

**ASX ANNOUNCEMENT**

31st Jan 2022

**Kookynie Delivers Further High-Grade Gold Results and Expands Potential****Highlights**

- ☀ Newly discovered, shallow, high-grade gold lode expanded at Kookynie **McTavish East** prospect to 250m strike and up to 150m depth and remains open along strike and at depth.
- ☀ New RC drilling results include:
  - 4m @ 12.94g/t** from 126m (**inc.2m @ 23.67g/t**) in MERC009
  - 4m @ 6.39g/t** from 114m (**inc.1m @ 23.30g/t**) in MERC009
  - 6m @ 2.26g/t** from 50m in MERC011
  - 8m @ 1.34g/t** from 59m in MERC017
- ☀ Expands previously released RC and aircore drilling results including:
  - 16m @ 20.92g/t** from 161m (**inc.10m @ 31.88g/t**) in MERC005
  - 4m @ 17.82g/t** from 78m (**inc.2m @ 33.55g/t**) in MERC001
  - 3m @ 3.27g/t** from 109m in MERC003
  - 1m @ 4.39g/t** from 89m in MERC005
  - 4m @ 31.1g/t** from 96m in KOAC294
  - 2m @ 16.25g/t** from 54m in KOAC210
- ☀ Near surface geochemical depletion identified in the weathered bedrock elevates previous low order aircore anomalies as **new priority targets** for deeper RC drill testing.
- ☀ Follow-up RC drilling is planned to expand the high-grade **McTavish East** discovery zone down dip and along strike to test the 1km long prospective corridor between **McTavish East** and **Champion South** and other regional anomalies at **McTavish North**, during Q1 2022.

**CEO Humphrey Hale commented:**

*"The shallow high-grade results continue along strike, expanding the McTavish East high-grade zone by 100m to an overall strike of 250m that remains open along strike and down dip. CAV now is armed with a greater understanding of the mineralised structures at Kookynie and has defined a highly prospective corridor of over 1km between McTavish East and Champion South. The recognition of a strongly depleted weathered zone near surface is important as it enhances the importance of any previously defined shallow aircore anomalies. Follow up RC drilling is planned to grow this bonanza grade gold discovery and test other targets."*

Carnavale Resources Limited (ASX: CAV) is pleased to advise that it has received all the results from the initial RC drilling program at the McTavish East prospect at the Kookynie Gold project, 160km north of Kalgoorlie in the West Australian Goldfields. The initial program of RC drilling consisted of 21 holes for 2,987m.

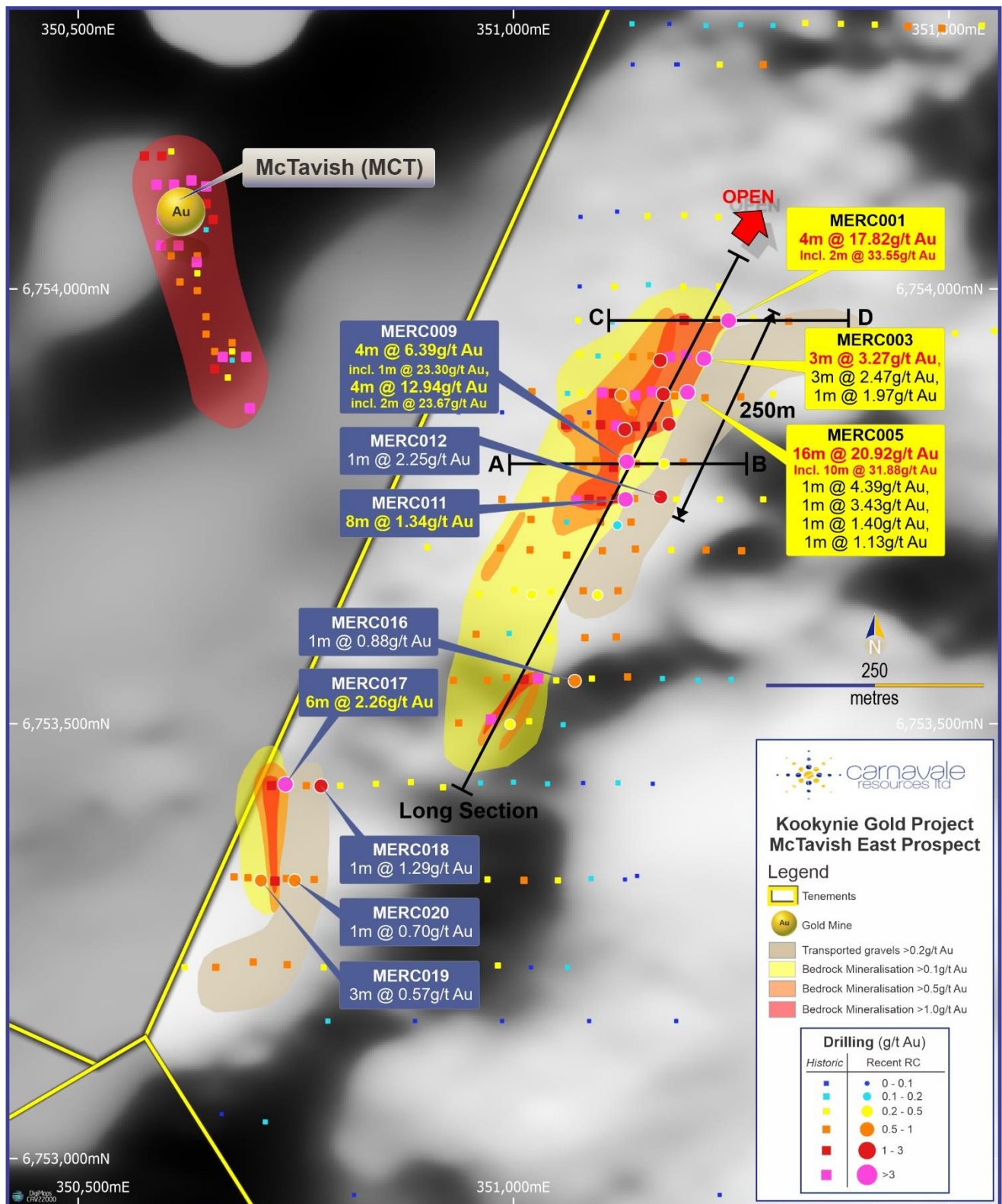
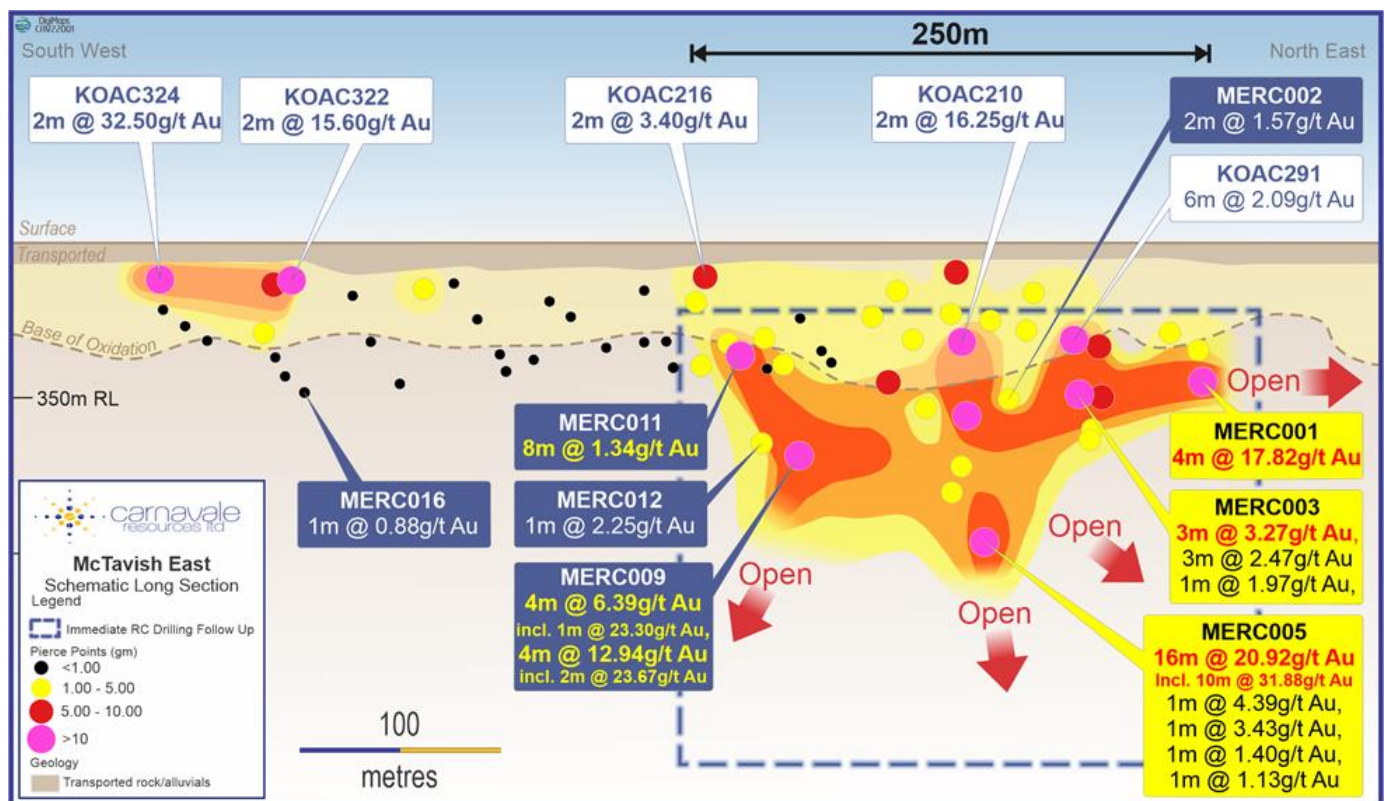


Figure 1: Plan of McTavish East showing collar locations of RC drilling and mineralised trend.

The RC program has extended the high-grade gold mineralisation encountered in the previous aircore programs into the fresh rock (*For more details see ASX Kookynie Gold Project delivers Bonanza Gold grades 15 July 2021 and RC drilling intersects Bonanza Gold at Kookynie Gold Project, 17 Jan 2022*).

Initial RC drilling focused on the McTavish East prospect, which hosts the highest gold grades in the Project area at present. CAV's McTavish East prospect is situated east of Nex Metals Ltd (ASX: NME) and Metalicity Ltd.'s (ASX: MCT) McTavish high-grade gold deposit. This RC drilling program targeted the substantial high-grade gold mineralisation associated with strong quartz veining identified by aircore drilling in the regolith. This regolith gold anomaly stretches over 550m striking NE. The anomaly is underlain by a newly identified mineralised structure that has high grade gold defined along 250m of strike and dips steeply east and strikes northeast and remains open (Figure1).



**Figure 2: Long section through McTavish East with significant intercepts as pierce points on mineralised structure.**

Deeper RC drilling of the steeply dipping mineralised structure has intersected high-grade gold mineralisation in fresh rock that appears to have a southerly plunge characteristic of other mineralised systems in the Kookynie district. This high-grade zone has been increased to 250m along strike and up to 150m down dip on the broader mineralised structure. The long section details the morphology of the high-grade gold zone in the plane of the mineralised structure (Figure 2).

The mineralised structure identified in the RC drilling that hosts McTavish East strikes northeast across CAV's tenement package and intersects the Champion South Prospect (Figure 3). This represents a 1.1km priority target corridor that is untested by previous drilling due to the presence of the depletion zone in the regolith profile that can be seen in Figures 4 and 5.



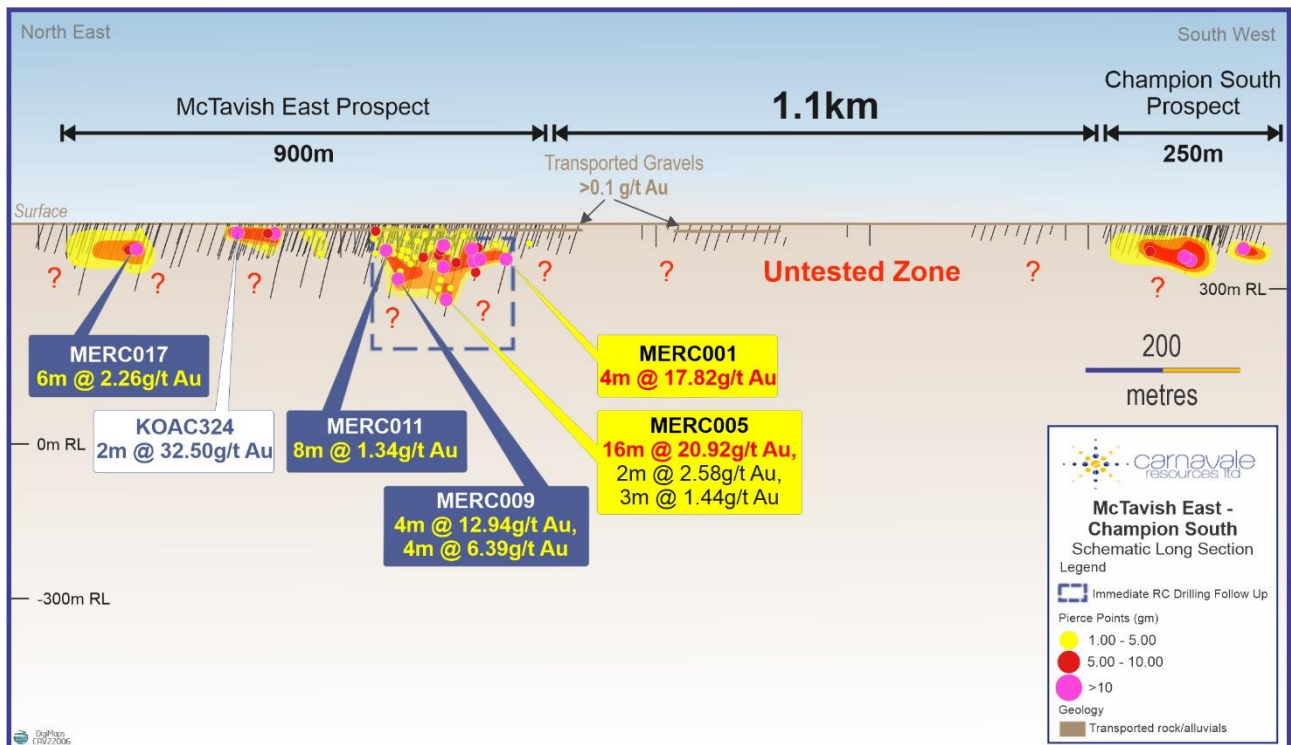


Figure 3: Long section showing 1.1km untested zone from McTavish East to Champion South

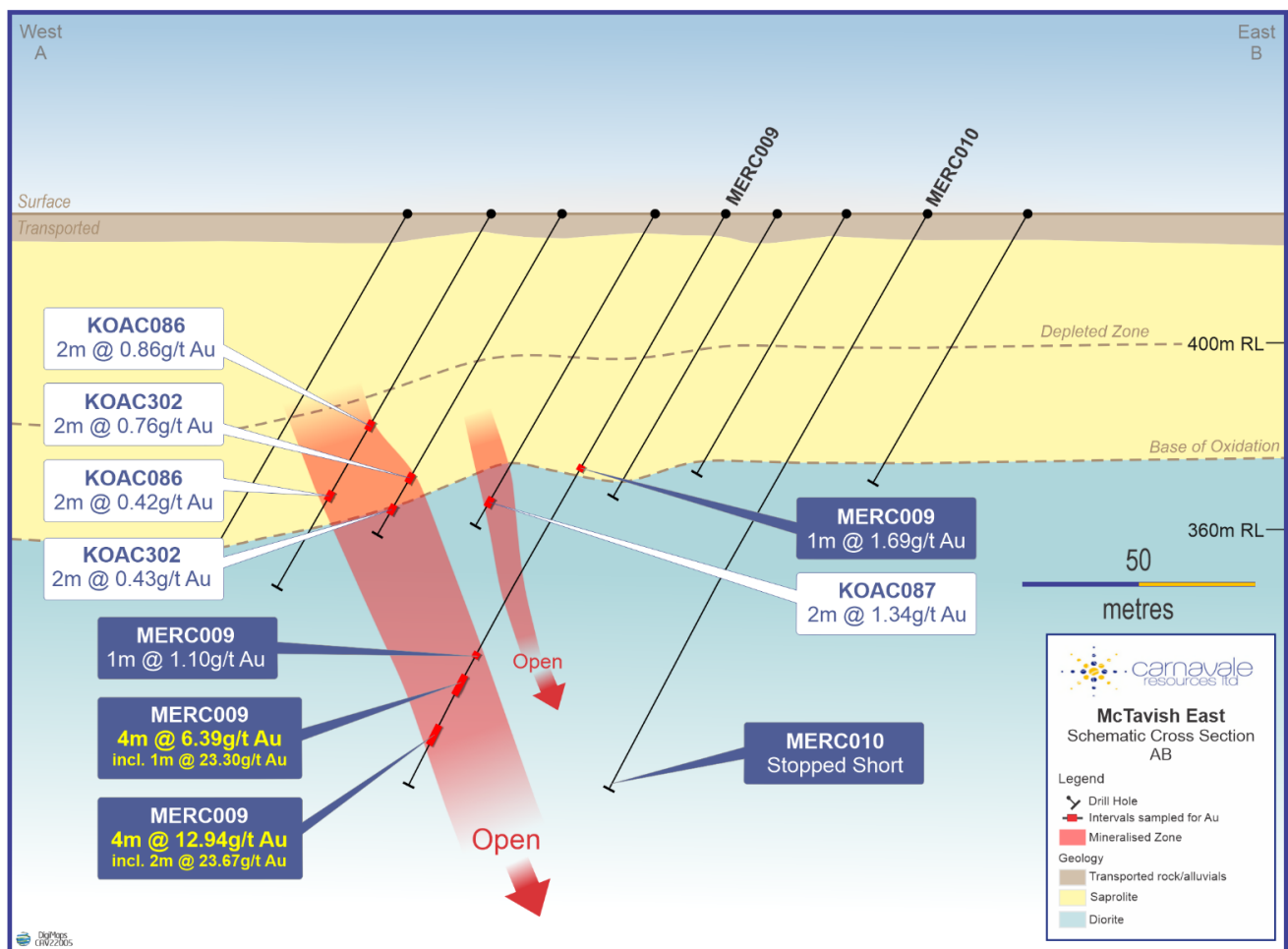
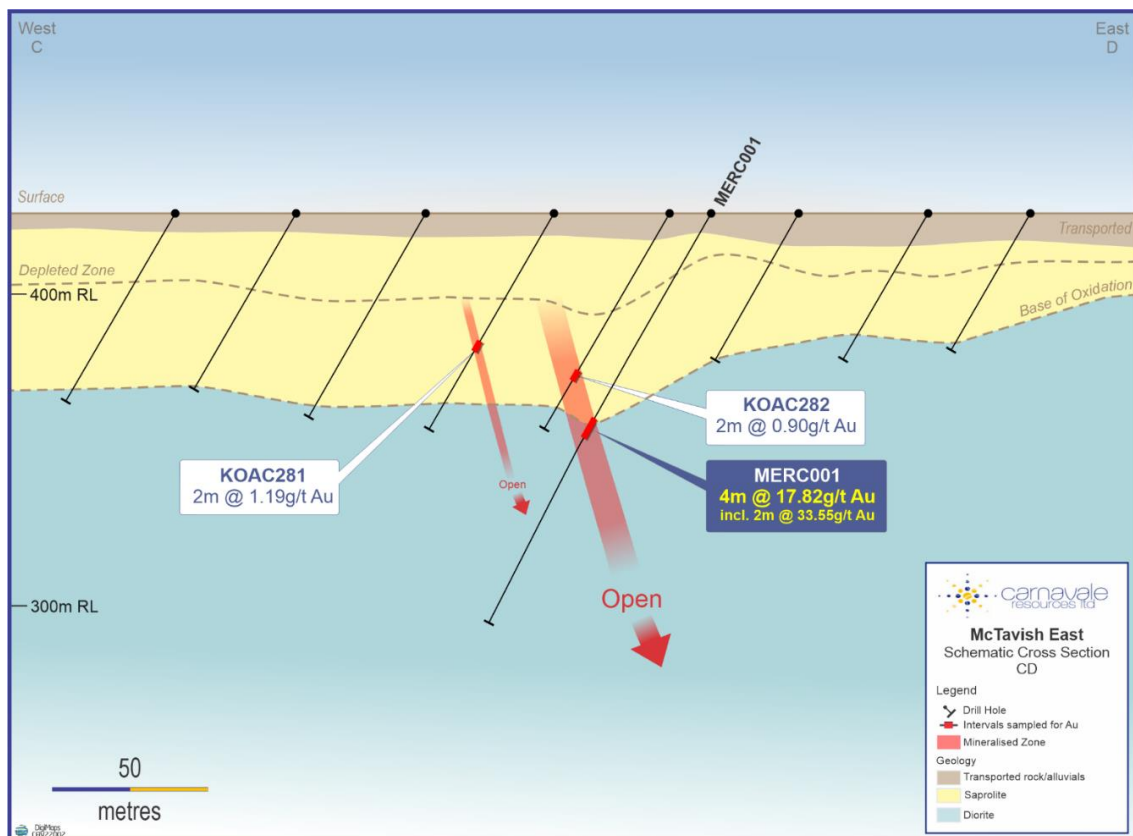


Figure 4: Cross section 6753800mN through mineralised zone at McTavish East

Recently received high-grade intercepts in MERC009, **4m @ 12.94g/t** and **4m @ 6.39g/t**, have defined the mineralised structure on section 6753800mN shown in Figure 4. The section shows that MERC010 stopped 50m short of intersecting the interpreted mineralised structure. This hole is planned to be extended.

The saprolite, above the base of oxidation, has been depleted of gold by weathering processes and masks the mineralised zone at depth (Figures 4 and 5). A review of the previous lower order gold anomalies intersected in the earlier aircore drilling will now be undertaken due to this new understanding of the regolith profile at the Kookynie Gold Project.



**Figure 5: Cross Section 6753960mN through mineralised zone at McTavish East**

Cross section 6753960mN at McTavish East has a substantial intercept of **4m @ 17.82g/t** in MERC001 in fresh rock (Figure 5). This section represents the northern limit of the drilling to date along the mineralised structure. RC drilling has shown that the main structure remains open and the target corridor extends a further 1km northeast to Champion South (Figure 3). A depleted zone in the saprolite is present above the mineralised zone on this section which strongly emphasizes the significance of low order anomalies across the whole Project area.

The main structure at McTavish East is also supported by minor mineralised splays in the hanging wall and footwall that have similar mineralogy as the highest-grade zones on the main structure. Further exploration will be aimed at understanding and targeting the thickest zones within the main structure that appear to have a south easterly plunge. CAV will follow up on the recent drilling success with an RC program targeting the high-grade zone shown in Figure 2.

In addition, CAV will explore the shallow high-grade gold identified in earlier CAV aircore at McTavish North and the open corridor along the mineralised zone to Champion South. An RC rig is being sourced to commence the second RC program at Kookynie in the March 2022 quarter.

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

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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.*

**Information relating to Previous Disclosure**

*Previously reported material Information relating to the Kookynie Gold Project includes:*

**Exploration**

*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*

*Aircore Drilling commenced, 1 Dec 2020*

*Drilling update, 17 Dec 2020*

*Aircore drilling success, 9 Feb 2021*

*Second phase of Aircore Drilling commenced, 3 March 2021*

*High grade Gold discovered at Kookynie Gold Project, 19 April 2021*

*Aircore continues at Kookynie targeting high-grade gold, 11 May 2021*

*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*

## Appendix 1 Significant intercepts

(Greater than 1g/t with up to 1m of included waste) Inclusions have been calculated on results over 10g/t. NSI indicates No significant intercept greater than 1m @ 1g/t.

Hole ID	Depth From	Depth To	Width	Au	Intercept
MERC001	78	82	4	17.82	<b>4.0m @ 17.82g/t Au (inc. 2m @ 33.55g/t Au)</b>
MERC002	50	52	2	1.57	2.0m @ 1.57g/t Au
MERC003	78	79	1	1.97	1.0m @ 1.97g/t Au
MERC003	83	86	3	3.27	3.0m @ 3.27g/t Au
MERC003	109	112	3	2.47	3.0m @ 2.47g/t Au
MERC004					NSI
MERC005	28	29	1	1.13	1.0m @ 1.13g/t Au
MERC005	49	50	1	1.4	1.0m @ 1.40g/t Au
MERC005	89	90	1	4.39	1.0m @ 4.39g/t Au
MERC005	142	143	1	3.43	1.0m @ 3.43g/t Au
MERC005	161	177	16	20.92	<b>16.0m @ 20.92g/t Au (inc. 10m @ 31.88g/t Au)</b>
MERC006	48	49	1	2.1	1.0m @ 2.10g/t Au
MERC006	128	129	1	1	1.0m @ 1.00g/t Au
MERC006	143	144	1	2.97	1.0m @ 2.97g/t Au
MERC007	76	79	3	1.2	3.0m @ 1.20g/t Au
MERC008	92	93	1	1.1	1.0m @ 1.10g/t Au
MERC009	62	63	1	1.69	1.0m @ 1.69g/t Au
MERC009	108	109	1	1.1	1.0m @ 1.10g/t Au
MERC009	115	116	1	23.3	<b>1.0m @ 23.30g/t Au</b>
MERC009	126	130	4	12.94	<b>4.0m @ 12.94g/t Au (inc. 2m @ 23.67g/t Au)</b>
MERC010					NSI
MERC011	60	63	3	1.86	3.0m @ 1.86g/t Au
MERC011	65	66	1	1.91	1.0m @ 1.91g/t Au
MERC012	115	116	1	2.25	1.0m @ 2.25g/t Au
MERC013					NSI
MERC014					NSI
MERC015					NSI
MERC016					NSI
MERC017	50	52	2	2.81	<b>2.0m @ 2.81g/t Au</b>
MERC017	54	56	2	3.43	<b>2.0m @ 3.43g/t Au</b>
MERC018	63	64	1	1.29	1.0m @ 1.29g/t Au
MERC018	87	88	1	1.01	1.0m @ 1.01g/t Au
MERC018	93	94	1	1.06	1.0m @ 1.06g/t Au
MERC019					NSI
MERC020					NSI
MERC021					NSI

## Significant intercepts

(Greater than 0.5g/t with up to 1m of included waste) NSI indicates No significant intercept greater than 1m @ 0.5g/t

Hole ID	Depth From	Depth To	Width	Au	Intercept
MERC001	78	82	4	17.82	<b>4.0m @ 17.82g/t Au</b>
MERC002	23	24	1	0.82	1.0m @ 0.82g/t Au
MERC002	47	48	1	0.95	1.0m @ 0.95g/t Au
MERC002	50	53	3	1.38	3.0m @ 1.38g/t Au
MERC002	68	69	1	0.73	1.0m @ 0.73g/t Au
MERC003	76	79	3	1.07	3.0m @ 1.07g/t Au
MERC003	83	87	4	2.59	<b>4.0m @ 2.59g/t Au</b>
MERC003	109	112	3	2.47	3.0m @ 2.47g/t Au
MERC004	68	69	1	0.53	1.0m @ 0.53g/t Au
MERC005	4	5	1	0.63	1.0m @ 0.63g/t Au
MERC005	28	29	1	1.13	1.0m @ 1.13g/t Au
MERC005	45	46	1	0.56	1.0m @ 0.56g/t Au
MERC005	49	50	1	1.4	1.0m @ 1.40g/t Au
MERC005	62	63	1	0.52	1.0m @ 0.52g/t Au
MERC005	88	90	2	2.58	2.0m @ 2.58g/t Au
MERC005	117	118	1	0.78	1.0m @ 0.78g/t Au
MERC005	142	145	3	1.44	3.0m @ 1.44g/t Au
MERC005	161	177	16	20.92	<b>16.0m @ 20.92g/t Au</b>
MERC006	48	50	2	1.43	2.0m @ 1.43g/t Au
MERC006	128	129	1	1	1.0m @ 1.00g/t Au
MERC006	143	144	1	2.97	1.0m @ 2.97g/t Au
MERC007	76	79	3	1.2	3.0m @ 1.20g/t Au
MERC007	136	137	1	0.53	1.0m @ 0.53g/t Au
MERC008	26	27	1	0.57	1.0m @ 0.57g/t Au
MERC008	36	37	1	0.91	1.0m @ 0.91g/t Au
MERC008	52	53	1	0.55	1.0m @ 0.55g/t Au
MERC008	92	93	1	1.1	1.0m @ 1.10g/t Au
MERC008	97	98	1	0.53	1.0m @ 0.53g/t Au
MERC009	62	63	1	1.69	1.0m @ 1.69g/t Au
MERC009	108	109	1	1.1	1.0m @ 1.10g/t Au
MERC009	114	118	4	6.39	<b>4.0m @ 6.39g/t Au</b>
MERC009	126	130	4	12.94	<b>4.0m @ 12.94g/t Au</b>
MERC010					NSI
MERC011	59	67	8	1.34	<b>8.0m @ 1.34g/t Au</b>
MERC012	115	116	1	2.25	1.0m @ 2.25g/t Au
MERC013					NSI
MERC014					NSI
MERC015					NSI
MERC016	17	18	1	0.88	1.0m @ 0.88g/t Au
MERC017	2	4	2	0.79	2.0m @ 0.79g/t Au
MERC017	18	21	3	0.54	3.0m @ 0.54g/t Au
MERC017	50	56	6	2.26	<b>6.0m @ 2.26g/t Au</b>
MERC018	63	64	1	1.29	1.0m @ 1.29g/t Au



MERC018	86	88	2	0.77	2.0m @ 0.77g/t Au
MERC018	93	94	1	1.06	1.0m @ 1.06g/t Au
MERC018	115	116	1	0.6	1.0m @ 0.60g/t Au
MERC018	143	144	1	0.57	1.0m @ 0.57g/t Au
MERC019	47	48	1	0.77	1.0m @ 0.77g/t Au
MERC019	54	55	1	0.63	1.0m @ 0.63g/t Au
MERC019	82	85	3	0.57	3.0m @ 0.57g/t Au
MERC020	137	138	1	0.7	1.0m @ 0.70g/t Au
MERC021					NSI

## Appendix 2

### Collar table

Hole ID	Type	Depth	Grid MGA	East MGA	North MGA	RLMGA	Dip	Azim MGA
MERC001	RC	150	MGA94_Z51	351247.14	6753963.823	426.17	-60	270
MERC002	RC	110	MGA94_Z51	351168.503	6753917.842	426.706	-60	270
MERC003	RC	126	MGA94_Z51	351218.857	6753920.019	426.398	-60	270
MERC004	RC	100	MGA94_Z51	351123.801	6753877.84	426.845	-60	270
MERC005	RC	200	MGA94_Z51	351199.799	6753881.108	426.619	-60	270
MERC006	RC	175	MGA94_Z51	351172.016	6753879.115	426.613	-60	270
MERC007	RC	160	MGA94_Z51	351127.854	6753838.429	427.188	-60	270
MERC008	RC	160	MGA94_Z51	351178.457	6753844.497	426.674	-60	270
MERC009	RC	140	MGA94_Z51	351130.137	6753801.508	427.221	-60	270
MERC010	RC	140	MGA94_Z51	351172.965	6753798.821	426.685	-60	270
MERC011	RC	150	MGA94_Z51	351128.807	6753758.102	427.043	-60	270
MERC012	RC	160	MGA94_Z51	351168.935	6753760.951	426.777	-60	270
MERC013	RC	130	MGA94_Z51	351119.212	6753728.303	427.183	-60	270
MERC014	RC	140	MGA94_Z51	351021.014	6753648.534	428.149	-60	270
MERC015	RC	160	MGA94_Z51	351096.63	6753648.078	427.725	-60	270
MERC016	RC	160	MGA94_Z51	351070.376	6753549.39	427.564	-60	270
MERC017	RC	100	MGA94_Z51	350738.013	6753430.497	429.498	-60	270
MERC018	RC	150	MGA94_Z51	350778.847	6753428.51	429.18	-60	270
MERC019	RC	100	MGA94_Z51	350709.868	6753319.775	429.477	-60	270
MERC020	RC	156	MGA94_Z51	350748.802	6753319.817	429.233	-60	270
MERC021	RC	120	MGA94_Z51	350996.049	6753499.37	427.783	-60	270

# APPENDIX 3 – REPORTING OF EXPLORATION RESULTS - JORC (2012) TABLE 1

## Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Reverse Circulation (RC) drilling rig supplied by Challenge Drilling Pty Ltd.</li> <li>Drilling was used to obtain 1m samples. 1m samples were submitted to the laboratory for analysis.</li> <li>Every 5<sup>th</sup> sample was analysed for multi elements.</li> <li>Samples submitted for analysis weighed approx. 3kg.</li> <li>Sampling and analytical procedures detailed in the sub-sampling techniques and sample preparation section.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Face sampling RC drilling achieved hole diameter size of (5 1/2 inch).</li> <li>Holes were drilled at an angle of 60 degrees.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Sample recovery size and sample conditions (dry, wet, moist) were recorded.</li> <li>Drilling with care (e.g. clearing hole at start of rod, regular cyclone cleaning) if water encountered to reduce incidence of wet samples.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level</li> </ul>	<ul style="list-style-type: none"> <li>Logging carried out by inspection of washed cuttings at time of drilling. A representative sample was collected in</li> </ul>

Criteria	JORC Code Explanation	Commentary
	<p>of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<p>plastic chip trays for future reference.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>1m samples were collected in pre-numbered calico bags. Samples weighed between approximately 2.5 - 3 kg. 1m samples collected in poly weave bags for dispatch to assay laboratory.</li> <li>Samples are dried (nominal 110 degrees Celsius), crushed and pulverized to produce a homogenous representative sub-sample for analysis. All samples are pulverised utilising ALS preparation techniques PUL-23. A grind quality target of 85% passing 75µm has been established and is relative to sample size, type and hardness.</li> <li>The sample size and sample preparation prior to analysis are considered to be appropriate for the expected mineralisation.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>The 1m samples were collected at ALS, Kalgoorlie. The samples were transported to the ALS facility in Perth by courier. Following the sample preparation outlined in the previous section above, samples were analysed by ALS using 4-Acid Digest &amp; Assay [ME-MS61] plus a specific assay for Gold [Au-AA24 and Au-GRA22 for assays above 10g/t] by ALS laboratories in Brisbane.</li> <li>Gold intercepts are calculated with a 1g/t Au lower cut and a 0.5g/t lower cut, no upper cut and 1m of internal dilution.</li> <li>In addition to the Quality control process and internal laboratory checks Carnavale inserted standards and blanks at a rate of 1 to 20 samples. Standards were selected based on oxidation and grade relevant to the expected mineralisation. This process of QA/QC demonstrated acceptable levels of accuracy.</li> </ul>



Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>A review of the assay data against the logged information by the field technician and geologist has been completed to verify intercepts.</li> <li>Internal laboratory standards are completed as a matter of course as well as introduced blind standards/CRM by the Company.</li> <li>Sample data was captured in the field and data entry completed. Sample data was then loaded into the Company's database and validation checks completed to ensure data accuracy.</li> <li>No twinned holes have been completed at this stage.</li> <li>No adjustments have been made to the assay data.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Drill holes were surveyed using Topcon Hyper II GNSS base/rover kit (Easting and Northing values) of +/- 2cm.</li> <li>Grid System – MGA94 Zone 51.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Holes were drilled to target structural features identified in aeromagnetic survey and geochemical anomalies identified by previous aircore drilling. Holes were located accurately by Handheld GPS.</li> <li>No mineral classification is applied to the results at this stage.</li> <li>Samples were collected on 1m intervals from a rig mounted cone splitter</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>No bias has been introduced from the sampling technique. Drilling has been designed to target the stratigraphy normal to bedding.</li> <li>Drilling data appears to locate the strike and approximate dip of structures. No direct structural measurements have been taken.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were securely stored in the field and transported to the laboratory by an authorised company representative or an authorised transport agency.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews completed.</li> </ul>

## Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Tenement package includes 4 granted exploration tenements (E40/355, P40/1480, P40/1380, and P40/1381).</li> <li>Carnavale (80%) has entered into a joint venture with Western Resources Pty Ltd (20%) on tenements E40/355 P40/1380 and. P40/1381 commencing after exercising an option agreement with Western Resources Pty Ltd. Western Resources Pty Ltd is free carried until completion of a Bankable Feasibility Study.</li> <li>Carnavale owns 100% of P40/1480</li> <li>A Program of Works was approved by DMIRS for exploration work in the area.</li> <li>The Nyalpa Pirniku people have the sole registered native title claim A heritage survey has been completed with no sites of significance identified.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Carnavale has drilled a total of 21 RC holes and 387 aircore holes into the tenement package to date.</li> <li>Previous Exploration across the project area was limited to historic prospecting and small-scale mining with limited RAB/aircore drilling on wide spaced lines and only 2 RC holes drilled.</li> <li>The deepest historic hole is 108m downhole.</li> <li>Two historic programs of drilling were completed on E40/355, one in 2001 by Diamond Ventures NL in JV with Kookynie Resources NL which consisted of 41 aircore holes, plus 4 RAB holes and 2 RC holes.</li> <li>The second, earlier program was in 1997 by Consolidated Gold Ltd which consisted of 85 RAB holes and 50 aircore holes.</li> <li>Five historic holes were drilled in 2002 by Barminto-Kookynie Resources NL on P40/1380, immediately to the north of the McTavish Prospect</li> <li>Refer to WAMEX reports A065275 "Annual Report for the period ending 30th June 2002" by Kookynie Resources NL, 31 August 2002).</li> <li>(Refer to WAMEX reports A66379 "Annual Report for the period ending 30th June 2002" by Kookynie Resources NL, 31 August 2002).</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Target is shear hosted gold mineralisation and the associated supergene enrichment.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following</li> </ul>	<ul style="list-style-type: none"> <li>A Collar table is supplied in the Appendices.</li> <li>A table of significant intercepts is</li> </ul>

Criteria	JORC Code Explanation	Commentary
	<p>information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<p>supplied in the Appendices.</p>
Data aggregation methods	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• Intercepts are reported as down-hole length and average gold intercepts are calculated with a 1g/t Au lower cut and 0.5g/t lower cut, no upper cut and 1m internal dilution.</li> <li>• No metal equivalent values, or formulas used.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• All results are based on whole down-hole metres. True width not known.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate summary diagrams with Scale and MGA 94 coordinates are included in the accompanying report above.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration</li> </ul>	<ul style="list-style-type: none"> <li>• Diagrams show all drill holes completed.</li> </ul>

Criteria	JORC Code Explanation	Commentary
	Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Historical drill programs have defined Au geochemical anomalies within the tenement package.</li> <li>Aeromagnetic data and geology have been drill verified.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Planning has commenced on a follow up RC drilling program to expand the extent of the Au mineralisation discovered in the RC drilling campaigns.</li> </ul>