

ASX ANNOUNCEMENT

23rd August 2022

Carnavale Divests Non-Core Barracuda asset as it maintains WA gold focus.

Carnavale Resources Ltd (ASX: CAV) (Company) is pleased to advise that it has entered into an option agreement for the sale of its Barracuda PGE-Ni-Cu Project exploration license (E58/551), close to Mt Magnet in Western Australia, with Midas Resources Ltd (ASX MM1) (Midas) as part of its strategy of crystallizing value from its portfolio of non-core exploration assets while maintaining a strong focus on gold exploration and development at its Kookynie Gold Project and Ora Banda South Gold Project.

The Company, through its wholly owned subsidiary Tojo Minerals Pty Limited (Tojo), has entered into a binding Heads of agreement with Midas under which Midas has an exclusive option to acquire Tojo's interests in E58/551.

Material Terms and Conditions of the Option Agreement are as follows:

- Midas will pay \$20,000 for the initial 12-month option period.
- Midas will pay a further \$20,000 on the first and second anniversary, if it elects to extend the option term.
- Exercise of the option is conditional on completion of due diligence on E58/551 to the satisfaction of Midas and obtaining all other necessary third-party consents and approvals (including in relation to the existing royalty related to E58/551).
- Midas can exercise the option with payment of \$300,000, which Midas can elect to satisfy in Midas shares at a deemed issue price of the 5-trading day volume weighted average price of Midas shares immediately prior to the exercise of the option.
- Midas will pay a further \$500,000 on completing a JORC compliant mineral resource within the tenement area; and
- CAV will receive a 0.5% NSR and Midas will assume responsibility for an existing 0.5% NSR to third parties.

CEO Humphrey Hale commented:

"We are excited to enter this partnership with Midas, with an experienced Corporate and technical team that is looking to refocus its activities in the Murchison Region of Western Australia. The transaction will allow CAV to continue our aggressive focus on the Kookynie and Ora Banda Gold Projects in Western Australia, whilst allowing us to crystallize value from one of our non-core assets."

During the Option Term and in the event of exercise of the Option, then until Completion, Midas shall be solely responsible for:

- ☀ Maintaining the Tenements in good standing in accordance with all applicable laws including meeting the Minimum Statutory Expenditure requirements. Midas must contribute the Minimum Expenditure regardless of whether or not it exercises the Option; and
- ☀ all rehabilitation of the Tenements including all costs relating to rehabilitation of the tenement. If Midas does not exercise the Option, Midas will only be responsible for rehabilitation of work carried out by Midas on the tenement during the Option Term.

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

For further information contact:

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Chairman

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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.