

ASX ANNOUNCEMENT

5th May 2022

Moving Loop EM survey underway at Grey Dam targeting Nickel sulphides

Highlights

- 25 lines of Ground based Moving Loop Electromagnetic survey (MLEM) underway.
- 5 copper / nickel in soil anomalies and one historic drillhole targeted by the MLEM survey.
- 24 km from Ardea Resources Ltd's (ASX: ARL) new nickel sulphide discovery at Emu Lake* along strike into CAV's Grey Dam project.
- Passive seismic program completed over soil anomalies.
- MLEM survey looking to define EM conductors that could represent concealed nickel sulphides under cover. Priority EM conductors to be subsequently drill tested.
- Results due in the June 2022 quarter.

Carnavale has commenced a ground based MLEM survey aiming to delineate direct drilling targets associated with 5 nickel / copper soil anomalies identified by the earlier UFF soil sampling program and one historic drillhole with anomalous nickel results (Figure 2).

The mafic / ultramafic sequence at Grey Dam is located immediately along strike and is the same geological sequence that hosts the new Kambalda style, nickel sulphide Emu Lake discovery recently reported by ARL. (Figure 1). The new Emu Lake discovery demonstrates the nickel sulphide fertility of the mafic ultramafic sequence.

During the March 2022 quarter, CAV completed a passive seismic survey at Grey Dam comprising twelve passive seismic traverses across the interpreted soil anomalies, to determine the depth of transported cover. The results of the passive seismic survey were positive, suggesting that the depth of cover and regolith profile of the target area would not impede ground-based EM surveys and the aim of this ground based MLEM geophysical survey is to delineate conductive nickel sulphide targets beneath the transported cover.

CEO Humphrey Hale commented:

“Work continues in earnest at our highly prospective Grey Dam Nickel Sulphide Project searching for Kambalda style nickel sulphides under cover. Our work with CSIRO on the UFF soil sampling technology has helped CAV identify many new anomalous zones along the mafic/ ultramafic sequence that require further exploration. As a result, CAV is on the ground with a substantial, ground based MLEM survey searching for EM conductors that could represent concealed massive nickel sulphides.”

**Ardea Resources Ltd ASX release 14th Jan 2022 “Emu Lake Nickel Sulphide Discovery confirmed with 2.72m at 5.42% Ni”*

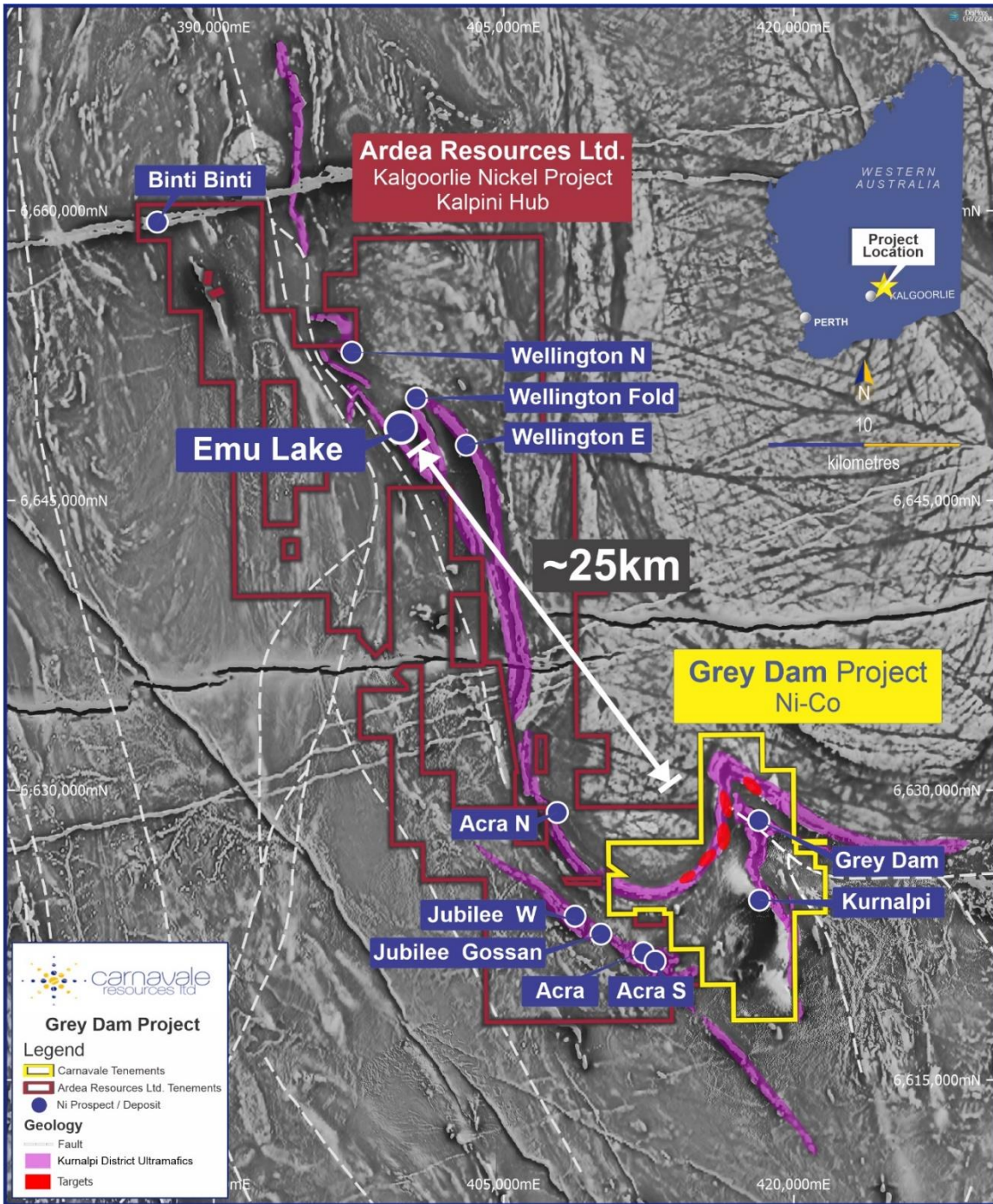


Figure 1: Grey Dam Nickel Project soil anomalies and Ardea Resources Ltd Emu Lake Nickel Sulphide Project underlain by the regional magnetics.

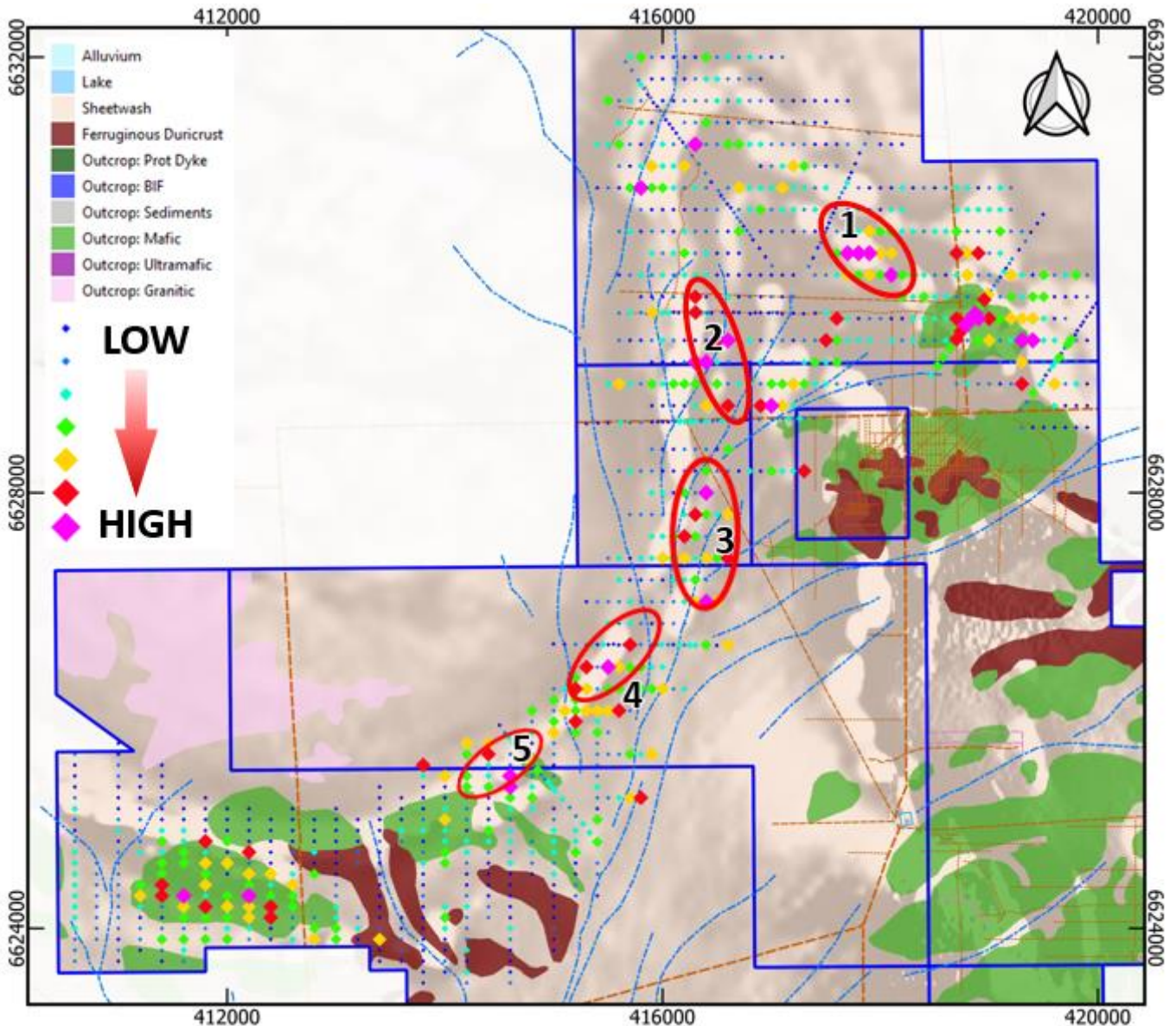


Figure 2: Log Additive Indices Ni+Cu (LAI_NiCu) on domained UFF soils

The Company completed a program of UFF soil sampling over much of the interpreted mafic / ultramafic sequence in the northern part of the tenement package (Figure 2) on a 100m by 200m grid.

The northern area of the Grey Dam Project is covered by transported sheetwash and alluvial material (Figure 2) that has deterred previous explorers from investigating this terrain as it was difficult to explore the area using traditional soil sampling techniques. UFF soil sampling is a sensitive new exploration technique that is being evaluated by CSIRO and explorers to successfully target mineralisation under areas of cover.

CSIRO continues to optimise the information produced by the UFF soil programs. Data analysis and reporting of the interpretation by CSIRO is ongoing and is expected to refine and improve the identification of anomalies and further information on the underlying geology.

The MLEM survey consists of 200m x 200m loops with 50m stations along lines that are 600m in length. Gap Geophysics has already completed 4 lines of the survey shown in green, the remaining planned lines are in yellow (Figure 3). CAV anticipates results to be received in June 2022.

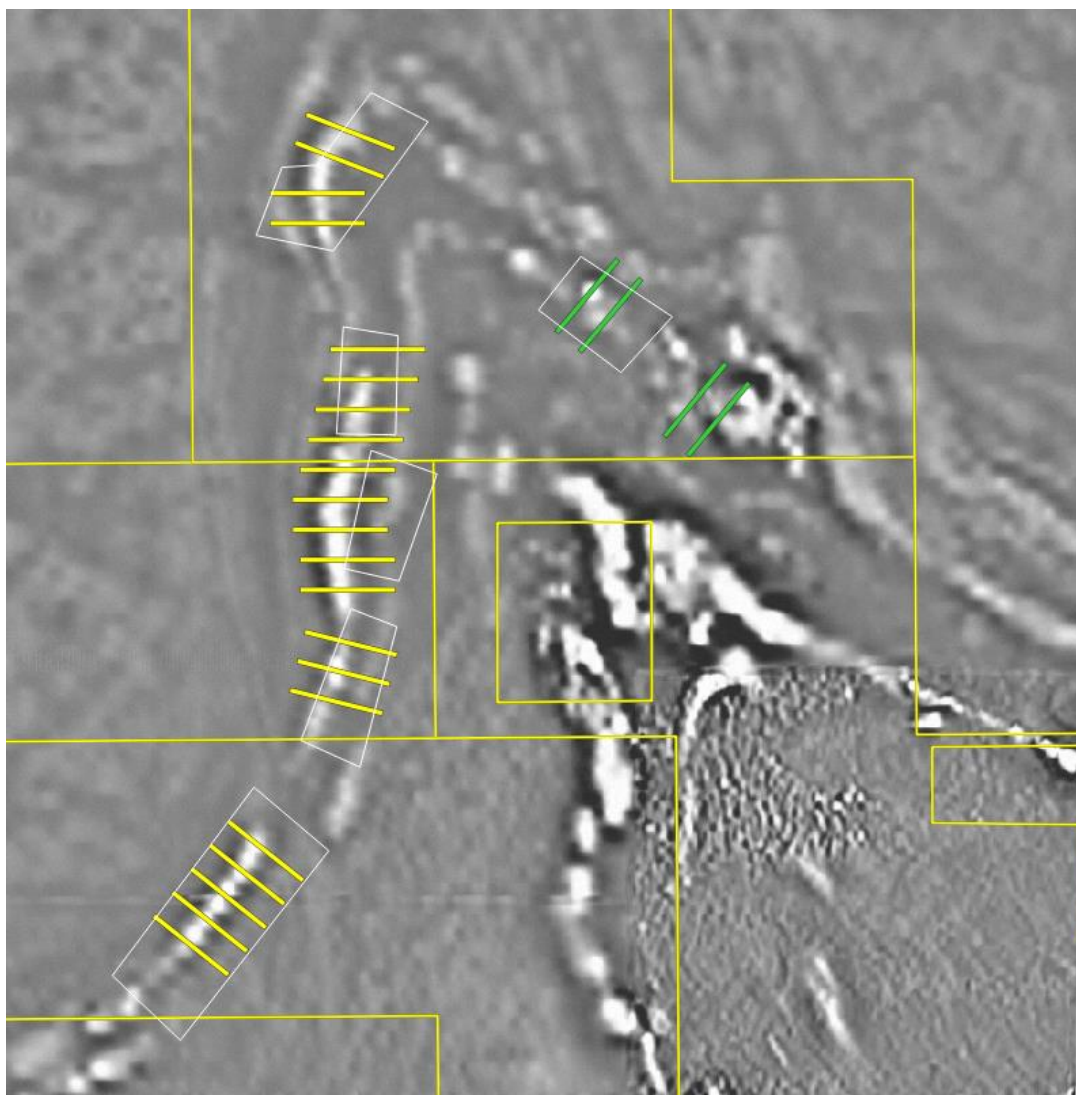


Figure 3: MLEM survey lines over Aeromagnetic image highlighting the Mafic Ultramafic sequence

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

For further information contact:

Ron Gajewski
Chairman

Humphrey Hale
CEO
P: +61 8 9380 9098

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 Grey Dam Nickel Sulphide Project includes:

Exploration

Grey Dam Ni-Co Mineral Resource Update, 26 February 2019.

Carnavale expands Nickel-Cobalt footprint at Grey Dam, 28 June 2019

Carnavale expands Nickel Sulphide potential at Grey Dam, 11 November 2019

Strong EM Conductors defined at Grey Dam, 3 June 2020

Drilling to test strong Nickel EM targets at Grey Dam, 29 July 2020

Grey Dam Nickel Project Soil sampling update, 31 August 2020

Grey Dam Nickel Project - Drilling Commenced, 11 September 2020

Grey Dam Exploration Update, 6 November 2020

5 New Nickel / Copper anomalies located at the Grey Dam Nickel Sulphide Project, 12 October 2021

Barracuda PGE-Ni-Cu Project exploration update, 25 November 2021

Exploration Update – Nickel Projects, 25 January 2022