

**ASX ANNOUNCEMENT**23<sup>rd</sup> July 2021**June 2021 Quarterly Activities Report**

Carnavale Resources Limited ("CAV", "Company" or "Carnavale") reports on activities completed during the June Quarter 2021.

**Highlights**

Exploration during the June quarter focused on the Kookynie Gold Project and initial reconnaissance of the Barracuda PGE-Ni-Cu Project located in the Windimurra igneous complex of the Murchison district, Western Australia.

**Kookynie Gold Project**

- ✦ Results received for the second aircore drilling program of 117 holes for 5,967m targeting structurally controlled, high-grade gold mineralisation identified several areas of anomalism.
- ✦ Completed a third aircore drilling program of 135 holes for 7,432m following up on anomalism identified in the earlier programs. Significant high-grade intercepts received after the end of the quarter included:
  - Hole KOAC294 **4m @ 31.08g/t** from 96m (**hole ends in mineralisation**)
  - Hole KOAC324 **2m @ 32.5g/t** from 18m
  - Hole KOAC322 **8m @ 4.06g/t** from 20m (inc. **2m @ 15.6g/t**)
  - Hole KOAC290 **12m @ 3.37g/t** from 50m
  - Hole KOAC361 **2m @ 16.3g/t** from 10m
  - Hole KOAC347 **6m @ 2.53g/t** from 18m (inc. **2m @ 6.55g/t**)
  - Hole KOAC348 **6m @ 2.32g/t** from 26m (inc. **4m @ 3.29g/t**)
- ✦ High-grade gold mineralisation was intersected at McTavish East over **550m** and remains open to the northeast and at McTavish North over **240m** and remains open to the north.

**High grade rock chips at the Barracuda PGE-Ni-Cu Project**

- ✦ Initial Site visit completed with sampling of the outcropping chromitite returning assay results including 3.45g/t 4PGE and 3.38g/t 4PGE.
- ✦ Outcropping mineralisation on the contact between mafic (gabbroic) and olivine-rich ultramafic rocks assaying up to 8.27g/t platinum group elements ('4PGE').
- ✦ PGE-sulphide minerals identified by WA Geological Survey within the Project area.
- ✦ No ground electromagnetic ('EM') or Induced Polarisation ('IP') geophysical surveys ever conducted.

**Chairman Ron Gajewski commented:**

"Carnavale remains focused on exploration for new discoveries. We are delighted to have successfully outlined new high-grade gold zones with bonanza grades under shallow cover at Kookynie. We are eager to grow these zones with RC drilling as soon as we can mobilise an RC rig to site. In the meantime, we will start aircore drilling at the highly prospective Ora Banda Gold Project next month, with the heli VTEM booked for the Barracuda PGE Ni Cu project in early Q4."

Carnavale Resources Limited (ASX: CAV) is pleased to report on results received from the aircore drilling at the Kookynie Gold Project during the quarter. The drilling was designed to follow up on the strong gold anomalies identified by the initial round of aircore, as well as explore the potential at Champion South. The anomalies at McTavish East and McTavish North have been infilled, extended, and expanded by recent drilling in preparation for RC drilling.

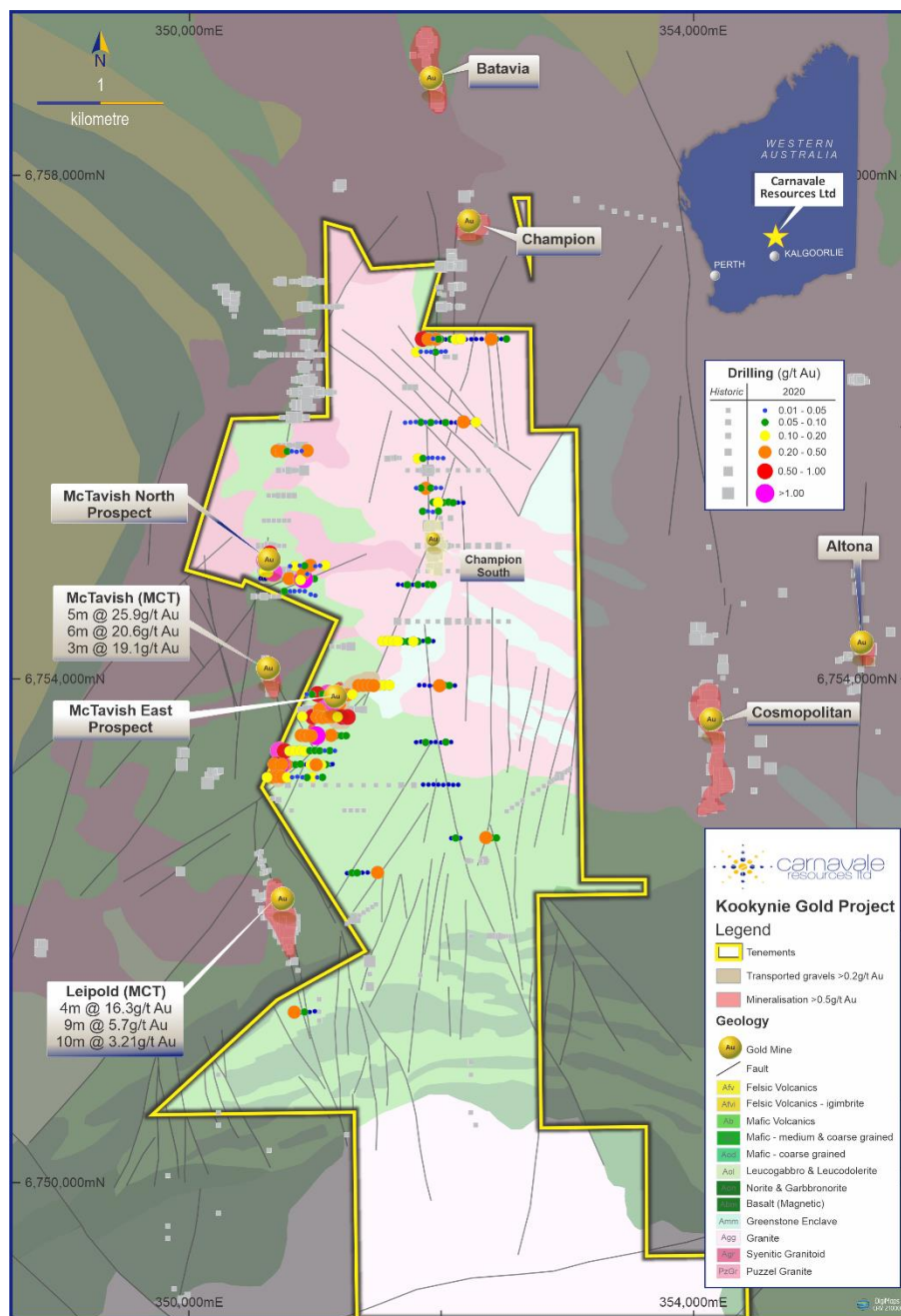


Figure 1, Carnavale tenement holding with historic deposits.

## The Kookynie Gold Project

The Project is in the central portions of the historic Kookynie mining centre and Carnavale's strategy is to explore and define sufficient high-grade gold resources that can be mined and transported to a processing plant nearby.

The Kookynie Gold Project is adjacent to Nex Metals Ltd (ASX: NME) and Metalicity Ltd.'s (ASX: MCT) high-grade Leipold, McTavish, Cosmopolitan and Champion deposits, being successfully explored by MCT (Figure 1). MCT's McTavish prospect is 200m directly along strike from and adjacent to Carnavale's McTavish East prospect and immediately south along strike from Carnavale's McTavish North prospects. Recent intercepts recorded by MCT from the McTavish project include **5m @ 25.9g/t** in McTRC0049, **6m @ 20.6g/t** in McTRC0064 and **3m @ 19.1g/t** in McTRC0044 (MCT ASX release 8 July 2021).

Carnavale has identified a mineralised zone that strikes over 550m at McTavish East (Figure 3), open to the north and a mineralised zone that strikes for 240m at McTavish North open to the northeast. Both zones host high-grade gold mineralisation characteristic of the Kookynie mining camp.

Two types of gold mineralisation occur in the Kookynie area, high-grade gold associated with pyritic quartz veins hosted within north to northeast dipping structures crosscutting favourable lithologies and high-grade gold associated in fault zones within magnetic, differentiated fractions of the granite plutons.



**Figure 2, Geologist onsite at Kookynie Gold Project**

## **Aircore Drilling Program**

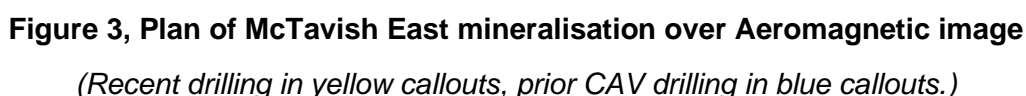
During the quarter Bostech Drilling completed a third program of 135 holes aircore holes at the Kookynie Gold Project for 7,432m. This program tested the extents and potential of the multiple gold anomalies and structural features identified by the first and second round of aircore drilling completed earlier in the year.

The third phase of drilling at the Kookynie Gold Project is part of a systematic exploration approach employed by the Company targeting high-grade gold mineralisation associated with structural corridors.

Carnavale was able to define the nature of the high-grade gold mineralisation in detail. Mineralisation found at the Kookynie Gold Project is similar to that hosted by historic mines in the area such as Cosmopolitan, Leipold, and McTavish. The third phase of aircore drilling has also significantly improved the understanding



Composite samples were taken on 2 metre intervals downhole, finishing with a 1 metre sample at the bottom of hole (BoH) in the freshest material. All samples were analysed for multi-element geochemistry and the BoH samples were also analysed for trace element geochemistry to help understand the nature of the mineralising fluids interacting with the bedrock geology and alteration.

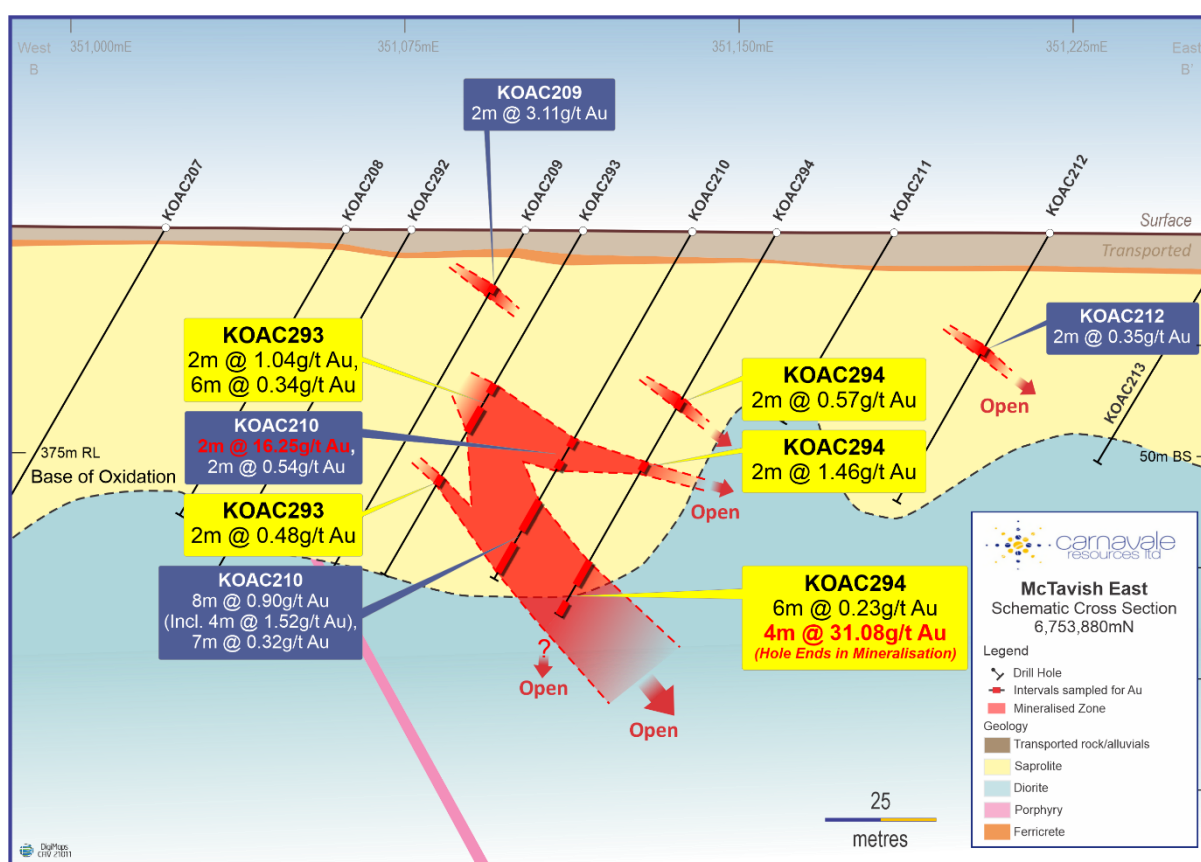


## Exploration results

### McTavish East

Immediately to the east of NME and MCT's McTavish tenement (McTavish East), Carnavale has discovered gold mineralisation with the anomaly striking over 550m remaining open to the northeast (Figure 3). Significant intercepts include:

Hole KOAC294 **4m @ 31.08g/t** from 96m (**hole ends in mineralisation**)  
Hole KOAC324 **2m @ 32.5g/t** from 18m  
Hole KOAC322 **8m @ 4.06g/t** from 20m (inc. **2m @ 15.6g/t**)  
Hole KOAC290 **12m @ 3.37g/t** from 50m  
Hole KOAC291 **6m @ 2.09g/t** from 82m and  
**8m @ 1.02g/t** from 52m (inc. 4m @ 1.76g/t)  
Hole KOAC299 **5m @ 1.73g/t** from 74m (Inc. 3m @ 2.68g/t)



**Figure 4, Section through McTavish East showing geology and mineralisation.**  
*(Recent drilling in yellow callouts, prior CAV drilling in blue callouts.)*

In the third phase, the aircore drilling was extended along strike of the original anomaly to the northeast to expand the footprint of the gold mineralisation prior to RC drilling. The third phase of aircore has successfully extended the mineralised zone by over 100m to the northeast and remains open (Figure 3).

The mineralisation at the McTavish East prospect is steeply dipping to the east and is structurally controlled by northeast striking structures that can be interpreted from the aeromagnetic images flown by Carnavale in late 2020. These mineralising structures have been the subject of deeper weathering that can be seen in the section through McTavish East (Figure 4). The initial high grade hit at McTavish east, **2m @ 16.25**

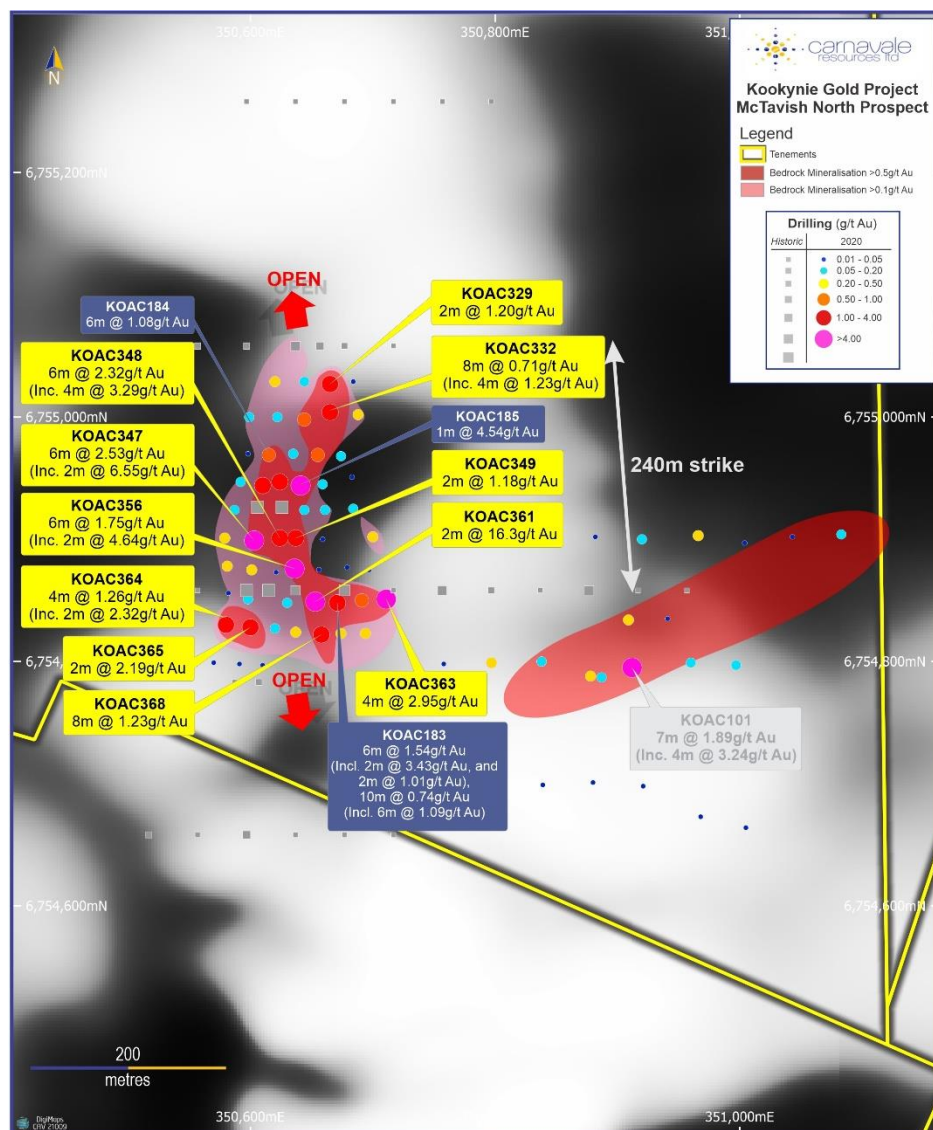
**g/t** in hole KOAC 210, has been extended down dip into the fresh rock with further bonanza gold grades in hole KOAC294 with **4m @ 31.08g/t.** and ending in mineralisation.

The transported gold has been plotted on plan (Figure 3) showing the relationship to the deeper primary mineralisation. The transported gold mineralisation extends to the northeast and to the east of the primary mineralisation. This shallow gold anomalism in the transported material provided an additional pathfinder and vector for the deeper primary high-grade mineralisation.

It is notable that the upper regolith profile, over the primary gold mineralisation, appears to be depleted in gold for the first few metres, with significant gold mineralisation identified in the lower saprolite.

Primary gold mineralisation at McTavish East is found in northeast trending structures that have a deeper weathering profile and are characterized by an alluvial gold anomaly to the east. McTavish East remains open to the northeast.

### **McTavish North**



**Figure 5, Plan of McTavish North mineralisation over Aeromagnetic image.**

*(Recent drilling in yellow callouts, prior CAV drilling in blue callouts.)*



The gold anomalies to the north of NME and MCT's McTavish tenement (McTavish North) are characterised by a number of shallow old workings and pits. The recent third aircore drilling program intercepted high-grade shallow gold mineralisation in weathered rock. Significant intercepts from the most recent drilling include:

Hole KOAC361 **2m @ 16.3g/t** from 10m  
Hole KOAC347 **6m @ 2.53g/t** from 18m (inc. **2m @ 6.55g/t**)  
Hole KOAC348 **6m @ 2.32g/t** from 26m (inc. **4m @ 3.29g/t**)  
Hole KOAC363 **4m @ 2.95g/t** from 0m  
Hole KOAC356 **6m @ 1.75g/t** from 26m (inc. **2m @ 4.64g/t**)  
Hole KOAC368 **8m @ 1.23g/t** from 31m

The McTavish North Prospect has abundant old workings and pits developed by historic prospectors that have not been tested by modern exploration techniques until now. Rock chips from around these old workings have returned gold assays that include **33.21g/t** and **9.93g/t**.




The recent aircore drilling has identified wide zones of gold mineralisation in the regolith profile that provide a vector to potential high-grade mineralisation at depth. The new zone identified by recent drilling strikes 240m to the north and remains open (Figure 5).

The primary gold mineralisation at McTavish North strikes north/south on a structure that hosts MCT and NME's McTavish project to the South. Additional structures within McTavish North strike northeast, and the Company notes both anomalies have not been closed off and the gold system remains open. The mineralised structures are interpreted to dip to the east and are adjacent to the contact between the intermediate and the mafic volcanics.

The Company considers the recent results provide evidence of multiple targets in the McTavish area with potential for stacked higher grade lodes within each target. Overall, the project area contains many similar structural targets with anomalous gold and multielement targets which require further follow-up drilling to test the bedrock under a thin veneer of transported cover.

## Exploration Strategy

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

-  RC drilling testing at depth and along strike from the shallow high-grade gold mineralisation defined by the recent aircore drilling.
-  Interpretation of the multi-element geochemistry and drainage anomalies to provide further understanding of the morphology of the mineralising systems
-  Identify additional targets within the Kookynie tenement package

## The Barracuda PGE-Ni-Cu Project

The Barracuda Platinum-Palladium-Nickel-Copper (PGE-Ni-Cu) Project (granted license E58/551) is located 60km east of the gold mining town of Mt Magnet in the Murchison district of Western Australia.

Outcropping PGE mineralisation assaying 8.27g/t PGE was discovered by Pancon in 1987 on the contact between mafic and olivine-rich ultramafic rocks. Subsequently, PGE-sulphide minerals were identified in the rocks by the Western Australia Geological Survey in 2016.

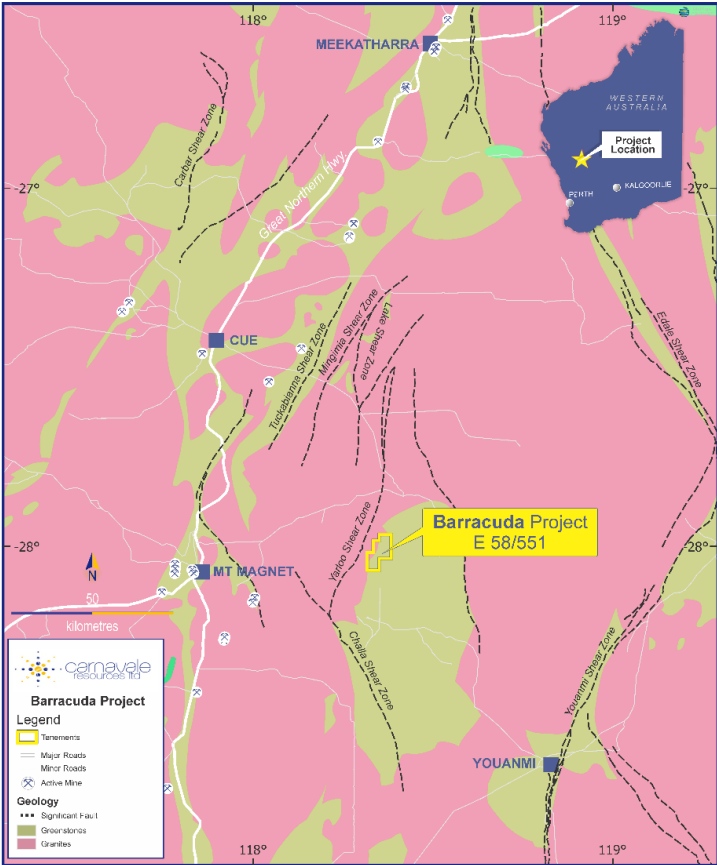
This highly prospective area has the potential to host substantial magmatic, mafic-ultramafic intrusion-related Pt-Pd-Ni-Cu sulphide deposits and has received no attention since Pancon drilled 1,811m of diamond and shallow (<100m) RC holes in 1988.

Platinum Pt	Palladium Pd	Rhodium Rh	Ruthenium Ru	4PGE	
g/t	g/t	g/t	g/t	g/t	Concentration
0.002	0.002	0.002	0.002	0.002	Detection limit
1.12	0.67	0.09	0.14	<b>2.03</b>	
1.58	1.50	0.15	0.16	<b>3.39</b>	
1.07	0.81	0.10	0.13	<b>2.11</b>	
1.60	1.52	0.15	0.18	<b>3.45</b>	

**Table 1 CAV rock chip sample results detailing Platinum Group Elements.**

CAV has contracted a Heli VTEM survey to be flown in the 4<sup>th</sup> quarter of 2021. This represents the latest airborne EM technology available to delineate conductors for drill testing. No ground-based electrical geophysical surveys (EM, IP) have ever been conducted within E58/551.

Carnavale geologists visited the Project in March and sampled the chromitite outcropping within the project area (figure 6 and 7) with assay results received during the quarter that include 3.45g/t 4PGE and 3.39g/t 4PGE plus up to 12.55% chrome (Table 1).







**Figure 6, Location of E58/551 close to Mt Magnet in the Windimurra igneous complex**



While this particular outcrop of PGE mineralisation is of limited area extent, it is highly significant, in that it conclusively demonstrates that basic and ultrabasic magmas (crystallising as mafic and ultramafic rocks) were interacting to concentrate PGE metals to potentially economic grades of PGE mineralisation.

### Exploration Strategy

CAV's proposed work program includes:

-  Fly the Project area with airborne EM (*used by Chalice Mining Limited (ASX: CHN) to define the Julimar PGE- Ni-Cu-Co-Au discovery*).
-  Digitally capture the Pancontinental soil geochemistry and contour the PGE, Ni, and Cu data to define metal-anomalous trends.
-  Follow-up airborne EM anomalies with ground EM, with priority given to areas with established, coincident PGE-Cu-Ni soil anomalism.
-  Drill-test targets subject to results.

### Exploration at Ora Banda South, Grey Dam Nickel Sulphide

During the quarter, exploration at the Ora Banda South Gold project included a program of soil sampling located over the residual soil profile, targeting regolith gold in soil anomalies that have been created by structurally controlled bedrock gold mineralisation at depth.

Exploration for nickel sulphide mineralisation continues at the Grey Dam Nickel Sulphide Project. CAV completed a program of soil sampling utilising the Ultra Fine Fraction (UFF) soil sampling and assaying technique that the Company has been working with the CSIRO to develop. The aim of the soil sampling program is to assist in the exploration for nickel sulphide mineralisation under cover.

### Corporate

The Company had a cash position of \$3.53M as of 30 June 2021.

### ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was \$520,000. 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 \$30,000 was paid to related parties during the quarter comprising consulting fees and Non-Executive Director fees. During the quarter, \$34,716 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:

<b>Ron Gajewski</b>	<b>Humphrey Hale</b>	
Chairman	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, Kookynie Gold Project, and the Barracuda 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<sup>th</sup> April 2021*

*Carnavale to acquire the Barracuda PGE-Ni-Cu Project in Western Australia and Placement to raise \$2.22M, 11 March 2021*

*Up to 3.45g/t 4PGE\* in rock chips from Barracuda PGE-Ni-Cu Project initial field trip, 6 March 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*

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.

Statements regarding Carnavale Resources' plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Carnavale Resources' plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Carnavale Resources' will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Carnavale Resources' mineral properties.

## **Appendix**

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

### **Schedule of Mining Tenements, Beneficial Interests and agreements**

Held as at the end of the Quarter

<b>Project/Location</b>	<b>Country</b>	<b>Tenement</b>	<b>Percentage held/earning</b>
Grey Dam Project, WA	Australia	M28/378	100%
		E28/1477	100%
		E28/2587	Earning up to 80%
		E28/2567	Earning up to 80%
		E28/2682	Earning up to 80%
		E28/2760	Earning up to 80%
		E28/2506	Earning up to 80%
Barracuda Project, WA	Australia	E58/551	100%
Kookynie Gold Project, WA	Australia	P40/1480	100%
		E40/355	Earning up to 80%
		P40/1380	Earning Up to 80%
		P40/1381	Earning up to 80%
		E40/394	100%
Ora Banda South, WA	Australia	P16/3081	Earning up to 80%
		P16/3082	Earning up to 80%
		P16/3077	Earning up to 80%
		P16/3000	Earning up to 80%
		P16/3001	Earning up to 80%
		P24/5274	Earning up to 80%
		P24/5275	Earning up to 80%
		P24/5276	Earning up to 80%
		P24/5277	Earning up to 80%
		P24/5278	Earning up to 80%
		P24/5279	Earning up to 80%
		P24/5280	Earning up to 80%
		P24/5281	Earning up to 80%
		P24/5282	Earning up to 80%

\* Carnavale has the right to earn up to this level on expending the funds and payments stated in the relevant agreements.

### **Schedule of Mining Tenements, Beneficial Interests and agreements**

Acquired during the Quarter

<b>Project/Location</b>	<b>Country</b>	<b>Tenement</b>	<b>Percentage held/earning</b>



## Schedule of Mining Tenements, Beneficial Interests and agreements

Disposed of during the Quarter

Project/Location	Country	Tenement	Percentage held/earning
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