

ASX ANNOUNCEMENT

6 November 2024

CAV Divests Non-Core Leonora asset maintaining WA gold focus.

Carnavale Resources Ltd (ASX: CAV) (Company) is pleased to advise that it has entered into an Asset Sale Agreement (“Agreement”) for the sale of 100% of CAV’s license E40/394, close to Leonora in Western Australia, to KoBold Tjantjuru Pty Ltd (“KoBold”). 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 our 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 KoBold under which KoBold has an exclusive right to acquire 100% of Tojo’s interests in the Leonora tenement for \$405,000. Material terms and conditions of the Agreement are as follows:

KoBold will make the following non-refundable cash deposits to the Company:

- AUD \$25,000, within 10 business days of signature of the Agreement (“Effective Date”)
- AUD \$35,000, on or before the first anniversary of the Effective Date
- AUD \$45,000, on or before the second anniversary of the Effective Date, and
- AUD \$300,000, on or before the third anniversary of the Effective Date.

for so long as the Agreement is in Effect.

KoBold shall grant CAV a 1% net smelter return royalty upon completion of the Exploration Rights Transfer from Tojo to KoBold, half of which may be bought back by KoBold at any time for consideration of AUD \$1,000,000.

For the duration of Agreement, commencing on the Effective Date and ending on the Completion Date (or termination of this Agreement), KoBold agrees to keep the Exploration Rights in good standing by (i) making any payments required of it by Law, including with respect to applicable Taxes, rents, rates, minimum expenditure obligations and assessments and other similar charges lawfully levied or assessed against the Exploration Rights, and (ii) meeting the work expenditure obligations associated with the Exploration Rights.

The Agreement is conditional on completion of legal and technical due diligence on the Leonora tenement to the satisfaction of KoBold and obtaining all other necessary third-party consents and approvals (including in relation to the existing royalties related to E40/394). The Agreement may be terminated at any time by a written notice from KoBold to CAV stating that KoBold intends to terminate this Agreement, in its sole discretion.

CEO Humphrey Hale commented:

“We are excited to enter this partnership with KoBold, who has an experienced corporate team that is looking to exploration success 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 KoBold 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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ABOUT KOBOLD

KoBold Metals Company is a US-based exploration and mining company that combines expertise in geosciences with artificial intelligence, machine learning, and data science to improve and accelerate the exploration process in search for the critical minerals necessary for the global energy transition.

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.