

March 2023 Quarterly Activities Report

Carnavale Resources Limited (“CAV”, “Company” or “Carnavale”) reports on activities completed during the March 2023 Quarter. CAV has used the current quarter to review CAV’s existing high-grade gold and nickel projects to establish an updated exploration strategy that is designed to improve the Company’s ability to efficiently expand previously discovered prospects and to discover new opportunities.

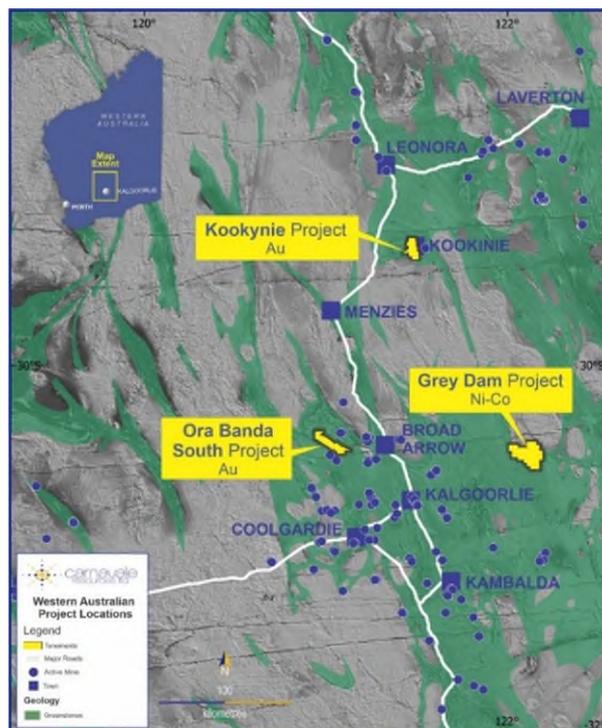


Figure 1: Location plan of CAV Projects

During the quarter CAV received results from the first program of wide spaced RC drilling at the **Ora Banda South Gold Project** within the Carnage Prospect following up on excellent high-grade aircore drilling gold results in the regolith. Work during the quarter included interpretation of multi-element geochemistry review of RC drilling results and drainage anomalies to provide further understanding of the morphology of the mineralising systems and the next steps in exploration.

At the **Kookynie Gold Project** CAV completed a detailed review of the mineralisation at **McTavish East** and **McTavish North**. This has resulted in an improved understanding of the relationship between the high-grade gold mineralisation, the geology and the geometry of the mineralised structures. CAV intends to test this new understanding with a round of RC drilling at Kookynie in the next quarter subject to rig availability.

CEO Humphrey Hale commented:

“We have spent the last quarter consolidating the information gleaned from previous drilling campaigns at Kookynie and Ora Banda to refine new strategies that will grow the extent of known mineralisation and develop new opportunities within the Company’s existing tenements. CAV is also actively reviewing new opportunities for global important critical mineral projects that can add value for shareholders.”

Ora Banda South Gold Project

In February 2023 CAV announced results of the first program of reconnaissance RC drilling at the Carnage Prospect following up on excellent high-grade gold results from CAV aircore drilling in the regolith.

The Company completed 9 holes of **wide-spaced** RC drilling for 1,841m program targeting the extensive **2.1km** strike extent of the Carnage Prospect. Significant results included:

 **1m @ 9.49g/t** from 137m in OBRC007

 **3m @ 0.45g/t** from 72m in OBRC004

 **2m @ 0.65g/t** from 49m in OBRC007

 **5m @ 0.26g/t** from 69m in OBRC002

 **8m @ 0.15g/t** from 63m in OBRC007

Previous significant results from CAV aircore drilling at the Carnage Prospect include:

 **4m @ 30.20g/t** from 44m in OBAC413

 **7m @ 5.95g/t** from 80m in OBAC379 (*ends in mineralisation*)

 **8m @ 2.74g/t** from 48m in OBAC089

 **4m @ 2.69g/t** from 36m in OBAC306

The drilling confirmed extensive gold anomalism in the saprock profile at the Carnage Prospect with high-grade intersection in fresh rock.

The RC drilling has determined that the Carnage prospect has favourable geology with the potential to host a significant gold deposit, with major shear structures crosscutting a sedimentary basin with a substantial regolith gold anomaly identified by CAV in aircore over many kilometres.

The geochemistry at Carnage prospect was prospective in arsenic, tin, tungsten and bismuth that correlates with the best gold anomalism suggesting an intrusion related source for the gold system.

CAV is confident that RC drilling at the Carnage prospect has confirmed gold anomalies and structural targets under alluvial cover first identified by CAV aircore drilling. The tenement package is prospective along the **15km** (Figure 4).

Three new gold prospects were identified in CAV's earlier aircore drilling that contain high-grade gold intercepts. This first reconnaissance RC drilling program targeted the substantial anomaly at the Carnage Prospect (Figure 2).

The RC drilling program at the Carnage prospect consisted of a **wide spaced** 100m x 200m program targeting the central **1.4km** section of the Carnage Prospect gold anomaly. The program confirmed the scale of the broad gold anomaly in the regolith and intersected high-grade gold in the fresh rock with **1m @ 9.49g/t** (Figure 3) from 137m in hole OBRC007. This intercept provides evidence of high-grade gold in fresh rock and the potential for a larger gold system in the fresh rock that could account for the large scale 1.4km gold anomaly. Further drilling is required to determine the fresh rock source of the substantial regolith anomalies.

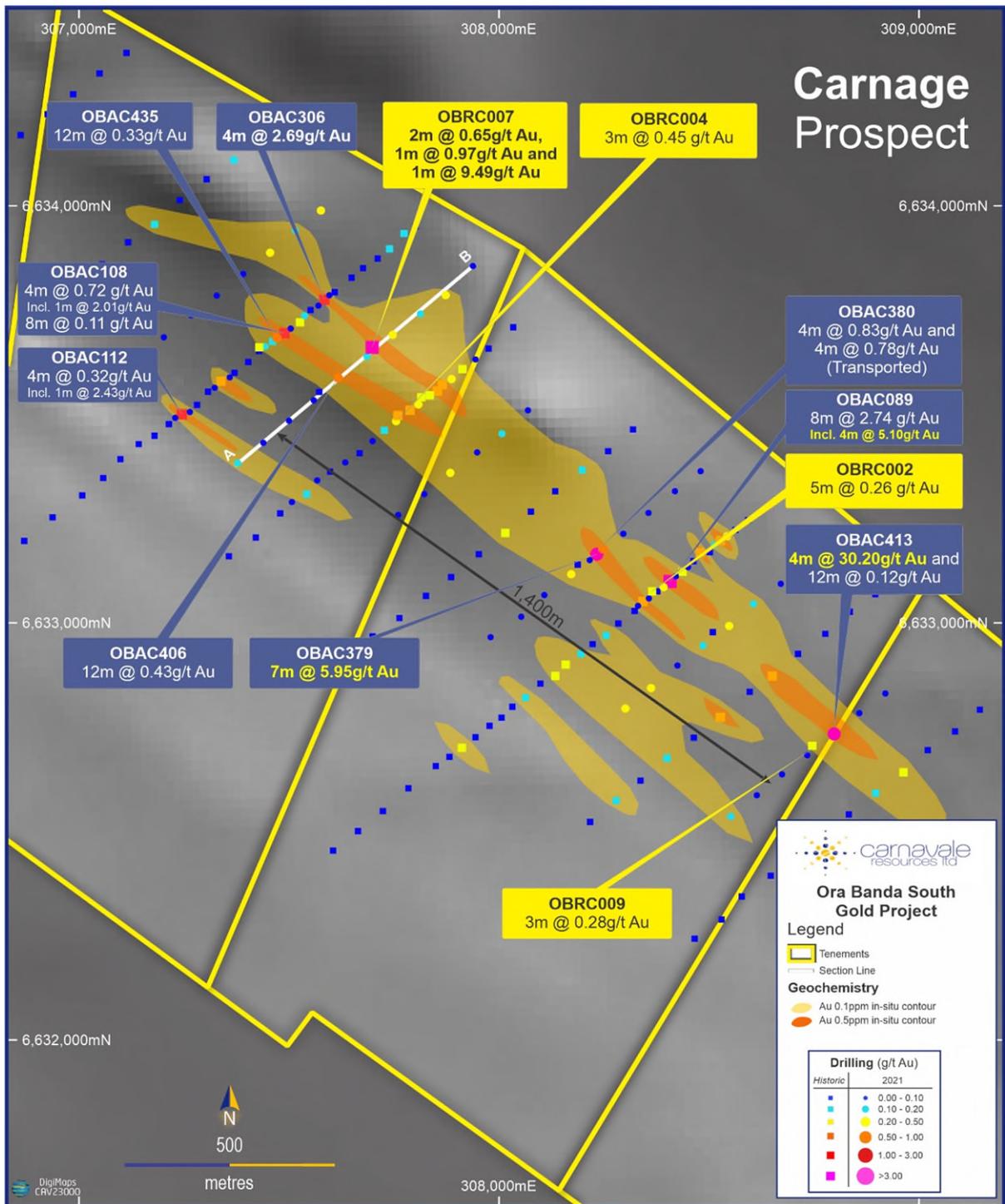


Figure 2, Plan of The Carnage Prospect at the Ora Banda South Gold Project with CAV drilling and selected significant CAV RC drilling in yellow callouts.

The geology at Carnage is dominated by the Carnage Shear passing through a sedimentary host package. The sediments are disrupted by intrusive rocks that provide the potential to influence the location of dilatory zones, favourable for gold deposition in the fresh rock. The high-grade gold intersected in OBRC 007 is associated with quartz veining and an alteration assemblage typical of the goldfields including quartz, carbonate, and sericite alteration with minor pyrite adjacent to a mafic intrusive. CAV is reviewing the geochemistry with the structural information and geology to plan further exploration at Carnage to discover the source of the substantial gold anomalism.

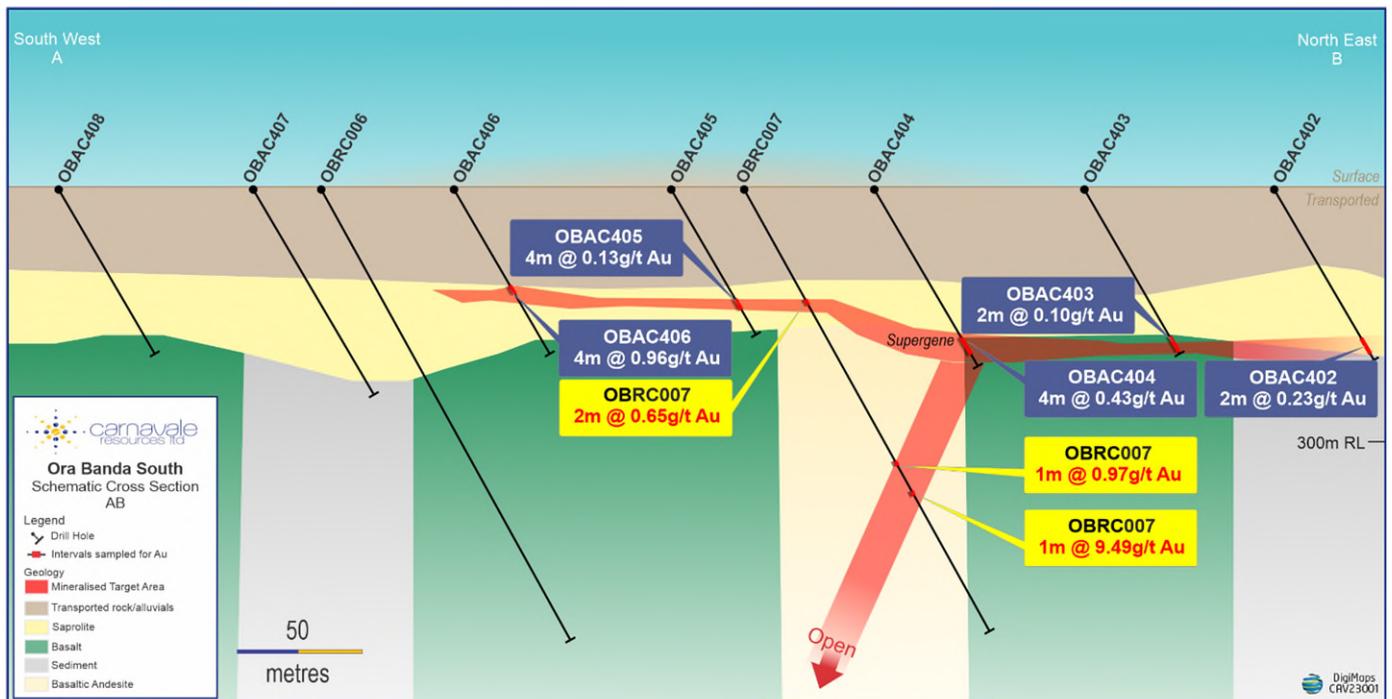


Figure 3, Section A' B' across the Carnage Prospect showing the relationship of the high grade gold in fresh rock to the broad regolith gold anomaly.

The exploration aim at Ora Banda is to discover a large-scale gold deposit within the sedimentary package on the Carnage shear analogous to the St Ives Discovery. The first round of reconnaissance RC drilling has intersected high grade gold in fresh rock. This suggests that there may be a larger fresh rock gold system that is responsible for the extensive, kilometre scale, regolith gold anomaly at the Carnage prospect.

For more details relating to the targeting of the RC program see ASX release “Maiden RC drilling to commence at Ora Banda Gold Project, 21 November 2022”.

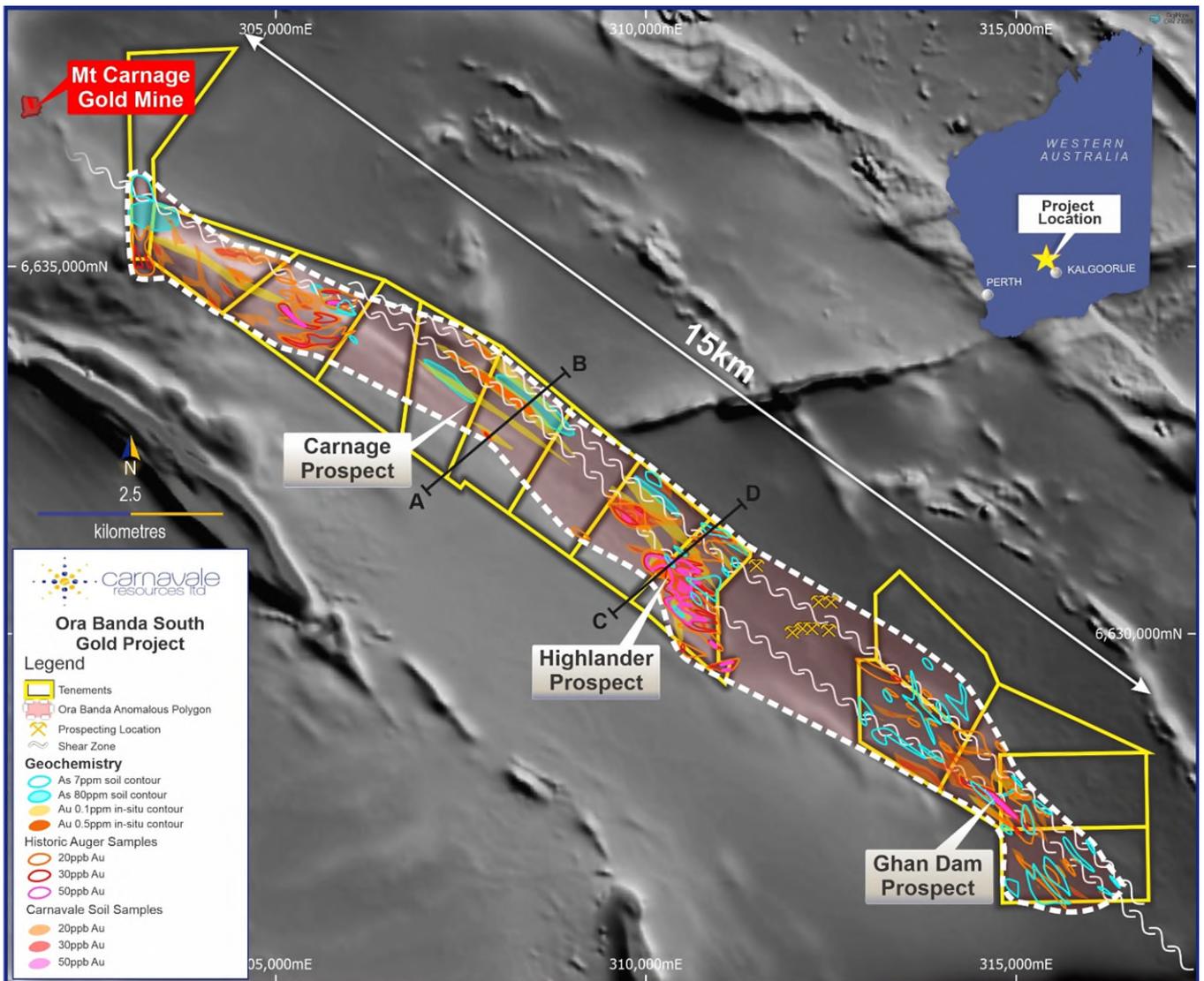


Figure 4, Location map with geochemical contours over regional aero magnetics.

Next steps

CAV's proposed work program at the Ora Banda South Gold Project includes:

- ✦ Identify additional targets within the Ora Banda South Gold Project tenement package.
- ✦ Continue to evaluate new tenement opportunities adjacent to the project area.

Kookynie Gold Project

The Kookynie Gold Project is located in the central portions of the historic Kookynie Mining Centre 20km south of Leonora. Carnavale's strategy is to explore and define sufficient high-grade, high value gold resources and reserves that can be mined and transported to a processing plant nearby.

CAV has defined two new prospects that were concealed by a layer of transported cover at Kookynie. The mineralised zone at **McTavish East** has been defined by RC and Diamond drilling into the fresh rock with over 500m in strike length and a 250m down dip extent open in both directions. McTavish East hosts high grade gold with a significant intercept of **16m @ 20.92g/t in MERC005**.

Extensional aircore has extended The **McTavish East Prospect** to over **700m** strike (Figure 5). The extension zone remains open along strike and at depth.

During the quarter CAV reviewed previous drilling and geochemistry in detail to understand the relationship between geology, structure and geochemistry that form the highest-grade gold zones within the mineralised structure. This has enabled CAV to optimise the outcomes in the next planned RC drilling campaign.

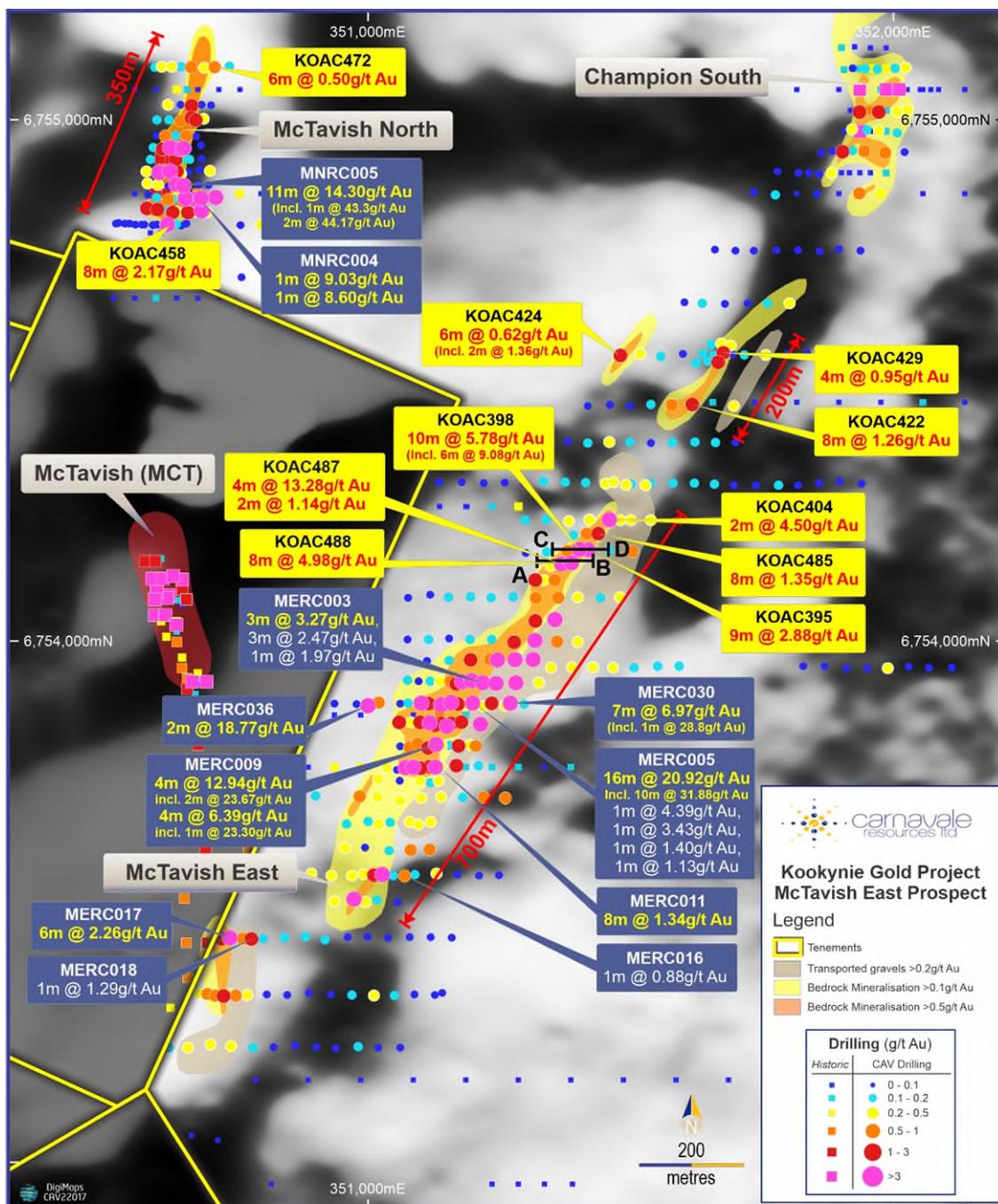


Figure 5, Plan of drilling at Kookynie
 (Yellow - extensional aircore program - blue - significant results from previous CAV RC drilling)

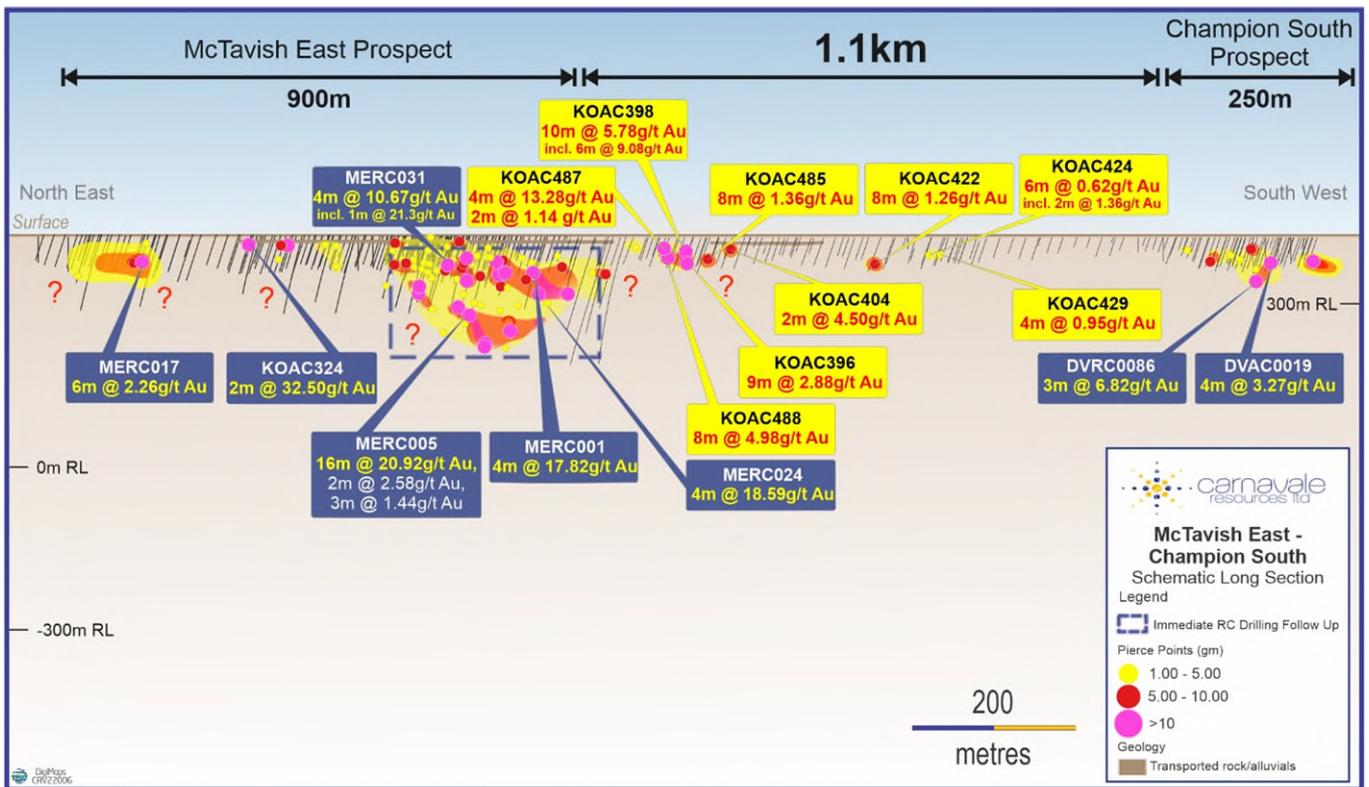


Figure 6. McTavish East long section – extensional aircore program in yellow callouts.

Extensional aircore has confirmed the presence of high-grade gold along the mineralised corridor to the northeast with a significant intercept of **10m @ 5.78g/t in KOAC398**. CAV intends to drill RC beneath this extensional aircore program in the next quarter to extend the high-grade panel outlined by previous RC drilling (Figure 6).

The **McTavish North** prospect has been defined over 350m of strike length and hosts high grade gold as indicated by a significant intercept of **11m @ 14.3g/t in MNRC005** (Figure 5). CAV has been studying the data produced by the previous exploration to plan follow up drilling that may expand this prospect.

Exploration Strategy

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

- ✦ RC drilling testing at depth and along strike from the shallow high-grade gold mineralisation defined by the recent aircore drilling at McTavish East.
- ✦ Complete further work to establish JORC compliant resources at McTavish East providing an asset base to CAV; and
- ✦ Identify additional targets at McTavish North and within the Kookynie tenement package.

ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was \$276,000. 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, \$12,919 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

Carnavale Bolsters Gold Portfolio with New Acquisition Ora Banda South, 5 October 2020
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
High-grade gold along 15km of the Carnage shear at Ora Banda, 13 Dec 2021
Aircore drilling to define large gold system at Ora Banda commenced, 16 Feb 2022
Second aircore program completed at the Ora Banda South Gold Project, 21 Mar 2022
Carnage and Highlander continue to grow along the 15km Carnage shear at Ora Banda South Gold, 22 May 2022

Exploration Update 10 August 2022

Aircore program completed at Ora Banda South Gold Project – 30 August 2022

CAV Acquires 80% of Ora Banda South Gold Project, 4 October 2022

Ora Banda South aircore delivers high-grade gold, 19 October 2022

RC drilling confirms regolith anomaly and intersects high-grade gold at Ora Banda Gold Project, 20 February 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	100%
		P24/5519	100%
		P24/5520	100%
		P24/5521	100%
P24/5522	100%		
P24/5523	100%		

* CAV exercised its option with Western Resources Pty Ltd (WR) to earn 80% of tenements P16/3081, P16/3082, P16/3077, P16/3000, P16/300, P24/5274, P24/5275, P24/5276, P24/5277, P24/5278, P24/5279, P24/5280, P24/5281, P24/5282, Under the terms of the agreement CAV paid \$150,000 in cash and issued 15 million fully paid CAV shares. Both parties will enter a formal Joint Venture ("JV") (CAV 80%, WR 20%), where CAV will free carry WR to the completion of a Bankable Feasibility Study (BFS) and on completion of a BFS, WR will be obliged to contribute to future costs on a pro-rata basis or be diluted, or alternatively elect to convert its 20% equity interest to a 1.5% NSR ("Royalty") within 30 days of CAV notice of the completion of the BFS. Thereafter, no party to dilute to less than 10% equity in the Project, otherwise deemed to have no further interest and will assign the remaining interest to the other party.

** 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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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)	(291)
(e) administration and corporate costs	(52)	(258)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	27
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	(141)	(446)
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	(275)	(1,515)
(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 (9 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	24	-
2.6	Net cash from / (used in) investing activities	(251)	(1,645)

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	1,546	3,247
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(141)	(446)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(251)	(1,645)

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 (9 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	1,154	1,154

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	1,154	1,546
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)	1,154	1,546

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	46
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)	(141)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(275)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(416)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,154
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,154
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.77
<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 April 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.