

**ASX ANNOUNCEMENT****10<sup>th</sup> August 2022****Exploration Update**

Carnavale Resources Ltd (CAV) is pleased to provide an update to its exploration activities. CAV has commenced a third aircore program at Ora Banda South Gold Project following up on high grade gold in the regolith at the Carnage and Highlander Prospects.

At Kookynie CAV has completed a program of aircore between McTavish East and Champion South targeting concealed repeats of the high-grade intercepts discovered at McTavish East and McTavish North, assays expected in Q3 2022. In addition, CAV completed 3 diamond tails for 490m at McTavish East with results pending.

Results have been received from the MLEM survey at the Grey Dam Nickel project. The results are being evaluated in conjunction with the UFF soil data, aeromagnetism and passive seismic data captured by CAV to establish the significance of the conductors outlined by the MLEM survey

**Aircore program commenced at Ora Banda South Gold Project**

CAV has commenced a third program of approximately **6,500m** of aircore following up strong gold grades intercepted at the Highlander and Carnage prospects in the previous aircore programs conducted by CAV. The previous aircore had significant shallow bedrock gold results that confirmed a gold bearing system with a strike length of **15km**. Significant results from previous CAV aircore drilling at Ora Banda South include:

- **4m @ 2.69g/t** from 36m in OBAC306
- **4m @ 2.49g/t** from 48m in OBAC175
- **8m @ 0.58g/t** from 32m in OBAC295
- **4m @ 0.97g/t** from 36m in OBAC310
- **4m @ 8.82g/t** from 40m in OBAC022
- **8m @ 2.74g/t** from 48m hole OBAC089 (*inc. 4m @ 5.10g/t from 52m*)



Follow up aircore will target two high priority gold targets.

- Carnage Prospect - **2.5km strike and up to 500m wide** and remains open.
- Highlander Prospect - **2km strike and up to 400m wide** also remains open.



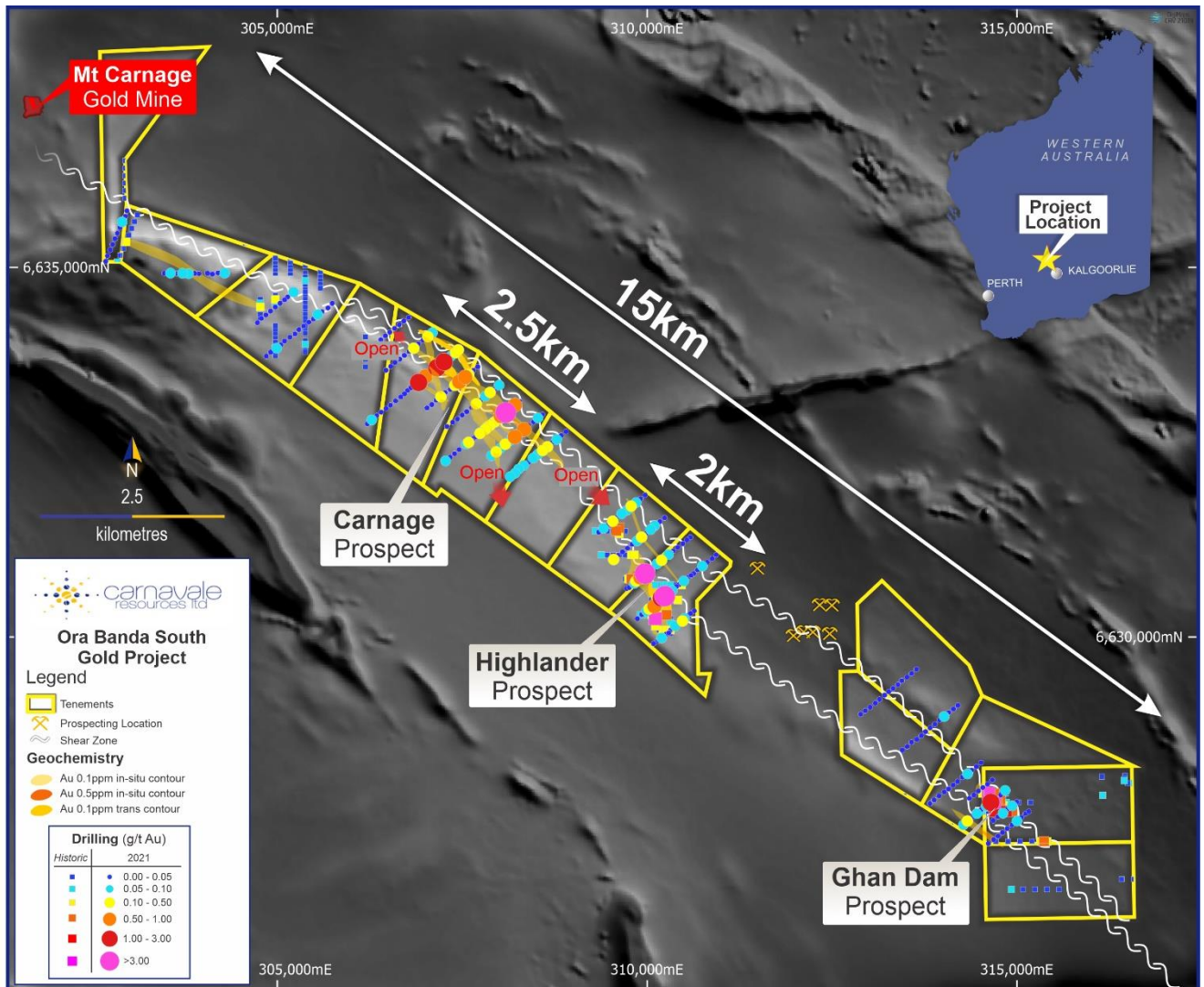
Analogous geological setting target to the +2.5Moz @ +4g/t Invincible Gold Mine<sup>1</sup>, discovered by Gold Fields Limited near Kambalda in 2012.

**CEO Humphrey Hale commented:**

"We are excited to be returning to the new prospects at Ora Banda South, CAV has launched a third aircore program to zoom in on the gold anomalies to expand the high-grade gold zones that were identified in the scout drilling. The scout drilling provided definition to the gold anomalies in the regolith and improved confidence along strike. Upon completion of the aircore CAV will plan an RC program to test for depth extents of the regolith anomalism in the top 200m from surface."

<https://www.goldfields.com/pdf/investors/integrated-annual-reports/2020/mmr-2020.pdf>

The previous aircore drilling at Ora Banda South Gold Project tested targets identified by CAV's soil sampling program, previous aircore gold anomalies and structural targets under alluvial cover. CAV's aircore drilling 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 have been identified in CAV's aircore drilling that contain high-grade gold intercepts (Figure 1).



**Figure 1, Plan of Ora Banda South Gold project with Prospect location with CAV aircore drilling**

This previous CAV aircore has been drilled on wide spaced lines, 360m apart, across the new gold prospects with holes drilled on 40m to 80m drill centres. Results of the drilling, outline significant gold mineralisation in the regolith geochemistry and gained 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.

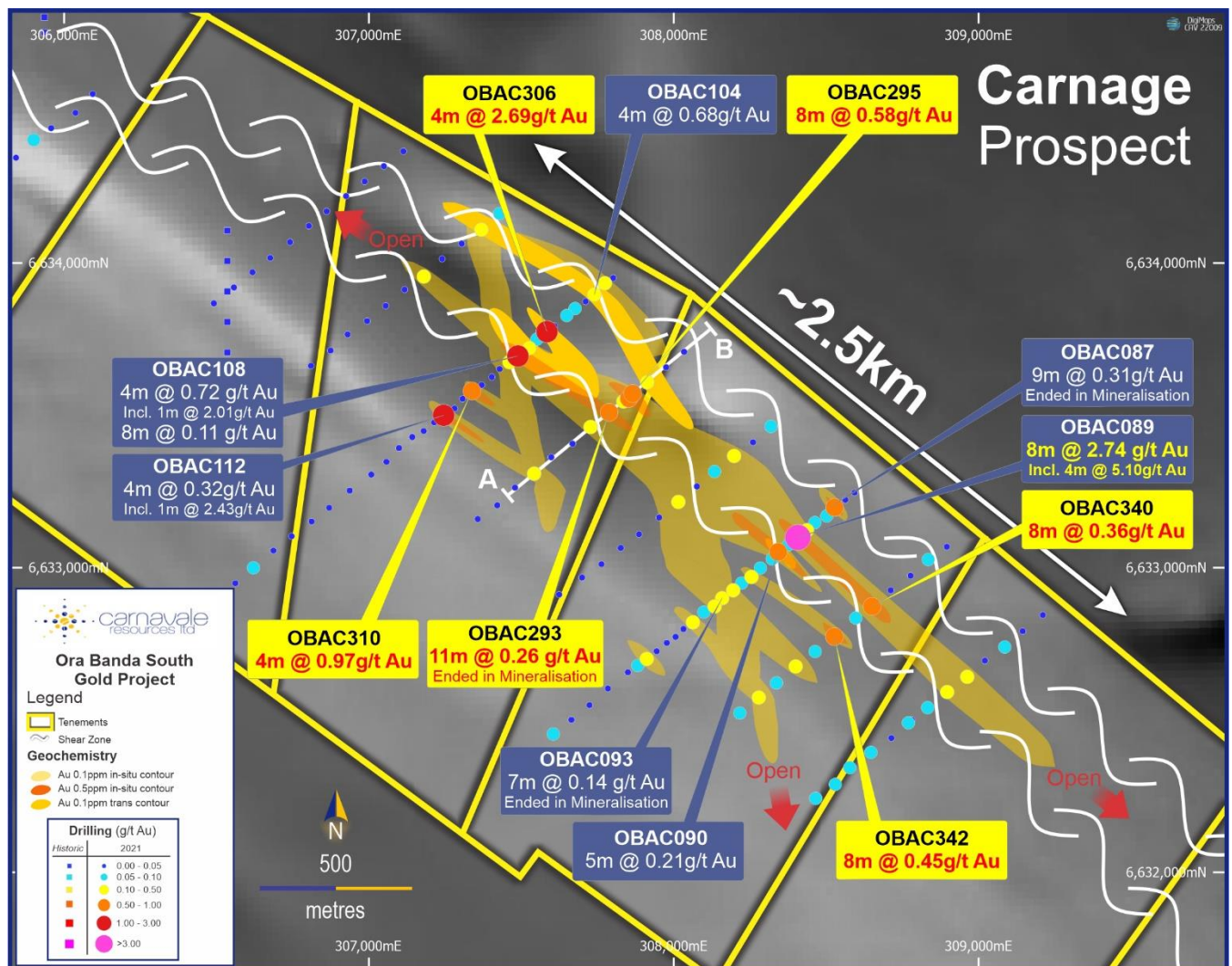
CAV's previous aircore drilling programs have successfully confirmed the scale of the anomalies and provided additional resolution to these new gold Prospects. The drilling remains very wide spaced and is still considered reconnaissance geochemical drilling. The current program of aircore drilling is planned to close up the drill spacing at the local prospects targeting the geochemical footprint of concealed gold mineralisation in the regolith.



## Carnage Prospect

The geology of the Carnage prospect is dominated by a sequence of sedimentary rocks crosscut by the Carnage Shear. The area is overlain with a layer of transported material that is up to 40m in places. The transported cover has prevented any surface sampling such as soils or auger sampling from being effective at detecting concealed gold anomalism in earlier exploration.

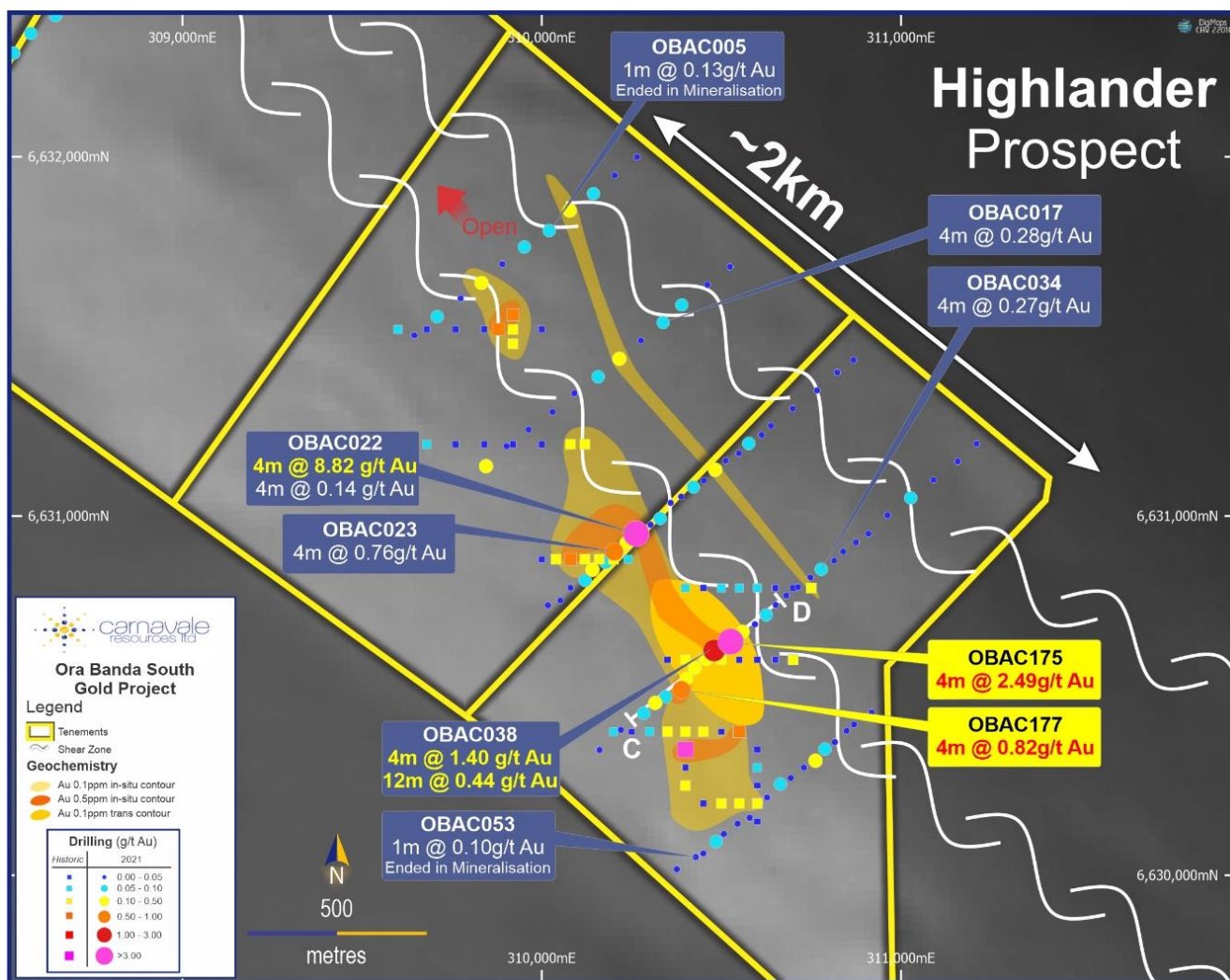
CAV reviewed the structural information from the aero magnetics and extrapolated the gold in soil anomalism which suggested there could be concealed gold targets beneath the transported cover.



The Carnage Prospect has a confirmed gold anomaly that is up to **500 m wide and 2.5km long** within the sediment package along the Carnage shear that is open to the northeast south and southwest (Figure 2).

The mineralisation at Carnage is interpreted to be orientated North- East along the Carnage Shear and is modified to have a more North-South trend by the geology. The strike extent of this prospect is over **2.5km** and is open along both strike trends. Both trends are evident within the interpreted gold contours that are shown in (Figure 2).

The current aircore program is designed to find the extents of the mineralisation and refine the RC drill targets.



**Figure 3: Plan of the Highlander Prospect**

## Highlander Prospect

The geology of the Highlander Prospect is similar to the Carnage Prospect with sediments intersected by the Carnage shear and other associated fault structures. The depth of transported cover is not as extensive as at the Carnage Prospect, which is approximately 3km to the Northwest.

The Highlander Prospect has a blanket of anomalous gold and arsenic in the soil geochemistry that was the target for CAV's initial broad spaced aircore drilling which intersected high-grade gold mineralisation. The second aircore program has confirmed this anomaly in more detail and has outlined more than **2km** of strike extent.

Gold mineralisation has been associated with the same Carnage Shear and similar North-South modifying influences as the Carnage prospect. The supergene gold anomaly extends over **400m** in width and is made up of anomalous gold in the transported horizon directly associated with and overlying gold anomalism in the underlying residual saprolite. Highlander Prospect has a strike length of over **2km** which remains open to the Southwest and Northeast.

The turnaround time for the release of assay results has been unpredictable across the industry recently. CAV is confident that this will improve with results from this aircore campaign expected in early Q4 2022. CAV will drill test the deeper extensions of the regolith anomalies with RC drilling to 200m subject to the results of the current aircore program and rig availability.



# Kookynie Gold Project

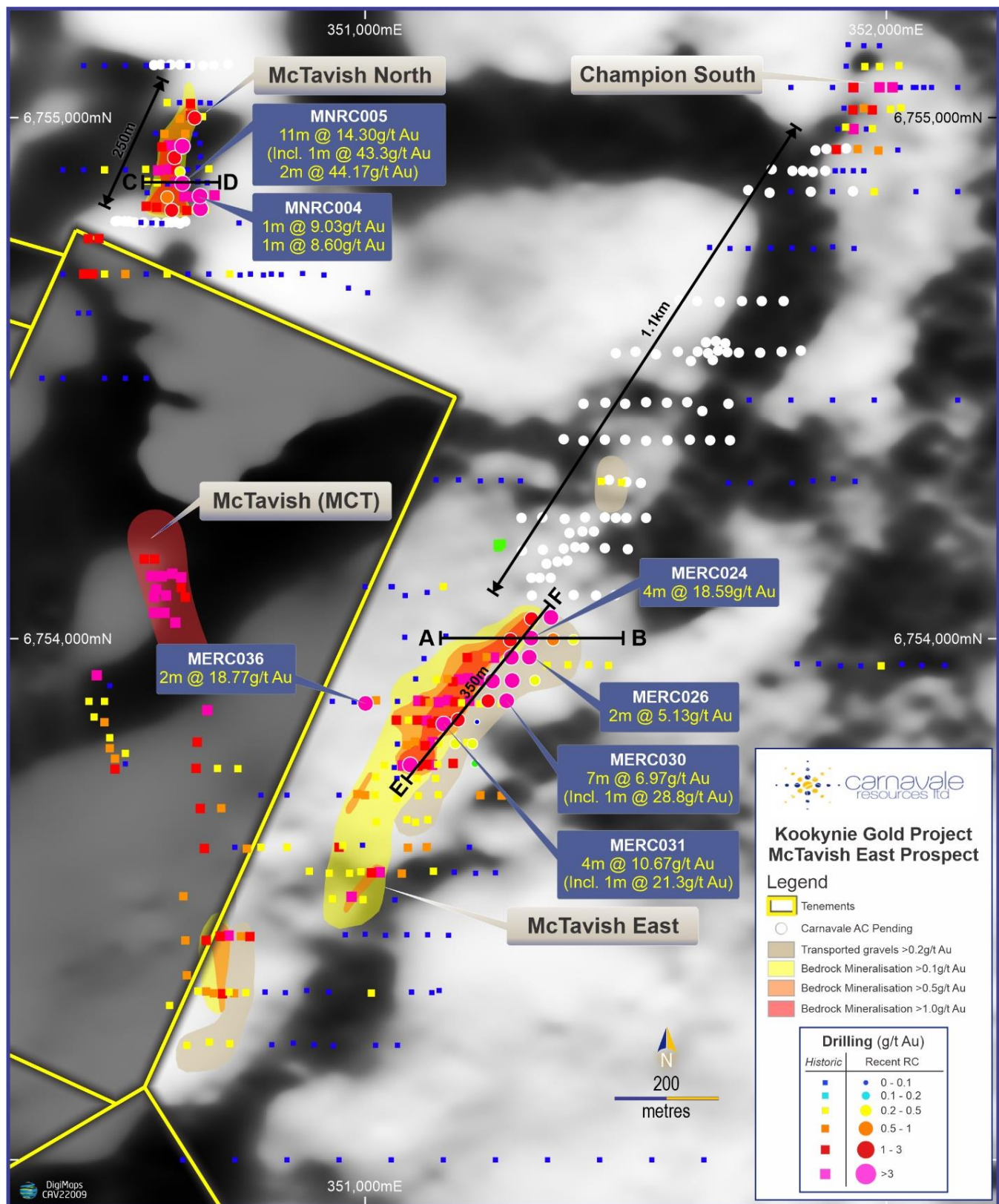


Figure 4, Plan of McTavish North, McTavish East and Champion South with recent RC drilling high grade intercepts labelled blue.

During June CAV completed a program of 104 holes for 5,109m of aircore drilling targeting this extensive prospective corridor that hosts the high-grade McTavish East prospect to the Southwest and the Champion South project to the Northeast. With an increased understanding of the complex regolith profile at the Kookynie Gold Project, CAV has completed a program of aircore drilling over the **1.1km untested zone** between McTavish East and Champion South (figure 4).

A limited amount of previous aircore drilling has outlined a 0.1g/t gold anomaly that is hosted within the transported cover along the main structure that hosts the McTavish East prospect. Drilling at McTavish East identified anomalous gold hosted in transported material was directly attributable to primary high-grade gold at depth within bedrock geology. Results are expected in Q3 2022.

In July, CAV followed up the RC drilling completed in April with 3 diamond tails for 490m. This core has been sampled and dispatched to the laboratory for analysis. The information gathered from the diamond drilling will provide important information on the orientation of the mineralizing structures and their interaction with the host geology in the local area at McTavish East as well as detail on the rock strength and density. The core has been orientated and logged onsite with the core transported to Kalgoorlie where the core has been cut and sampled prior to being submitted to the laboratory. Results are expected in Q3 2022.

### **Grey Dam Nickel Sulphide Project**

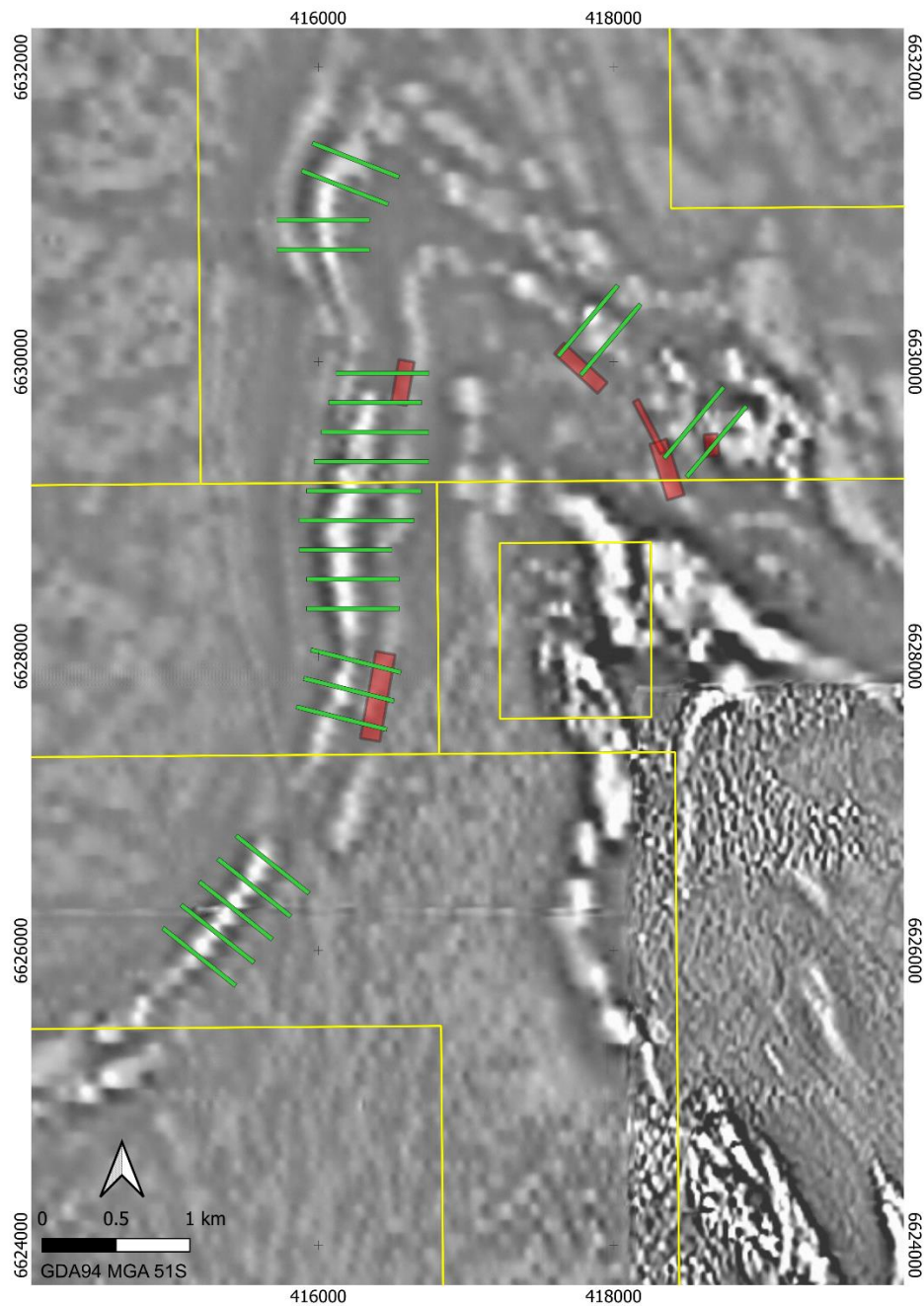
Carnavale completed a ground based MLEM survey aiming to delineate direct drilling targets associated with 5 nickel / copper soil anomalies identified by the earlier UFF soil sampling program and one historic drillhole with anomalous nickel results. The UFF soil survey technique is an experimental technique being developed by CAV and other industry participants with CSIRO to identify concealed orebodies located under transported cover.

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 Ltd. (ARL). The new Emu Lake discovery demonstrates the nickel sulphide fertility of the mafic ultramafic sequence.

The MLEM survey completed by CAV at Grey Dam consisted of 200m x 200m loops with 50m stations along lines that are 600m in length. The survey was undertaken by Gap Geophysics with the survey lines outlined in green. Results have been received and are being reviewed in association with the UFF soil data and passive seismic data collected by CAV. The survey identified six conductors identified as plates modelled in red in figure 5.

These EM conductors line up with the interpreted mafic/ultramafic package and the contact with the sedimentary units. A number of the conductors identified in the MLEM survey are coincident with the soil anomalies identified by the UFF soil survey.

The tenor of the EM conductors is low and does not immediately suggest the presence of economic nickel sulphides, however, the depth of cover and the nature of the soil anomalies identified by the UFF soil sampling program need to be considered when evaluating the prospectivity of the new EM conductors.



**Figure 5, MLEM survey lines, preliminary model plates in red, and tenement boundaries all over a magnetic image (2vdagc)**

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

**For further information contact:**

**Ron Gajewski**  
Chairman

**Humphrey Hale**  
CEO  
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**

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

### **Exploration**

*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  
Initial Aircore drilling completed at the Ora Banda South Gold Project 29th September 2021  
High-grade gold along 15km of the Carnage shear at Ora Banda 13th December 2021  
Aircore drilling to define large gold system at Ora Banda commenced 15<sup>th</sup> February 2022  
Second aircore program completed at the Ora Banda South Gold Project 21 March 2022*

*Previously reported material Information relating to the Grey Dam Nickel Project includes:*

### **Exploration**

*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  
Moving Loop EM survey underway at Grey Dam targeting Nickel sulphides, 5 May 2022*

*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*  
*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<sup>st</sup> August 2022*