Cassiterite (tin mineral) observed in diamond drilling, Kikagati Project, Uganda

Carnavale Resources Limited (ASX: CAV) is pleased to advise the Company has commenced a 2000m diamond drilling programme at the Kikagati Tin Project, Uganda Africa. To date three holes have been completed for a total advance of 476m. Drilling is to be accelerated with the arrival of two larger capacity rigs on site.

- **2000m diamond drilling programme commenced.**
- **First ever known drilling at Kikagati Tin prospect**
- **3 holes completed through the prospective quartzite unit.**
- **Cassiterite, a tin bearing mineral, logged in hole KKDD003 at ~105m.**
- **Cassiterite is coarse grained (up to ~30mm) hosted within intense tourmaline-muscovite alteration selvage to a quartz vein.**
- **Various other quartz veins with similar tourmaline-muscovite rich alteration selvages intersected.**
- **Numerous layer parallel clay rich units intersected which may represent highly altered hydrothermal fluid pathways parallel to the component quartzite units that hosts the quartz-tourmaline-muscovite (-cassiterite) veins.**
- **2 larger capacity drill rigs recently arrived on site to accelerate drilling over the coming weeks.**

The drilling aims to test the prospective 100m thick quartzite unit, which hosts extensive artisanal workings at surface over an area 2500m x 200m. The mineralisation is hosted in quartz veins with tourmaline-muscovite rich alteration selvages. Visible coarse-grained cassiterite (SnO_2) crystals associated with the muscovite-tourmaline margins of a quartz vein has been logged in KKDD003 (Figure 1). The quartz veins occur as stacked veins perpendicular to the dip of the quartzite unit. Additional mineralisation is suspected to occur along fine-grained layer parallel alteration units now weathered to fine tourmaline and clays.

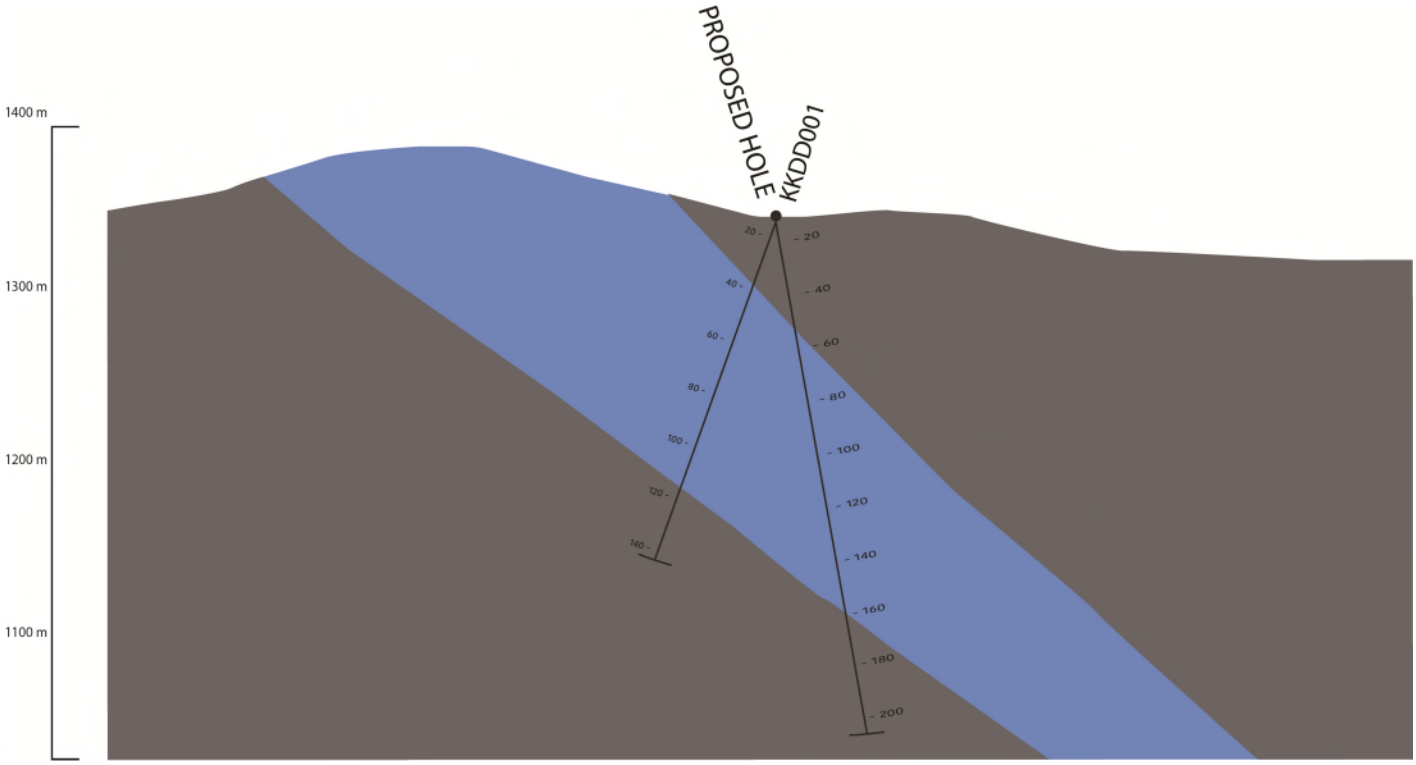
The first 4 drill holes of the programme have been positioned to drill almost perpendicular through the prospective quartzite stratigraphy to provide strong geological control to the various rock units within the package and provide a test of any layer parallel mineralisation along the strike length of the target (Figures 5). Layer parallel mineralisation is potentially hosted within highly altered clay rich units noted in the first three holes.

Overall, it is important to note, the orientation of the first four holes is designed specifically for geological control and the deeper holes are expected to provide a more optimal orientation to intersect the mineralising quartz veins. However, it is considered encouraging that several quartz veins with alteration and visible cassiterite have been intersected in the geological drill holes. The remaining drill holes are planned to test the sequence more obliquely to geology to maximise the chances of intersecting increased mineralised quartz veins.

Figure 1 **Cassiterite crystals seen in the muscovite-tourmaline alteration selvage to a quartz vein in KKDD003.**

Figures 2-4 show the east dipping prospective quartzite unit and the recent southwest dipping diamond drill holes KKDD001, 002 and 003 respectively. These holes are the first ever known drill holes drilled through the prospective sequence at the project. The sequence is defined as an overlying phyllite unit (grey), variable thickness of dominantly quartzite units (blue) with thin fine grained interbeds and weathered clay rich horizons and then a lower sequence of thinly bedded siltstones and graphitic shales with minor sulphide development. The clay horizons occur with intense fine-grained tourmaline and are interpreted to represent intense and deeper weathering along layer parallel alteration horizons. Various quartz-muscovite-tourmaline veins and isolated occurrences of arsenopyrite have been intersected in all three holes drilled to date. These veins are interpreted to represent the stacked veins within the quartzite units seen in outcrop and mined in the artisanal workings from surface to an estimated 40m depth. Further detailed logging is currently underway.

Figure 2 KKDD001 - Simplified cross section looking north west.



The proposed hole on this section (Hole 002) will be drilled in the opposite direction, steep to the northeast, aiming to maximise the number of quartz veins intersected within the quartzite sequence. The drilling orientation has been planned in this manner due to steep access and to minimize the impact of the extensive artisanal workings higher up in the quartzite unit. Drill hole KKDD003 (on next section, refer to Figure 3) intersected a narrow artisanal working at shallow depth.

Overall, the drilling is planned to test the prospective quartzite unit with drilling through the unit, on four sections spaced on nominal 500-1000m intervals along strike (Figure 3). Two additional larger capacity drill rigs have arrived on site and are intended to accelerate the program over the coming weeks. All sampling remains to be undertaken.

Figure 3 KKDD002 - Simplified cross section looking north west.

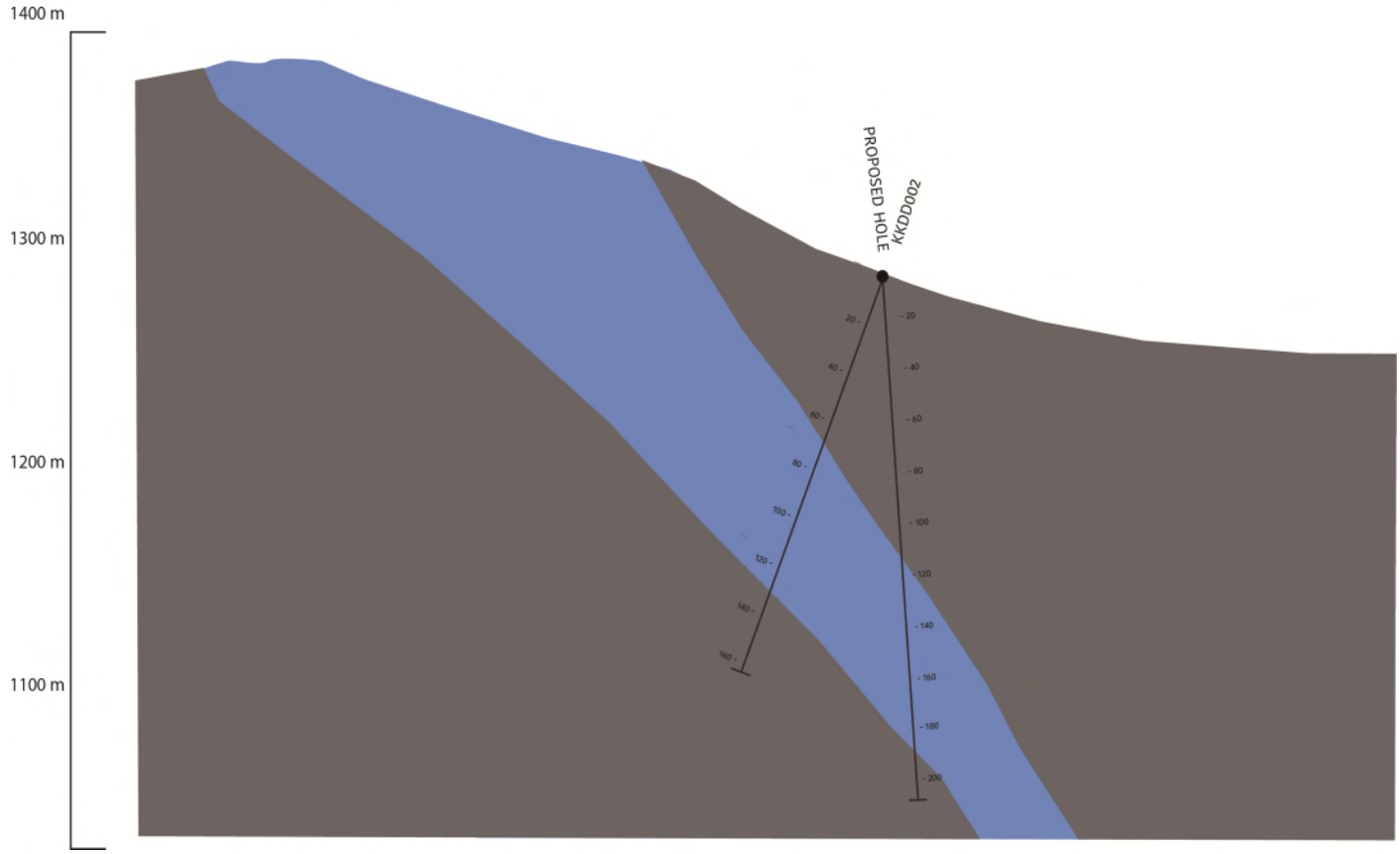


Figure 4 KKDD003 - Simplified cross section looking north west.

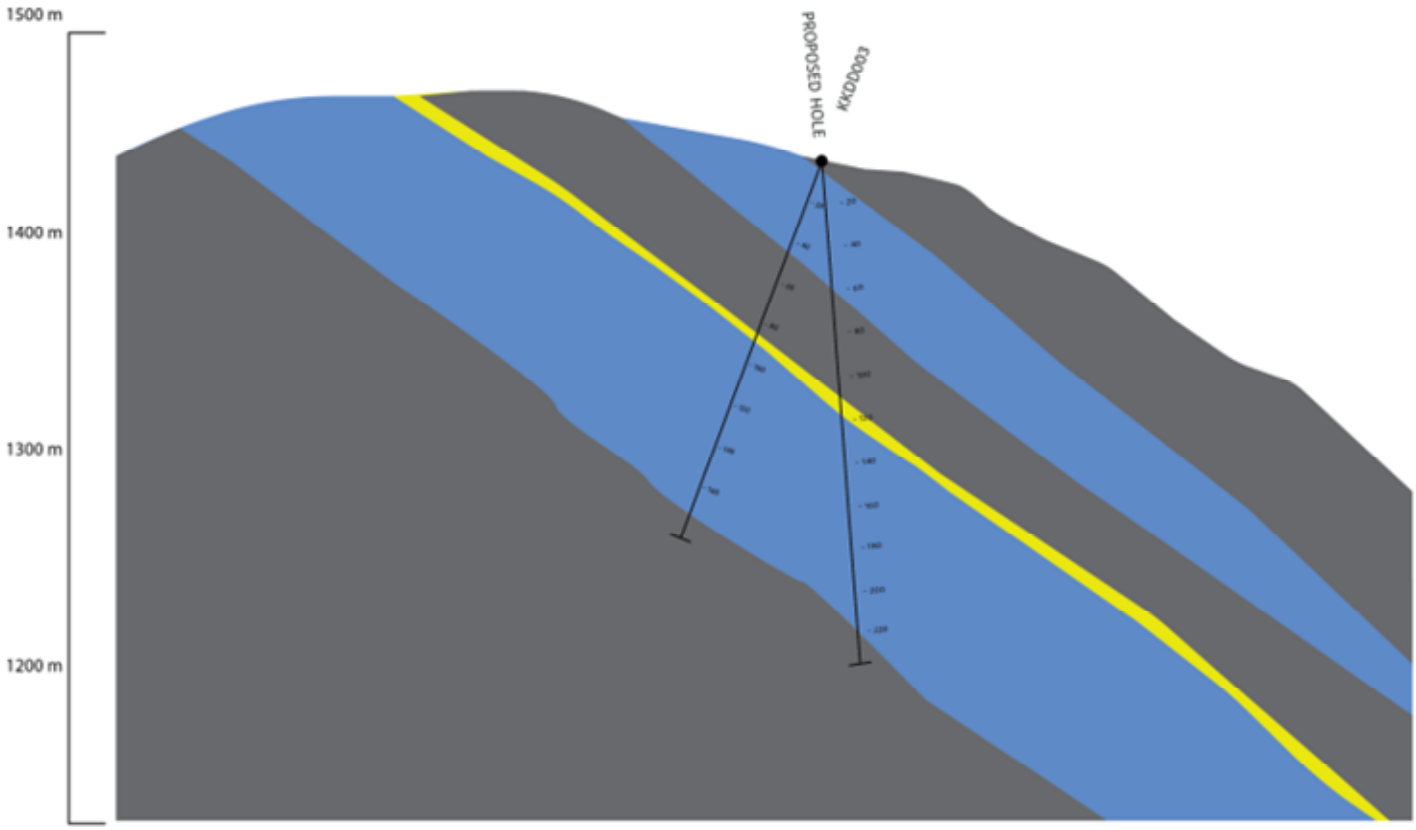


Figure 5 Simplified plan showing drilling hole locations.

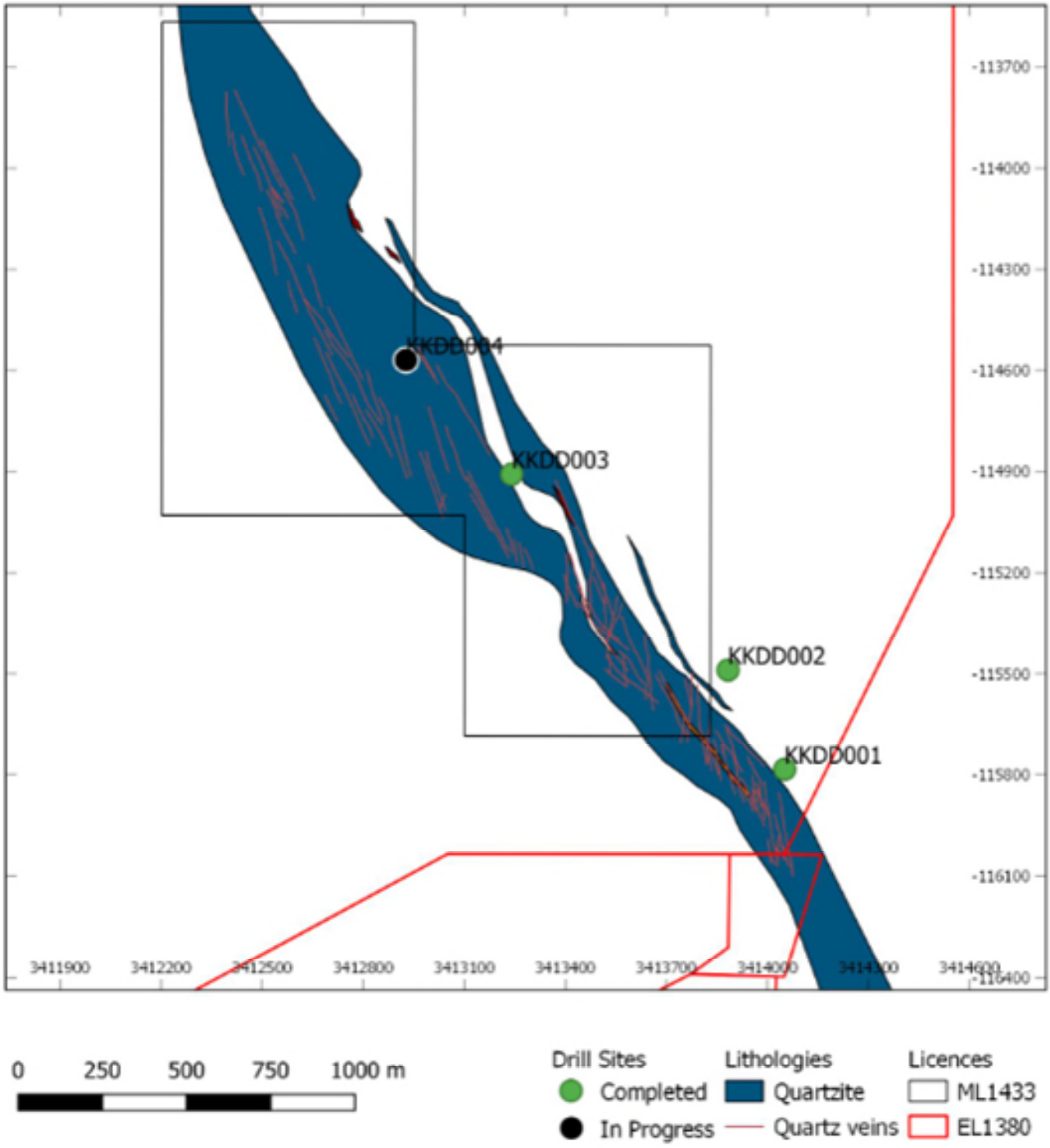
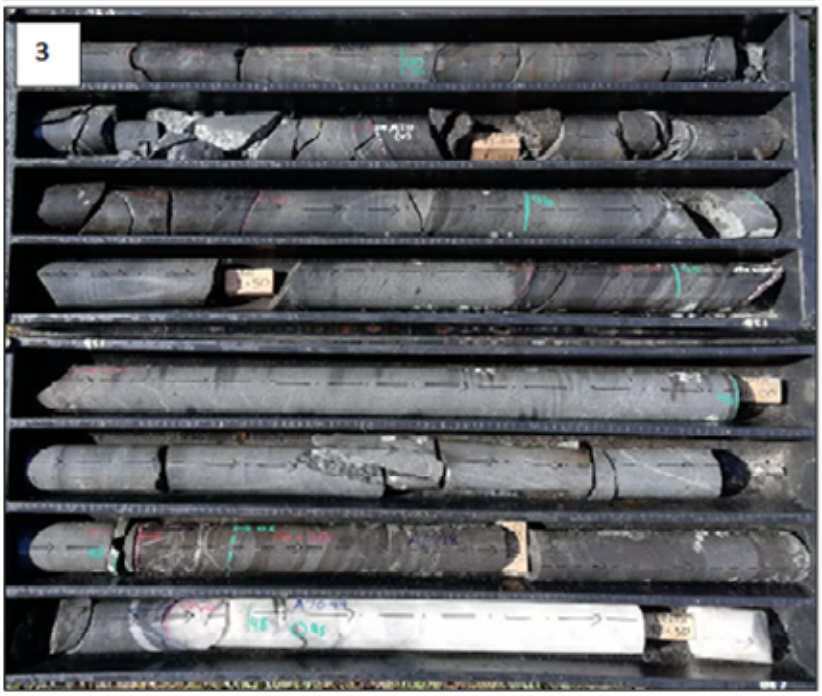


Figure 4 General view of drill core on racks for logging.



1) Core shed.
2) Drill rig at location 014.
3) Marked core. Black coloured interbed units within the grey coloured quartzite. White quartz veining.

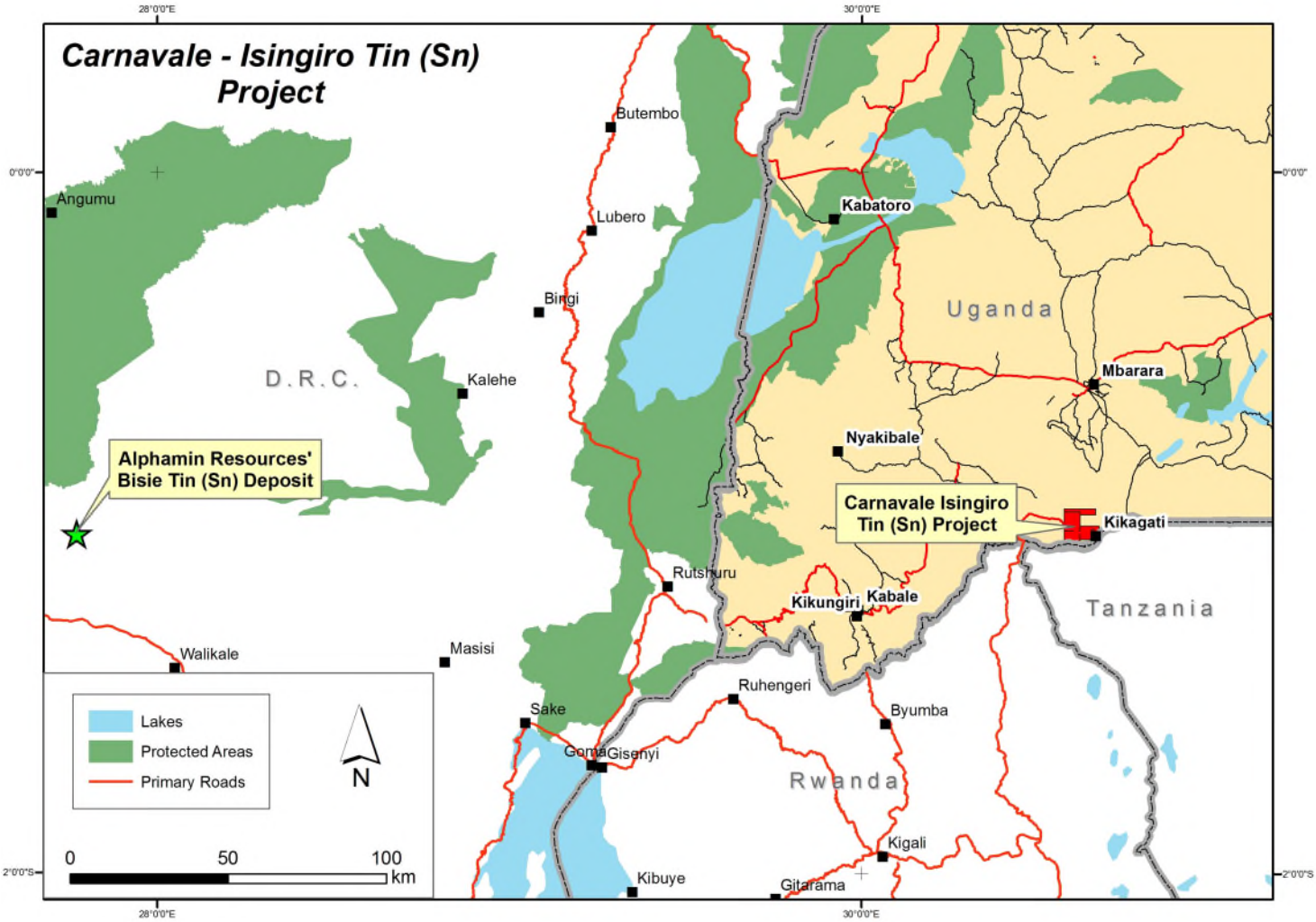
Background

Carnavale Resources Limited (ASX: CAV) signed an exclusive and binding Option to Earn-In Agreement (Agreement) to acquire up to 70% of the Kikagati (Isingiro) Tin Project, located in Uganda along the southern border with Tanzania, Africa.

The project covers an area of approximately 83km^2, comprising 7 exploration permits and a mining lease which spans extensive surface and shallow underground artisanal workings over at least 2km of strike along the main Nyarubungo and Katanga ridges.

Access is via bitumen roads direct to the project 330km south west of the city of Kampala and 60 km south of the town Mbarara. Infrastructure within the area includes bitumen direct to the main drill target and gravel roads to the other tenement areas, electrical powerlines cross the tenements and the major Kagera River which forms the border with Tanzania runs along the southern margins of the project area near the alluvial plant owned by APRU.

Kikagati (Isingiro) Tin Project Location



Cassiterite is a tin oxide mineral, with a chemical composition of SnO_2, and is the world's most important source of tin. Cassiterite is generally related to hydrothermal fluids associated with or near igneous intrusions and commonly occurs in quartz veins containing tourmaline, topaz, fluorite, apatite, wolframite, molybdenite and arsenopyrite.

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Competent Persons Statements

The information in this report that relates to Exploration Results is based on, and fairly represents information and supporting documentation prepared by Mr. Andy Beckwith, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Beckwith is an employee of Carnavale Resources Limited. Mr. Beckwith 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. Beckwith 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, programmes, 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 associated with previous disclosures relating to the Kikagati Project in this announcement has been extracted from the following ASX announcements:

"Carnavale advances Kikagati Tin Project, Uganda", 30 August 2018

"Carnavale to acquire large-scale Tin Project, Uganda", 24 April 2018

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 announcements.

Table 1 Kikagati, Uganda – 2018 Diamond drilling information

HoleID	Collar East (UTM36S)	Collar North (UTM36S)	Collar RL (UTM36S)	Depth	Dip (degrees)	Azimuth
KKDD001	3,414,050.8	115,783.6	1262	141	-70	255
KKDD002	3,413,882.7	115,488.2	1296	165	-70	245
KKDD003	3,413,240.1	114,907.7	1428	170	-70	225
KKDD004	3,412,926.7	114,569.4	1510	in progress	-70	245

Table JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Sampling has not yet been undertaken. • Carnavale intends to complete sampling in near future once detailed logging has been completed. • All drilling and sampling will be undertaken in an industry standard manner. • After detailed logging and photographing, HQ and PQ drill core will be cut in half, with one half sent to the laboratory for assay and the other half retained. • Holes will be sampled over potentially mineralised intervals on a nominal 1m basis and down to 0.1m geological boundaries. • An independent laboratory will then take the sample and pulverise the entire sample for analysis.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	• The drill holes comprised HQ and PQ core.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Core recovery is measured for each drilling run by the driller and then checked by the Company geological team during the mark up and logging process. • Samples have been marked out and are considered representative with generally 90-100% recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• The entire hole has been geologically and geotechnically logged and photographed by Company geologists, with systematic sampling to be undertaken on the prospective parts of the stratigraphy based on rock type and alteration observed
Sub-sampling	• *If core, whether cut or sawn and whether*	• Sampling has not yet been completed.

Criteria	JORC Code explanation	Commentary
techniques and sample preparation	*quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples will be collected with a diamond drill rig drilling HQ and PQ diameter core. After logging and photographing, drill core will be cut in half, with one half sent to the laboratory for assay and the other half retained. Holes will be sampled over mineralised intervals to geological boundaries down to 0.1m and on a nominal 1m basis where applicable. • Industry prepared independent standards will be inserted approximately 1 in 20 samples.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The samples will be submitted to a commercial independent laboratory in Perth, Australia. • The techniques are considered quantitative in nature. • As discussed previously certified reference standards will be inserted by the Company and the laboratory also carries out internal standards in individual batches
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Sample results will be merged by the company's database consultants. • Results will be uploaded into the company database, checked and verified.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collar locations are located by handheld GPS to an accuracy of +/-5m. • Locations are given in UTM 36S. • Diagrams and location table are provided in the report. • Topographic control is by a 30m resolution DTM.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Drilling is along strike of the potentially mineralised zone roughly every 500m to 1000m. • All holes will be geologically logged and provide a strong basis for geological control and continuity of mineralisation.
Orientation of data in relation to geological	• *Whether the orientation of sampling achieves unbiased sampling of possible*	• Two drilling inclinations are used: 1) To target lithological boundaries of the mineralised zone.

Criteria	JORC Code explanation	Commentary
structure	*structures and the extent to which this is known, considering the deposit type.* • *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.*	2) To target the mineralised veins. Both are approximately perpendicular to the bedding planes and quartz veins respectively . • In some cases, drilling is not at right angles to the dip of mineralised structures and as such true widths are less than downhole widths. This will be allowed for in resource estimates when geological interpretations are completed.
Sample security	• *The measures taken to ensure sample security.*	• Samples will be collected by company personnel and delivered direct to the laboratory via a transport contractor.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed. Review of QAQC data to be carried out by database consultants and company geologists.

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Kikagati drilling is on ML1430 and EL1380 which are located in the Isingiro District in South-West Uganda. • The licences are 100% owned by African Panther Resources (U) Limited. • Carnavale has the right to earn 51% of the project by drilling 2000m of diamond core, with the right to earn up to 70% by sole funding to completion of a Bankable Feasibility Study. • All the land associated with the drilling has compensation agreements in place for and there are no known land issues.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• African Panther Resources has completed several pitting programmes to test the colluvial gravels. • No hard-rock sampling or drilling has been undertaken on any of the licences. • Historic mining occurred in the 1950-60's
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Project geology is composed of a quartzite sequence over and underlain by phyllites. The sequence has been folded and is east dipping at the drill target. • The mineralisation targeted is within a series of west dipping quartz veins where cassiterite occurs within veins and along the altered wall rock on vein boundaries. • Potential for layer parallel mineralisation is interpreted to occur in fine grained units within the quartzite sequence.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	• Drill hole location and directional information provided in the report.

Criteria	JORC Code explanation	Commentary
	• *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *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.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Sampling has not yet been undertaken.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Drilling is not always perpendicular to the dip of mineralisation and true widths are less than downhole widths. Estimates of true widths will only be possible when all results are received, and final geological interpretations have been completed.
Diagrams	• *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.*	• Plans and sections are provided in the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration 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.*	• All results will be provided upon completion of sampling and results received and assessed. • The report is considered balanced and provided in context.
Other substantive exploration data	• *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.*	• No meaningful material previous exploration work has been done on the project.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of*	• The company plans to complete detailed sampling of the drill holes. • Geological interpretation and wireframes of geology and mineralisation will be undertaken.

Criteria	JORC Code explanation	Commentary
	possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Follow up infill drilling to increase the definition of the mineralisation will be undertaken subject to positive results.