

ASX ANNOUNCEMENT

23 January 2024

December 2023 Quarterly Activities Report

Carnavale Resources Limited ("CAV", "Company" or "Carnavale") is pleased to present its quarterly activities report for the quarter ended 31 December 2023.

- Completed **a 29 hole, 4,169m RC drilling program**, targeting infill and extensions of the high-grade plunging shoots at the **McTavish East** Prospect identified by previous RC drilling.
- Additional **7 holes with diamond tails** for a further **356.6m** of NQ2 core that has provided data for future structural, geotechnical, and metallurgical studies.
- Drilling designed to allow calculation of a maiden JORC 2012 code mineral resource estimate (MRE) within 250m of surface and economic studies to be undertaken.
- Trill results from the December drilling are expected in **the next 2 weeks**.
- Results were received in October from RC drilling completed in August that extended and infilled a significant high-grade plunging gold zone at McTavish East. Best results included: (refer ASX announcement 30 Oct 2023)

6m @ 68.78g/t Au from 134m in MERC066 (inc. 2m @ 184.9g/t*)
6m @ 41.38g/t Au from 181m in MERC053 (inc. 3m @ 78.1g/t*)
4m @ 38.28g/t Au from 158m in MERC058 (inc. 1m @ 128g/t*)
2m @ 32.83g/t Au from 228m in MERC060
7m @ 6.92g/t Au from 132m in MERC056 (inc.1m @ 29.5g/t *)
2m @ 13.47g/t Au from 192m in MERC068

- Strong gold mineralisation defined over 700m along strike and 250m down dip by RC and diamond drilling with very high-grade plunging shoots defined by close spaced drilling.
- Further metallurgical testwork planned including further leach testwork and gravity separation techniques.

CEO Humphrey Hale commented:

"The Company is pleased with the development of the high-grade McTavish East project. The high-grade zones have good continuity and are open at depth beyond 250m. We are keen to discover further high-grade shoots within the large-scale structure that hosts the McTavish East mineralisation. CAV will target the unexplored areas along strike from the known zones of mineralisation in our next drill program, while we undertake economic studies on the existing mineralisation."

Carnavale identified the Kookynie-Leonora region (Figure 6) as highly prospective, with known past and current high-grade mines and since 2021, has defined the **McTavish East Prospect** trend over approximately 2km with aircore drilling and RC drilling.

Extensive historic gold mining occurred between 1895 and 1922 throughout the Kookynie area, including the Cosmopolitan mine the largest gold producer, where historic high-grade gold production amounted to more than 331,000 ounces of gold¹ at 15g/t.

*Ref.*¹ *The Mining Handbook Geol. Surv. Memoir No* 1. *Chapter2, Economic Geology, Part3, Section1, 1919, Englishman/Cosmopolitan Mine production records listed on Minedex (https://minedex.dmirs.wa.gov.au/).*

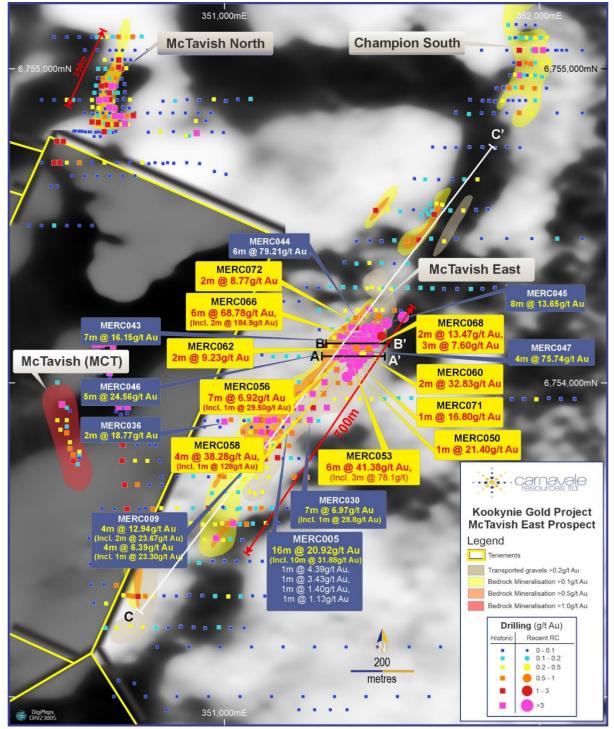


Figure 1, Plan of McTavish East Prospect. Gold contours over magnetic image. The highest grade results from the results received in October reported in yellow callouts.

Carnavale's goal is to discover high-grade, truckable resources, of a similar size to the historic Cosmopolitan Mine that can be processed at an existing third-party nearby processing plant. The **McTavish East Prospect** is located 15km from Genesis Minerals Ltd's Ulysses Project and 63km from their Gwalia processing plant at Leonora.

In October 2023, CAV reported on results from an extensive RC drilling program (29 RC holes for 5,364m) that extended the previously identified bonanza grade gold mineralisation. This lies within a high-grade zone that strikes 700m to the north-east. This drilling extended the bonanza grade gold mineralisation 100m down dip for a total down dip length of 250m which remains open at depth.

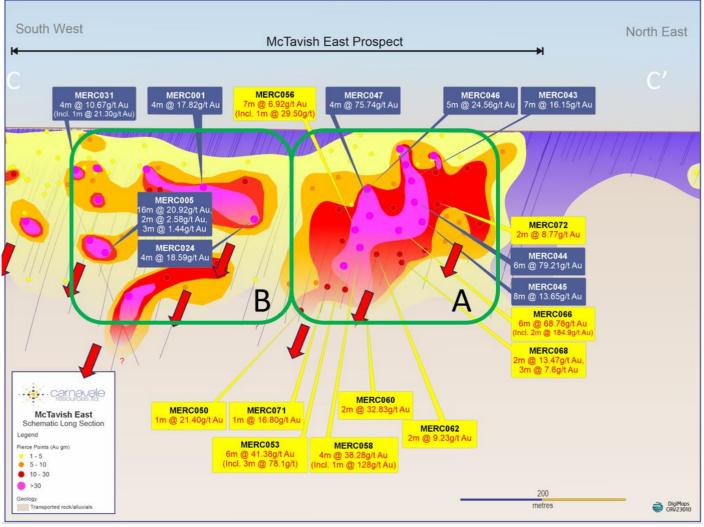


Figure 2, Long section of McTavish East. Results received in October 2023 reported in yellow callouts. Red arrows represent down dip opportunities to extend high grade mineralisation.

In December 2023, CAV continued drilling to define the McTavish East mineralised zone with a 36 hole RC and diamond drilling program that consisted of 4,169m RC and 356.6m of diamond drilling in 7 tails. The drilling program targeting infill and extensions of the high-grade plunging shoots identified by the earlier RC drilling. The diamond drilling was included to provide structural information to the exploration model and source material for early metallurgical testwork and geotechnical assessment. Results from this program are expected shortly.

Area A in figure 2 was drilled to a density that will allow an indicated maiden MRE to be calculated including potential oxide resources. The drilling was designed to outline high grade resources within 250m of surface at this stage.

Area B has had substantial high-grade intercepts but had not been previously drilled in sufficient density to model the high-grade lodes. This area was drilled to test for structurally controlled high grade shoots that can potentially add ounces to the MRE.

CAV has updated the exploration model with information derived from the most recent close spaced drilling. This will enable CAV to target further aircore anomalies concealed undercover along the main 2km long mineralising structure north and south of McTavish East and beneath the Champion South prospect (Figure 5).

The high-grade gold mineralisation at McTavish east is characterized by quartz veining with associated pyrite and sericite alteration within a sheared zone. The mineralisation is often on the contact of a fine grained dolerite and a coarser quartz diorite. Felsic intrusions have been logged close to the main shear structure and appear to modify the orientation of the high-grade zones. The highest grade zones dip steeply south within a large scale northeast striking mineralising structure.

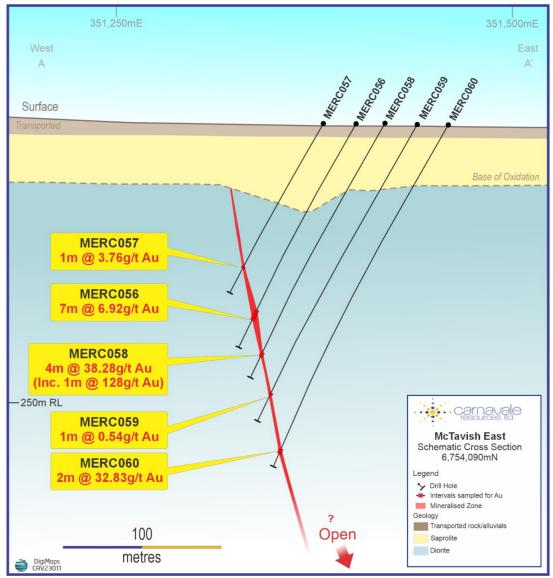


Figure 3, McTavish East - Section 6,754,4090mN

Figure 2 highlights the shape of strong gold mineralisation as shoots over approximately 700m strike and 250m down dip. Drilling was limited to 250m depth and hence the mineralisation remains open at depth. The magenta zones define the highest grade zones with grades of +30gram metre intercepts.

Significant results from the close spaced RC drilling program reported in October 2023 include:

6m @ 68.78g/t Au from 134m in MERC066 (inc. 2m @ 184.9g/t*)
6m @ 41.38g/t Au from 181m in MERC053 (inc. 3m @ 78.1g/t*)
4m @ 38.28g/t Au from 158m in MERC058 (inc. 1m @ 128g/t*)
2m @ 32.83g/t Au from 228m in MERC060
7m @ 6.92g/t Au from 132m in MERC056 (inc.1m @ 29.5g/t *)
2m @ 13.47g/t Au from 192m in MERC068
3m @ 5.04g/t Au from 106m in MERC065
4m @ 3.67g/t Au from 128m in MERC075
1m @ 14.25g/t Au from 151m in MERC055
1m @ 13.25g/t Au from 107m in MERC072
1m @ 13.0g/t Au from 107m in MERC052

*Intercepts are calculated with a lower Au cut-off of 1g/t with no included waste, inclusions are calculated with lower Au cut-off of 20g/t with no included waste

The cross sections (Figures 3 and 4) highlight the continuity of grade and widths in the new RC drilling. This consistent strong mineralisation across the sections remains open down dip and along strike. Holes that have failed to log a high-grade intersection are not considered to have closed off the mineralisation down dip as the mineralisation dips steeply and obliquely across the sections to the south as can be seen in the contoured long sections.

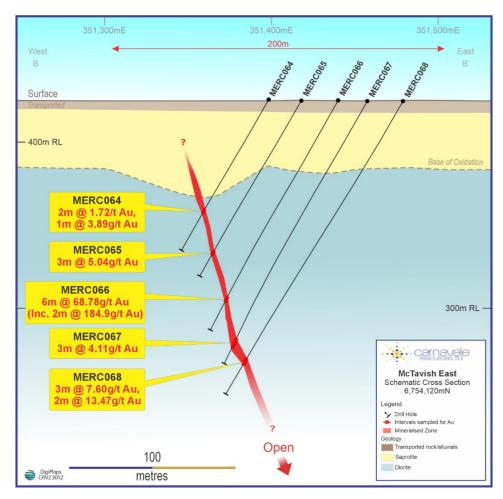


Figure 4, McTavish East - Section 6,754,120mN

The next phase of Exploration will target the prospective areas along strike of MacTavish East within the main mineralising structure designated C and D in figure 5. This will be using a combination of aircore and RC. As shown on the long section in figure 2 there are already a number of strong targets defined by earlier aircore that will be tested with RC for additional high-grade shoots in the fresh rock.

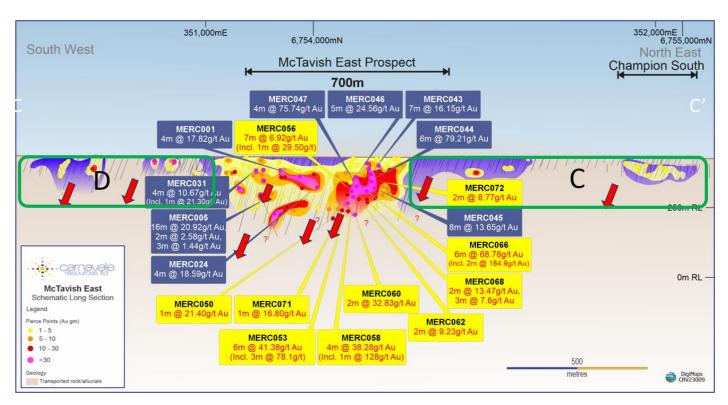


Figure 5, Long section through the main mineralizing structure that hosts McTavish East. Highest grade results from recent drilling reported in yellow callouts.

Exploration Strategy / Next steps

CAV's planned work program at the Kookynie Gold Project includes:

- * Establish maiden JORC compliant resource at McTavish East providing an asset base to CAV.
- * Drill test the potential for high grade shoots along strike from McTavish East.
- * Continue metallurgical characterization of the mineralisation as part of establishing a resource.
- * Complete initial geotechnical investigations at Kookynie.
- * Undertake preliminary economic analysis of the McTavish East project.
- Identify additional targets within the Kookynie tenement package.

Other Projects

In December 2023, the Company entered into an Option 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 Company, through its wholly owned subsidiary Tojo Minerals Pty Limited (Tojo), entered into the Option agreement with TPEG under which TPEG has an exclusive option to acquire 80% of Tojo's interests in the Grey Dam Ni-Co Project. *Refer to ASX announcement Carnavale Divests Non-Core Grey Dam asset as it maintains WA gold focus 19 Dec 2023.*

Carnavale continues to review the exploration information at the Ora Banda South Gold Project.

Carnavale is always reviewing possible new opportunities in the battery metal space including projects that may include lithium, nickel and REE.

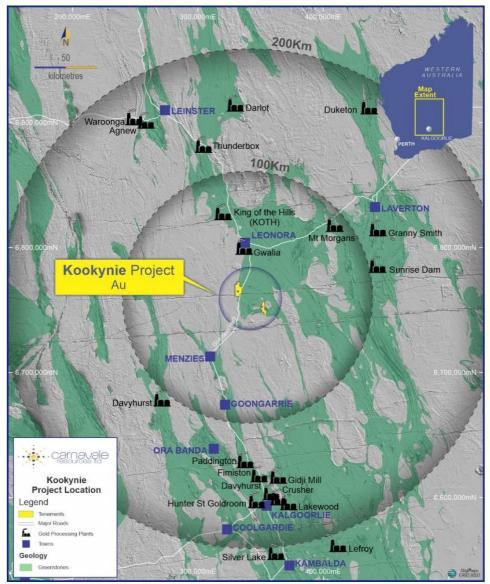


Figure 6: Location plan of Kookynie Project with reference to other gold mines and processing plants.

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ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was \$697,000. Full details of exploration activity during the Quarter are set out in this report.

2. ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the Quarter.

3. ASX Listing Rule 5.3.5: A total of \$33,300 was paid to related parties during the quarter comprising Director fees. During the quarter, \$35,672 was paid to Corporate Consultants Pty Ltd, a company in which Chairman Mr Gajewski is a director and has a beneficial interest, for accounting, secretarial, corporate service fees and provision of office space.

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

For further information contact:

Humphrey Hale

Chief Executive Officer 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

Information relating to Exploration Results and Mineral Resources associated with previous disclosures relating to the Grey Dam Project, Ora Banda South Project and the Kookynie Gold Project in this announcement has been extracted from the following ASX announcements:

Carnavale acquires a High-Grade Gold Project - Kookynie, 4 August 2020 Carnavale secures additional ground at Kookynie Gold Project, 14 September 2020 Strategic Acquisition and Intensive Exploration to commence at Kookynie High-Grade Gold Project, 22 Oct 2020 Kookynie Exploration update, 9 November 2020 Kookynie Gold Project – Aircore Drilling commenced, 1 Dec 2020 Kookynie Gold Project – Drilling update, 17 Dec 2020 Kookynie Gold Project – Aircore drilling success, 9 Feb 2021 Kookynie Gold Project – Second phase of Aircore Drilling commenced 3 March 2021 High grade Gold discovered at Kookynie Gold Project, 19 April 2021 Kookynie Gold Project – Aircore continues at Kookynie targeting high-grade gold, 11 May 2021 Kookynie Gold Project – Phase 3 aircore drilling at Kookynie Gold Project complete, 28 May 2021 Kookynie Gold Project delivers Bonanza Gold grades, 15 July 2021 CAV Acquires 80% of Kookynie Gold Project, 26 July 2021 RC drilling commenced at the high-grade Kookynie Gold Project, 28 October 2021 Initial RC drilling completed at the Kookynie Gold Project, 16 Nov 2021 RC drilling intersects Bonanza Gold at Kookynie Gold Project, 17 Jan 2022 Kookynie Delivers Further High-Grade Gold Results and Expands Potential, 31 Jan 2022 Kookynie RC drilling recommences at McTavish East targeting high grade gold extensions, 29 March 2022 Aircore to test 1km prospective structure at high grade Kookynie Gold Project completed, 20 June 2022 Diamond drilling commenced at Kookynie, 15 July 2022 New high-grade gold discovery at Kookynie Gold Project. 1 August 2022 Exciting new zones discovered along high-grade corridor at Kookynie Gold Project, 8 September 2022 Diamond drilling extends down dip extensions to high-grade gold zone at Kookynie. 18 October 2022 New high-grade gold discovery at Kookynie Gold Project. 1 August 2022 Exciting new zones discovered along high-grade corridor at Kookynie Gold Project, 8 September 2022 Diamond drilling extends down dip extensions to high-grade gold zone at Kookynie. 18 October 2022 RC drilling testing high-grade aircore results at Kookynie, 23 May 2023 Bumper grades in RC drilling at Kookynie Gold Project, 5 July 2023 RC drilling chasing extensions to bumper high-grade gold at Kookynie, 14 Aug 2023 RC drilling chasing extensions high-grade gold at Kookynie completed, 12 Sept 2023 Initial metallurgical test work demonstrates outstanding recoveries, 19 Sept 2023 Outstanding high-grade gold results continue to flow from the Kookynie Gold Project, 30 Oct 2023 Carnavale Divests Non-Core Grey Dam asset as it maintains WA gold focus, 19 Dec 2023 RC and Diamond Drilling program completed at Kookynie, 20 Dec 2023

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original 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 original market announcement.

Appendix

Carnavale Resources Limited (ASX: CAV) provides the following addendum in relation to additional information required by Listing Rule 5.3.3.

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Schedule of Mining Tenements, Beneficial Interests and agreements

Held as at the end of the Quarter

Project/Location	Country	Tenement	Percentage held/earning
Grey Dam Project, WA	Australia	M28/378	100%#
		E28/1477	100%#
Barracuda Project, WA	Australia	E58/551	100%*
Kookynie Gold Project, WA	Australia	P40/1480	100%
		E40/355	80%
		P40/1380	80%
		P40/1381	80%
		E40/394	100%
Ora Banda South, WA	Australia	P16/3081	80%
		P16/3082	80%
		P16/3077	80%
		P16/3000	80%
		P16/3001	80%
		P24/5274	80%
		P24/5275	80%
		P24/5276	80% 80%
		P24/5277	80%
		P24/5278	80%
		P24/5279	80%
		P24/5280	80%
		P24/5281	80%
		P24/5282	80%
		P24/5518	80%
			100%
		P24/5519	100%
		P24/5520	100%
		P24/5521	100%
		P24/5522	100%
		P24/5523	100%

* Option agreement entered into with Midas Resources Limited (ASX: MM1) - refer ASX release dated 23 August 2022.

Option agreement entered into with Trans Pacific Energy Group Pty Ltd – refer ASX release dated 19 December 2023

Schedule of Mining Tenements, Beneficial Interests and agreements

Acquired during the Quarter

Project/Location	Country	Tenement	Percentage held/earning
Schedule of Mining Tene Disposed of during the Qu		rests and agreements	
Project/Location	Country	Tenement	Percentage held/earning

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

ABN	Quarter ended ("current quarter")
CARNAVALE RESOURCES LIMITED	
Name of entity	

31 December 2023	3
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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(97)	(194)
	(e) administration and corporate costs	(113)	(229)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	21	33
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives – R & D rebate	-	99
1.8	Other -	-	-
1.9	Net cash from / (used in) operating activities	(189)	(291)

2.	Ca	sh flows from investing activities		
2.1	2.1 Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	-	-
	(d)	exploration & evaluation	(697)	(1,020)
	(e)	investments	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment		
	(d) investments	-	-
	(e) other non-current assets		
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Option fee received	50	70
2.5	Other – GST (paid) / received on tenement acquisition	-	-
2.6	Net cash from / (used in) investing activities	(647)	(950)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,106
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities –	-	(176)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other –	-	-
3.10	Net cash from / (used in) financing activities	-	2,930

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,444	919
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(189)	(291)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(647)	(950)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,930
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,608	2,608

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	608	944
5.2	Call deposits	2,000	2,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,608	3,444

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	69
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
	f any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include ation for, such payments.	a description of, and an

7.	Financing facilities Note: the term "facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000	
7.1	Loan facilities	-	-	
7.2	Credit standby arrangements -			
7.3	Other (please specify)	-	-	
7.4	Total financing facilities	-	-	
7.5	Unused financing facilities available at quarter end			
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.			

8.	Estim	nated cash available for future operating activities	\$A'000		
8.1	Net cash from / (used in) operating activities (item 1.9)		(189)		
8.2		nents for exploration & evaluation classified as investing less) (item 2.1(d))	(697)		
8.3	Total r	elevant outgoings (item 8.1 + item 8.2)	(886)		
8.4	Cash and cash equivalents at quarter end (item 4.6)		2,608		
8.5	Unused finance facilities available at quarter end (item 7.5)				
8.6	Total available funding (item 8.4 + item 8.5) 2,				
8.7	Estim item 8	ated quarters of funding available (item 8.6 divided by 8.3)	2.94		
	Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.				
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:				
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?				
	Answer: N/A.				
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?				
	Answer: N/A.				
	8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?				
	Answer: N/A.				
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 January 2024

Authorised by the Board of Directors

Notes

- 1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.