carnavale resources ltd

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Australian Stock Exchange (ASX): CAV
Frankfurt: WKN: A0MJ31

ASX ANNOUNCEMENT 29th July 2021

CAV expands gold in soil anomalies at Ora Banda South Project.

Highlights

- Soil sampling confirms historic gold anomalies and identified multiple additional +50ppb gold in soil anomalies coincident with arsenic in soil anomalies.
- 15km long tenement package with anomalous gold in soil and auger along the Carnage Shear Zone.
- Analogous geological setting target to the +2.5Moz @ +4g/t Invincible Gold Mine[1], discovered by Goldfields Ltd near Kambalda in 2012.
- Significant shallow bedrock gold results from limited aircore and RAB drilling completed by previous explorers see *ASX Release - Carnavale Bolsters Gold Portfolio with New Acquisition Ora Banda South - 5 October 2020*:
- Located 8km south of the Ora Banda Mining Centre within the highly endowed Yilgarn Craton and only 65km northwest of Kalgoorlie.

Carnavale has started a systematic exploration program over the tenement package. Work completed includes:

- A review of existing and publicly available geophysical aeromagnetic surveys to define stratigraphic and structural target zones that have the potential to host gold mineralisation.
- Validation and extensions to known gold occurrences in drilling and soil zones and define new targets.
- Comprehensive soil sampling of the residual soil profile along the Carnage Shear Zone to define drill targets.
- An aircore drilling program has been planned to commence in August targeting bedrock gold mineralisation.

Chairman Ron Gajewski commented:

"Exploration is underway in earnest with an aircore rig scheduled to drill in a few weeks' time. The recent soil sampling by CAV and the existing positive shallow bedrock gold results in the limited historic drilling along the southern portion of the Carnage Shear Zone provides support to our view that this area has the potential to host a significant gold deposit. The Project is very under explored with a geological setting analogous to the +2.5Moz @ +4g/t Invincible deposit at St Ives.

[1] https://www.goldfields.com/pdf/investors/integrated-annual-reports/2020/mmr-2020.pdf

CAV Exploration

Carnavale Resources Limited (ASX: CAV) is pleased to advise it has completed a program of soil sampling that included 1,100 samples across the Ora Banda South Project ("OBSP", "Project"), which covers an area of approximately 25km^2, located 65km northwest of Kalgoorlie in the Yilgarn Craton, Western Australia (Figure 2). Exploration to date has included a review of existing and publicly available geophysical aeromagnetic surveys to define stratigraphic and structural target zones that have the potential to host gold mineralisation. In addition, CAV has validated and extended known gold occurrences in drilling and soil zones to define new targets.

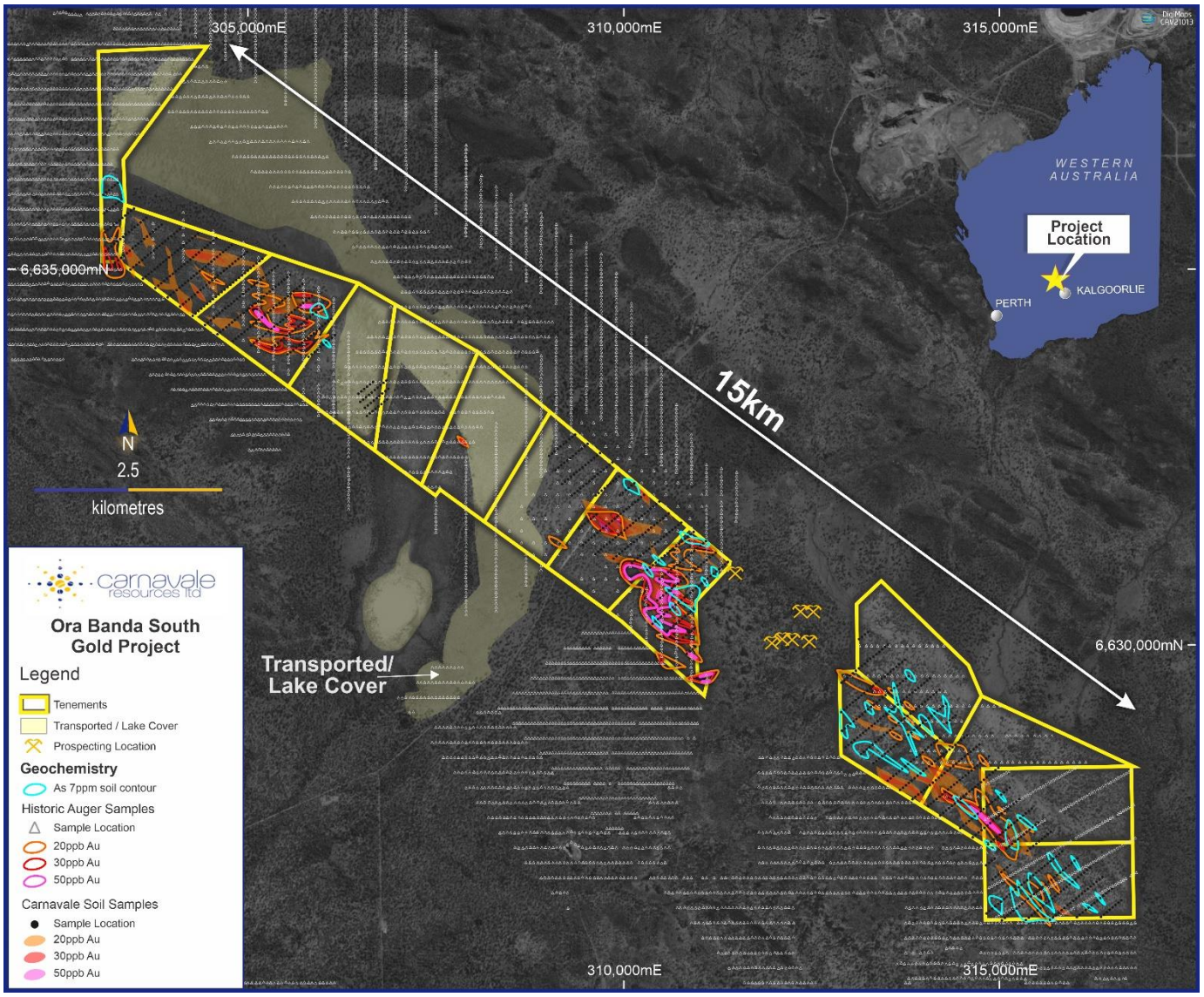

Figure 1, CAV tenure in yellow and soil sampling overlain with historic anomalies that show a 15km long mineralised trend

As a result of this work, the Company completed a soil sampling program of 1,100 soil samples on a nominal 50m x 200m grid covering the residual soil profile along the Carnage Shear Zone as defined by Sentinel and aeromagnetic imagery (Figure 1). The objective of this comprehensive soil sampling program was to identify drill targets and define the scale of the anomalism present within the tenement package. The assay results have been contoured at 20ppb, 30ppb and 50ppb cutoffs and are shown in figure 1

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along with the historic work. CAV samples were analysed for low level gold and multi elements to assist in the interpretation of the potential mineralisation that might be present.

CAV have identified multiple coherent +50ppb anomalies within broader +20ppb anomalous zones that are coincident with the historic work, as well as additional gold anomalies identified in the northern tenement areas. In addition to the extensive gold anomalism, CAV have also identified abundant associated arsenic anomalism highlighted in blue (Figure 1) that is commonly identified with gold bearing mineralising fluids.

Soil sampling was not undertaken in the area defined as transported cover in figure 1, as the sampling would have been ineffective. It is notable that the area held by the prospector, between the CAV tenements, has been worked by a shaft and on the surface for gold over many years and is considered by CAV to be part of the anomalous gold zone. Historic pits are shown on figure 1 by the pick and shovel symbol. These new and historic gold anomalies including the presence of the historic pits have confirmed the fertility of the geological setting and has encouraged CAV to further progress exploration at OBSP.

An aircore drilling program has been planned to target bedrock gold mineralisation and is scheduled to commence in August 2021.

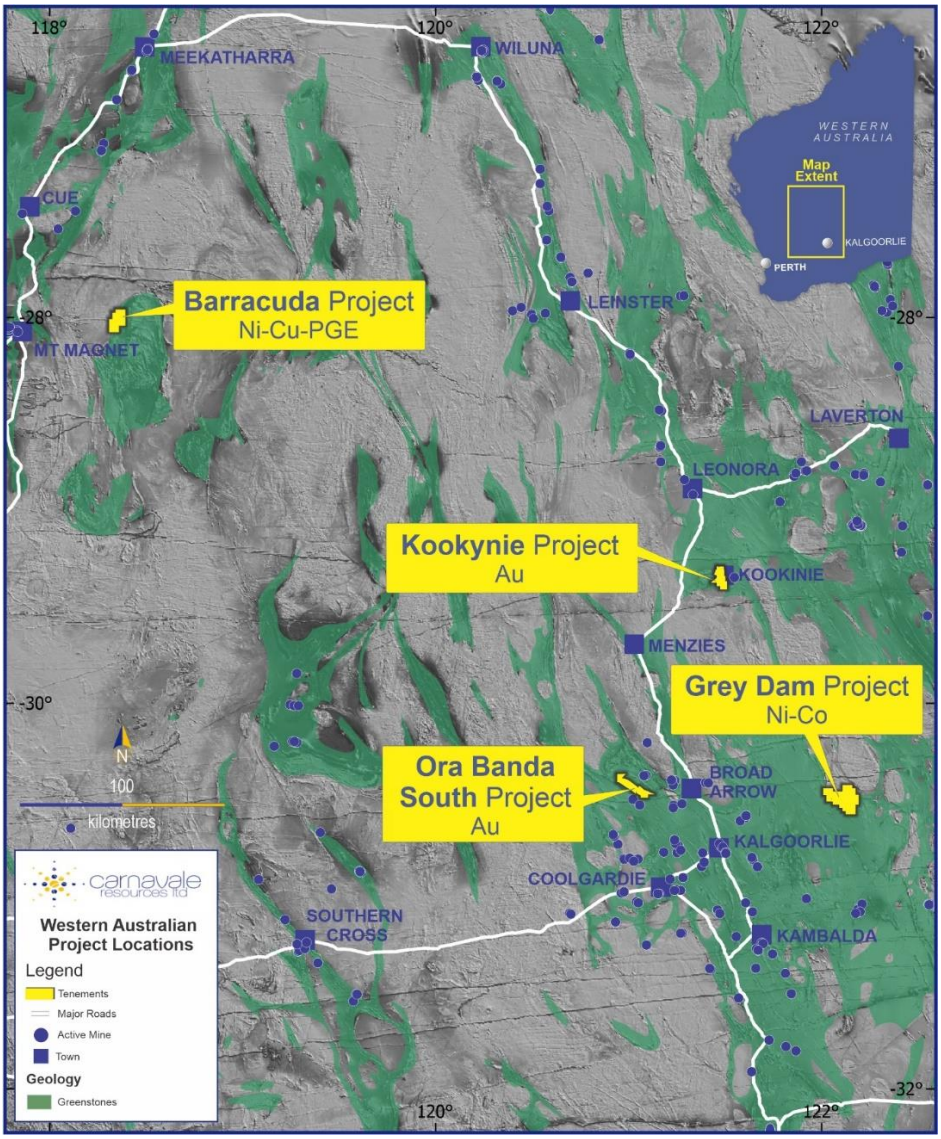

Figure 2 - Location of Carnavale's Ora Banda South Gold Project

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Ora Banda South Project Prospectivity

The Ora Banda region is well endowed with gold, with numerous mines to be found in the local area. The Project area is surrounded by the significant historic mines of Ora Banda, Siberia, Bullant, Mt Pleasant, Cashmans and Lady Bountiful within 15km of the project. Much of the tenement package is concealed by shallow recent transported cover, which has hindered previous explorers (Figure 3).

Carnavale is excited to be exploring for structural targets defined by the Carnage Shear Zone and associated structures that intersect the late basin Kurrajong sediments, that include the Black Flag Group and Kurrawang conglomerates. This setting is analogous to the geology of the +2.5Moz Invincible deposits, discovered by Goldfields Ltd in 2012. The late basin sediments of the Kurrajong sediments were always considered a poor gold exploration target up until Goldfields Ltd discovered the Invincible deposits near Kambalda.

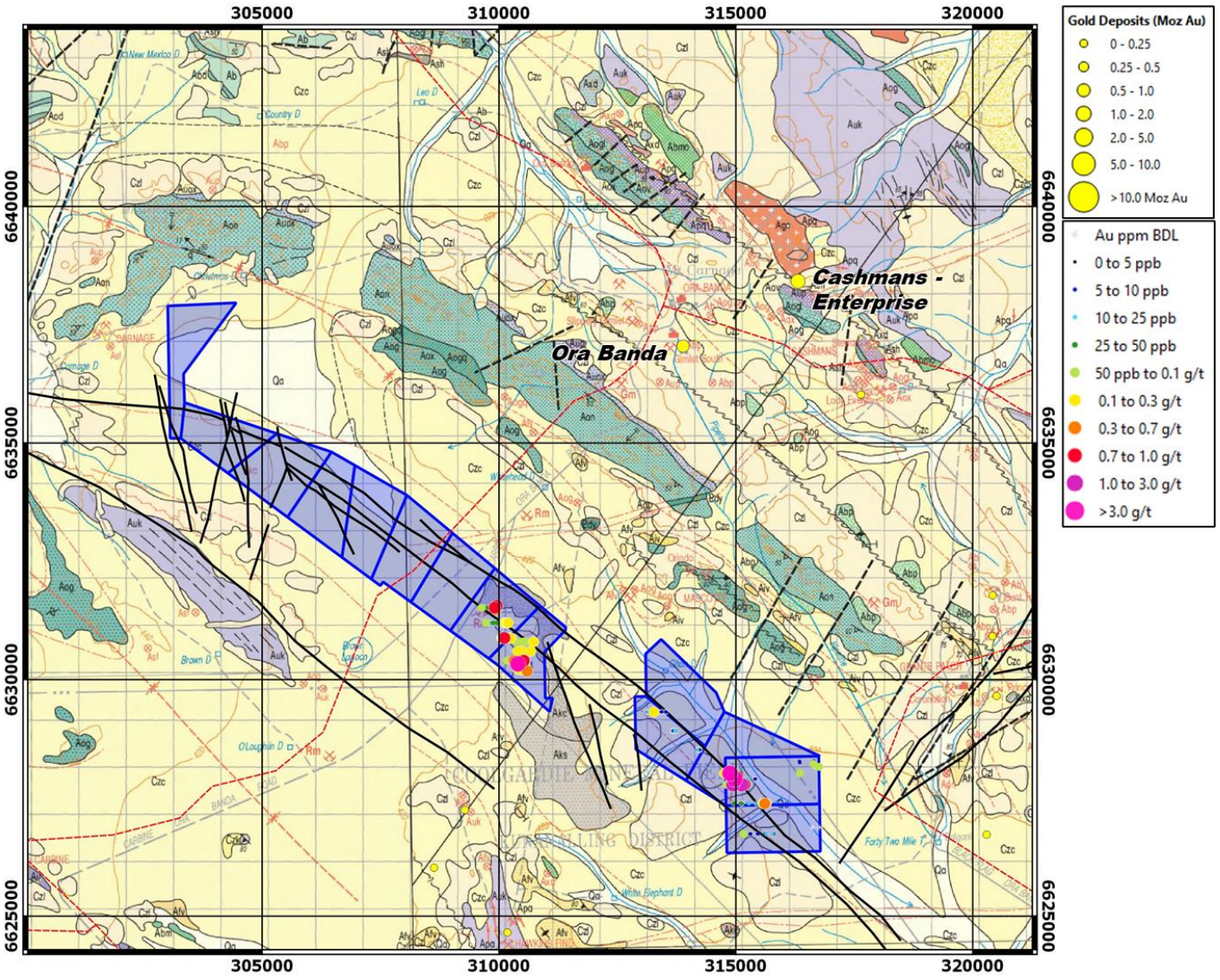

Figure 3 - Ora Banda South Project showing structural interpretation of the Carnage Shear Zone and associated minor shears.
(Tenure in blue over geology with historic gold deposits.)

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The Invincible deposits are hosted by mudstones of the Black Flag Group within the northwest trending Speedway Shear Zone. Mineralisation at Invincible comprises bedding-parallel, shear-hosted, laminated to brecciated quartz veins accompanied by intense albite alteration, pyrite, and free gold.

Carnavale's prospective tenement package, at Ora Banda South, extends for over 15km along the Carnage Shear Zone hosted within the late basin Kurrajong sediments

The Ora Banda South Project

The OBSP area is covered with a layer of transported material that deepens to the north. The Project area is made up of a northern and southern group of tenements separated by a gap of 2km (Figure 3). The gap is held by a prospector who has worked the ground for surface gold for many years. For details of the previous exploration see CAV *ASX Release - Carnavale Bolsters Gold Portfolio with New Acquisition Ora Banda South - 5 October 2020*

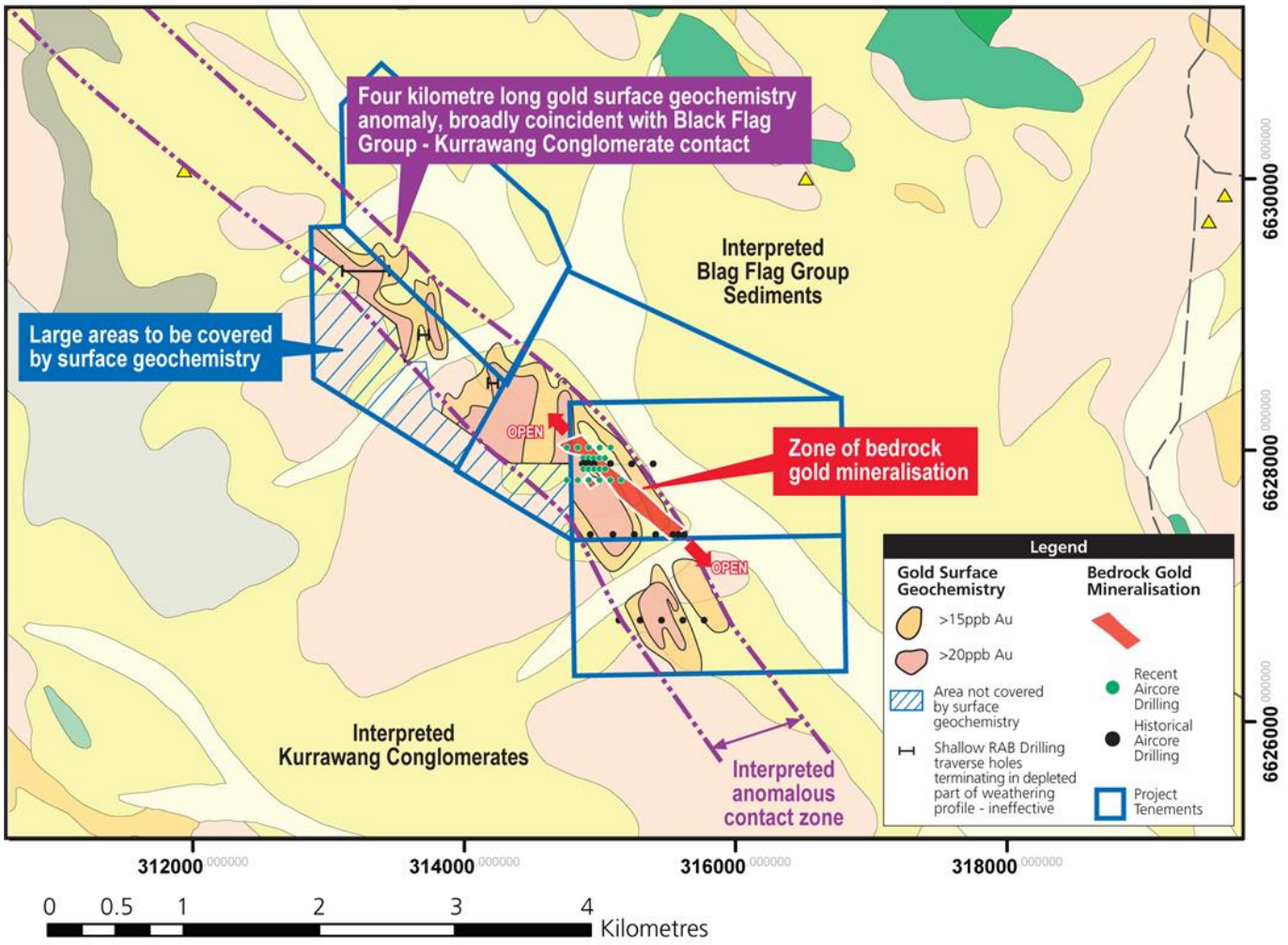

Figure 4 – OBSP - showing surface geochemical anomalies and drilling over GSWA geology map.

Programs going forward

Exploration is planned to include:

- Aircore drilling to target regolith gold anomalism leading to bedrock gold mineralisation.
- Subject to additional results, RC and diamond drill testing for the primary source of the regolith gold anomalies.

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This release is approved by the Board of Carnavale Resources Limited.

For further information contact:

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Competent Persons Statement

The information that relates to Exploration Results for the projects discussed in this announcement represents a fair and accurate representation of the available data and studies; and is based on, and fairly represents information and supporting documentation reviewed by Mr. Humphrey Hale, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Hale is the Chief Executive Officer of Carnavale Resources Limited and 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. Hale consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Statements regarding Carnavale's plans with respect to the mineral properties, resource reviews, programs, economic studies and future development are forward-looking statements. There can be no assurance that Carnavale's plans for development of its mineral properties will proceed any time in the future. There can also be no assurance that Carnavale will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Carnavale's mineral properties.

Information relating to Previous Disclosure

Previously reported material Information relating to the Ora Banda Gold Project includes:

Exploration

[2]*Carnavale Bolsters Gold Portfolio with New Acquisition Ora Banda South 5 October 2020*

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APPENDIX 1 – REPORTING OF EXPLORATION RESULTS - JORC (2012) TABLE 1 ORA BANDA SOUTH PROJECT

Section 1: Sampling Techniques and Data

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.	• **ORA BANDA SOUTH PROJECT** • Soil sampling of residual soil profile. • Samples were taken at 50m x 200m spacing. • Sampling and analytical procedures detailed in the sub-sampling techniques and sample preparation section.
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).	• No drilling
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 between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Sample recovery size and sample condition (dry, wet, moist) recorded. • 2kg sample taken at 20cm depth and sieved to -0.9m.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of	• No logging occurred

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Criteria	JORC Code Explanation	Commentary
	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.	
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.	• No core drilling • -0.9mm Samples collected in paper pulp bags. • The samples were taken from the residual soil profile identified by Satellite sentinel imagery. At least 150 gms of sample was recovered for assay. Samples sieved to -75um at the lab and then analysed for low level gold and multi-elements. • Samples were taken from 20cm below the surface to ensure representativity to the location. • Sample sizes were considered appropriate for this type of sampling.
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. • 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.	• Carnavale used ALS in Perth to undertake assaying of the samples. Techniques used were Au-TL43 for gold and ME-MS43 for multi elements. The samples were sieved to -75um prior to assay. • Carnavale introduced standards and blanks into the batches at 1 in 20 samples. These certified reference materials were chosen to fall within the range of expected results. • In addition Quality control process and internal laboratory checks demonstrated acceptable levels of accuracy.

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Criteria	JORC Code Explanation	Commentary
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.	• Internal laboratory standards are completed as a matter of course. • Sample data was captured in the field and data entry completed in the Company's Perth office. Sample data was then loaded into the Company's database and validation checks completed to ensure data accuracy.
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.	• Sample locations were surveyed by handheld GPS with horizontal accuracy (Easting and Northing values) of +-5m. • Grid System – MGA94 Zone 51.
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.	• Soil samples were taken at a nominal 200m x 50 spacing. • Carnavale considers this appropriate spacing to identify gold anomalism in the residual soil profile at Ora Banda South project. • No sample compositing has been completed.
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.	• Orientation of traverses has been chosen to reflect the geology from the magnetics. • Insufficient data to determine orientation of mineralised structures.
Sample security	• The measures taken to ensure sample security.	• Samples were securely stored in field and transported to the laboratory by an authorised company representative or an authorised transport agency.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews completed.

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Section 2: Reporting of Exploration Results – ORA BANDA SOUTH PROJECT

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.	• The Southern Tenement package of the Ora Banda South project includes five granted prospecting licences (P16/3000, P16/3001, P16/3077, P16/3081, P16/3082) and is owned by Western Resources Pty Ltd. Carnavale Resources Ltd has a 2 year option to purchase 80% of the tenements. • The area has 2 native title claimants the Maduwongga and the Marlinyn Ghoorlie.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• In the early 1990's Finders Gold NL completed an auger soil sampling program over an area now covered by the southern two prospecting licences (P16/2545 – 2546). This program outlined a distinct NW-SE trending gold anomaly in the western portion of the tenement block. • In the mid 1990's Merritt Mining NL completed an exploration program over an area now covered by the northern most three prospecting licences (P16/2567 – 2569). Exploration comprised gridding, geochemical soil sampling, interpretation of aeromagnetic data and reconnaissance RAB drilling. The soil sampling outlined a NW trending gold anomaly contiguous with the gold anomaly outlined by Finders Gold NL directly to the SE. The RAB drilling was considered largely ineffective as the drilling terminated in a highly weathered part of the profile which was potentially gold depleted. • The two historical soil geochemistry programs together delineated a distinct zone of anomalous gold geochemistry within the western portion of the current project area. The gold anomaly (>10ppb Au, peak 54ppb Au) trends north westerly over a strike length in excess of 4km and broadly parallels the interpreted regional lithological trends. • Several kilometres of strike of the gold in soil anomaly remained untested by drilling and represented a high priority drill target. • Carrick Gold investigated the soil geochemical anomalies (during the period 2009 – 2012) with a program of 31 aircore drill holes (KWAC 035-065) on wide spaced traverses across the southern most part of the surface geochemical anomaly on P16/2545-2546. The holes were drilled along three separate east-west traverses. The traverses were spaced between 520m and 640m apart, with holes spaced between 80m and 160m apart along the traverses. This first pass wide spaced program successfully returned significant gold results KWAC055

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Criteria	JORC Code Explanation	Commentary
		and KWAC056 which tested the southern part of the historical gold soil anomaly. These holes returned the following intersections: • KWAC 055 – 5m @ 2.25/t from 116m down hole (at end of hole). This intersection was associated with a strongly foliated, intense carbonate-silica altered, quartz sulphide veined felsic volcanic /volcaniclastic – sediment at the end of hole. • KWAC 056 – 2m @ 2.00/t from 68m down hole associated with a moderately weathered, strongly iron stained felsic volcanic / volcaniclastic. • The significant intercepts from the aircore program were followed by a program of 4 RC holes. These holes were poorly sited and failed to provide a test of the gold mineralised structure intersected in the aircore drilling. • During the period 2013 – 2014 Phoenix Gold Ltd completed a review of previous exploration, geological due diligence, database updates, geological research and 3D Common Earth Modelling. • In 2015 Siburan Resources Ltd entered into an option agreement with Western Resources Pty Ltd. Siburan Resources Ltd completed one diamond hole and 21 aircore holes.
Geology	• Deposit type, geological setting and style of mineralisation.	• Target is shear hosted gold mineralisation associated mineralised structures with the Black Flag Group sediments.
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 • 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.	• Historic drilling results have previously been reported by Carnavale – refer ASX release dated 5 October 2020.. • This report deals with fresh soil sampling data

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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.	• No metal equivalent values or formulas used.
Relationship between mineralisation 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').	• These samples represent point data.
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.	• Appropriate summary diagrams with Scale and MGA 94 coordinates are included in the accompanying report above.
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 practiced to avoid misleading reporting of Exploration Results.	• The samples locations are represented diagrammatically in the report attached
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.	• Historical soil sampling programs have defined a NW trending gold anomaly which is broadly coincident with the interpreted trends of the local stratigraphic contacts.
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	• Planning has commenced on a drilling program to test the surface geochemical anomalies.

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Criteria	JORC Code Explanation	Commentary
	areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	

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