

June 2023 Quarterly Activities Report

Carnavale Resources Limited (“CAV”, “Company” or “Carnavale”) reports on activities completed during the June 2023 Quarter at the **Kookynie Gold Project**. Carnavale is pleased to have intersected spectacular gold results from the **McTavish East Prospect**, located only 60km south of Leonora in Western Australia.

✦ RC drilling defined a **significant new high-grade plunging gold zone** at McTavish East.

✦ Significant results from the RC program included:

6m @ 79.21g/t Au from 97m in MERC044 (inc. **3m @ 152g/t***)

4m @ 75.74g/t Au from 114m in MERC047 (inc. **3m @ 100.25g/t***)

8m @ 13.65g/t Au from 116m in MERC045 (inc. **1m @ 25.9g/t** and **3m @ 24.5g/t***)

5m @ 24.56g/t Au from 79m in MERC046 (inc. **3m @ 39.43g/t***)

7m @ 16.15g/t Au from 67m in MERC043 (inc. **1m @ 83.2g/t** and **1m @ 15.15g/t***)

✦ **Strong gold mineralisation now defined over 700m** by RC and diamond drilling with higher grade plunging shoots emerging.

✦ Gold mineralisation is associated with strong quartz veining and associated carbonate and sericite alteration.

✦ Aircore drilling indicates additional targets remain untested along a further 1km of strike.

✦ McTavish East mineralisation style, grade and scale shows growing similarities to the previously mined nearby Cosmopolitan Gold Mine.

✦ Future programmes include infill and down dip RC drilling in early August to better define the plunging shoots and overall resource potential of the known 700m zone and additional step out RC testing of other aircore targets along strike.

✦ Carnavale’s goal at the Kookynie Gold Project is to establish a quality high grade gold resource, of a similar size to the historic Cosmopolitan Mine, that can be trucked and processed at a nearby processing plant.

CEO Humphrey Hale commented:

“The outstanding high-grade gold results received from the Kookynie Project reinforce the prospectivity of the area. The recent drilling appears to have outlined the start of a substantial plunging shoot containing high grade gold with strong widths. Carnavale is pleased to have **secured \$3.1m** to fast track the exploration of down dip and strike extents of these high-grade plunging shoots.”

Kookynie Gold Project

At the **Kookynie Gold Project** CAV completed a 10-hole program of RC drilling for **1,550m** within the **McTavish East** prospect, following up on strong, extensional, high-grade gold results from previous shallow aircore drilling in the regolith.

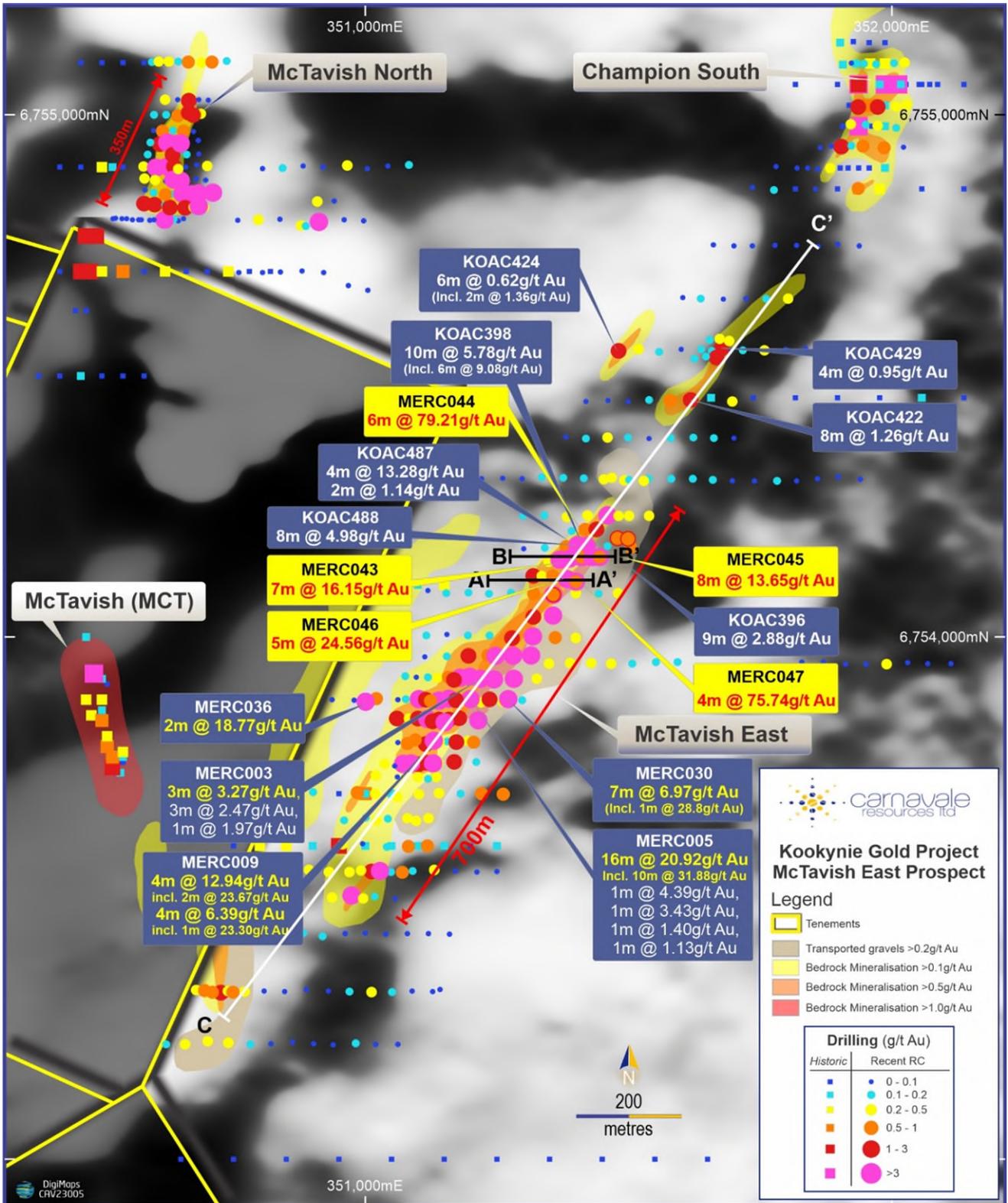


Figure1, Plan of McTavish East Prospect. Gold contours over magnetic image

Carnavale’s goal is to explore and discover high-grade, truckable resources, of a similar size to the historic Cosmopolitan Mine that can be processed at an existing third-party nearby processing plant. The **McTavish East Prospect** is located 15km from Genesis Minerals Ltd’s Ulysses Project and 63 km from a newly acquired processing plant at Leonora.

In January 2022, initial RC drilling intersected high-grade gold mineralisation associated with strong quartz veining which is structurally controlled with a number of higher grade plunging shoots emerging. The RC drilling programme conducted during the quarter (1,550m) has extended the defined high grade gold mineralisation by an additional 250m to the north-east and now defines a zone over +700m long with mineralisation to approximately 150m depth. Aircore drilling results indicates additional targets remain untested along another 1km of strike (Figure 1).

Significant results have been intersected in the recent RC drilling program, with 9 out of 10 holes recording bonanza high grade gold mineralisation.

The tenor of the mineralisation intersected from the latest RC drilling is the strongest encountered to date at **McTavish East**. CAV is very encouraged by these results, as there are further aircore anomalies concealed undercover along the main 2km long mineralising structure that trends to the **Champion South** prospect (Figure 2). Additional modest gold anomalies occur elsewhere within the tenement package that will require follow-up.

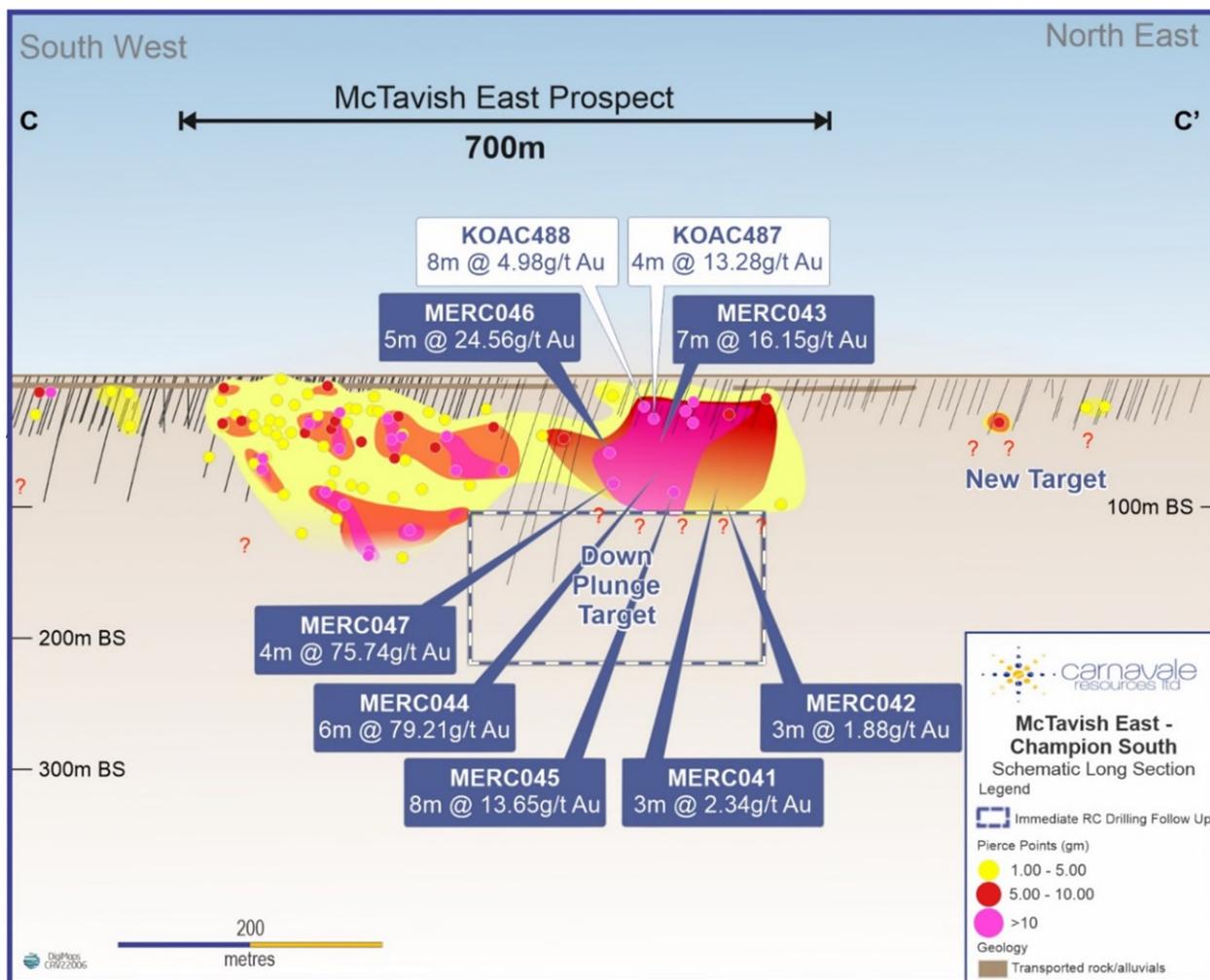


Figure 2, Long section through the main mineralizing structure that hosts McTavish East.

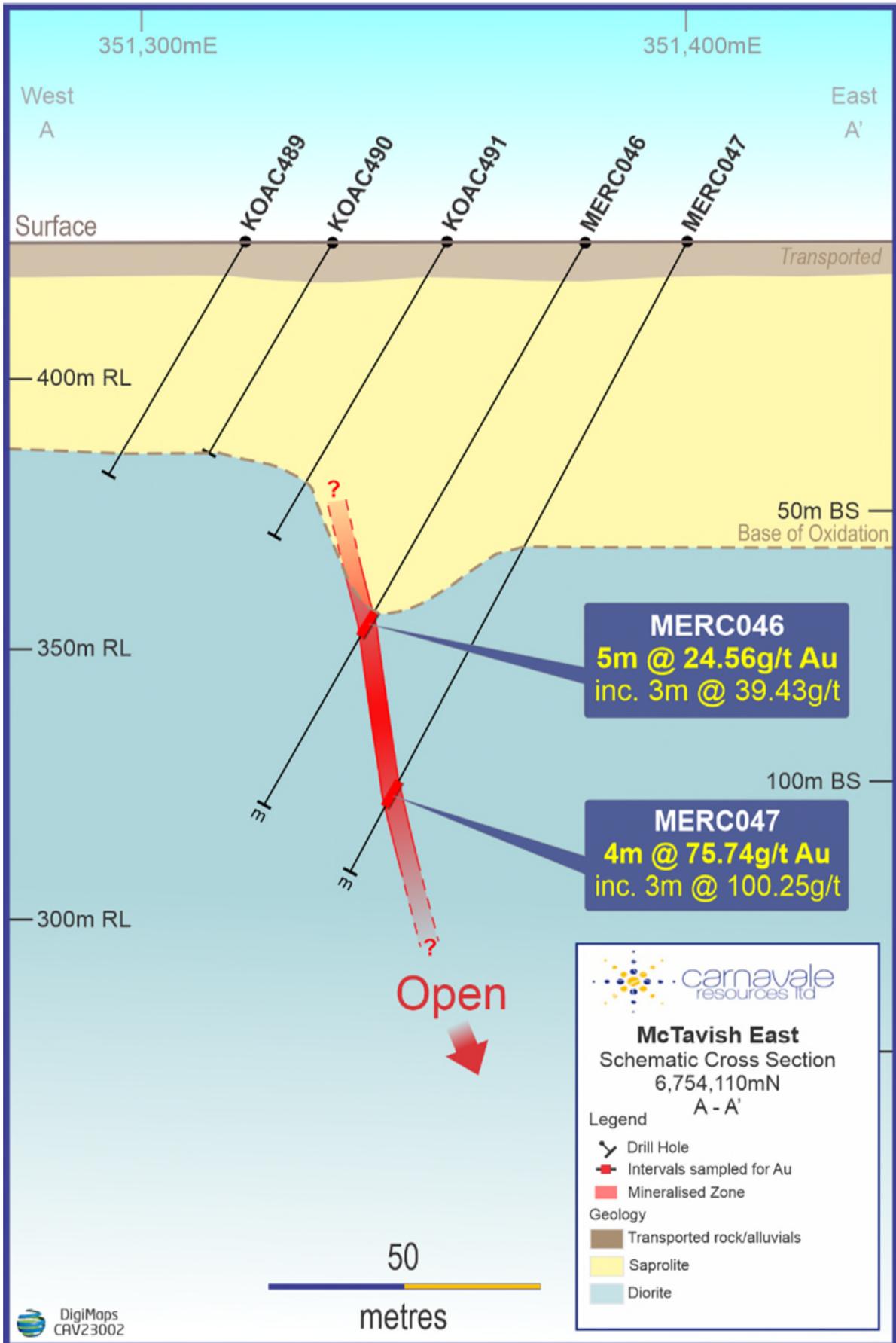


Figure 3, McTavish East - Section 6,754,110mN

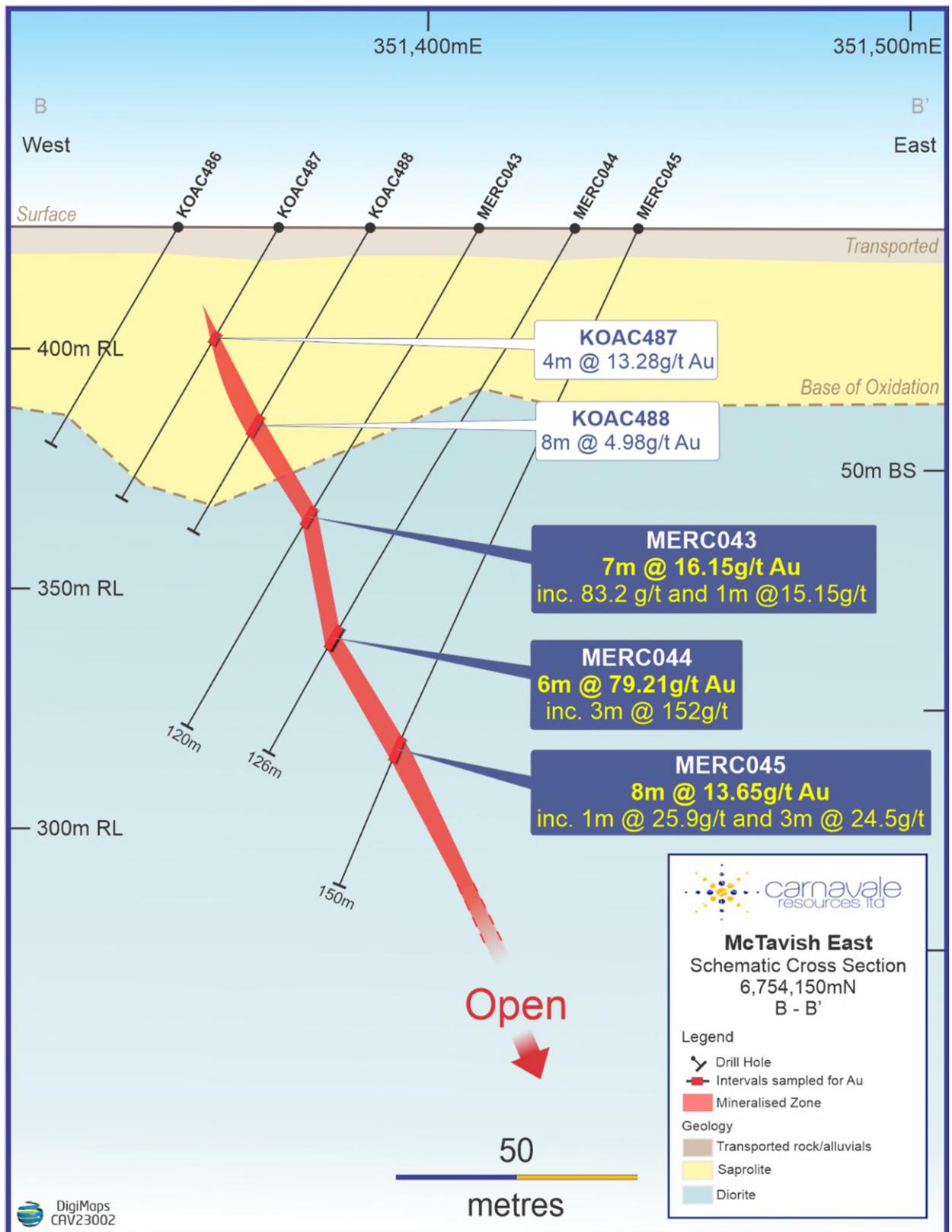


Figure 4, McTavish East - Section 6,754,150mN

Figure 2 highlights the strong gold mineralisation defined by RC and diamond drilling over approximately 700m strike and remains open at depth. Along strike potential is considered high, as the cover sequence and the depleted weathered zone masks the high-grade mineralisation at depth.

The following drilling cross sections (Figures 3 and 4) highlight the continuity of grade and widths in the new RC drilling. This consistent strong mineralisation is clearly open down dip and along strike. Mineralisation is characterized by sulphides in quartz veins with carbonate and sericite alteration. The mineralisation is defined along the main north-east trending structure and demonstrates potential for very high-grade plunging shoots.

Carnavale aims to drill test and define potentially open pit mineable resources along the main McTavish to Champion South trend. The emerging multiple high-grade plunging shoots provides excellent scope to extend mineralisation underground at depth.

It is important to note, that the high grade is not dominated by an individual high-grade metre but shows robust and consistent mineralisation across the intervals associated with the quartz veining and alteration.

Exploration Strategy / Next steps

CAV's planned work program at the Kookynie Gold Project includes:

-  Expedited RC drilling, planned to commence in early August, infilling the recent high-grade hits to a nominal 20m x 20m pattern and expanding the potential down dip and along strike defined by the recent RC drilling at McTavish East. RC drilling will better define the plunging shoots.
-  CAV is looking to drill approximately 20 RC holes to a maximum depth of 250m in the first phase of drilling.
-  Complete further work to establish JORC compliant resource potential over the 700m zone at McTavish East providing an asset base to CAV;
-  Identify additional targets at McTavish North and within the Kookynie tenement package; and
-  Commence initial metallurgical characterization of the mineralisation as part of establishing a resource.

Other Projects

Carnavale continues to review the exploration information at the Ora Banda South Gold Project and review possible treatment options for the Grey Dam Nickel laterite resource.

Carnavale is always reviewing possible new opportunities in the battery metal space including projects that may include lithium, nickel and REE.

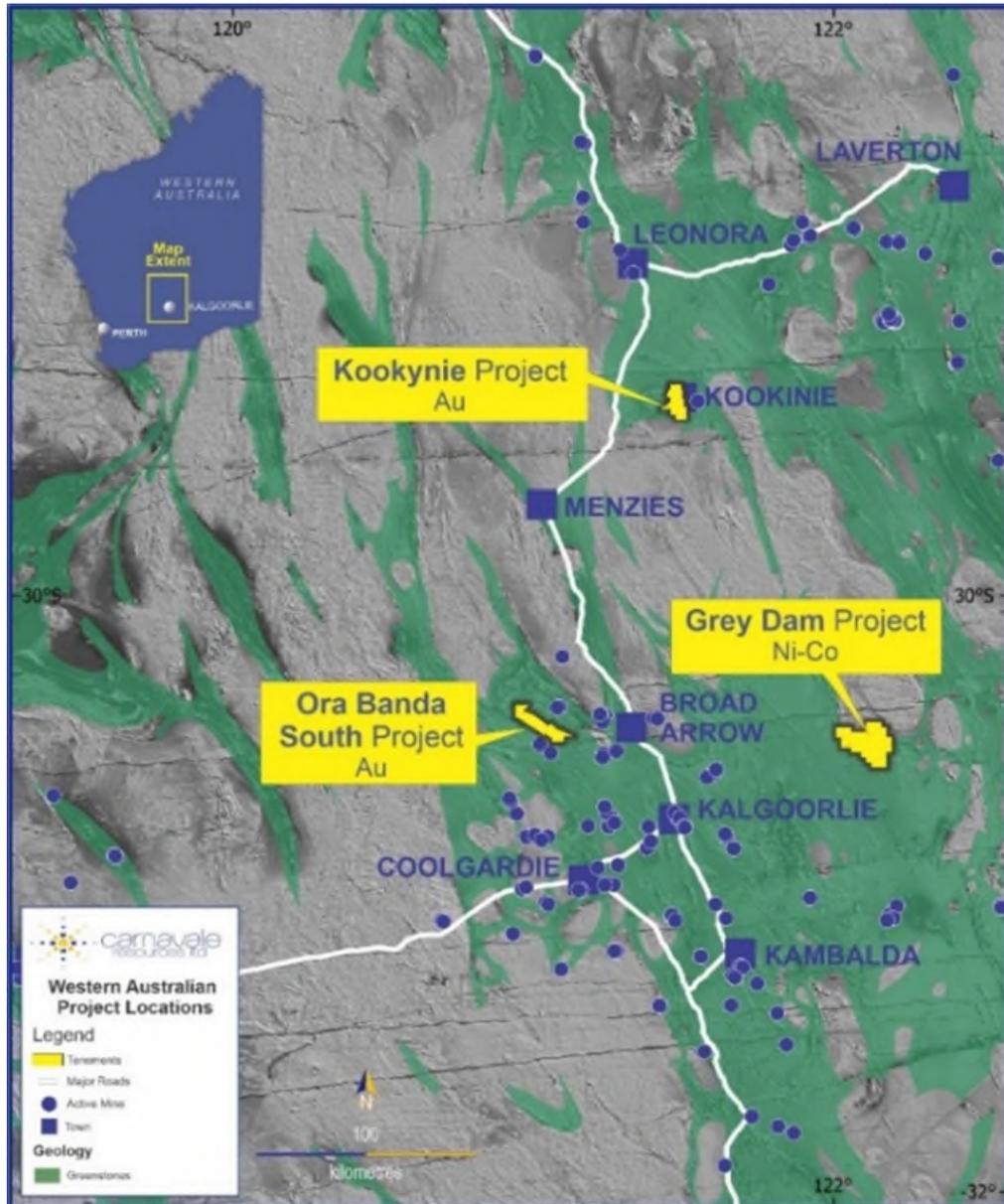


Figure 5: Location plan of CAV Projects

Corporate

Capital raising

Subsequent to quarter end, in July 2023, CAV confirmed the allotment of 600 million ordinary fully paid shares (Shares) at \$0.0045 per share to raise \$2.7 million to institutional, sophisticated and professional investors, comprising existing and new shareholders (“**Placement**”) (before costs of raising).

Argonaut Securities Pty Ltd (“**Argonaut**”), the Lead Manager for the Placement, and their nominees subscribed for 67.5 million options (exercisable at \$0.007 on or before 31 July 2025) at an issue price of \$0.00001 (“**Options**”).

Carnavale’s Chairman, Mr Ron Gajewski, and non-executive director, Mr Andrew Beckwith, have committed to subscribe for up to 45 million new ordinary shares each totaling a combined \$405,000. The Director Placement Securities requires the approval of shareholders pursuant to Listing Rule 10.11.

ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was \$104,000. 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 \$33,150 was paid to related parties during the quarter comprising Director fees. During the quarter, \$12,119 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:

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 and the Kookynie Gold 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

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

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 August 2022

Exciting new zones discovered along high-grade corridor at Kookynie Gold Project, 8 September 2022

Diamond drilling extends down dip extensions to high-grade gold zone at Kookynie, 18 October 2022

New high-grade gold discovery at Kookynie Gold Project. 1 August 2022

Exciting new zones discovered along high-grade corridor at Kookynie Gold Project, 8 September 2022

Diamond drilling extends down dip extensions to high-grade gold zone at Kookynie, 18 October 2022

RC drilling testing high-grade aircore results at Kookynie, 23 May 2023

Bumper grades in RC drilling at Kookynie Gold Project, 5 July 2023

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.

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%
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	80%
		P16/3082	80%
		P16/3077	80%
		P16/3000	80%
		P16/3001	80%
		P24/5274	80%
		P24/5275	80%
		P24/5276	80%
		P24/5277	80%
		P24/5278	80%
		P24/5279	80%
		P24/5280	80%
		P24/5281	80%
		P24/5282	80%
		P24/5518	80%
		P24/5519	100%
		P24/5520	100%
		P24/5521	100%
		P24/5522	100%
		P24/5523	100%

* Option agreement entered into with Midas Resources Limited (ASX: MM1) - refer ASX release dated 23 August 2022.

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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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CARNAVALE RESOURCES LIMITED

ABN

49 119 450 243

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(97)	(388)
(e) administration and corporate costs	(43)	(301)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	36
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives – R & D rebate	-	76
1.8 Other -	-	-
1.9 Net cash from / (used in) operating activities	(131)	(577)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(150)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(104)	(1,619)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment		
	(d) investments	-	-
	(e) other non-current assets		
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Option fee received (including GST (paid / received))	-	20
2.5	Other – GST (paid) / received on tenement acquisition	-	-
2.6	Net cash from / (used in) investing activities	(104)	(1,749)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities –	-	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other –	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,154	3,247
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(131)	(577)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(104)	(1,749)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(2)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	919	919

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	919	1,154
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	919	1,154

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	45
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(131)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(104)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(235)
8.4 Cash and cash equivalents at quarter end (item 4.6)	919
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	919
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.91
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2023

Authorised by the Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.