

ASX ANNOUNCEMENT

19th December 2023

Carnavale Divests Non-Core Grey Dam 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 (Agreement) for the sale of 80% of the Grey Dam Ni-Co Project, comprising licenses M28/387 and E28/1477, close to Kurnalpi in Western Australia, to Trans Pacific Energy Group Pty Ltd (TPEG). The sale forms part of our strategy of crystallizing value from 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), entered into the Agreement with TPEG under which TPEG has an exclusive option to acquire 80% of Tojo's interests in the Grey Dam Ni-Co Project.

Material terms and conditions of the Agreement are as follows:

- ☀️ TPEG will pay \$100,000 for a 2-year option period as follows:
 - \$50,000 within 5 days of signing the Agreement and
 - a further \$50,000 within 5 days of the parent entity of TPEG, New Generation Minerals Group Ltd (NewGen), listing on the Australian Stock Exchange (ASX).
- ☀️ During the Option Term and in the event of exercise of the Option, then until completion of a Bankable Feasibility Study, TPEG shall be solely responsible for maintaining the Grey Dam Ni-Co Project in good standing in accordance with all applicable laws including meeting the minimum statutory expenditure requirements.
- ☀️ Exercise of the option is conditional on completion of legal and technical due diligence on the Grey Dam Ni-Co Project to the satisfaction of TPEG and obtaining all other necessary third-party consents and approvals (including in relation to the existing royalties related to M28/387).
- ☀️ TPEG can exercise the option with payment of \$350,000 in cash and issuing \$500,000 in NewGen shares at a deemed issue price of the 20-trading day volume weighted average price of NewGen shares immediately prior to the exercise of the option.
- ☀️ Carnavale to be free carried to the completion of a Bankable Feasibility Study.
- ☀️ TPEG will assume responsibility for its share of an existing 2% gross royalty payable comprising a 1% gross revenue payable on all nickel, copper, cobalt value if any profit from them is derived and a 1% total gold production royalty to third parties.

CEO Humphrey Hale commented:

"We are excited to enter this partnership with TPEG, who has an experienced corporate team that is looking to build nickel cobalt capabilities in 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 share in the upside with TPEG on one of our non-core assets."

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

For further information contact:

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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.