Grey Dam Ni-Co Mineral Resource Update

Carnavale Resources (ASX: CAV) is pleased to announce a new Nickel ("Ni") and Cobalt ("Co") Mineral Resource estimate (JORC 2012) at its 100% owned Grey Dam Project. The Ni-Co deposit is shallow and flat lying, with the laterite style mineralisation occurring from surface to approximately 50m depth. The project is located 80km east of Kalgoorlie, Western Australia with excellent local infrastructure including sealed roads, airport and mining related contract services.

The laterite Ni-Co Mineral Resource estimate is based on 5,000m of infill and extensional reverse circulation ("RC") drilling (85 holes) together with inter-laboratory check sampling and incorporating previous third party drilling (108 RC and 4 diamond holes). Approximately half of the deposit occurs on a granted mining lease (M28/378) with the remainder on Carnavale's surrounding exploration licence E28/1477. The drilling was completed at 100m x 50m hole spacing with selected 50m infill sections providing strong continuity to the mineralisation.

Grey Dam Ni-Co Project - Total Mineral Resource (JORC 2012), February 2019

Total	**14.6Mt @ 0.75% Ni and 0.049% Co for 110,000t Ni metal and 7,200t Co metal**
Indicated	10.4Mt @ 0.76% Ni and 0.050% Co for 78,700t Ni metal and 5,200t Co metal (71%)
Inferred	4.2Mt @ 0.74% Ni and 0.047% Co for 31,300t Ni metal and 2,000t Co metal (29%)

(using >0.5% Ni or >0.05% Co cutoff)

- **71% in Indicated category.**
- **Shallow flat lying blanket of Ni-Co mineralisation**
- **1.3km x 1.0km x 20-40m thick.**
- **Internal high grade Co blanket averaging 0.12% Co.**
- **Potential for simple open pit mining methods**

Andy Beckwith, Managing Director, commented *"Grey Dam is well located only one hour drive from Kalgoorlie. We have defined a high value shallow resource that should be readily amenable to an open pit mining strategy. Our next step is to assess metallurgy and deliver on a low cost processing strategy.*

Figure 1 Nickel wireframe (0.4% Ni) looking NE

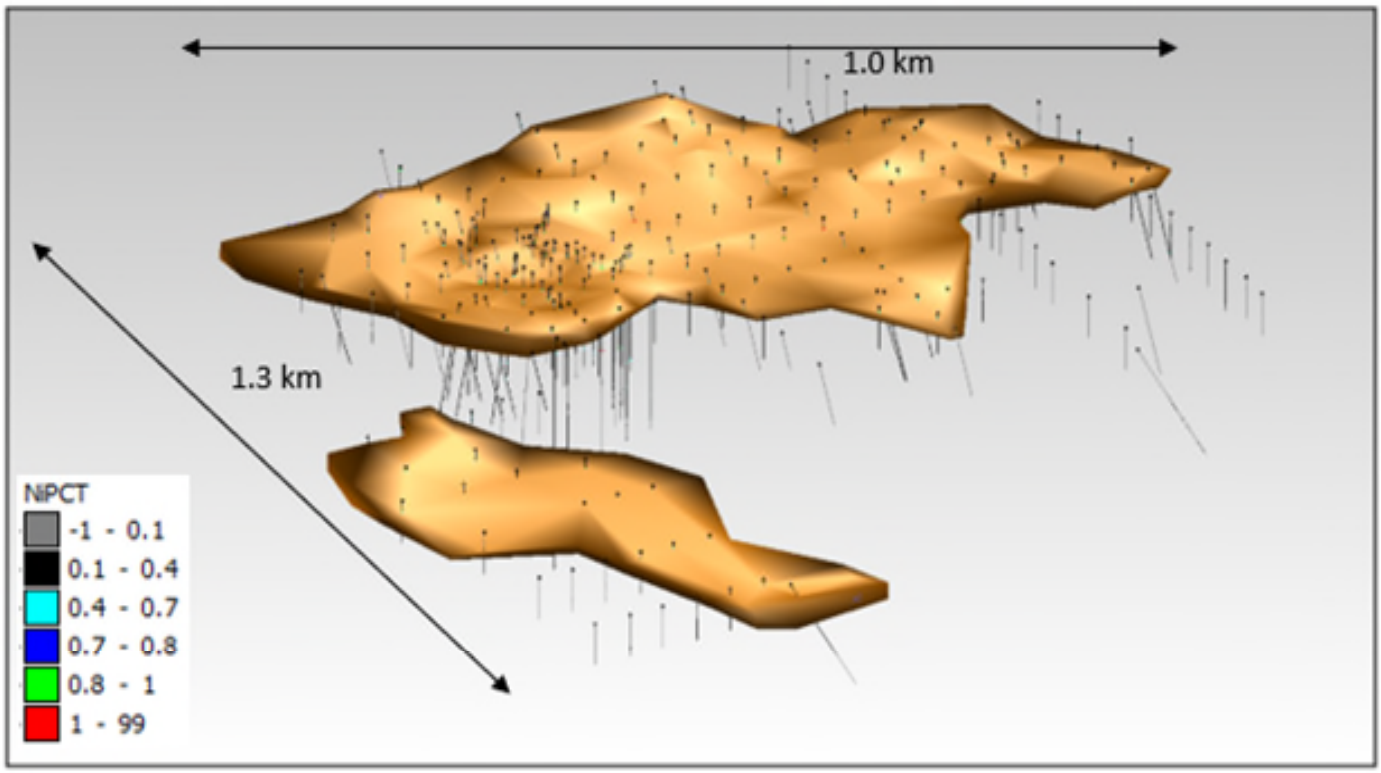
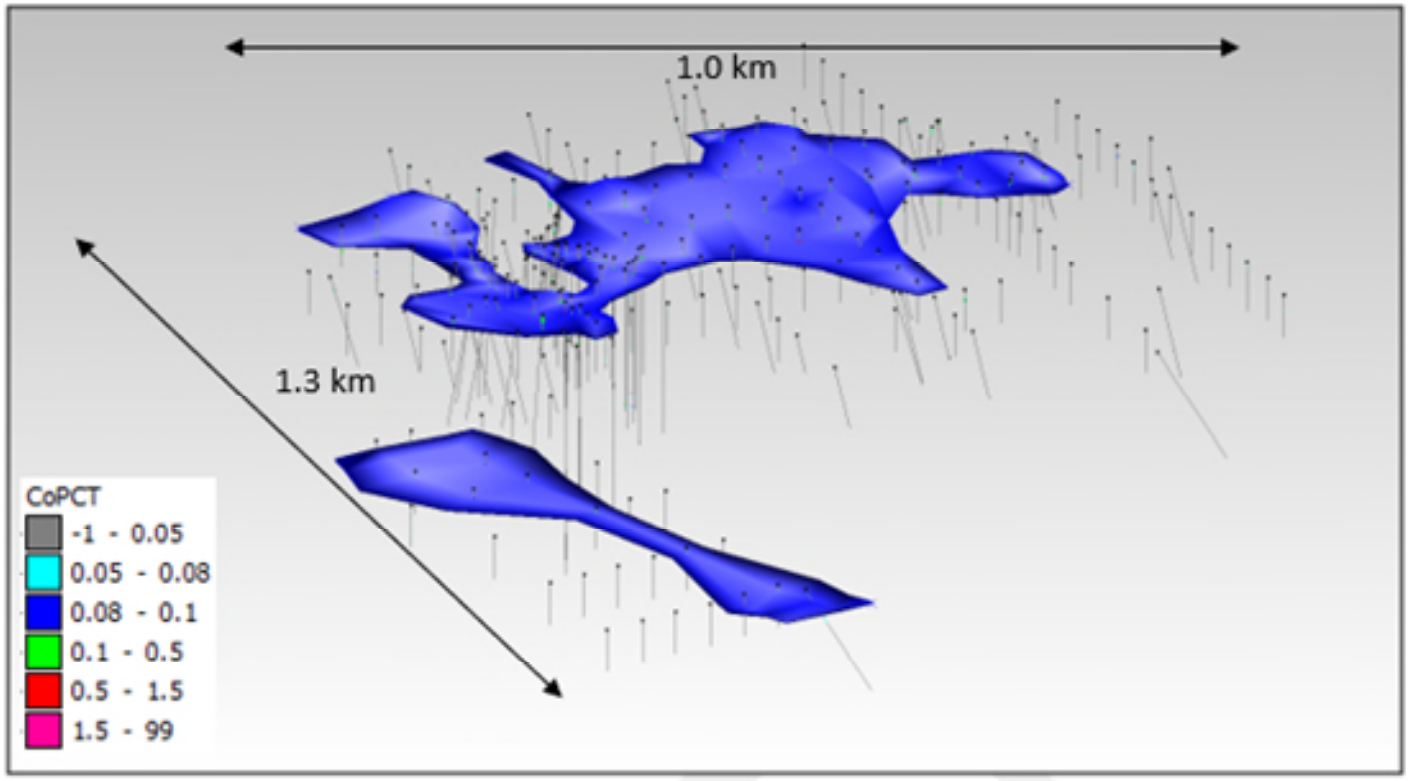


Figure 2 Cobalt wireframe (0.04% Co) looking NE



Internal high-grade Ni and Co zones

Internal to the overall resource, strong individual high-grade Ni or Co domains occur within the upper portions of the deposit with the bulk of the high grade mineralisation being less than 30m depth. The high-grade cobalt domain almost entirely falls within the high grade Ni domain. The shallow and flat lying nature of the mineralisation lends itself to low strip ratio and simple open pit mining methods.

Shallow High-Grade Nickel Domain (using 0.8% Ni cut-off)

Total 6.7Mt @ 0.95% Ni and 0.061% Co for 64,200t Ni metal and 4,100t Co metal

- 57% of total nickel metal and 54% of cobalt metal in 45% of resource tonnes
- Shallow flat lying mineralisation from surface to approximately 40m depth.

and almost entirely within this domain there is a significantly smaller high-grade cobalt domain with associated nickel containing

Shallow High-Grade Cobalt Domain (using 0.05% Co cut-off)

Total 2.6Mt @ 0.122% Co for 3,100t Co metal (with 0.86% Ni for 21,900t Ni metal)

- Substantially increased high-grade cobalt mineralisation at 0.12%
- Contains 46% of the cobalt and 20% of the nickel in only 19% of the resource.

Table 1 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)

Table 2 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**

Table 3 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**

The shallow nature of the Ni and Co resource is highlighted in Figure 3 and 4 where the bulk of the total resource lies within 50m of surface (~370RL).

Figure 3 Ni block model; showing high grade domains and flat lying nature of the mineralisation

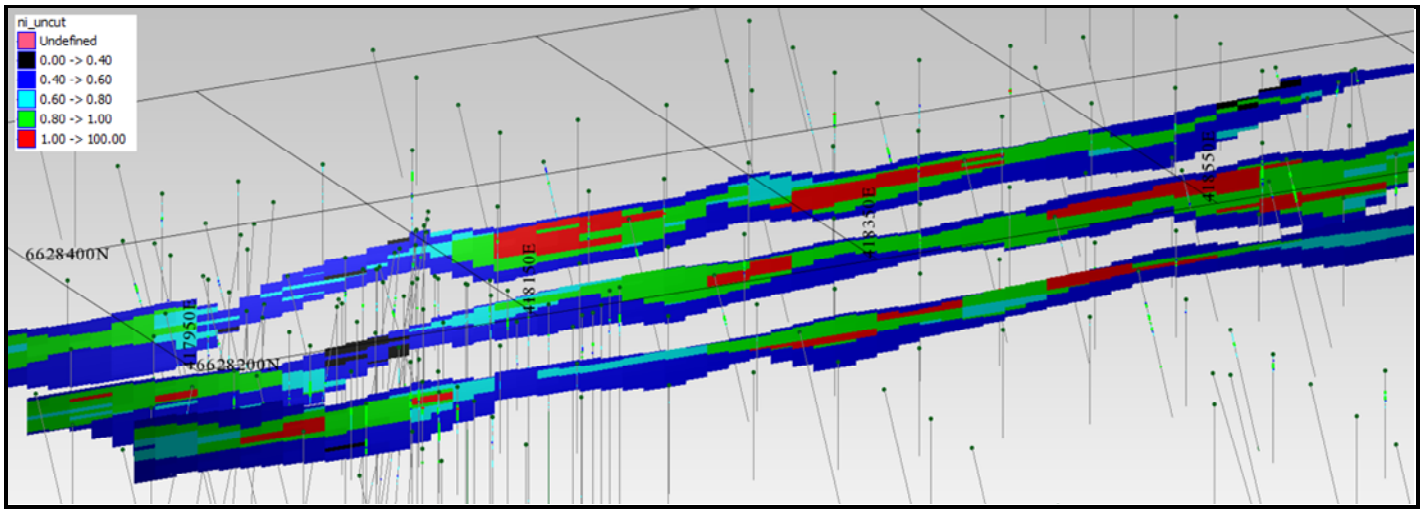
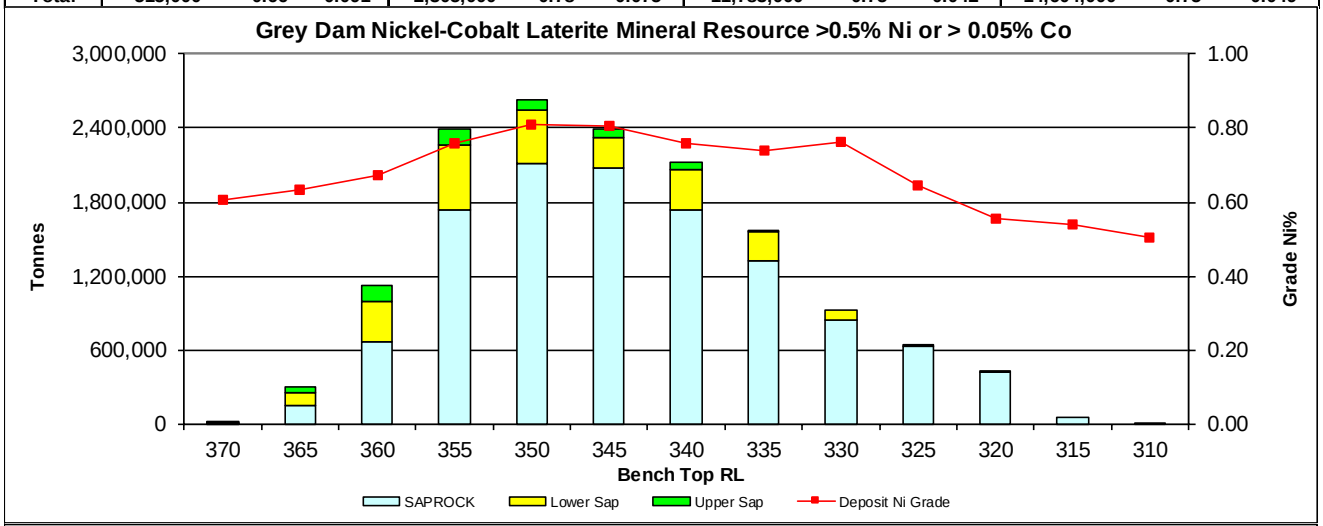


Figure 4 Grey Dam Ni-Co Total Mineral Resource by Laterite Zone

Grey Dam Nickel-Cobalt Laterite
February 2019 Mineral Resource Estimate

Blocks > 0.5% Ni or > 0.05% Co

	Upper Sap Zone			Lower Sap Zone			Saprock Zone			Total Deposit		
Bench Top RL	Tonnes T	Ni %	Co %	Tonnes T	Ni %	Co %	Tonnes T	Ni %	Co %	Tonnes T	Ni %	Co %
370	5,000	0.56	0.07	11,000	0.63	0.07	3,000	0.58	0.04	18,000	0.61	0.06
365	53,000	0.54	0.07	98,000	0.67	0.07	157,000	0.65	0.07	308,000	0.63	0.07
360	137,000	0.59	0.088	322,000	0.66	0.053	671,000	0.69	0.052	1,131,000	0.67	0.056
355	120,000	0.70	0.102	529,000	0.77	0.085	1,742,000	0.76	0.054	2,390,000	0.76	0.063
350	77,000	0.74	0.131	435,000	0.85	0.103	2,116,000	0.81	0.052	2,629,000	0.81	0.062
345	65,000	0.70	0.083	252,000	0.86	0.087	2,073,000	0.80	0.041	2,390,000	0.81	0.047
340	54,000	0.66	0.058	329,000	0.73	0.061	1,740,000	0.77	0.033	2,123,000	0.76	0.038
335	4,000	0.80	0.046	242,000	0.85	0.046	1,323,000	0.72	0.031	1,568,000	0.74	0.034
330				76,000	0.85	0.054	849,000	0.76	0.040	925,000	0.76	0.041
325				11,000	0.76	0.036	636,000	0.64	0.030	647,000	0.65	0.030
320				1,000	0.60	0.033	418,000	0.55	0.026	418,000	0.55	0.026
315							52,000	0.54	0.031	52,000	0.54	0.031
310							4,000	0.50	0.034	4,000	0.50	0.034
Total	**515,000**	**0.66**	**0.091**	**2,305,000**	**0.78**	**0.075**	**11,783,000**	**0.75**	**0.042**	**14,604,000**	**0.75**	**0.049**



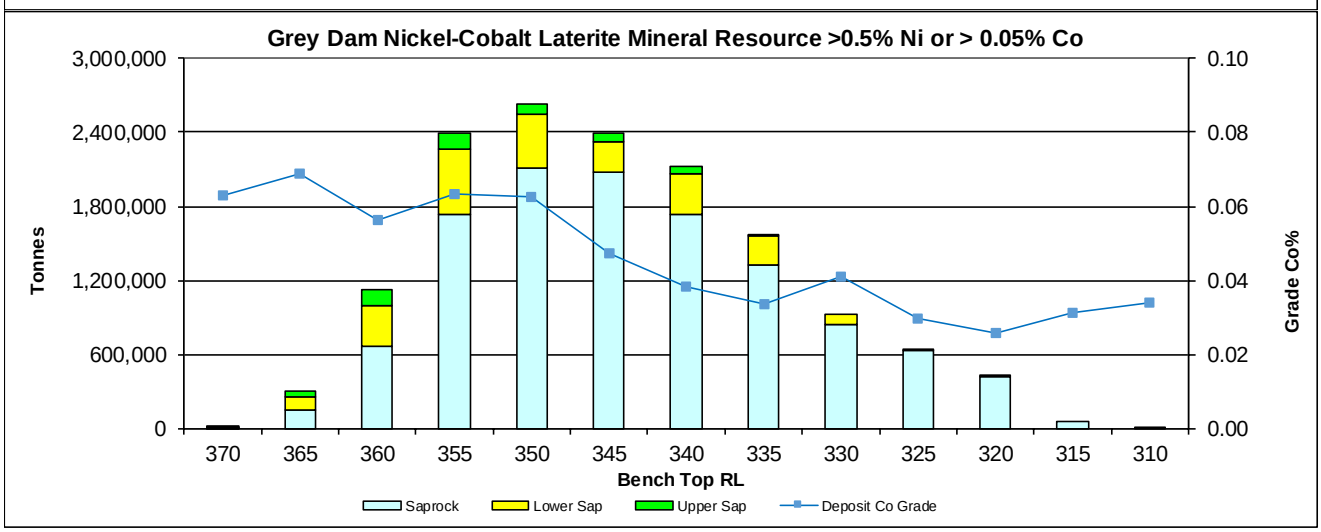
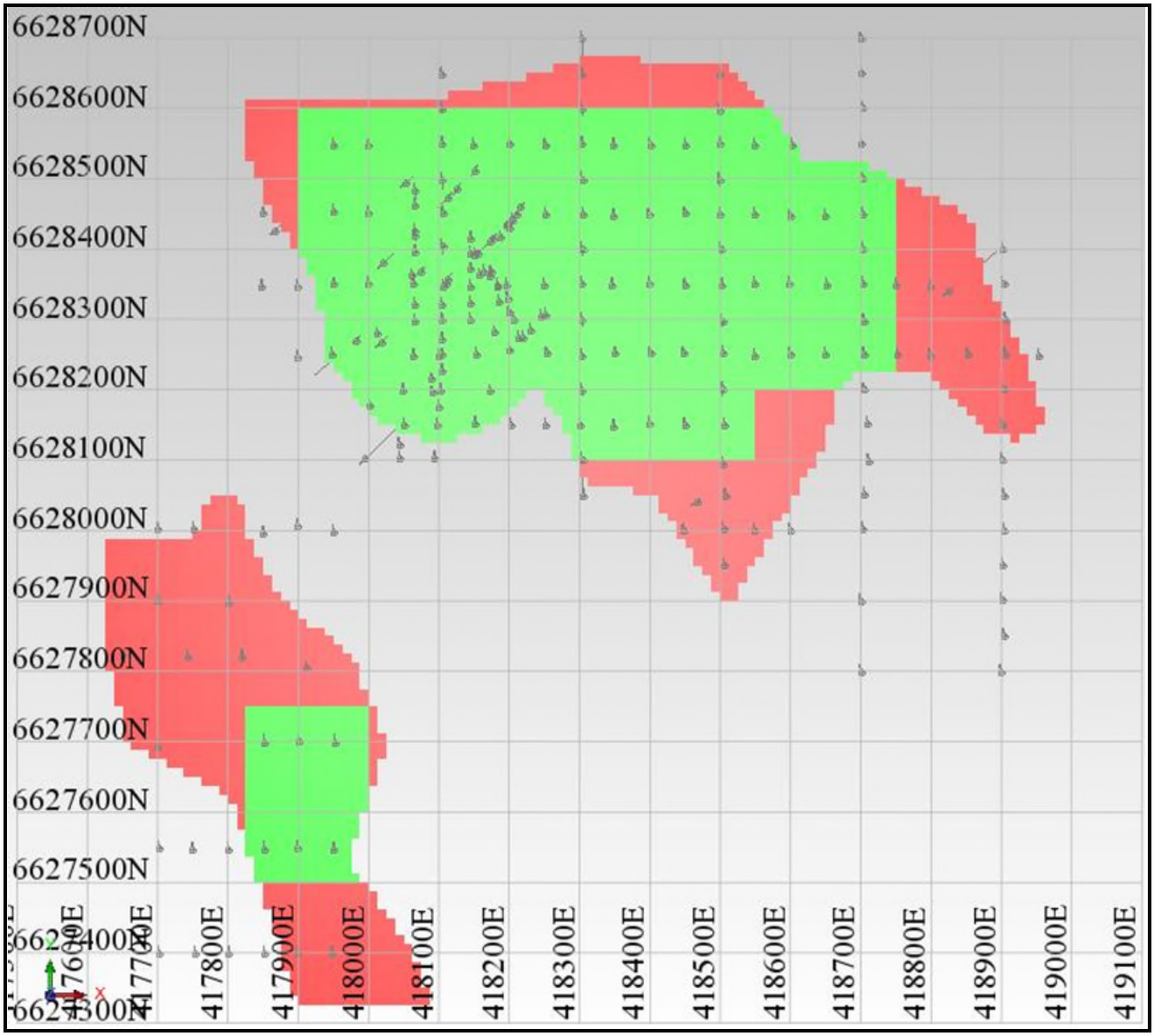


Figure 5 Grey Dam plan view showing Mineral Resource Classification



Forward Program

The focus of on-going activities includes the following:

- Metallurgical test work to determine a suitable processing flowsheet.
- Assessment of deeper Ni-Co-Cu sulphide and gold mineralisation potential.

Initial metallurgical samples have been collected from the recent RC drilling campaign and the Company is currently preparing for a program of test work to determine potential processing options. This test work will initially focus on possible low capex options including heap leach, vat leach on site processing and simple physical upgrading to a higher grade concentrate for direct sale to interested third parties.

The potential for deeper fresh sulphide Ni-Co-Cu mineralisation is considered high within the ultramafic sequences within the tenement package. Previous drilling intersected promising sulphide mineralisation in drilling which has not been followed-up. The Company is currently assessing the application of a detailed EM survey to target this style of mineralisation.

Encouraging Ni-Co sulphide mineralisation in previous drilling includes:

33m @ 0.43% Ni and 0.73% Co from 148m

3m @ 1.14% Ni and 0.04% Co from 157m

3m @ 1.18% Ni and 0.015% Co from 104m

The shallow gold potential has previously been assessed by the past owners with mixed results. Gold potential noted in previous drilling includes: 5m @ 5.74g/t Au, 4m @ 7.02g/t Au, 4m @ 14.26g/t Au and 4m @ 11.12g/t Au. A review of this earlier work highlights strong gold mineralisation just east of the Grey Dam Ni Co laterite resource. Mineralisation appears to remain untested along strike and elsewhere along the controlling regional structures. Further work will be undertaken to assess this potential. Refer ASX release *"New cobalt acquisition in WA", 19 March 2018.*

For further information contact:

Ron Gajewski (Chairman) or

Andrew Beckwith (Director)

P: +61 8 9380 9098
E:admin@carnavaleresources.com

Grey Dam - Mineral Resource Estimate Background

A Mineral Resource estimate has been completed for the Grey Dam Nickel-Cobalt laterite project, located approximately 80km east of Kalgoorlie and near Kurnalpi in the Eastern Goldfields region of Western Australia.

Ni and Co mineralisation is hosted within the weathering profile developed over Archaean ultramafic rocks. A nickel envelope was interpreted using a 0.4% Ni cut-off. This resulted in two large zones of continuous nickel mineralisation typically 20m to 40m in thickness (Figure 1 and Figure 6). Within the broad nickel envelope, a zone of higher grade nickel was defined using a 0.7% Ni cut-off.

A distinct zone of cobalt enrichment is also present in the deposit. A cobalt envelope was interpreted using a 0.05% Co cut-off which defined a largely continuous blanket of mineralisation typically 8m to 15m in thickness. The cobalt-rich blanket occurs within the upper part of the nickel envelope (Figure 2 and Figure 7).

The Mineral Resource is defined over an east-west extent of 1,000m and a north-south extent of 1,300m. The majority of mineralisation is within 50m of surface, with a maximum depth of 76m. The mineralisation remains open in a number of areas.

The Mineral Resources have been classified as Indicated and Inferred Mineral Resources in accordance with the JORC Code, 2012 Edition and are shown in Table 1. This table represents the total deposit and is reported using a cut-off grade of > 0.5% Ni or > 0.05% Co.

Separate high grade domains for nickel and cobalt were defined within the broad nickel envelope. These were defined using a 0.7% threshold for nickel and a 0.05% threshold for cobalt. The Mineral Resource within the high grade domains is shown in Table 2 and Table 3.

The high grade domains occur near the top of the broad nickel envelope and formed largely continuous zones of mineralisation as shown in Figures 3, 6 and 7.

Figure 6 High Grade Nickel Envelope (dark blue) at 50m Section Spacings (looking NE)

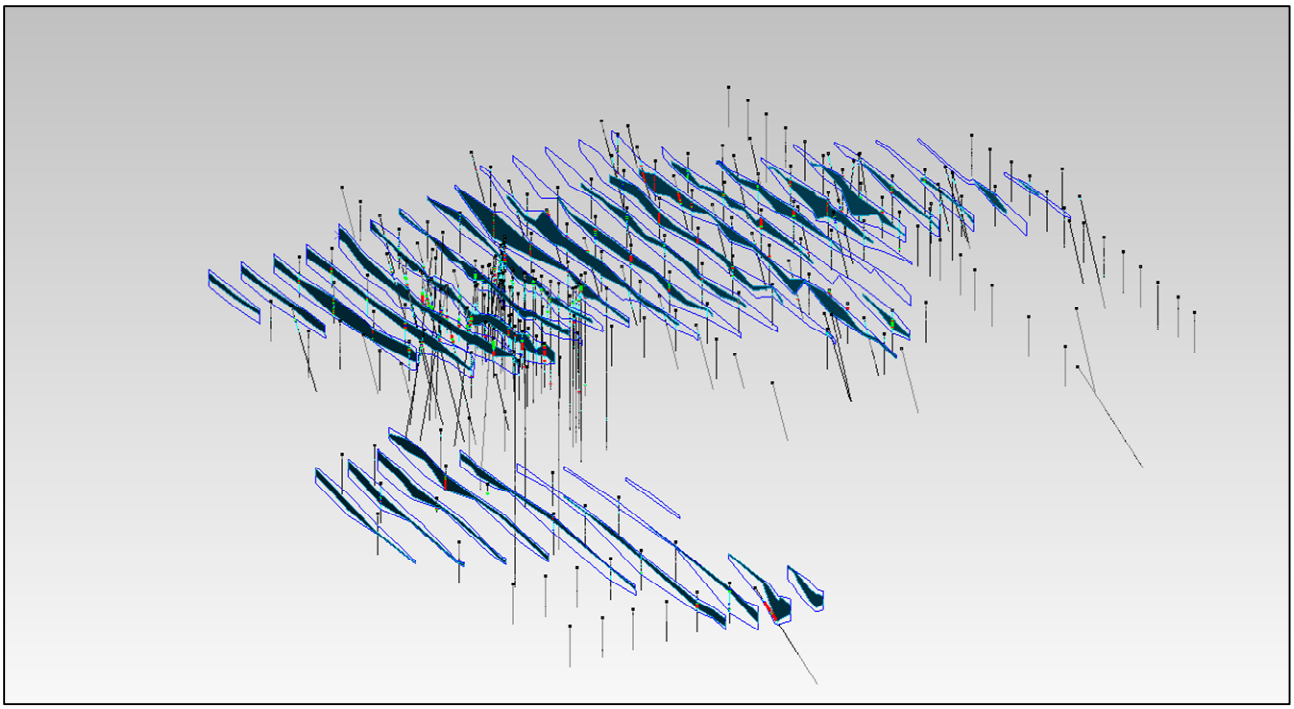
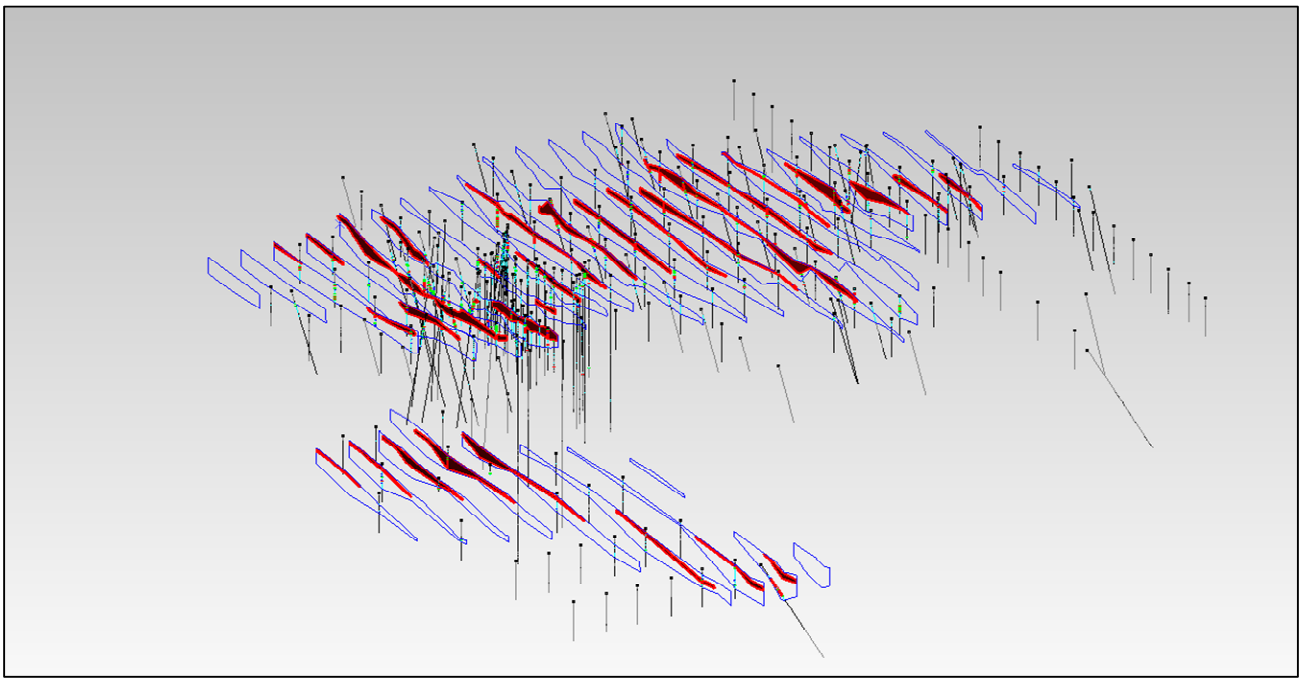


Figure 7 High Cobalt Nickel Envelope (red) at 50m Section Spacings (looking NE)



Resource Summary – Grey Dam Nickel-Cobalt Deposit

Geology

Nickel and cobalt mineralisation is hosted within the weathering profile developed over Archaean ultramafic rocks, of the Norseman-Wiluna greenstone belt. Elevated nickel and cobalt values are due to the mobilisation and enrichment of those metals as they are released from silicate minerals during the weathering process.

As with most Western Australian nickel laterite deposits, distinct geochemical zonation occurs through the weathering profile. At Grey Dam, three horizons have been interpreted – an Upper Saprolite zone with elevated iron and low magnesium, a Lower Saprolite zone with low iron and low aluminium, and a basal Saprock zone with highly elevated magnesium.

Drilling

The deposit was partially delineated by previous explorers using a variety of drilling methods. In 2018 Carnavale completed infill and confirmation holes using RC drilling to provide 50m by 100m spaced holes through the majority of the deposit. All Carnavale holes and the majority of historical holes were vertical. Only RC and diamond drilling are used in the estimate. The Mineral Resource is now defined by a total of four diamond holes and 193 RC holes for 19,847m.

Historic drill collar locations were surveyed in MGA grid by licenced surveyors using DGPS equipment. Carnavale holes were located using hand-held GPS. The majority of holes do not have down hole surveys.

Sampling and Sub-Sampling Techniques

Carnavale drilling has been completed using RC drilling with samples collected at 1m intervals from a rig mounted cone splitter. Samples were initially composited to 4m and for composites that returned assays greater than 0.1% Ni or greater than 100ppm Co, the individual 1m samples were then submitted for analysis.

Sampling methods from historic RC and diamond drilling are not documented, however 1m samples were generated for all holes.

Sample Analysis Method

Samples were submitted to a commercial laboratory in Kalgoorlie, for a multi-element analysis using a peroxide fusion and XRF analysis.

Extensive quality control protocols were in place for the resource drilling and involved a certified standard being submitted at a ratio of 1:20 and a field duplicate being collected at a ratio of 1 in 60. A program of inter-laboratory assay checks was also carried out. The results of the QAQC program were satisfactory and confirmed the reliability of the assay data.

Estimation Methodology

Separate nickel and cobalt wireframes were prepared. The nickel wireframe was based on a 0.4% Ni threshold. Internal high grade nickel and cobalt envelopes was also interpreted using a 0.7% Ni cut-off and a 0.05% Co cut-off respectively. The high grade wireframes lie within the upper part of the broad nickel envelope.

The nickel wireframes were used as hard boundaries for the Ni estimate, and the cobalt wireframes was used as hard boundaries for the Co estimate. Other elements were estimated using the interpreted weathering profile boundaries (upper saprolite, lower saprolite, saprock) as hard boundaries.

Interpolation parameters were based on the geometry of each zone and geostatistical parameters were determined by variography. A high-grade cut of 0.55% Co was applied to the estimate with no cutting of Ni values.

The block dimensions used in the model were based on deposit geometry and drill hole spacing. Parent block sizes used were 25m NS by 25m EW by 2m elevation with sub-celling to 12.5m by 12.5m by 0.5m.

Sample data was composited into 1m intervals then block model grades estimated using ordinary kriging (OK) grade interpolation. A first pass search range of 120m was used and oriented to match the strike of the mineralisation. A minimum of 10 samples and a maximum of 24 samples were used to estimate each block. The majority of the resource (77%) was estimated in the first pass with an expanded search radius of 240m used for the blocks not estimated in the first pass. Approximately 1% of blocks required a third pass with a minimum of 2 samples required for estimation.

Bulk density determinations were not available for the deposit. For the estimate, a density value of 1.4t/m^3 was applied to the laterite zones, with a value of 1.8t/m^3 applied to mineralisation in the Saprock zone.

Mineral Resource Classification

The Mineral Resource was classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012).

The portion of the deposit defined by 50m spaced drill holes on 100m spaced cross sections displays good continuity of geology and grade and has been classified as Indicated Mineral Resource. The remainder of the deposit has been defined by 100m to 200m spaced drilling, displays reasonable continuity of geology and mineralisation and has been classified as Inferred Mineral Resource.

Cut-off Grades

The cut-off grades of 0.5% Ni or 0.05% Co reflect the likely minimum grades required to consider processing through either atmospheric or high pressure acid leach (“HPAL”) processes if they could be applied to the deposit. The shallow, flat-lying nature of the deposit suggests good potential for eventual exploitation by open pit mining if sufficient scale of operation can be established at the project.

Metallurgy

No metallurgical test work has been conducted at the project. Due to the similarities with the mineralisation at other operating or historically operating mines throughout Western Australia, it can be reasonably assumed that good nickel and cobalt recoveries will be achieved via HPAL processing or other leaching processes.

Modifying Factors

No modifying factors were applied to the reported Mineral Resource estimate. Parameters reflecting mining dilution, ore loss and metallurgical recoveries will be considered during the any future mining evaluation of the project.

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.

The Information in this report that relates to Mineral Resources is based on and fairly represents information and supporting documentation prepared 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.

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 Grey Dam Project in this announcement has been extracted from the following ASX announcements:

"New cobalt acquisition in WA", 19 March 2018
"High grade nickel-cobalt defined at Grey Dam", 10 October 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 announcement.

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.*	• All drilling and sampling was undertaken in an industry standard manner. • All holes were sampled on a 1m nominal basis over the entire length of the hole. • 1m samples were taken direct from a cone splitter mounted on the drill rig cyclone. The cyclone was calibrated to provide a continuous sample volume. • Each 1m sample ranges from a typical 2.5-3.5kg. • The independent laboratory then takes the sample and pulverises the entire sample for analysis as described below.
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.).*	• All Carnavale drill holes are RC with a 5 1/2-inch bit and face sampling hammer. • Details of previous drilling include RC , diamond and aircore drilling.
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.*	• All Carnavale samples were visually assessed for recovery. • Samples are considered representative with good recoveries. Only a small percentage of samples were considered low recovery primarily due to change of rods when a small amount of damp sample occurred. • No sample bias is observed.
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.*	• Geologists logged each hole and supervised all sampling. • The sample results are appropriate for a resource estimation. • The 1m sample results are considered the preferred sample to use in the resource estimation for accurate definition of mineralisation.
Sub-sampling	• *If core, whether cut or sawn and whether*	• The sampling of the RC sample was carried

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.*	out by a cone splitter on the rig cyclone and drill cuttings were sampled on a 1m basis. • Independent standard reference material was inserted every 20 samples. • Duplicate samples were taken approximately every 60 samples for 1m resplits. • Subsequent third-party umpire test work was collected as a field duplicate sample and submitted to an independent third-party laboratory • The samples are considered representative and appropriate for this type of drilling and for use in a future resource estimate. • Sub-sampling methods for historic drilling are not known.
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 were submitted to a commercial independent laboratory in Kalgoorlie, Australia. • Each sample was dried, crushed and pulverised. • Determination of major and minor elements in Nickel Laterite ores by Fusion XRF. • The techniques are considered quantitative in nature. • As discussed previously standards and duplicates samples were inserted by the Company and the laboratory also carries out internal standards in individual batches. • Results for the standards and duplicates were considered satisfactory. • Subsequent third-party umpire test work was collected as a field duplicate sample and submitted to an independent third-party laboratory • It is not known what QAQC procedures were used in historic drilling.
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 are received and entered into the company database, checked and verified. • No adjustments have been made to the assay data. • Results are reported on a length weighted basis. • Carnavale's new drill sampling supports previous drill sample results
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.*	• Carnavale drill hole collar locations were located by handheld GPS to an accuracy of +/- 4m. • Locations are given in GDA94 zone 51. • Topographic control uses a combination of locations of drill collars and public DTM data. • Historic drill collar locations were surveyed in MGA grid by licenced surveyors using DGPS equipment.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of*	• The RC drilling is on a nominal 100m x 50m spacing infilling previous drilling to approximately 50m x 50m overall. • All holes have been geologically logged and

Criteria	JORC Code explanation	Commentary
	geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	provide a strong basis for geological control and continuity of mineralisation. • Data spacing and distribution is sufficient to provide strong support for the results to be used in a resource estimate. • Sample compositing has not been applied except in reporting of drill intercepts.
Orientation of data in relation to geological structure	• *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.*	• The drilling was completed on a vertical basis to intersect the sub-horizontal laterite style mineralisation perpendicular to the strike of mineralisation and therefore the sampling is considered representative of the mineralised zone. • The downhole drill intercepts can therefore be approximated to true thickness.
Sample security	• *The measures taken to ensure sample security.*	• Samples from Carnavale drilling were collected by company personnel/consultants and delivered direct to the laboratory. • Sample security for historic drilling is not known.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Review of QAQC data has been carried out by company geologists and database manager • Resampling of field samples were undertaken and samples submitted to a third party and independent umpire laboratory as a check against the original laboratory samples and results. Results have supported the original laboratory results.

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.*	• The drilling is on E28/1477 and M28/378 which are located approximately 80km east of Kalgoorlie and are 100% owned by Tojo Minerals Pty Ltd, a 100% owned subsidiary for Carnavale Resources. Tojo acquired the tenements in March 2018.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Grey Dam Ni-Co deposit has had previous RC, diamond and aircore drilling undertaken by previous owners. • A Mineral Resource was previously undertaken by an independent resource consultant to JORC 2004 standard. • The current RC drilling programme completed by Carnavale was aimed at infilling and extending the resource. The closer spaced drilling and systematic 1m sampling has allowed the resource to be upgraded to JORC 2012 standards.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation targeted is secondary remobilized Ni and Co sourced from the

Criteria	JORC Code explanation	Commentary
		original fresh bedrock then deposited in the weathering horizon. This style is similar to many other Ni-Co laterite deposits in the Kalgoorlie region.
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* • *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.*	• Drill hole location and directional information was provided in previous releases to the ASX.
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.*	• Results are reported to a minimum cutoff grade as listed below: • Ni to 0.4% Ni lower cutoff with a maximum internal dilution of 2m. • Ni higher grade intercepts are reported to Ni to 0.8% Ni lower cutoff with a maximum internal dilution of 2m. • Co to 0.03% Co lower cutoff with a maximum internal dilution of 2m. • Co higher grade intercepts are reported to 0.07% Co lower cutoff with a maximum internal dilution of 2m. • Intercepts are length weighted averaged. • No maximum cuts have been made.
Relationship between mineralisa-tion 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').*	• The drill holes are interpreted to be approximately perpendicular to the strike of mineralisation. • Down holes lengths are approximately equivalent to true width of mineralisation.
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.*	• Drilling plan and representative cross section were provided in previous releases to the ASX. • Drill holes are shown on various plans in this 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*	• Comprehensive reporting of results was provided in previous ASX releases. • The report is considered balanced and provided in context.

Criteria	JORC Code explanation	Commentary
	practiced to avoid misleading reporting of Exploration Results.	
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.*	• Geophysical surveys have been completed. • Previous RC drilling has been completed on the resource area and other areas of the project. Limited diamond drilling has partially tested deeper portions of the bedrock mineralisation. • Regional air core drilling has been completed in parts of the project area.
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 possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The company plans to carry out metallurgical test work on field samples retained from the RC drilling program • Economic studies to determine potential mining scenarios. • Exploration activities to assess the deeper fresh bedrock Ni-Co-Cu sulphide and structurally controlled gold potential.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Field data was loaded into excel spreadsheets at site. • Digital laboratory assay records were loaded into an electronic database. • Validation included visual review of results.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit by the Competent Person has not been undertaken. The Competent Person is familiar with the region and drilling and sampling procedures employed at the project. A visit is planned during the next exploration phase at the project.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Geological interpretations of the weathering profile were largely based on geochemical zonation. • Nickel and cobalt mineralisation were not controlled by geological boundaries so the interpretations were grade based. • Information between different drilling programs is consistent and the interpretations are considered to have a high degree of confidence. • There is no real possibility of alternative interpretations other than variation in grade thresholds used to define the mineralisation envelopes.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Mineral Resource is defined over an east-west extent of 1,000m and a north-south extent of 1,300m. The majority of mineralisation is within 50m of surface, with a maximum depth of 76m..
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of*	• Ordinary kriging grade interpolation was used to estimate block grades within the resource. • Surpac software was used for the estimation. • Samples were composited to 1m intervals. A high-grade cut of 0.55% Co was applied to

Criteria	JORC Code explanation	Commentary
	extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	the estimate with no cutting of Ni values. • The parent block dimensions were 25m EW by 25m NS by 2m vertical with sub-cells of 12.5m by 12.5m by 0.5m. Cell size was based on 50% of the average drill hole spacing in the well drilled part of the deposit. • A previous estimate was completed in 2009 but has not been publicly reported. It is superseded due to the substantial drilling campaign completed in 2018. • No assumptions have been made regarding recovery of by-products. • An orientated ellipsoid search was used to select data and was based on drill hole spacing and the geometry of the mineralisation. • A search of 120m was used with a minimum of 10 samples and a maximum of 24 samples which resulted in 80% of blocks being estimated. Most of the remaining blocks were estimated with search radii of 240m with approximately 1% of blocks requiring a third pass where the minimum number of samples was reduced to 2. • Selective mining units were not modelled in the Mineral Resource model. The block size used in the model was based on drill sample spacing and deposit geometry. • Mineralisation was constrained by wireframes prepared using a 0.4% Ni grade envelope. In addition, a cobalt domain was wireframed using a 0.05% Co cut-off grade. • For validation, quantitative spatial comparison of block grades to assay grades was carried out using swath plots. • Global comparisons of drill hole and block model grades were also carried out.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The cut-off grades of 0.5% Ni or 0.05% Co reflect the likely minimum grades required to consider processing through a high-pressure acid leach (“HPAL”) or an atmospheric leach process which are both potential processing technologies applicable to nickel laterite deposits. • The shallow, flat-lying nature of the deposit suggests good potential for eventual exploitation if a viable project can be demonstrated with appropriate studies.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an*	• Based on comparison with similar deposits, the Mineral Resource is considered to have potential for economic treatment via a recognised processing route. • No mining parameters or modifying factors have been applied to the Mineral Resource.

Criteria	JORC Code explanation	Commentary
	explanation of the basis of the mining assumptions made.	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No metallurgical test work has been conducted at the project. Due to the similarities with the mineralisation at other operating or previously operating projects in Western Australia, it can be reasonably assumed that good recoveries can be achieved via HPAL processing or other leaching processes. • Metallurgical test work is planned.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• The area is on sparsely vegetated pastoral land in an unpopulated area. It is not known to be environmentally sensitive and there is no reason to think that proposals for development including the dumping of waste would not be approved if planning and permitting guidelines are followed.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• No bulk density measurements were available. • Bulk density values were assumed based on similar deposits in the region. • A value of 1.4t/m3 was applied to the laterite zones, and a value of 1.8t/m3 was applied to the Saprock zone. • Density test work is recommended as part of any future drilling at the project.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource was classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012). • The portion of the deposit defined by 50m spaced drill holes on 100m spaced cross sections displays good continuity of geology and grade and has been classified as Indicated Mineral Resource. • The remainder of the deposit has been defined by 50m spaced drilling on 200m spaced sections, displays reasonable continuity of geology and mineralisation and has been classified as Inferred Mineral Resource. • The results reflect the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The Mineral Resource estimate has been checked by an internal audit procedure.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or*	• The estimate utilised good estimation practices, high quality drilling, sampling and assay data. The extent and dimensions of the

Criteria	JORC Code explanation	Commentary
	procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	mineralisation are sufficiently defined by the detailed drilling. The deposit is considered to have been estimated with level of accuracy appropriate to the classification. • The Mineral Resource statement relates to global estimates of tonnes and grade. • There is no historic production data to compare with the Mineral Resource.