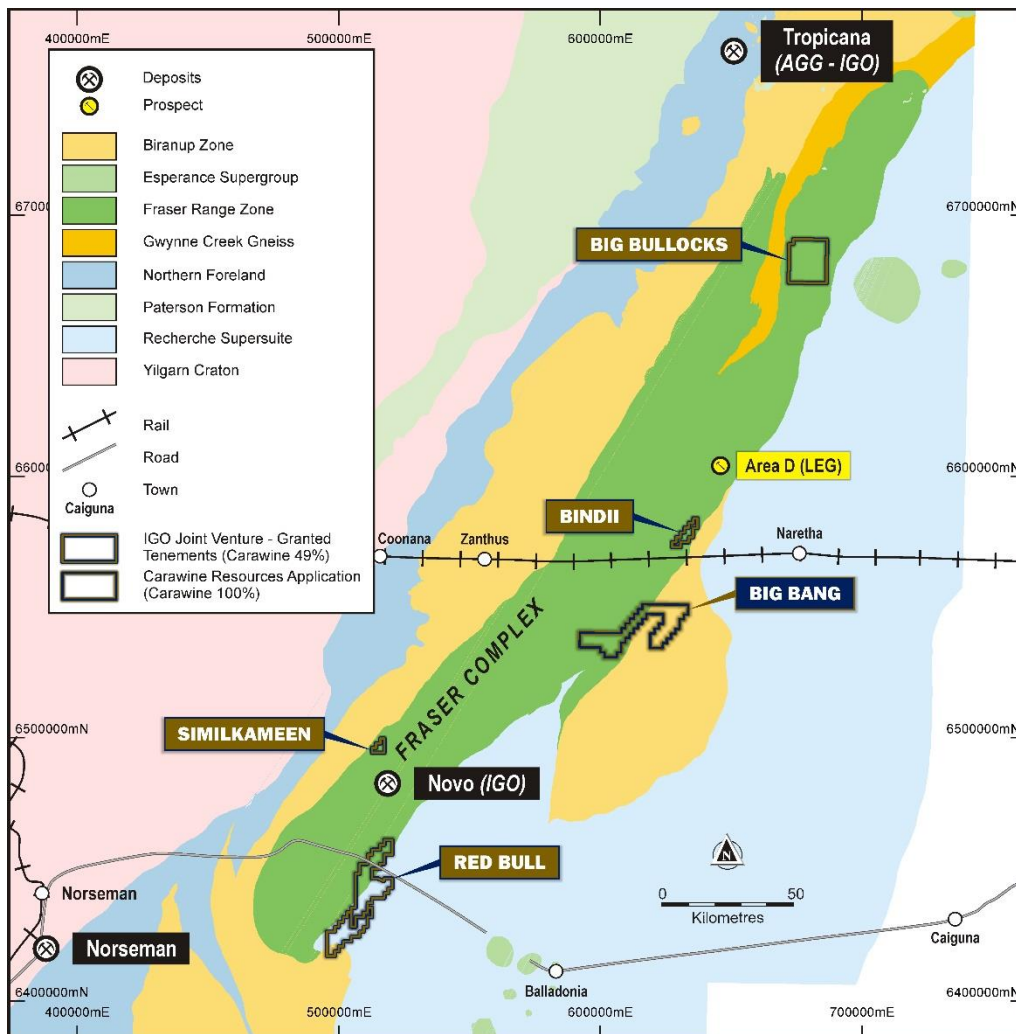


Figure 13: Fraser Range Project tenements.

CORPORATE*Jamieson Project Earn-In*

During the Quarter the Company completed the earn-in of exploration licence EL5523 at its Jamieson gold and base metal exploration project in north eastern Victoria. The Company now holds a 100% interest in the Tenement and issued 838,926 Carawine shares to the vendor Jamieson Minerals Pty Ltd as per the terms of the earn-in agreement (refer to Carawine's Appendix 3B notice made on 12 June 2018, and IPO Prospectus released on 12 December 2017, for details). The shares issued to Jamieson are subject to a 12-month escrow period.

Loyalty Options Vested

Subsequent to the end of the Quarter, the Company confirmed that 10,115,585 "Loyalty" Options had vested, representing about 55% of those distributed as part of the Company's demerger and IPO. In order for the Loyalty Options to vest, the holder had to be a registered holder of Carawine shares upon commencement of trading of shares on the ASX and on the date that was six months following the commencement of trading. As announced during the Quarter the relevant vesting date was Tuesday, 14 June 2018 (see ASX announcement dated 8 June 2018, and announcement and Appendix 3B dated 18 July 2018 for details).

Each vested Option can be exercised on or before 14 December 2020 for one fully paid ordinary share in Carawine at an exercise price of \$0.30. For full terms of the Options, please refer to section 15.3 of the Company's IPO prospectus dated 1 November 2017, available from the ASX announcements section of the Company's website www.carawine.com.au.

CASH POSITION

As at 30 June 2018, the Company had cash reserves of approximately \$5.0 million.



Mr David Boyd
Managing Director
25 July, 2018

Schedule 1: Interests in Mining Tenements at the end of the quarter as required under ASX Listing Rule 5.3.3.

Project	Tenement	Holder	Interest	Location ³	Status
Jamieson	EL5523	Jamieson Minerals Pty Ltd	100%	Victoria	Live
Oakover	E 45/4958	Carawine Resources Ltd	100%	Western Australia	Live
Oakover	E 45/4959	Carawine Resources Ltd	100%	Western Australia	Live
Oakover	E 46/1041-I	Carawine Resources Ltd	100%	Western Australia	Live
Oakover	E 46/1042-I	Carawine Resources Ltd	100%	Western Australia	Live
Oakover	E 46/1044-I	Carawine Resources Ltd	100%	Western Australia	Live
Oakover	E 46/1069-I	Carawine Resources Ltd	100%	Western Australia	Live
Oakover	E 46/1099-I	Carawine Resources Ltd	100%	Western Australia	Live
Oakover	E 46/1116-I	Carawine Resources Ltd	100%	Western Australia	Live
Oakover	E 46/1119-I	Carawine Resources Ltd	100%	Western Australia	Live
Paterson	E 45/4845	Carawine Resources Ltd	100%	Western Australia	Pending
Paterson	E 45/4847	Carawine Resources Ltd	100%	Western Australia	Pending
Paterson	E 45/4871	Carawine Resources Ltd	100%	Western Australia	Pending
Paterson	E 45/4881	Carawine Resources Ltd	100%	Western Australia	Pending
Paterson	E 45/4955	Carawine Resources Ltd	100%	Western Australia	Pending
Paterson	E 45/5229	Carawine Resources Ltd	100%	Western Australia	Pending
Oakover	E 45/5145	Carawine Resources Ltd	100%	Western Australia	Pending
Oakover	E 45/5179	Carawine Resources Ltd	100%	Western Australia	Pending
Oakover	E 45/5188	Carawine Resources Ltd	100%	Western Australia	Pending
Oakover	E 46/1194	Carawine Resources Ltd	100%	Western Australia	Pending
Oakover	E 46/1239	Carawine Resources Ltd	100%	Western Australia	Pending
Oakover	E 46/1245	Carawine Resources Ltd	100%	Western Australia	Pending
Fraser Range	E 28/2759	Carawine Resources Ltd	100%	Western Australia	Pending
Fraser Range JV	E 28/2374-I	Carawine Resources Ltd	49% ¹	Western Australia	Live
Fraser Range JV	E 28/2563	Carawine Resources Ltd	49% ¹	Western Australia	Live
Fraser Range JV	E 39/1733	Carawine Resources Ltd	49% ¹	Western Australia	Live
Fraser Range JV	E 69/3033	Carawine Resources Ltd	49% ¹	Western Australia	Live
Fraser Range JV	E 69/3052	Carawine Resources Ltd	49% ¹	Western Australia	Live

Notes:

1. Independence Group NL hold a 51% interest in the Fraser Range JV tenements and can earn up to 70% through the expenditure of \$5m by the end of 2021.

Details of tenements and/or beneficial interests acquired/disposed of during the quarter are provided in Section 10 of the Company's accompanying Appendix 5B notice.

COMPLIANCE STATEMENTS**PREVIOUSLY REPORTED INFORMATION**

This report 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:

- Hill 800: "Record High-Grade Gold Intersection From Hill 800" 10 July 2018
- Hill 800: "New High Grade Gold-Copper Zone at Hill 800" 25 June 2018
- Hill 800: "Exceptional First Results From Hill 800 Drilling" 7 June 2018
- Hill 800: "Hill 800 Gold Prospect – Drilling Commences" 1 May 2018
- Xmas region: "New Cobalt Targets Identified in Eastern Pilbara" 26 March 2018
- Hill 800: "Large IP Anomaly at Hill 800 Gold Deposit" 12 February 2018
- Xmas prospect: "Significant Outcropping Cobalt-Manganese Anomaly Identified" 21 December, 2017
- Western Star DDIP results: "Significant IP Anomaly Identified Beneath Surface Copper Cobalt Mineralisation" 19 December, 2017
- Initial public offer Prospectus: "Carawine Resources Prospectus" 12 December, 2017

Copies of these announcements are available from the ASX Announcements page of the Company's website:

www.carawine.com.au

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 report 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.