



Kookynie Gold Project – Second phase of Aircore Drilling commenced

Highlights

- The second phase of Aircore drilling of 5,800m has commenced at the Kookynie Gold Project, targeting multiple strong anomalies identified in the December 2020 drilling program.
- The Kookynie Gold Project is along strike and adjacent to Nex Metals Ltd (ASX: NME) and Metalicity Ltd.'s (ASX: MCT) high-grade Leipold, McTavish Cosmopolitan and Champion deposits, being successfully explored by MCT under an earn in agreement.
- The December drilling identified 3 areas of significant gold anomalism associated with intervals of gold mineralisation within the weathered rock profile, with strong prospectivity for additional mineralisation open along structural corridors. This drill program is following up on these anomalies.
- An updated interpretation has been used to design and plan this drilling program.

Carnavale Resources Limited (ASX: CAV) is pleased to advise that the Bostech Drilling crew has arrived on site (Figure 1) at the Kookynie Gold Project to drill a program of 116 holes for 5,800m of aircore. This program is following up on the positive results received from the Company's first round of aircore completed in December 2020.

The second phase of drilling at the Kookynie Gold Project is part of a systematic exploration approach employed by the Company targeting high grade gold mineralisation associated with structural corridors.

The current aircore program has been designed to test the extents and potential of the multiple gold anomalies and structural features identified in the first phase of aircore drilling completed in December.

The aircore drilling program completed in December 2020 identified three main areas of significant gold anomalism in the weathered rock profile (Figure 2) prospective for high grade gold mineralisation.

The strong gold anomalism detected in the weathered profile is anticipated to provide a vector to high-grade gold mineralisation similar to that hosted by the historic mines such as Cosmopolitan, Leipold, and McTavish. The second phase of aircore drilling has been designed to explore the limits of this anomalism in the weathered profile.

It is expected that the program will be completed over a period of three weeks, with the first results expected at the end of April.

Chairman Ron Gajewski commented:

"Carnavale continues to maintain the pace of exploration at the Kookynie Gold Project focusing in on new gold mineralisation. The first round of aircore drilling produced some strong gold anomalies within our prospective tenement package that we are delighted to be following up with extensional and infill aircore drilling."



Figure1, Bostech Drill rig at the Kookynie Gold Project

Exploration Drill Targets

The gold anomaly to the north of NME and MCT's McTavish tenement is characterized by a number of shallow old workings and pits. The recent aircore drilling intercepted high-grade gold mineralisation in weathered rock that included:

7m @ 1.89g/t Au from 14m in hole KAOC101 (inc. **4m @ 3.24g/t**) *ended in mineralisation.*

The soil geochemistry and the aeromagnetism indicate that the gold anomalism in this target area trends to the northeast of these intercepts. The area along strike to the northeast is untested by drilling and will be tested by the new aircore drilling program.

Immediately to the east of NME and MCT's McTavish tenement, Carnavale has discovered a gold anomaly with a strike length of over 1km. This anomaly is characterized by gold intercepts such as:

- o **2m @ 0.86g/t Au** from 52m in hole KAOC086
- o **4m @ 0.37g/t Au** from 62m and **6m @ 0.49g/t Au** from 70m in hole KAOC087
- o **8m @ 0.51g/t Au** from 18m in hole KAOC090
- o **2m @ 1.46g/t Au** from 22m and **6m @ 0.29g/t Au** from 54m in hole KAOC110

The initial wide spaced aircore drilling will be infilled and extended to the northeast by the current program of aircore drilling to define the extent of the gold mineralisation prior to RC drilling.

The third broad gold anomaly is in the northern part of the tenement package. The anomaly lies immediately south of NME and MCT's Champion deposit, along the same structural corridor. The Company's recent aircore drilling outlined a large gold anomaly in the saprolitic, weathered bedrock between 10 and 12m thick.

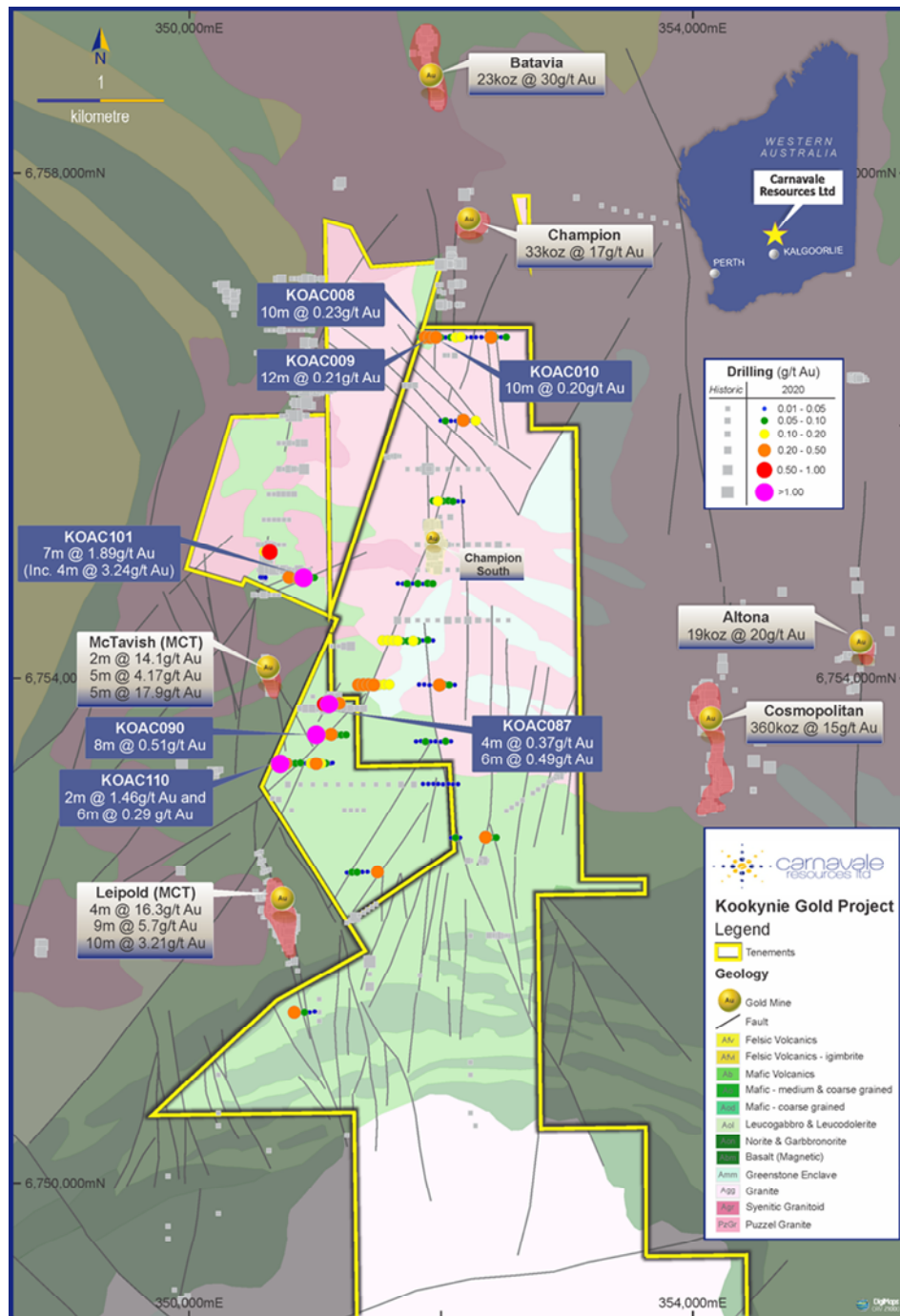


Figure 2, Carnavale tenement holding with production from historic deposits.

The anomaly was intercepted in 3 consecutive holes with a width of over 120m. It is interpreted that this represents a secondary supergene gold enrichment that has developed over a primary gold deposit. The current aircore program has been designed to explore the extents of this supergene enrichment as a vector to primary mineralisation. Significant broad intercepts included:

- o **10m @ 0.23g/t Au** from 34m in hole KAOC008
- o **12m @ 0.21g/t Au** from 30m in hole KAOC009
- o **10m @ 0.20g/t Au** from 26m in hole KAOC010

The structural corridor stretches for 1.8 kilometres under cover, south to Carnavale's Champion South Prospect. Carnavale is excited by these encouraging results and has commenced the follow up program targeting these high priority targets.

Permits in place

The Company completed an ethnographic heritage survey of the tenement package, in conjunction with the native title claimants, to ensure that any potential areas of cultural significance are not disturbed. The survey has found no areas that will impact on the Company's current exploration plans.

The program of work applications (PoW) for exploration at the Kookynie Gold Project have been approved by the DMIRS.

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

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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 a Consultant to Carnavale Resources Limited. Mr. Hale 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

Previously reported material Information relating to the Kookynie Gold Project includes:

Exploration

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