



March 2019 Quarterly Activities Report

Carnavale Resources Limited ("CAV" or "Carnavale") reports on activities completed during the quarter to 31 March 2019.

Kikagati Tin (Sn) Project, Uganda

- Large scale "Tier 1" tin potential defined 3,000m strike x 100m width x 900m down dip and remains open
- Coarse grained cassiterite (tin bearing mineral) associated with quartz veins intersected in drilling, results pending.
- Multiple stacked quartz veins hosted within a quartzite unit shows vein densities ranging from 14 to 22%, similar to surface mapping.
- 4 diamond holes for 870.5m completed during the quarter with overall total of 1,694m completed to date.
- Priority sample results expected in May 2019

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

- **New Mineral Resource Estimate (71% Indicated, 29 % Inferred)**
Total 14.6Mt @ 0.75% Ni and 0.049% Co for 110,000t Ni metal and 7,200t Co metal
- **Shallow High-Grade Ni-Co Domain (surface to 30m depth)**
Total 6.7Mt @ 0.95% Ni and 0.061% Co for 64,200t Ni metal and 4,100t Co metal
and includes a high grade Cobalt zone
Total 2.6Mt @ 0.86% Ni and 0.122% Co for 21,900t Ni metal and 3,100t Co metal
- Potential for simple open pit mining methods.
- Preliminary metallurgical test work underway.

Kikagati Tin (Sn) Project, Uganda (CAV earning 70%)

Diamond drilling continued during the quarter, with the drilling targeting bedrock mineralisation beneath the large scale (3.0km long x 100m wide) artisanal tin workings. The drilling programme aims to confirm the scale of the mineralised system, continuity along strike and down dip plus provide an indication of grade potential.

A total of 10 diamond core drill holes for a total of 1,694m have been completed at Kikagati, with 4 holes for 870.5m completed during the quarter. This drilling is the first ever known drilling and systematic modern exploration completed at Kikagati.

Geological mapping and logging of the diamond core defines an east dipping sequence of phyllite and quartzite units with a "ladder" of multiple and stacked west dipping quartz veins hosted within the quartzite units. The quartz veins continue to be selectively mined by the artisanal miners in shallow pits and shafts to an estimated 30m depth along the entire 3000m strike length.

Coarse grained cassiterite (tin bearing mineral) is observed in several holes, providing strong support of the high grade potential of the veins and a significant large scale tin system. The "ladder" of stacked quartz veins and associated tourmaline-muscovite alteration is best defined within the more competent quartzite unit(s). This extensive ladder network of veins continues from surface and

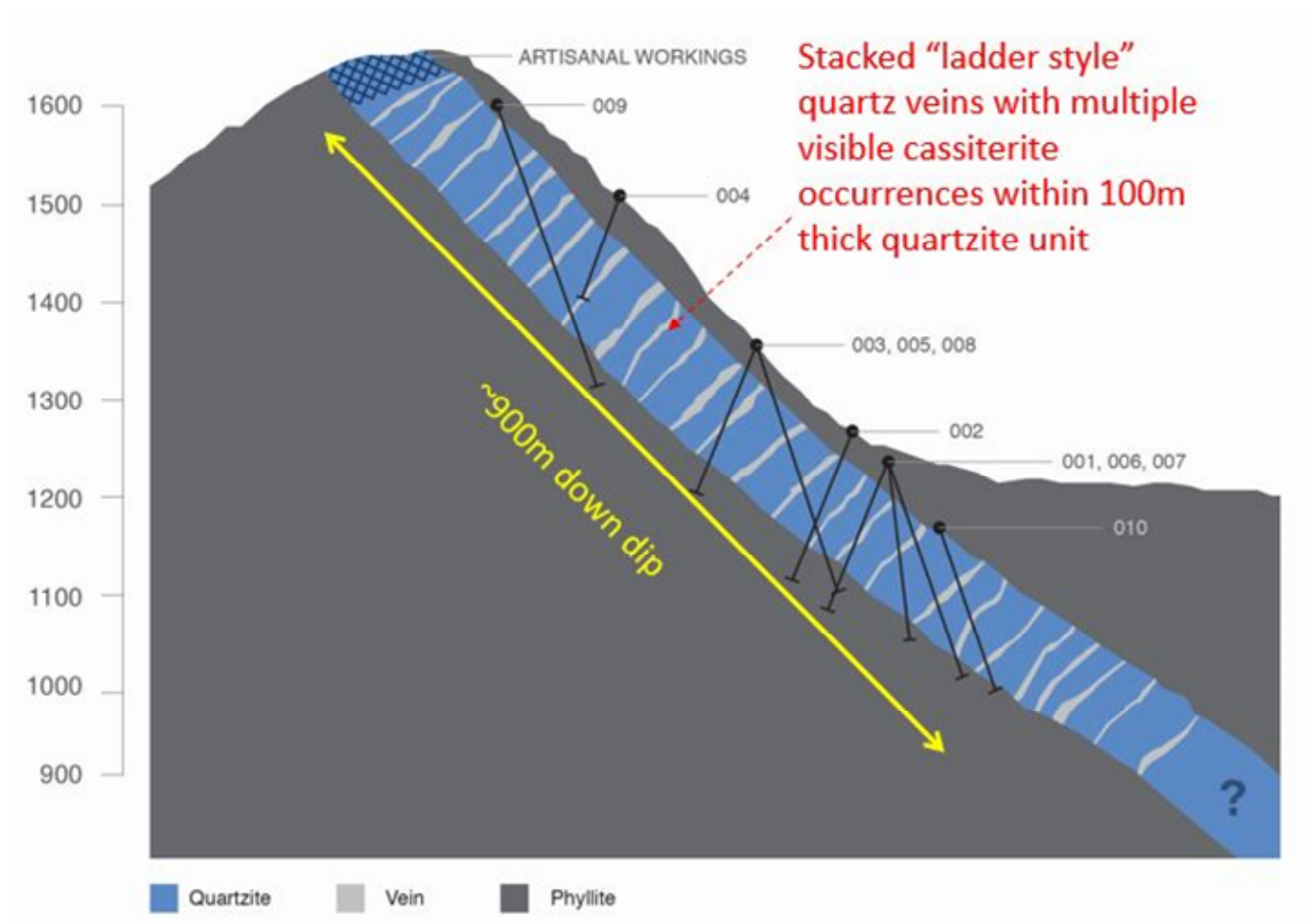


remains open at depth down dip beyond drilling limits and is interpreted to represent down dip potential of ~900m (Figure 1).

The quartz veining is currently interpreted to represent the potential resource volume as a portion within the quartzite unit. Current drill holes indicate the vein density ranges from 14-22% of the quartzite unit.

Priority drill results remain pending and are expected to be reported in May 2019. Subject to receiving positive priority results, additional systematic drill hole samples will be submitted for assay.

Figure 1 Composite schematic cross section illustrating the >900m down-dip mineralisation potential at Kikagati.



Grey Dam Co-Ni Project, Australia (CAV 100%)

At the Grey Dam Ni-Co deposit, results from earlier drilling undertaken by Carnavale during 2018 culminated in a new mineral resource estimate being completed during the quarter. The shallow flat lying deposit (<50m depth) represents a potential near term development opportunity subject to a suitable extraction process being determined.

The Grey Dam project (100%) was acquired in early 2018 and the new resource is based on 5,000m of infill and extensional RC drilling (85 holes) together with inter-laboratory check sampling and incorporates 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 has been completed at 100m x 50m hole spacing with selected 50m infill sections providing strong continuity to the mineralisation.



The new Total Mineral Resource (JORC 2012) is defined as:

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)

Figure 2 Nickel wireframe (0.4% Ni) looking NE

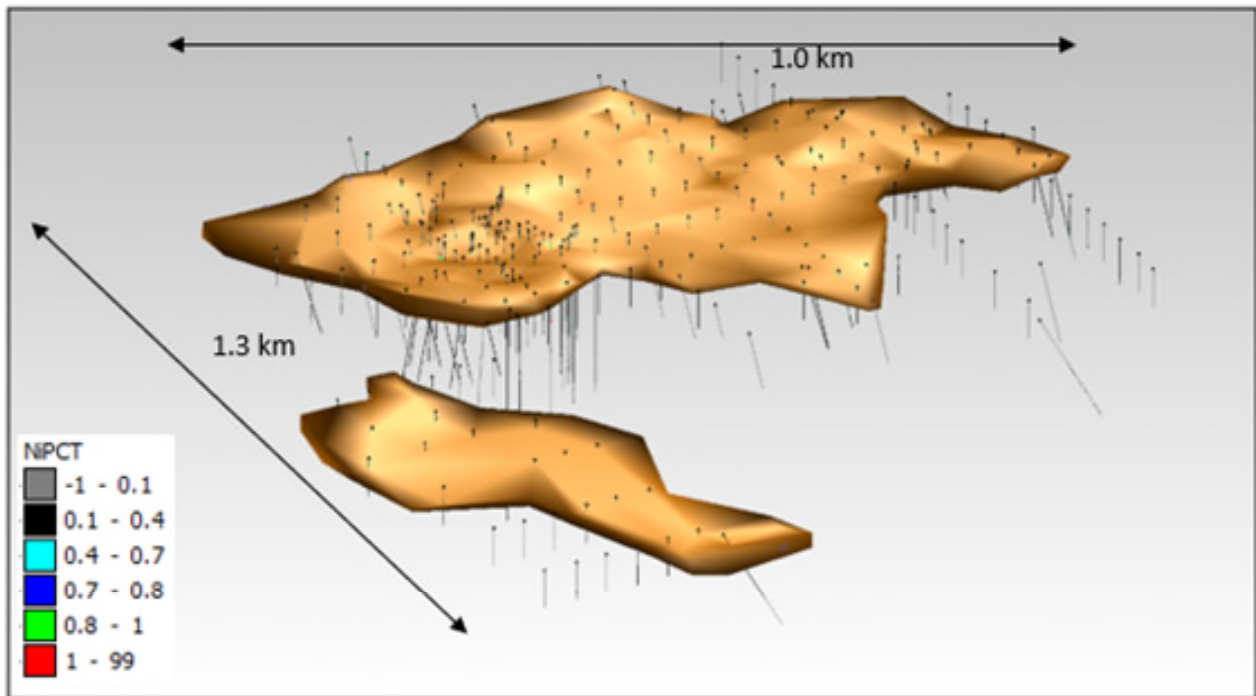
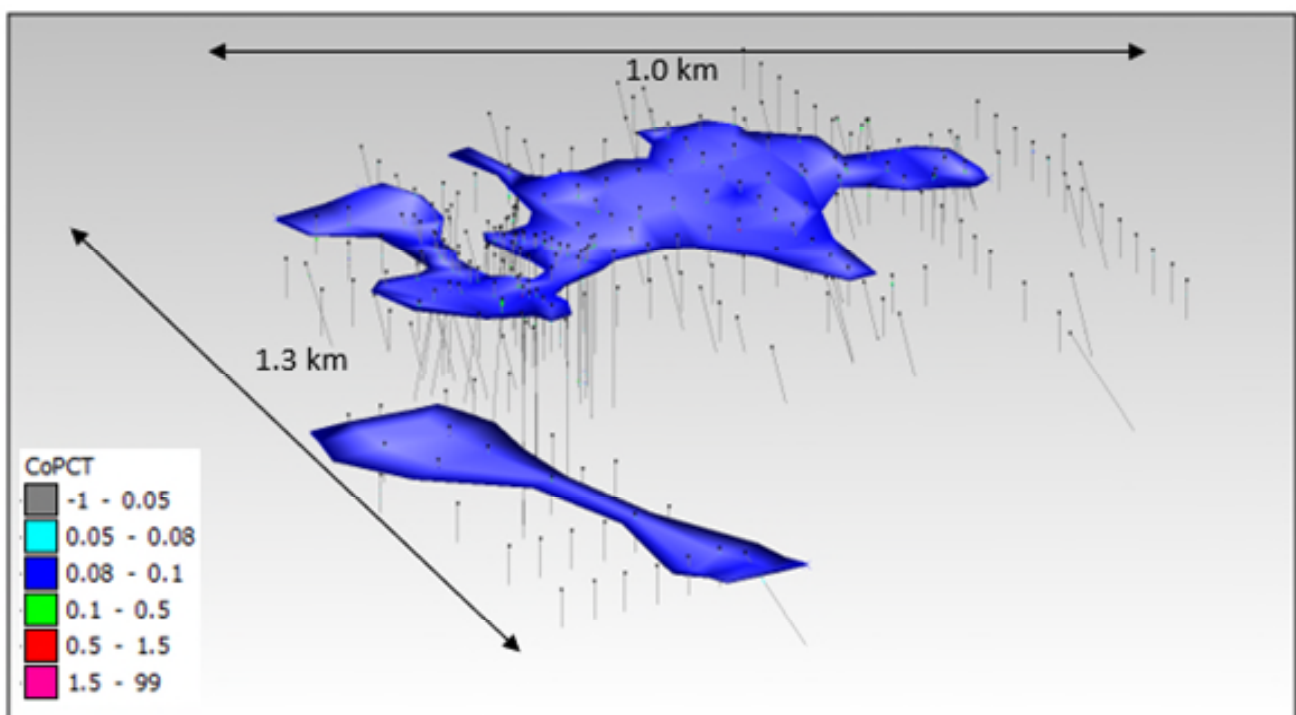


Figure 3 Cobalt wireframe (0.04% Co) looking NE





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

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)

Forward Plans

At Kikagati, the Company is awaiting the priority results of the recent diamond drilling. Subject to positive results, the intention is to finalise drilling prior to the end of May 2019 to earn 51% of the project.

At Grey Dam preliminary metallurgical test work is underway, initially focused on potential heap leach recoveries. Once results are received and assessed, further test work will be considered. Assessment of the deeper Ni-Co-Cu sulphide potential and gold potential continues and the planned EM survey is subject to contractor availability.

The Company also continues to assess new projects that can add value for shareholders. Focus remains on strategic minerals associated with the rapidly increasing demand within the electric battery sector and other new-age disruptive technologies, together with the gold and copper resource sector.

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Carnavale Competent Person Statement

The information in this report that relates to the exploration results is an accurate representation of the available data and studies for the project. This information has been assessed and reviewed by Mr. Andrew Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Beckwith is a director of Carnavale. Mr. Beckwith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr. Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Information in this report that relates to Mineral Resources is based on information compiled by Mr. Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Payne is a full-time employee of Payne Geological Services Pty Ltd. Mr. Payne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information relating to Previous Disclosure

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

- New Cobalt Acquisition in Western Australia dated 19 March 2018
- Carnavale to Acquire Large-Scale Tin Project, Uganda, dated 23 April 2018
- Carnavale advances Kikagati Tin project Uganda, dated 30 August 2018
- High grade Nickel-Cobalt defined at Grey Dam, dated 10 October 2018
- Cassiterite (tin mineral) observed in drilling, Uganda, dated 27 November 2018
- Extension to Option term for Kikagati Project, Uganda, dated 24 December 2018
- Grey Dam Ni-Co Mineral Resource Update, dated 26 February 2019
- Multiple visible cassiterite occurrences in drilling at the Kikagati Tin Project, Uganda dated 13 March 2019.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Statements regarding Carnavale Resources' plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Carnavale Resources' plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Carnavale Resources' will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Carnavale Resources' mineral properties.

**Appendix 1**

Carnavale Resources Limited (ASX: CAV) provides the following addendum in relation to additional information required by Listing Rule 5.3.3.

Schedule of Mining Tenements, Beneficial Interests and agreements

Held as at the end of the Quarter

Project/Location	Country	Tenement	Percentage held/earning
Grey Dam Project – Western Australia	Australia	M28/378 E28/1477	100%
Kikagati Project	Uganda	ML1433, EL1548, EL1380, EL 1771, EL1772, TN2577, TN2584	Earning up to 70%*

* Carnavale has the right to earn up to this level on expending the funds stated in the relevant agreement

Schedule of Mining Tenements, Beneficial Interests and agreements

Acquired during the Quarter

Project/Location	Country	Tenement	Percentage held/earning

Schedule of Mining Tenements, Beneficial Interests and agreements

Disposed of during the Quarter

Project/Location	Country	Tenement	Percentage held/earning