

March 2022 Quarterly Activities Report

Kookynie RC drilling recommenced at McTavish East targeting high grade gold extensions

- Substantial 5,000m RC program commenced at the newly discovered, shallow, high-grade gold lodes at the Kookynie Gold Project including the McTavish East prospect targeting extensions to the high-grade zone along strike and at depth.
- Targeting extension to the previously released RC and aircore drilling results that included:
 - 16m @ 20.92g/t** from 161m (**inc.10m @ 31.88g/t**) in MERC005
 - 4m @ 31.1g/t** from 96m in KOAC294
 - 4m @ 17.82g/t** from 78m (**inc.2m @ 33.55g/t**) in MERC001
 - 4m @ 12.94g/t** from 126m (**inc.2m @ 23.67g/t**) in MERC009
 - 2m @ 16.25g/t** from 54m in KOAC210
 - 4m @ 6.39g/t** from 114m (**inc.1m @ 23.30g/t**) in MERC009
- The RC program will also follow up previous high grade aircore results at **McTavish North**
- Results from the RC program expected in Q2 2022
- A separate aircore drilling program is planned to expand the high-grade **McTavish East** discovery along the 1km long prospective structure between **McTavish East** and **Champion South**, during Q2 2022.

Second aircore program completed at the Ora Banda South Gold Project

- Substantial, second aircore program completed - 176 holes for 12,894m. The drilling program followed up on significant shallow bedrock gold results that confirmed a gold bearing system with a strike length of **15km**.
- The first aircore campaign generated three broad gold anomalies that are open along strike and at depth. Significant results from the initial program included:
 - 4m @ 8.82g/t** from 40m in hole OBAC022
 - 8m @ 2.74g/t** from 48m in hole OBAC089 (**inc.4m @ 5.1g/t** from 52m)
 - 12m @ 0.44g/t** from surface in hole OBAC038 and
 - 4m @ 1.40g/t** from 24m in hole OBAC038
 - 4m @ 0.76g/t** from 56m in hole OBAC023
- This drill program was designed to define the extents of the high-grade gold mineralisation identified in the maiden wide spaced reconnaissance program by reducing the drill spacing along the initial lines to 40m and include additional drill lines to test the strike extent. Results expected to be received in May 2022.

CEO Humphrey Hale commented:

“CAV continues to make significant progress at its projects in Western Australia. We are delighted to be exploring a new gold discovery at Kookynie with bonanza gold grades, as well as discovering a 15km anomalous trend at the Ora Banda Project and unlocking the potential at Grey Dam for Nickel sulphides.”

Carnavale Resources Limited (“CAV”, “Company” or “Carnavale”) reports on activities completed during the March 2022 Quarter.

A 5,000m second program of RC drilling commenced at the Kookynie Gold Project late in the quarter following up on bonanza grade gold results received in January 2022 that defined a new high-grade lode in fresh rock.

During the quarter a substantial, 12,894m, second aircore drilling program was completed at the Ora Banda South Gold Project following up on strong results received from the initial wide spaced aircore drilling program. The initial drilling produced 3 new prospects with high-grade gold intercepts in the regolith (figure 6). The new prospects lie along a highly prospective 15km mineralised trend.

At the Grey Dam Nickel Sulphide Project exploration continued over the northern mafic / ultramafic sequence with the completion of a passive seismic survey.

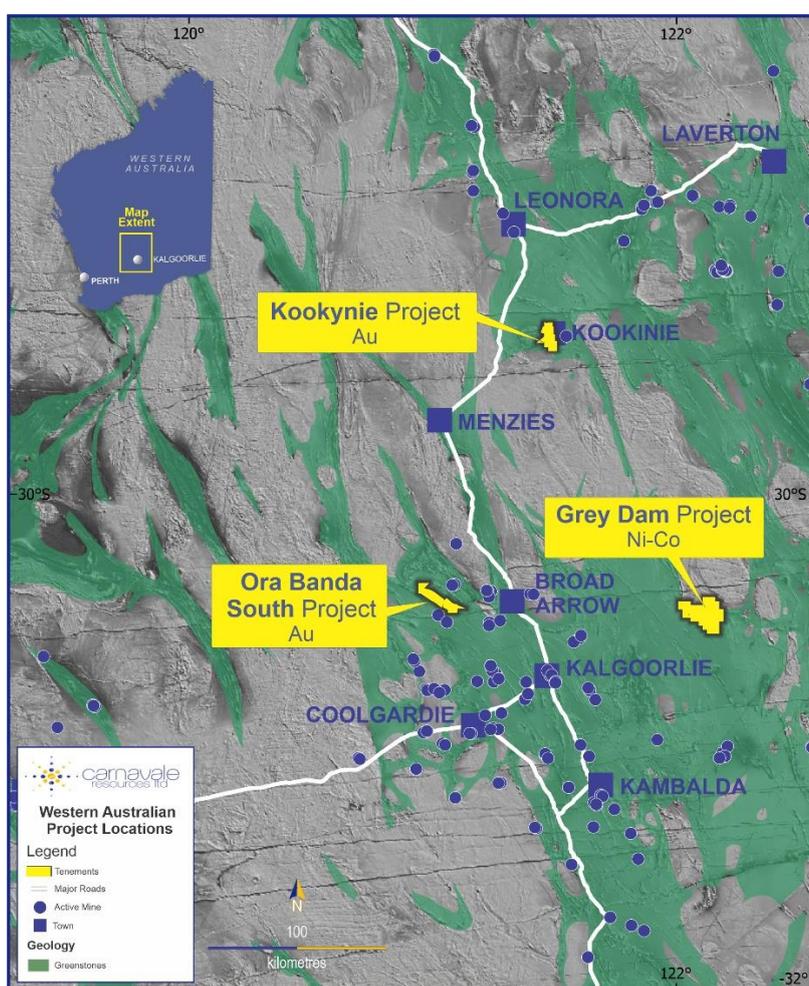


Figure 1: Location plan of CAV Projects

Kookynie Gold Project

Carnavale commenced a second program of approximately 5,000m of RC drilling at the Kookynie Gold Project. The Kookynie Gold project is located 160km north of Kalgoorlie in the West Australian Goldfields. Drilling is targeting the newly identified, high-grade lodes within the McTavish East prospect and exploring at the shallow, high-grade gold mineralisation identified in CAV aircore at the McTavish North prospect.

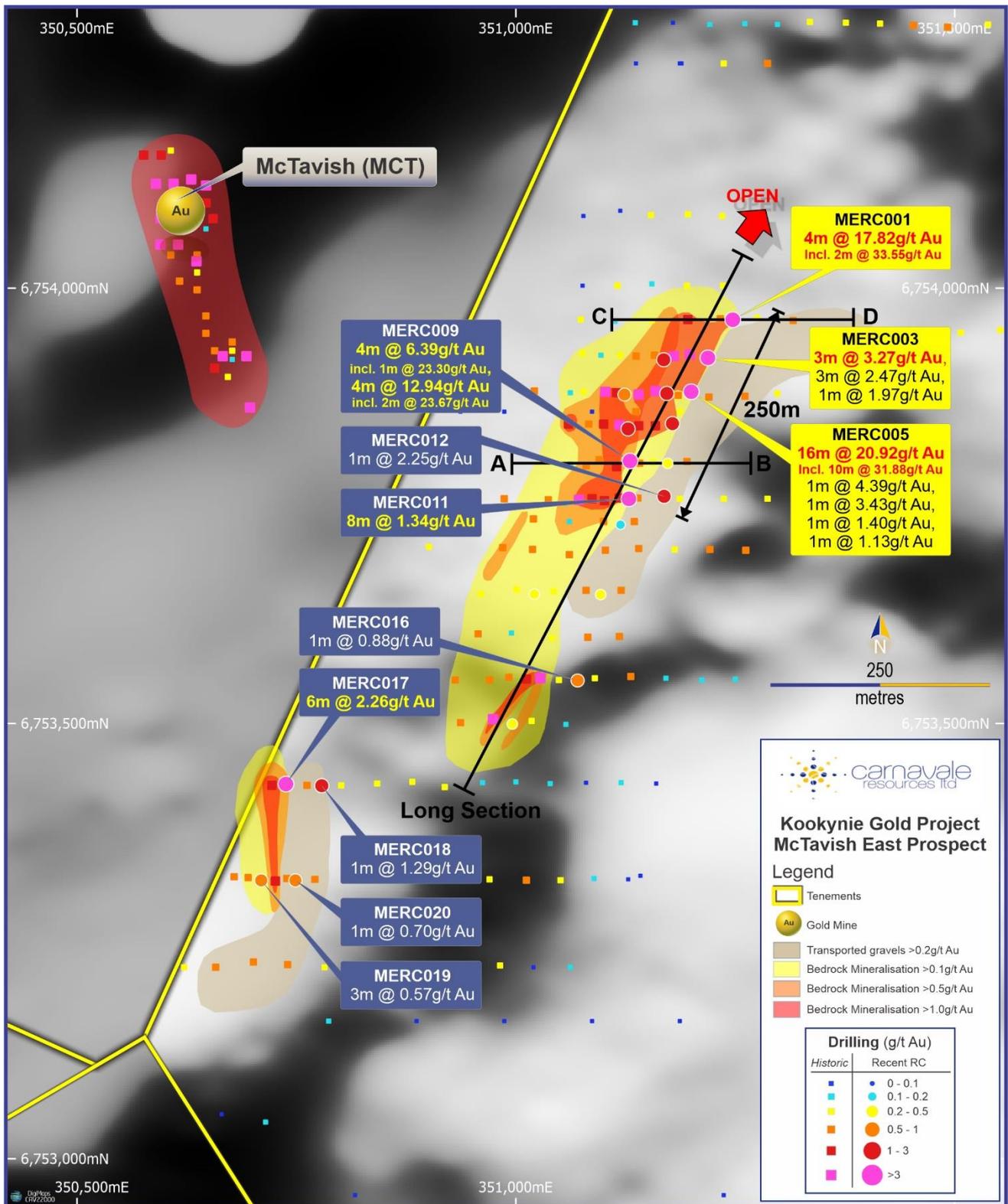


Figure 2: Plan of McTavish East showing collar locations of RC drilling and mineralised trend.

The initial RC program at McTavish East extended the high-grade gold mineralisation encountered in the previous aircore programs into the fresh rock. 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 Explorations Ltd (ASX: NME) and Metalicity Ltd.'s (ASX: MCT) McTavish high-grade gold deposit.

The newly identified mineralised structure identified by recent CAV aircore and RC drilling has high-grade gold defined along 250m of strike and dips steeply east and strikes northeast and remains open (Figure 2).

The current 5,000m RC drilling program is designed to expand the substantial high-grade gold mineralisation associated with strong quartz veining in fresh rock, identified by the previous RC drilling.

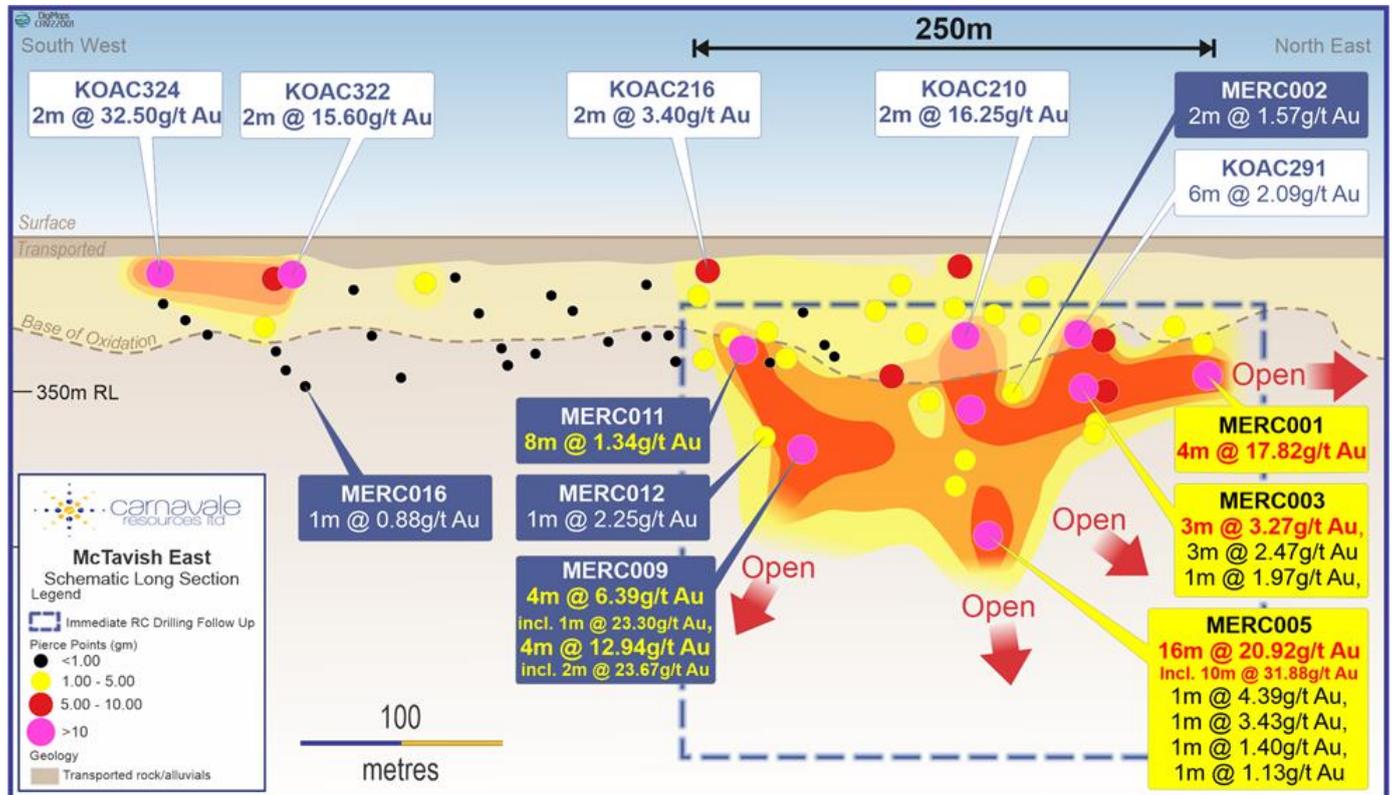


Figure 3: Long section through McTavish East with significant intercepts as pierce points on mineralised structure.

The main structure at McTavish East is also supported by mineralised splays in the hanging wall and footwall that have similar mineralogy to the highest-grade zones on the main structure.

The current RC program is aimed at expanding and targeting the thickest zones high-grade mineralisation within the main structure that appear to have a south easterly plunge. In addition, CAV will explore the shallow high-grade gold identified in earlier CAV aircore at McTavish North. Results expected in Q2 2022

Next Steps

The large-scale 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 4). 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. CAV has an aircore program planned for Q2 2022 to test this highly prospective corridor for repeat high-grade structures.

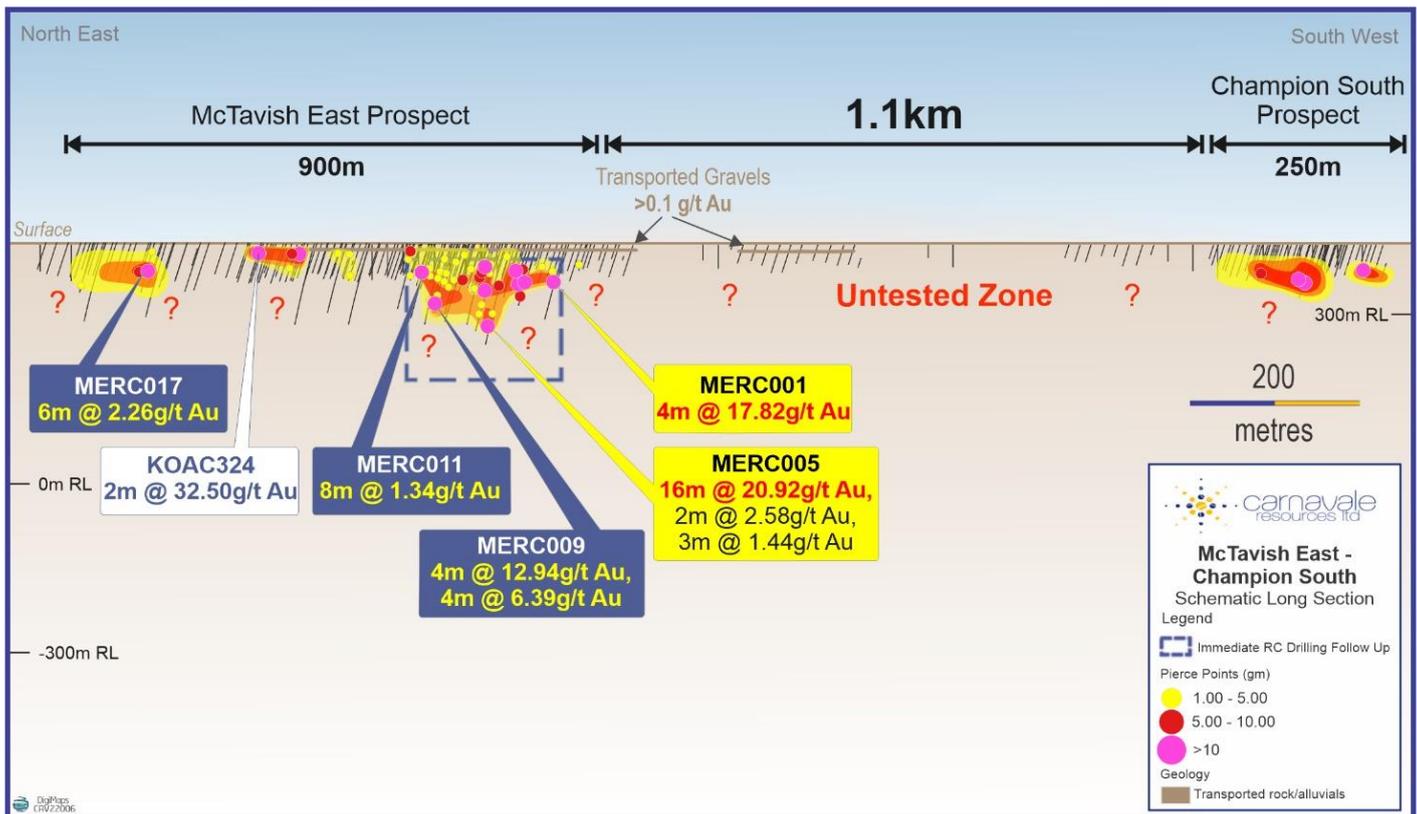


Figure 4: Long section showing 1.1km untested zone from McTavish East to Champion South

Ora Banda South Gold Project

The second aircore drilling program at the Ora Banda South Gold Project, 90km north of Kalgoorlie in the West Australian Goldfields, was completed during the quarter with all samples submitted to the laboratory. Results are expected to be received in May 2022.

The phase two aircore drilling program, comprising 176 holes for 12,894m, was designed to follow up on the strong gold mineralisation identified by the wide spaced phase one aircore program (*See ASX release High-grade gold along 15km of the Carnage shear at Ora Banda 13th December 2021*).

The initial reconnaissance drilling program tested targets identified by CAV's previous soil sampling program, previous aircore gold anomalies and structural targets under alluvial cover. The initial program confirmed the prospective Carnage Shear occurs along the 15km long tenement package and shows anomalous gold, arsenic, bismuth and lead. Three new gold prospects were identified in the initial drilling that contain high grade gold intercepts (Figure 6).

This recent aircore program has been drilled with lines across the three new gold prospects at 360m apart with 40m and 80 drill centres. Through the drilling, CAV has gained an improved understanding of the geology and structure, the depth of transported material as well as the depth of weathering within the regolith profile across the tenement package, in addition to outlining significant gold mineralisation in the regolith. This drilling program was designed to extend and expand these three new gold Prospects.

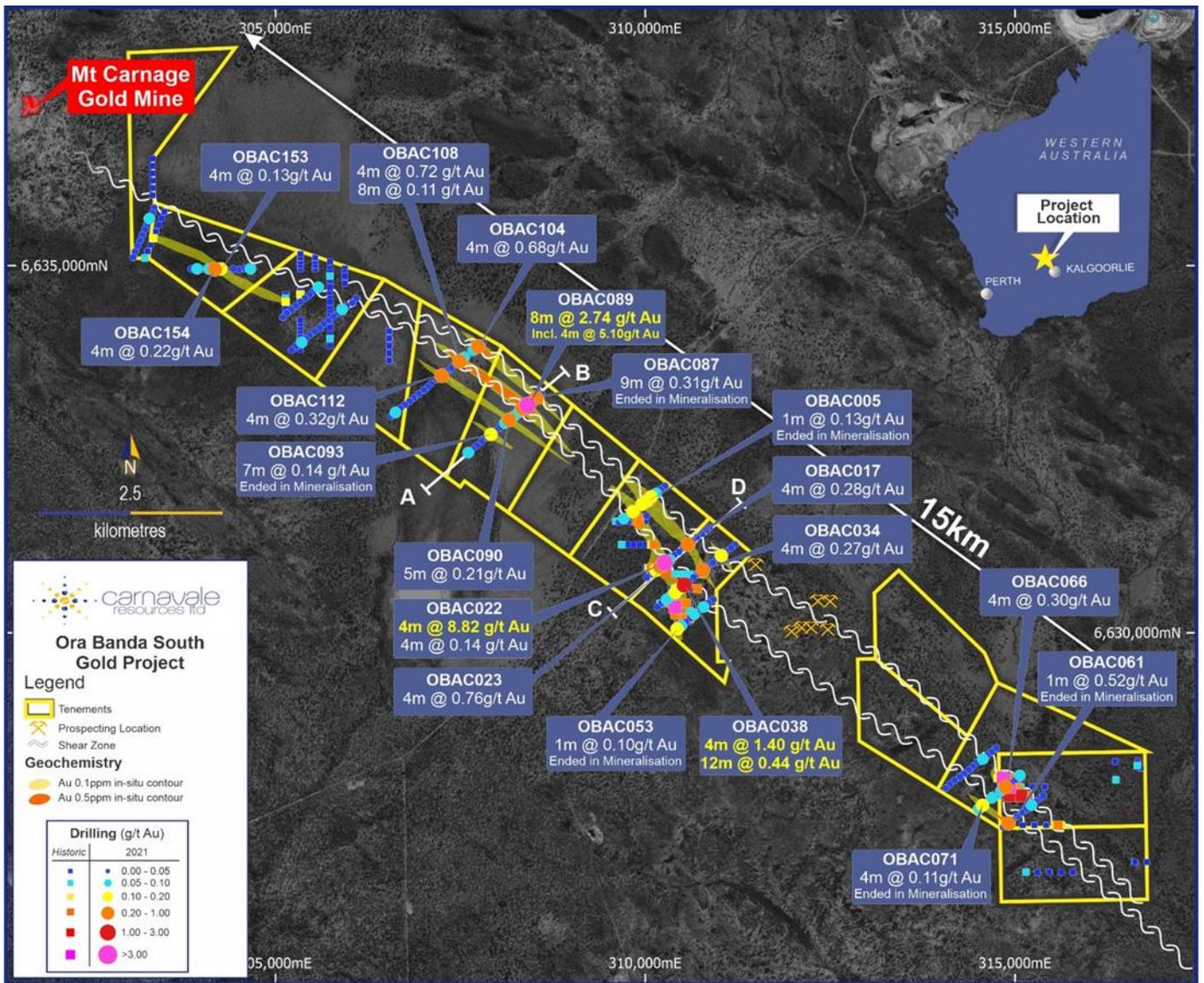


Figure 5: CAV aircore drilling with significant intercepts

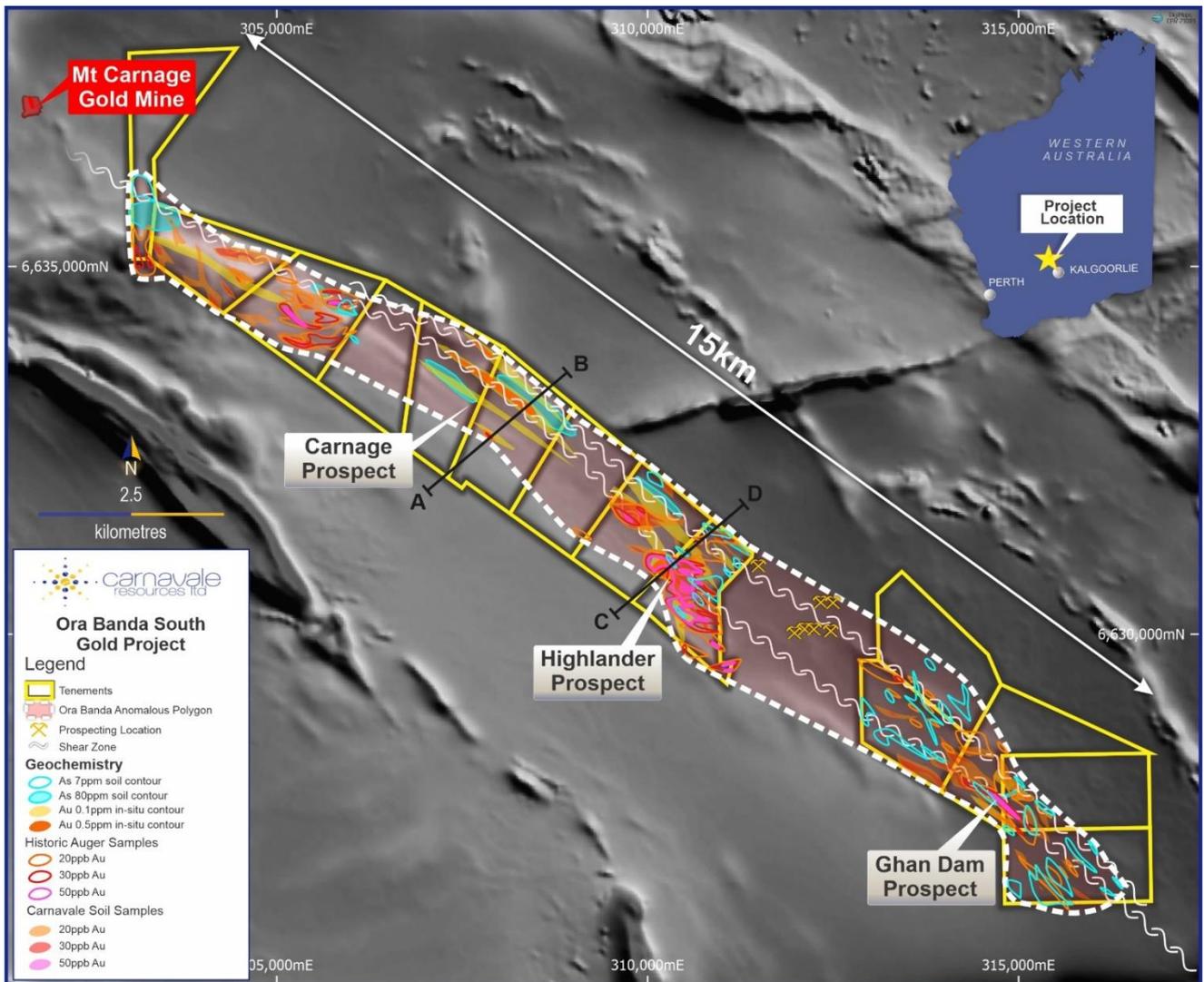


Figure 6: Soil sampling geochemistry with drilling geochemistry indicates a 15km mineralised trend

Next steps

CAV keenly awaits the results from the follow up aircore drilling to extend and expand the exciting new anomalies at the Carnage, Highlander and Ghan Dam Prospects. As part of a systematic exploration approach and, subject to the results of this additional aircore drilling, CAV intends to drill test the deeper extensions of the regolith anomalies with further aircore and RC drilling.

Grey Dam Nickel Sulphide Project.

CAV completed a passive seismic survey at Grey Dam to determine the depth of cover associated with 5 nickel / copper soil anomalies identified by the earlier UFF soil sampling program. The survey is being followed up by a ground EM survey aiming to delineate direct drilling targets.

The mafic / ultramafic sequence at Grey Dam is located immediately along strike and is the same geological sequence that hosts the new Kambalda style, nickel sulphide Emu Lake discovery recently reported by Ardea Resources Limited. (Figure 7). The new Emu Lake discovery demonstrates the nickel sulphide fertility of the mafic ultramafic sequence.

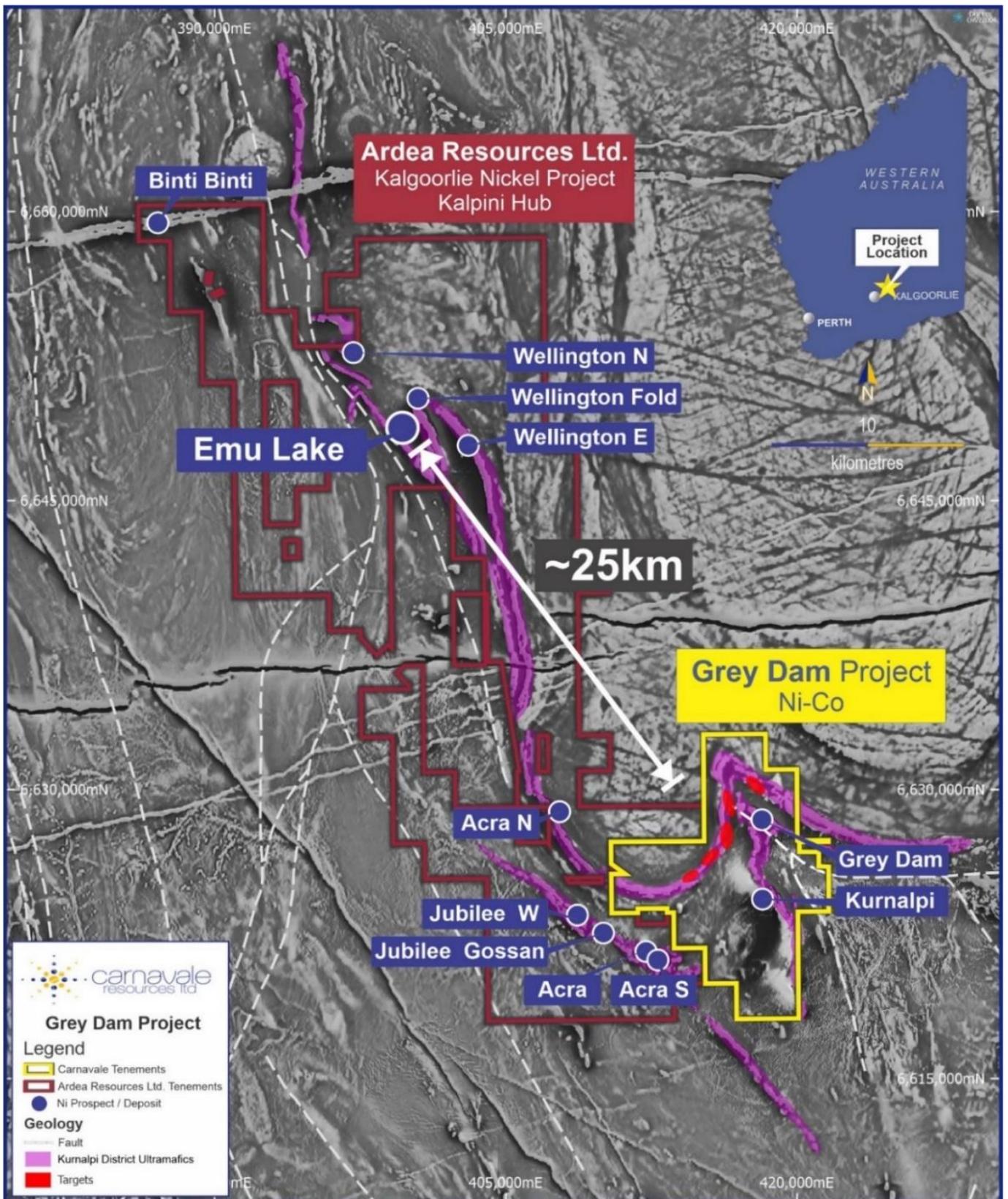


Figure 7: Grey Dam Nickel Project soil anomalies and the Ardea Resources Ltd Emu Lake Nickel Sulphide Project underlain by the regional magnetics.

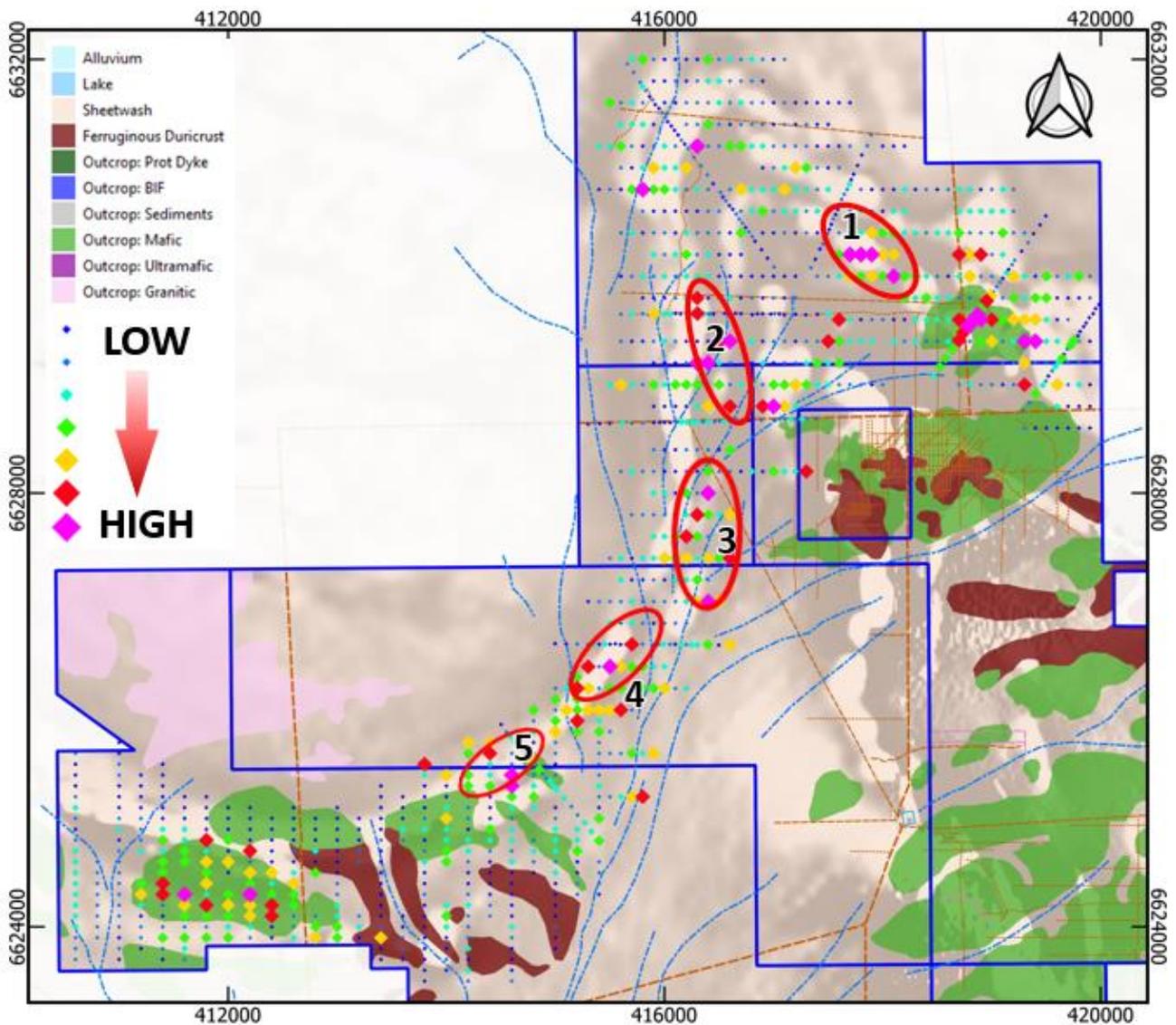


Figure 8: Log Additive Indices Ni+Cu (LAI_Ni Cu) on domained UFF soils

The northern area of the Grey Dam Project is covered by transported sheetwash and alluvial material (Figure 8) that has deterred previous explorers from investigating this terrain as it was difficult to explore the area using traditional soil sampling techniques. UFF soil sampling is a sensitive new exploration technique that is being evaluated by CSIRO and explorers to successfully target mineralisation under areas of cover.

The Company completed a program of UFF soil sampling over the majority of the interpreted mafic / ultramafic sequence in the northern part of the tenement package (Figure 8) on a 100m by 200m grid. A total of 964 soil samples were collected. The aim of the UFF soil sampling program was to define a geochemical response that help CAV economically vector exploration into target zones that have the potential to host Kambalda style nickel sulphides under cover. (See ASX release "5 New Nickel / Copper anomalies located at the Grey Dam Nickel Sulphide Project", 12 October 2021).

The detailed UFF soil sampling program has successfully delineated five discrete geochemical anomalies under transported cover (Figure 8). The anomalies are defined by the log additive indices of nickel and copper assays that have been levelled with regard to the regolith domain. Levelling the data against the regolith domain has enabled CAV to rank the subsequent anomalies on a like by like basis, consequently subcrop / outcrop anomalies have a discounted priority ranking when compared to sample data from sheetwash areas.

A survey comprising twelve passive seismic traverses across the interpreted soil anomalies, to determine the depth of transported cover has been completed. The results of the survey have concluded that the depth of transported cover is not detrimental to the proposed EM survey. A mag inversion study was completed on the aeromagnetic data to confirm the dip and dip direction of the target horizons. Based on the results of the passive seismic survey, a ground-based Moving Loop EM geophysical survey will be completed to delineate potential conductive nickel sulphide targets beneath the transported cover.

CSIRO continues to optimise the information produced by the UFF soil programs. Data analysis and reporting of the interpretation by CSIRO is ongoing and is expected to refine and improve the identification of anomalies and further information on the underlying geology.

Corporate

Capital raising

In February 2022, CAV issued 203,636,360 shares at an issue price of \$0.011 each and 101,818,180 free attaching options (exercisable at \$0.016 on or before 31 July 2023) to raise \$2.24 million to high net worth overseas, sophisticated and professional investors, comprising existing and new shareholders (“Placement”) (before costs of raising).

Golden Triangle Capital Pty Ltd (‘GTCap’) was appointed as Lead Manager for the Placement. For managing the Placement (including obtaining the firm commitments), GTCap received a 6% capital raising fee and subscribed for 40 million options (exercisable at \$0.016 on or before 31 July 2023) at an issue price of \$0.00001.

The Company had a cash position of \$3.97 million as of 31 March 2022.

Carnavale Chairman, Mr Ron Gajewski and non-executive director, Mr Andrew Beckwith each committed to subscribe for 18.182 million new ordinary shares (and 9.091 million attaching options) totalling \$400,000 (“Director Placement Securities”). The Director Placement Securities required the approval of shareholders pursuant to Listing Rule 10.11, which was received at the general meeting held on 20 April 2022. It is expected that the subscription funds will be received before end of April 2022 with allotment of the Director Placement Securities to follow.

ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was \$518,000. 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 \$33,000 was paid to related parties during the quarter comprising Director fees. During the quarter, \$32,502 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:

Ron Gajewski

Chairman

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, 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 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

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

Carnavale Bolsters Gold Portfolio with New Acquisition Ora Banda South, 5 October 2020
CAV expands gold in soil anomalies at Ora Banda South Project, 29 July 2021
Initial Aircore drilling commenced at the Ora Banda South Gold Project, 2 September 2021
High-grade gold along 15km of the Carnage shear at Ora Banda, 13 Dec 2021
Aircore drilling to define large gold system at Ora Banda commenced, 16 Feb 2022
Second aircore program completed at the Ora Banda South Gold Project, 21 Mar 2022

Carnavale expands Nickel-Cobalt footprint at Grey Dam, 28 June 2019
Carnavale expands Nickle Sulphide potential at Grey Dam, 11 November 2019
Strong EM Conductors defined at Grey Dam, 3 June 2020
Drilling to test strong Nickel EM targets at Grey Dam, 29 July 2020
Grey Dam Nickel Project Soil sampling update, 31 August 2020
Grey Dam Nickel Project - Drilling Commenced, 11 September 2020
Grey Dam Exploration Update, 6 November 2020
5 New Nickel / Copper anomalies located at the Grey Dam Nickel Sulphide Project, 17 October 2021
Exploration Update – Nickel Projects, 25 Jan 2022

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

Project/Location	Country	Tenement	Percentage held/earning
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	80%**
		P40/1380	80%**
		P40/1381	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.

** In July 2020, Carnavale secured an option with Western Resources Pty Ltd to earn 80% of tenements E40/355, P40/1380 and P40/1381. Under the terms of the agreement, Carnavale having explored the tenement area, elected to acquire 80% of the tenements in July 2021 and paid \$250,000 in cash and issued 50 million fully paid Carnavale shares. Both parties have entered a formal Joint Venture ("JV") (CAV 80%, Western Resources 20%), where Carnavale will free carry Western Resources Pty Ltd to the completion of a Bankable Feasibility Study (BFS) and on completion of a BFS Western Resources Pty Ltd will be obliged to contribute to future costs on a pro-rata basis or be diluted, or alternatively elect to convert its 20% equity interest to a 1.5% NSR ("Royalty") within 30 days of Carnavale notice of the completion of the BFS. Thereafter, no party to dilute to less than 10% equity in the Project, otherwise deemed to have no further interest and will assign the remaining interest to the other party.

Schedule of Mining Tenements, Beneficial Interests and agreements

Acquired during the Quarter

Project/Location	Country	Tenement	Percentage held/earning
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Schedule of Mining Tenements, Beneficial Interests and agreements

Disposed of during the Quarter

Project/Location	Country	Tenement	Percentage held/earning
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