



March 2020 Quarterly Activities Report

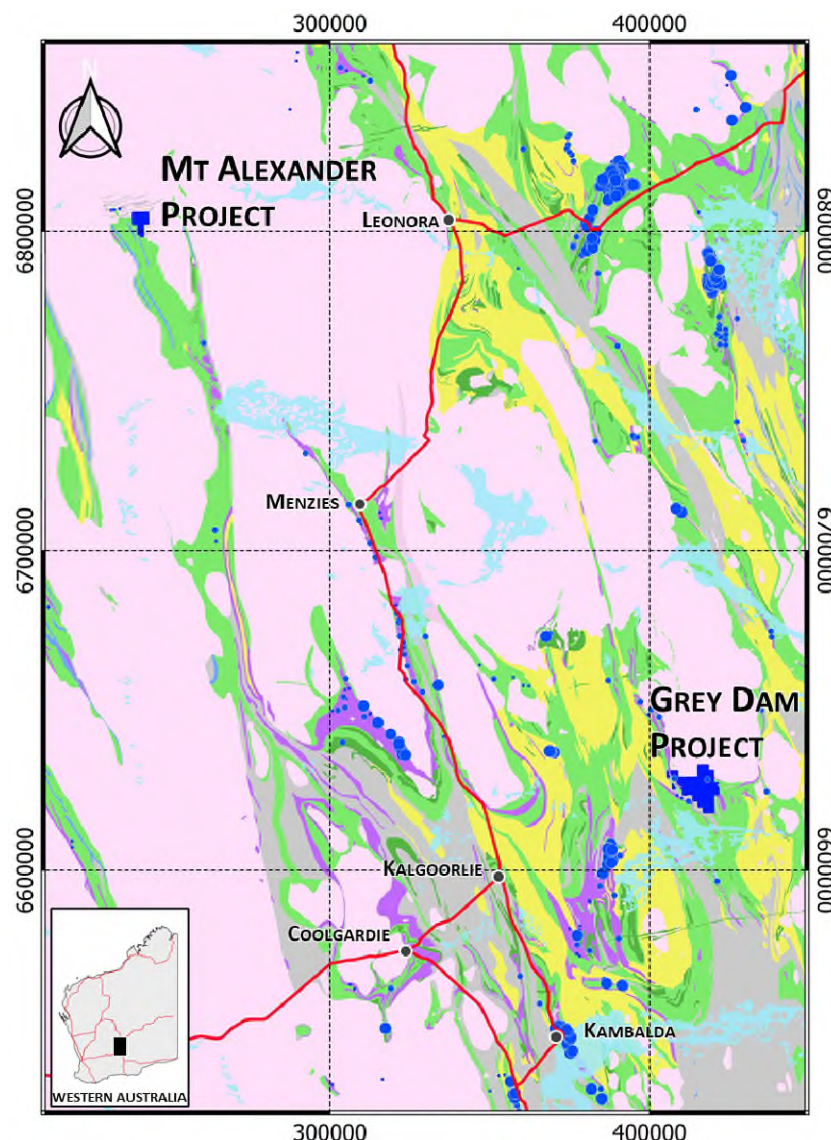
Carnavale Resources Limited ("CAV", "Company" or "Carnavale") reports on activities completed during the quarter to 31 March 2020.

- **Ground based EM surveys over priority targets and reconnaissance soil sampling at Grey Dam Project (Ni-Co-Cu)**
- **Initial reconnaissance soil sampling across target trends at Mt Alexander Project (Ni-Cu-Co-PGE)**

Exploration activities during the period focussed on ground based geophysical surveys and initial soil sampling programs aimed at defining drilling targets for sulphide nickel mineralisation. The programs included ground EM surveys over prospective targets based on past exploration results and initial reconnaissance soil sampling over previously untested portions of the stratigraphy. Results are expected in May 2020.

Planned exploration activities for the June 2020 quarter includes follow-up soil sampling and subject to positive results, further EM surveys to define additional drill targets. Drilling will be planned subject to results from these programs.

Figure 1 Location Plan - Grey Dam and Mt Alexander Projects and nickel deposits in region



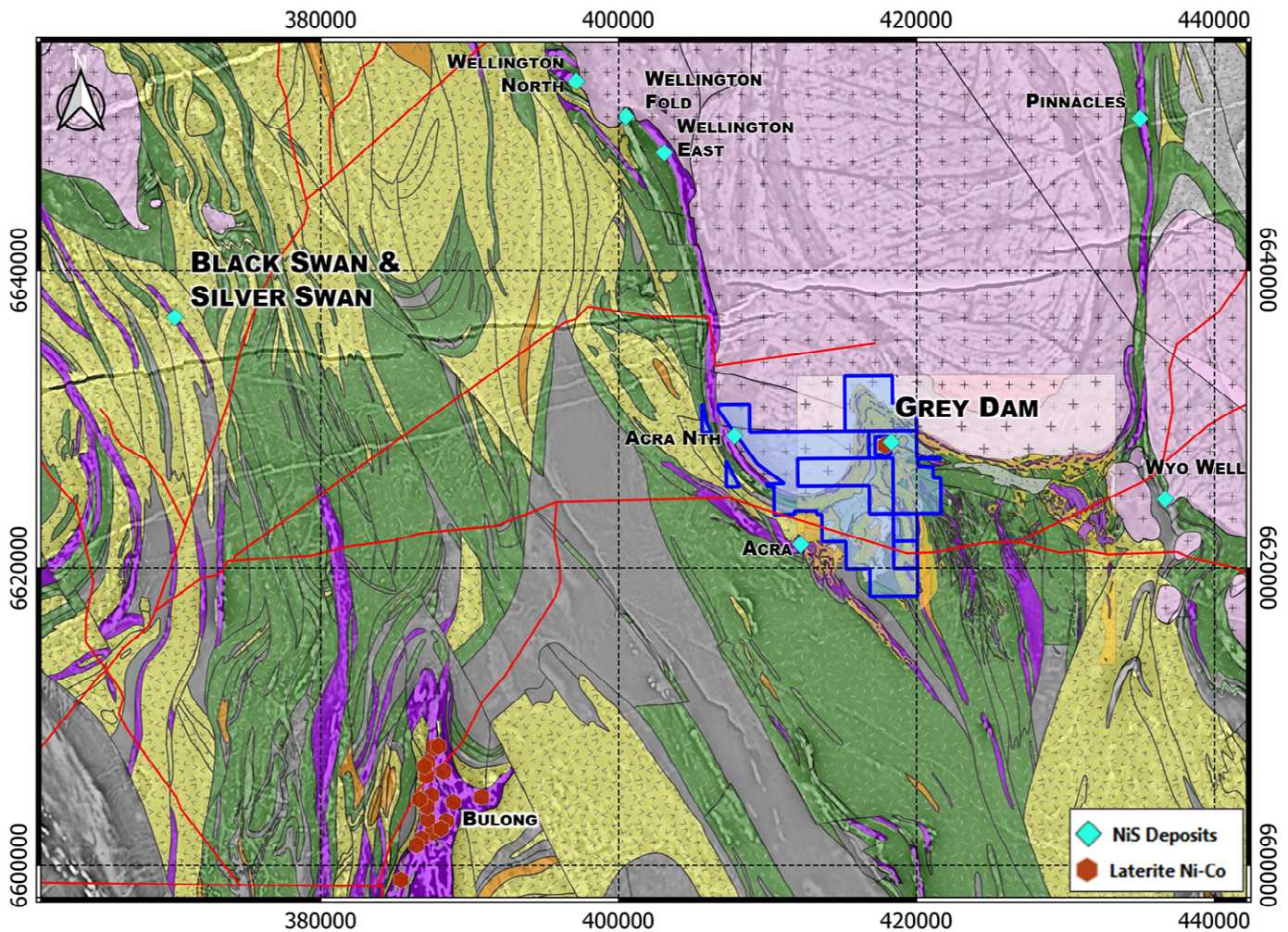
Grey Dam Nickel-Cobalt (Ni-Co-Cu) Project, Western Australia

- 30km of prospective Ni sulphide across two sequences
- Four EM targets completed, results pending
- Reconnaissance soil sampling completed over sequence B, results pending

At Grey Dam, the Company advanced exploration activities across the 30km of prospective ultramafic/mafic sequences targeting bedrock Nickel Sulphide (NiS) style mineralisation.

NiS style of mineralisation is well known in the region with the nearby Black Swan and Silver Swan nickel mines and other deposits/mineralisation defined at Wellington, Acra, Pinnacles and Wyo Well. The host sequence at Black Swan is considered comparable to the two prospective sequences at the Grey Dam Project (Figure 2). The large Bulong nickel and cobalt deposit is also evident of the shallow laterite style of deposit in the region and is a direct comparison of the Grey Dam laterite Ni-Co resource and provides longer term exploration potential.

Figure 2 Regional setting of Carnavale's Grey Dam Project



Initially three EM targets were defined along sequence A (Figure 3, FLEM grids 1-3), based on a review of existing data and past exploration results. Data collection of the ground EM grids has been completed by Vortex Geophysics and processing/modelling is currently underway with geophysical consultants, Resource Potentials.

During the survey, a potential anomaly was detected in the data to the east of target FLEM Grid 2 (Figure 3). The fourth FLEM grid was designed and completed during the survey. This fourth grid area is coincident with

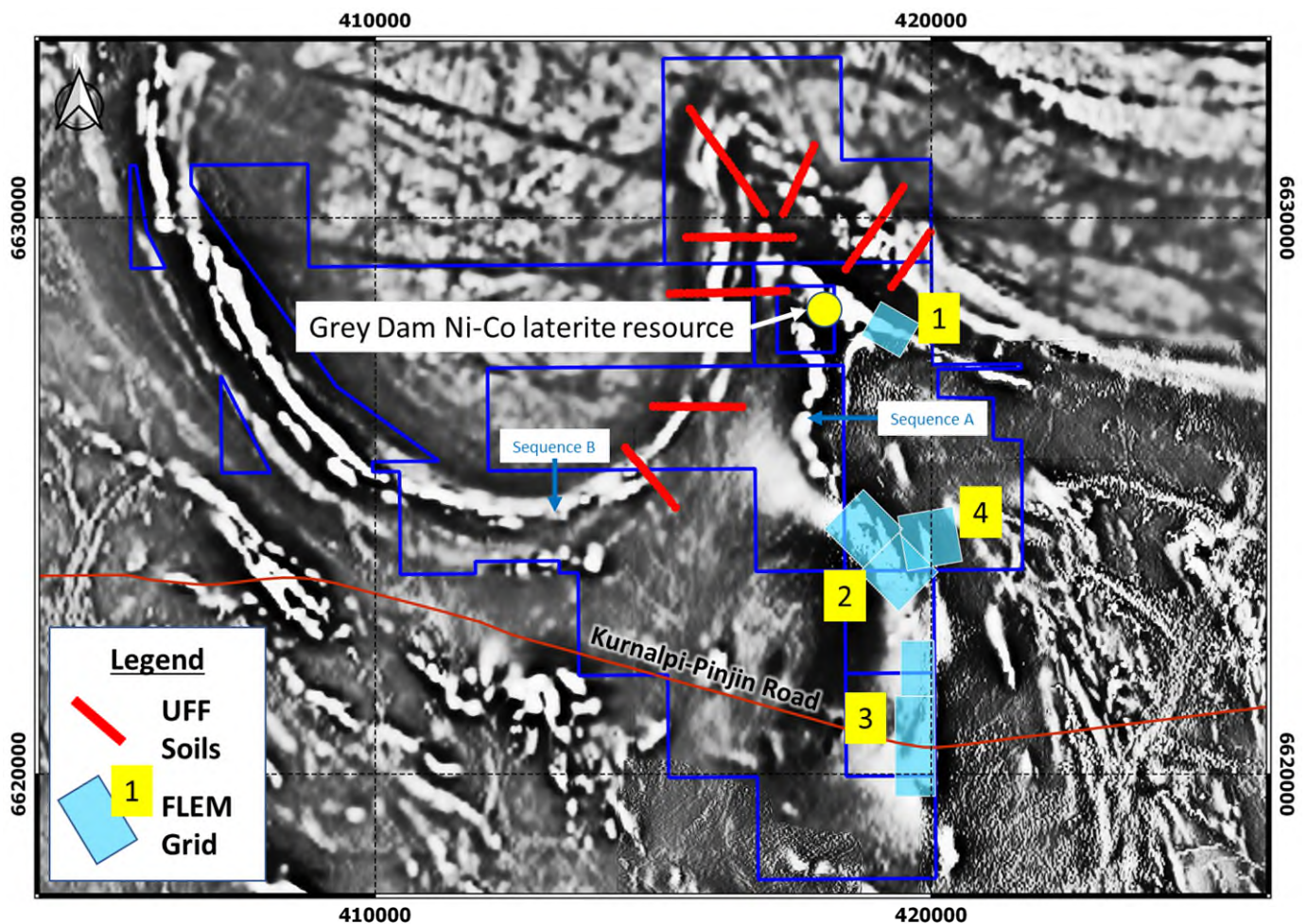


a north trending magnetic feature. Results for all four EM grid areas remains pending and are expected in May 2020.

As previously noted, past exploration over the prospective Ni Sequence B is limited (Figure 2). This sequence is known to host other sulphide style mineralisation along strike and external to the project area. Reconnaissance ultrafine fraction (UFF) soil sampling has been completed along 8 regional traverses where interpreted shallow bedrock is expected.

The UFF soil samples have been submitted to the laboratory and the Company is finalising a research agreement with CSIRO to use this sampling data as part of a larger collaborative research study on the application of the innovative UFF soil sampling techniques to detect Ni sulphide mineralisation. Results of all UFF soil sampling remain pending.

Figure 3 Grey Dam Project showing EM targets and reconnaissance UFF soil traverses



Mt Alexander (Ni-Cu-Co-PGE) Project, Western Australia

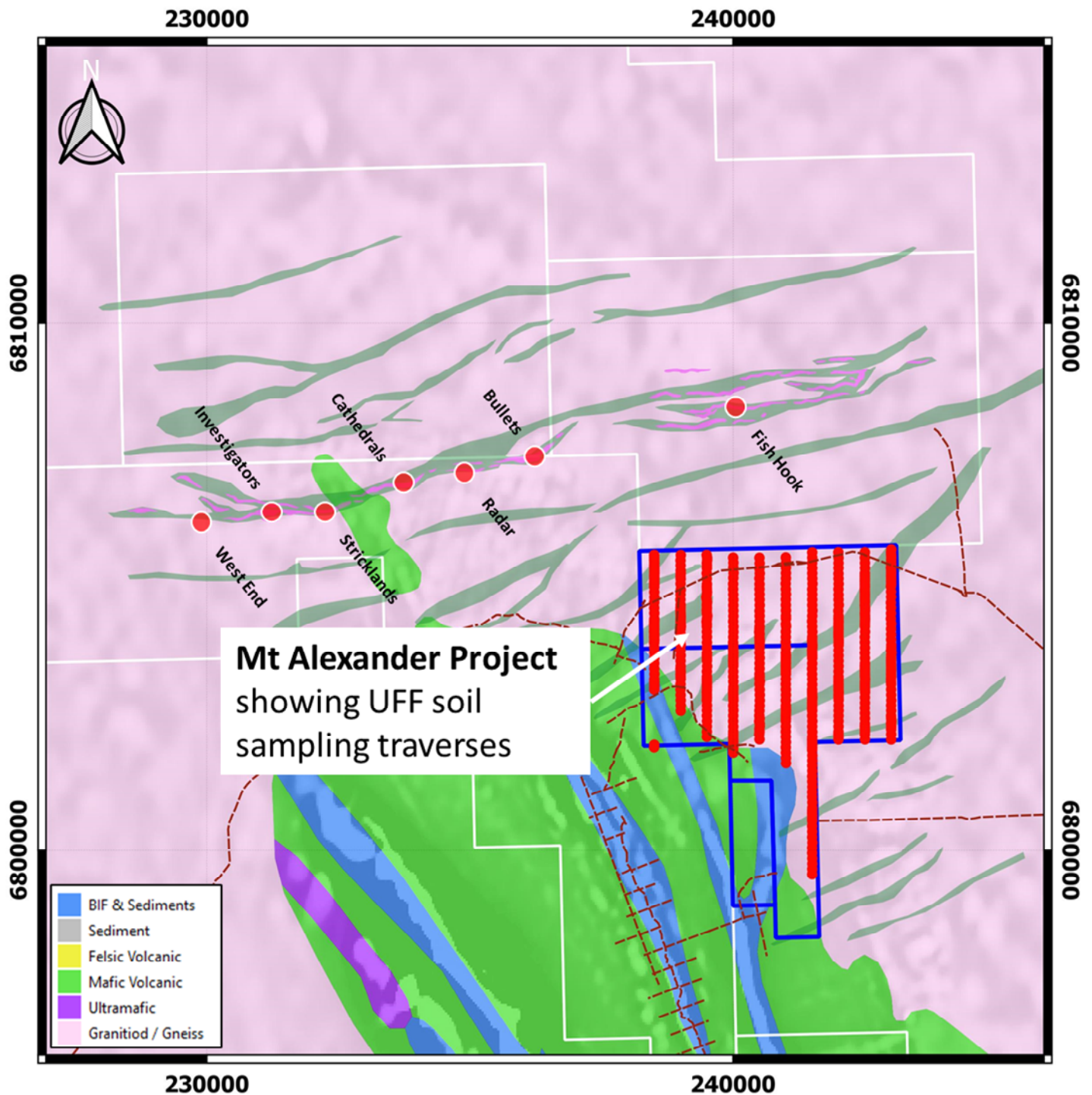
The Mt Alexander Project, covers portions of the prospective granite greenstone belt immediately south of the Cathedrals Ni-Cu-Co-PGE deposit, owned by St George Mining Limited. Cathedrals hosts massive nickel-copper-cobalt-PGE (platinum group elements) mineralisation in mafic intrusions within the poorly explored granite-greenstone belt. The intrusions have been emplaced along ENE trending structures and represents a new style of mineralisation in the region.

Carnavale has interpreted a series of similar ENE trending structures through the project area and review of previous exploration data indicates very limited exploration has tested these targets. Very limited outcrop occurs throughout the project area and the Company has undertaken low cost UFF soils sampling as a technique to assess the potential for Ni sulphide mineralisation in bedrock.

The soil sampling program comprises 10 north south traverse throughout project area (Figure 4). The Company is planning to include this program under the research agreement with CSIRO. Results of all UFF soil sampling remain pending.



Figure 4 Mt Alexander Project showing proximity to the Cathedrals Ni Sulphide Trend, interpreted ENE trends and soil sampling traverses



New Opportunities

The Company continues to assess new opportunities for high demand metals, such as gold, tin, copper, nickel and cobalt, to supply the increasing demand for technology metals. Review of various projects has been completed during the period however none of the projects have advanced past the initial assessment stage.



June Quarter programs

Exploration activities are planned to continue with the following programs planned for the period:

- Assess results of EM surveys at Grey Dam to determine potential drilling targets
- Assess the results of the UFF soil sampling results and any additional research aspects in consultation with CSIRO. Anomalous targets are likely to have ground EM planned.
- Continued assessment and review of new opportunities with particular emphasis on gold and nickel.

Exploration activities during the March quarter have progressed as planned, however planned activities for the June quarter may be impacted by COVID-19 restrictions which may hamper movement between tenement areas and mobilising of personnel and contractors to site.

The Company remains vigilant in monitoring the COVID-19 pandemic and is prepared to act swiftly should further measures be necessary to ensure the health and safety of our employees, contractors and stakeholders.

Corporate

The Company had a cash position of \$1.46 million as of 31 March 2020.

This announcement was approved for release by Mr Andrew Beckwith, Managing Director of Carnavale Resources Limited.

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Andrew Beckwith

Director



Carnavale Competent Person Statement

The information in this report that relates to the exploration results is an accurate representation of the available data and studies for the project. This information has been assessed and reviewed by Mr. Andrew Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Beckwith is a director of Carnavale. 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.

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Payne is a full-time employee of Payne Geological Services Pty Ltd. Mr. Payne 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 Resources and Ore Reserves". Mr. Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information relating to Previous Disclosure

Information relating to Exploration Results and Mineral Resources associated with previous disclosures relating to the Grey Dam Project and the Mt Alexander Project in this announcement has been extracted from the following ASX announcements:

- *New Cobalt Acquisition in Western Australia dated 19 March 2018.*
- *High grade Nickel-Cobalt defined at Grey Dam, dated 10 October 2018.*
- *Grey Dam Ni-Co Mineral Resource Update dated 26 February 2019.*
- *Carnavale expands Nickel-Cobalt footprint at Grey Dam, WA dated 28 June 2019.*
- *Carnavale expands Nickel Sulphide potential at Grey Dam, WA dated 11 November 2019,*
- *New Mt Alexander Nickel Sulphide Project, WA dated 5 December 2019.*

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 1

Grey Dam Ni-Co Resource Statement

Grey Dam Mineral Resource (>0.5% Ni or > 0.05% Co), February 2019

Ni Domain	Class	Tonnes Mt	Ni %	Co %	Ni Metal Tonnes	Co Metal Tonnes
High Ni >0.5% Ni	Indicated	10.0	0.77	0.049	77,100	4,900
	Inferred	3.9	3.9	0.76	0.043	30,100
	Sub Total	14.0	0.77	0.048	107,300	6,700
Low Ni <0.5% Ni, >0.05% Co	Indicated	0.3	0.46	0.093	1,600	300
	Inferred	0.3	0.45	0.100	1,200	300
	Sub Total	0.6	0.46	0.092	2,800	600
Total >0.5% Ni or >0.05% Co	Indicated	10.4	0.76	0.050	78,700	5,200
	Inferred	4.2	0.74	0.047	31,300	2,000
	Sub Total	14.6	0.75	0.049	110,000	7,200

(Rounding discrepancies may occur in summary tables)

Grey Dam Mineral Resource High Grade Nickel Domain (0.8% Ni Cut-off)

Classification	Tonnes Mt	Ni %	Co %	Ni Metal Tonnes	Co Metal Tonnes
Indicated	5.0	0.95	0.063	47,200	3,100
Inferred	1.8	0.97	0.054	17,000	1,000
Total	6.7	0.95	0.061	64,200	4,100

Grey Dam Mineral Resource High Grade Cobalt Domain (0.05% Co Cut-off)

Classification	Tonnes Mt	Ni %	Co %	Ni Metal Tonnes	Co Metal Tonnes
Indicated	1.9	0.88	0.123	16,800	2,300
Inferred	0.6	0.78	0.121	5,100	800
Total	2.6	0.86	0.122	21,900	3,100

(ASX release *Grey Dam Ni-Co Mineral Resource Update* dated 26 February 2019.)



Appendix 2

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, Western Australia	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%
Mt Alexander Project, Western Australia	Australia	E29/960	Earning up to 80%
		E29/961	
		P29/2356	

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

Schedule of Mining Tenements, Beneficial Interests and agreements

Acquired during the Quarter

Project/Location	Country	Tenement	Percentage held/earning
N/A			

Schedule of Mining Tenements, Beneficial Interests and agreements

Disposed of during the Quarter

Project/Location	Country	Tenement	Percentage held/earning
N/A			