



Nickel targets defined at the Mt Alexander Nickel Project

HIGHLIGHTS

Strong potential for Cathedral's style nickel sulphides at the Mt Alexander Nickel Project

- Ultra Fine Fraction (UFF) soil sampling has identified geochemical anomalies at Mt Alexander with over 3km of strike length
- Multiple coincident nickel, copper and platinum geochemical anomalies overlying interpreted ENE trending mafic structures under cover
- Interpreted geology confirmed by UFF soils.
- UFF technique being evaluated in partnership with CSIRO
- Very limited exploration for nickel on the tenement package.
- Ground EM survey to be carried out to follow up Geochem targets.

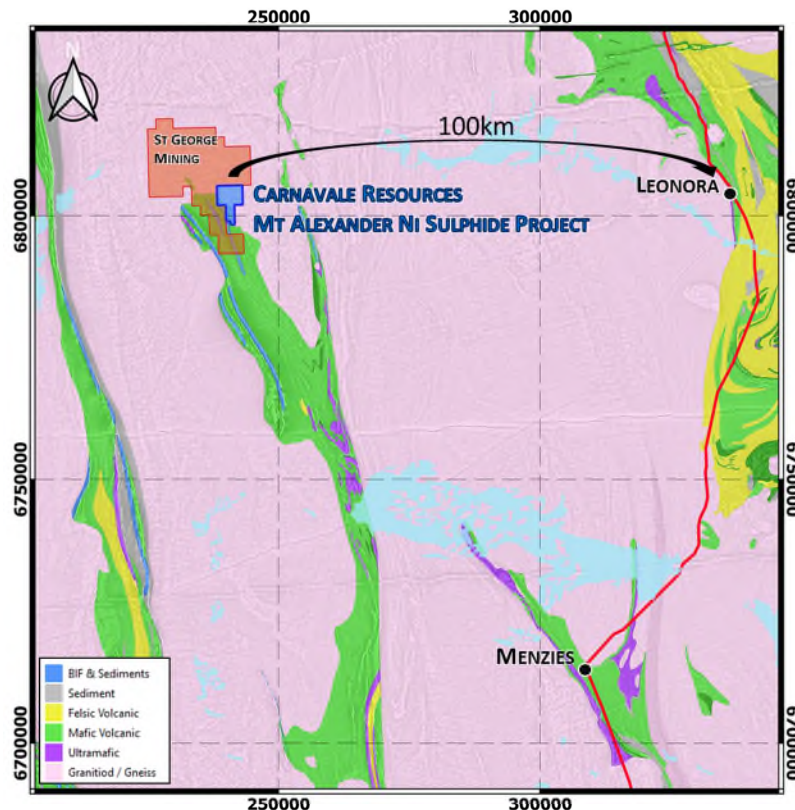


Figure 1 Location of Carnavale's Mt Alexander Nickel Project

Chairman Ron Gajewski commented:

"This is an exciting development at the Mt Alexander Nickel Project. Our partnership with CSIRO to develop the UFF soils has allowed Carnavale to economically explore for Ni-Cu-Co-PGE mineralisation under cover and has quickly lead us to a series of target areas. Our next step will be to complete an EM survey to delineate direct drill targets."

Recent exploration success within the Mt Alexander region by St George Mining Limited supports our view that this terrain has potential for additional high-grade nickel discoveries. The Company is developing a pipeline of high value nickel and gold drill targets."

Carnavale Resources Limited (ASX: CAV) is pleased to advise that the UFF soil sampling program has yielded positive results. Analysis and interpretation of the geochemistry results has identified multiple anomalies with extensive strike length, that are prospective for nickel sulphides.

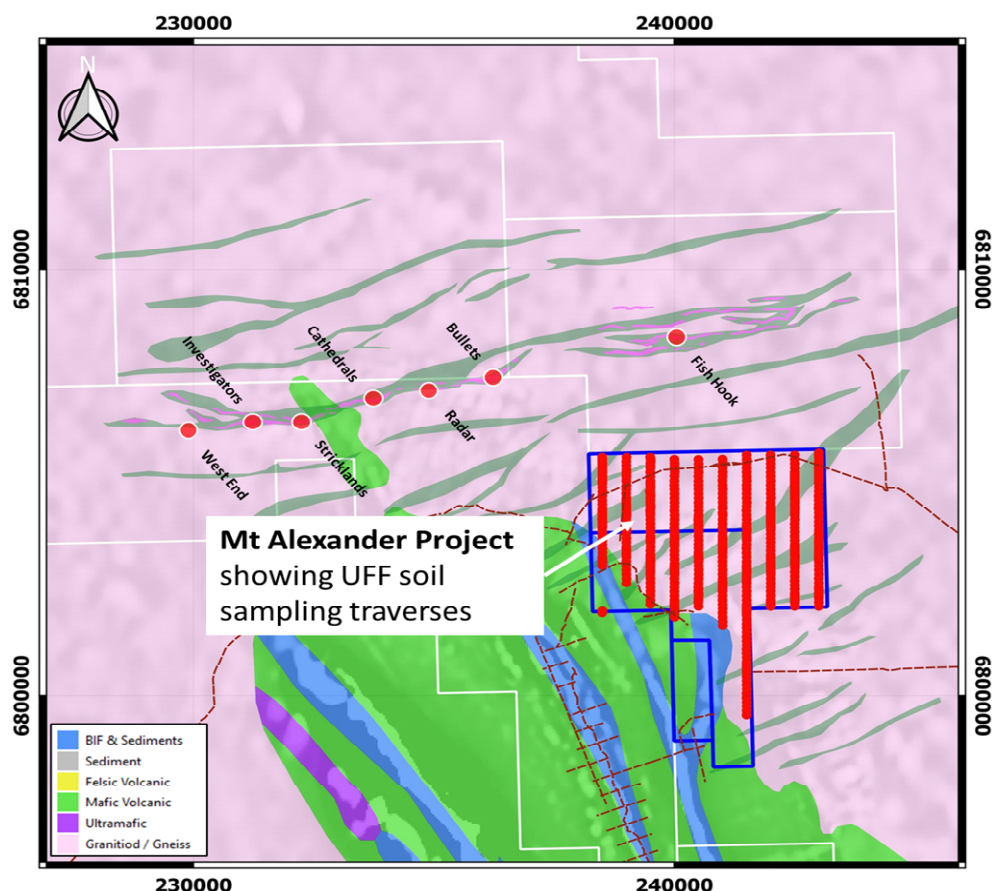


Figure 2 St George Mining Cathedrals Ni Sulphide Trend and location of UFF soil traverses

The Mt Alexander Nickel Project ("Project") covers approximately 24km² of the prospective granite-greenstone belt that lies immediately south of the Cathedrals Ni-Cu-Co-PGE Project, owned by St George Mining Limited.

St George Mining Limited (ASX: SGQ) has been successful in discovering significant high-grade nickel-copper-cobalt-platinum group mineralisation in massive sulphide bodies hosted in ENE trending mafic-ultramafic intrusions within the poorly explored granite dominated portion of the greenstone belt. The intrusions have been emplaced along ENE trending structures and represents a new style of mineralisation in the region.

Early low-cost exploration activities by St George Mining Limited, using a combination of mapping and surface rock chip sampling followed by EM geophysical surveys, has been highly successful in delineating direct drill targets along the Cathedrals Trend.

St George Mining Limited have announced drill results from the Cathedrals trend that include MAD152 discovery hole (**6m @ 2.14% Ni, 0.74% Cu and 1.62 g/t PGEs** from 46m) at the Radar prospect and high-grade mineralisation intersected in MARC128 (**5m @ 2.97% Ni, 1.04% Cu, 1.02 g/t PGEs** from 83m) and in MAD71 (**17.45m @ 3.01% Ni, 1.31% Cu, 0.13% Co and 1.68g/t total PGEs** from 37.45m) at the Stricklands prospect. (ASX release *Drilling Success continues at Mt Alexander*, 23rd Dec 2019)

A review by Carnavale and consultants indicates limited exploration has previously been conducted on the Project and certainly no activities have focused on this new Cathedrals Ni sulphide style of mineralisation.

The Company has now completed reconnaissance mapping and UFF soil sampling over the prospective “magnetic low” ENE corridors and has defined a series of targets over prospective target corridors. UFF soil sampling is a new technique of soil analysis being trialed by explorers to assess the potential for concealed mineralisation under cover. Carnavale has used this new technique to search for nickel-copper-cobalt and platinum group elements in bedrock sulphide deposits at the Project.

The Company is also engaged with CSIRO to further optimise the information produced by this UFF soil program. Data analysis and reporting of the interpretation by CSIRO is pending. It is expected that the analysis by CSIRO will add additional refinement and detail to the identified anomalies and further information on the underlying geology within the Project.

The UFF soil program comprised 10 north-south traverses on 500m spaced lines across the entire Project area for a total of 505 samples taken at 50m to 100m intervals along the lines (Figure 2). The sampling was designed to provide the best coverage and resolution to the ENE target structures, similar to those that host the nickel-copper-cobalt-platinum mineralisation discovered by St George Mining Limited to the immediate north.

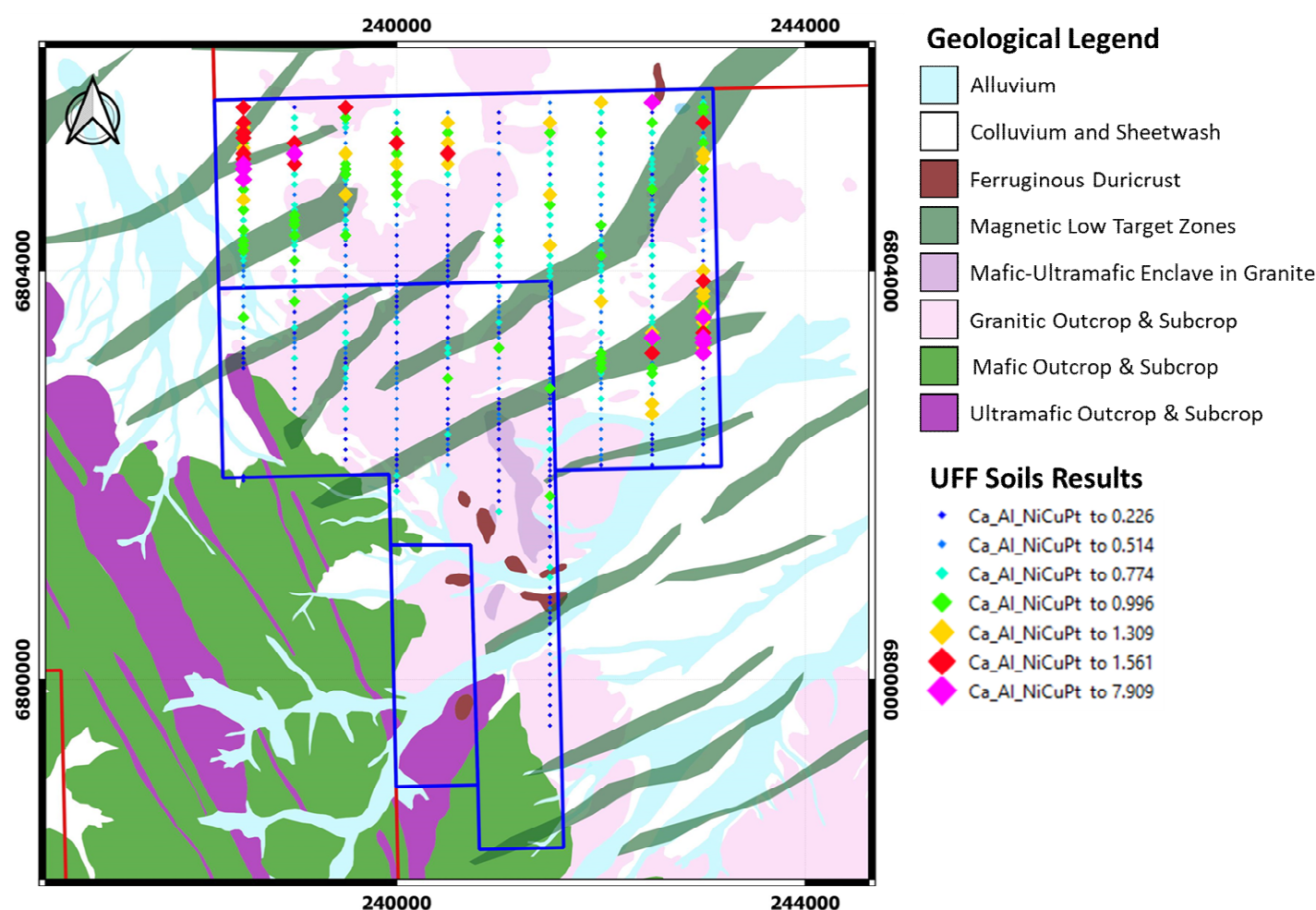


Figure 3 Data has been Ca-Normalised. Data shown as additive Index (Ni, Cu & Pt)

The UFF soil geochemistry is designed to provide explorers with a very sensitive method to look beneath the thin transported cover. This information is also complimented with mapping and Sentinel satellite imagery to create a detailed combined regolith and geology map (Figure 3). This data and detailed interpretation shows that most of the tenement package is covered by thin transported material with granite bedrock and ENE trending mafic intrusions similar to the Cathedrals trend (Figure 3).

The UFF soil data has been integrated and domained to the regolith. The data was levelled against calcium content to help domain the results with regard to the regolith and geology. The combined Additive Index results from the levelled soil data. The UFF soil data has successfully defined multiple, discrete anomalous areas in multiple elements, with long strike lengths, that show strong correlation with the interpreted target domains within ENE trending structures.

The data shows overlapping geochemical signatures in platinum, copper and nickel which flags the potential prospectivity for Ni-Cu-Co-PGE sulphide rich mineralisation beneath the transported cover. In detail the results highlight a strong soil response in the north and west and in the central east of the Project area which are aligned with the interpreted ENE trending structures. The soil anomalies are extensive, defining a strike length in excess of 3km in the northwest zone and over 1.5km of strike length at the eastern zone.

Programs going forward

Carnavale is planning to follow up the newly defined UFF soil targets with ground EM surveys aiming to define direct drilling targets. The EM surveys will be targeting nickel-copper-cobalt-platinum sulphide rich mineralisation similar to the Cathedrals trend immediately to the north.

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

For further information contact:

Ron Gajewski
Executive Chairman
P: +61 8 9380 9098

Humphrey Hale
Managing Geologist

Competent Persons Statement

The information in this report that relates to Exploration Results for the Project (E29/960, E29/961 and P29/2356) is based on, and fairly represents information and supporting documentation reviewed by Mr. Andrew Beckwith, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Beckwith is a director 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

Previously reported material Information relating to the Mt Alexander Project include:

- *New Mt Alexander Nickel Sulphide Project, WA dated 5 December 2019.*

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Ultrafine Fraction (UFF) soils sampling was completed as part of a collaborative research study with CSIRO. Samples were collected in the field by removing any surface vegetation and topsoil and then digging down to a nominal depth of 20cm from which the sample was taken. Samples were sieved in the field to a nominal <1mm size fraction. A nominal 1kg sample was taken in the field and sent to CSIRO for further processing and analysis. Sample depth (nominally 20cm below surface) and location of soil sample recorded at each site.
Drilling techniques	<ul style="list-style-type: none"> 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.). 	<ul style="list-style-type: none"> No drilling completed.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No drilling completed.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No drilling completed. Sample depth (nominally 20cm below surface) and location of soil sample recorded at each site.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> As part of the UFF soil sampling processing, the field samples are further processed at the laboratory to produce a <2um size fraction subsample that is then analysed at LabWest.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> Once received by CSIRO, the samples were submitted to LabWest for processing and analysis. CSIRO used and inserted in-house standards in the sample submitted for analysis. LabWest is a commercial independent laboratory in Perth, Western Australia. The <2um fraction of the soil samples were analysed for Ag, Al, As, Au, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Fe, Ga, Ge, Hf, Hg, In, K, La, Li, Mg, Mn, Mo, Nb, Ni, Pb, Pt, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn & Zr via LabWest's Ultrafine+ microwave digest with an ICP-EOS/MS finish.
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Sample results and standards were reviewed by CSIRO and by the company's technical consultants. Results are uploaded into the company database, checked and verified.
Location of data points	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Soil sample locations are located by handheld GPS to an accuracy of +/-5m. Locations are given in GDA94 Zone 50. Diagrams showing sample locations are provided in the report.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> The soil samples were taken on north-south oriented lines spaced 500m apart, with individual samples taken on a nominal 100m sample spacing along the lines, closing up to 50m spacing across interpreted prospective target zones.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible 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. 	<ul style="list-style-type: none"> Surface soil sampling on a grid basis. The grid was designed to sample across the interpreted target zones at a high angle.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples are collected by on site company personnel/contractors and delivered direct to CSIRO. CSIRO despatched the samples to the laboratory.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits have been completed. Review of QAQC data was completed by CSIRO prior to release of the results to the company.

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Mt Alexander Nickel Project comprises the following tenements, Exploration Licences E29/960 and E29/96 and the Prospecting Licence P29/2356. Carnavale has an option agreement to acquire 80% interest in the tenements and have the sole right to explore for a period of 4 years.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Limited exploration, predominantly comprising surface mapping and prospecting has been conducted within the tenements. No drilling has been previously completed on the soil target areas Drilling for iron-ore, gold and nickel has been conducted in the neighbouring tenements to the west and north of the project. St George Mining are actively exploration and are drilling for nickel sulphide mineralisation on the adjacent tenements E29/954 and E29/638.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Mt Alexander Nickel Project is at the northern end of a western bifurcation of the Mt Ida Greenstone Belt. The greenstones are bound to the west by the Ida Fault, a significant Craton-scale structure that marks the boundary between the Kalgoorlie Terrane (and Eastern Goldfields Superterrane) to the east and the Youanmi Terrane to the west. The geology of the area is characterised by the NNW trending greenstones comprising ultramafic, mafic volcanic and

Criteria	JORC Code explanation	Commentary
		intrusive rocks with subordinate sediments and BIF. The greenstones are enclosed by bounding granitoids.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar 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. 	<ul style="list-style-type: none"> No drilling completed.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No data aggregation or intercept calculations are included in this release.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> No drilling completed.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Representative plans are provided in this report.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The report is considered balanced and provided in context. Further exploration including ground geophysical surveys, mapping, sampling and other exploration activities are required to fully understand the results in greater detail.
Other substantive	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but 	<ul style="list-style-type: none"> No meaningful previous work has been done on the project except as described in the

Criteria	JORC Code explanation	Commentary
exploration data	<i>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.</i>	report.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The company plans to complete further mapping and ground geophysical survey to further investigate the potential for the project to host nickel sulphide mineralisation.