

ASX ANNOUNCEMENT

29th April 2021

March 2021 Quarterly Activities Report

Carnavale Resources Limited ("CAV", "Company" or "Carnavale") reports on activities completed during the March Quarter 2021.

Highlights

Exploration during the March quarter focused on the Kookynie Gold Project and the acquisition of the Barracuda PGE-Ni-Cu Project located in the Windimurra igneous complex of the Murchison district, Western Australia.

Kookynie Gold Project

- Results received for the initial aircore drilling program of 139 holes for 6,539m targeting structurally controlled, high-grade gold mineralisation identified 3 areas of anomalism to be followed up.
- Completed a second aircore drilling program of 117 holes for 5,967m following up on anomalism identified in the initial program. Significant high-grade intercepts included:

Hole KOAC210	2m @ 16.25g/t from 54m
	8m @ 0.90g/t from 70m <i>inc.</i> 4m @ 1.52g/t
	7m @ 0.32g/t from 81m
Hole KOAC209	2m @ 3.11g/t from 14m
Hole KOAC230	2m @ 2.27g/t from 50m
Hole KOAC216	4m @ 1.80g/t from 70m <i>inc.</i> 2m @ 3.40g/t
- Aircore drilling identified high-grade, structurally controlled gold mineralisation under cover.
- High-grade gold mineralisation was intersected at McTavish East over 500m and remains open to the northeast and at McTavish North over 160m and remains open to the north.

Acquisition of the Barracuda PGE-Ni-Cu Project

- Located in the fertile Windimurra mafic/ultramafic igneous complex
- Outcropping mineralisation on the contact between mafic (gabbroic) and olivine-rich ultramafic rocks assaying up to 8.27g/t platinum group elements ('4PGE').
- PGE-sulphide minerals identified by WA Geological Survey within the Project area.
- Site visit completed with sampling of the outcropping chromitite returning assay results including 3.45g/t 4PGE and 3.38g/t 4PGE.
- No ground electromagnetic ('EM') or Induced Polarisation ('IP') geophysical surveys ever conducted.

Chairman Ron Gajewski commented:

"Carnavale has had another busy quarter. We are delighted to have expanded and upgraded the high-grade gold anomalies at the Kookynie Gold Project and look forward to following these up soon with further drilling. In addition, we are pleased to have acquired a new project prospective for platinum group elements, nickel and copper, in line with our strategic objectives to explore for metals strategic to the burgeoning EV market."

The Kookynie Gold Project

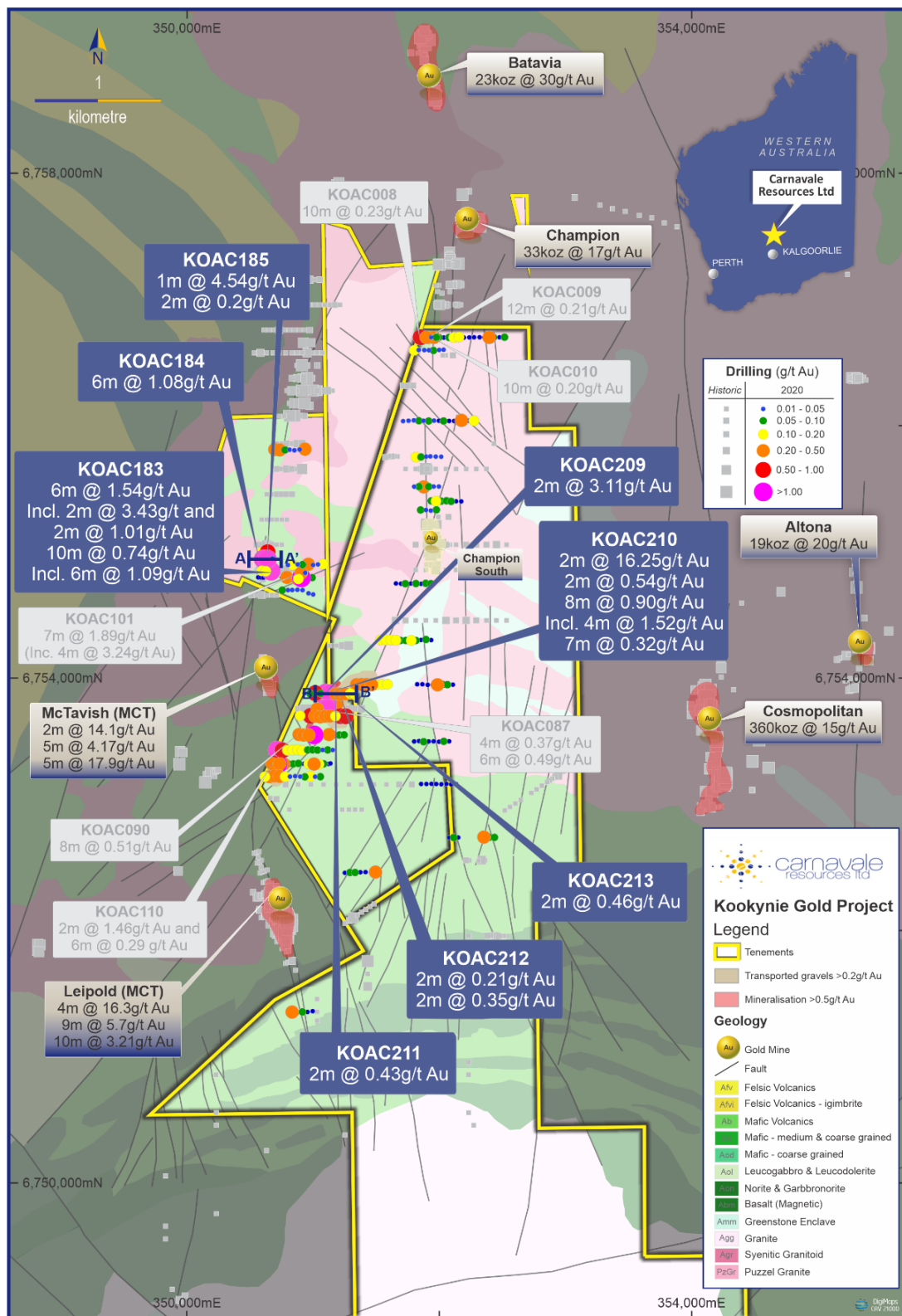


Figure 1, Carnavale tenement holdings with aircore drilling intercepts.

(The first round of aircore intercepts are in grey, the second round of aircore intercepts are in dark blue)

The Project is in the central portions of the historic Kookynie mining centre, which has produced over 650,000oz from high-grade gold lodes (Figure 1). Carnavale's strategy is to explore and define sufficient high-grade gold resources that can be mined and transported to a processing plant nearby.

Two types of gold mineralisation occur in the Kookynie area, high-grade gold associated with pyritic quartz veins hosted within north to northeast dipping structures crosscutting favourable lithologies and high-grade gold associated in fault zones within magnetic, differentiated fractions of the granite plutons.

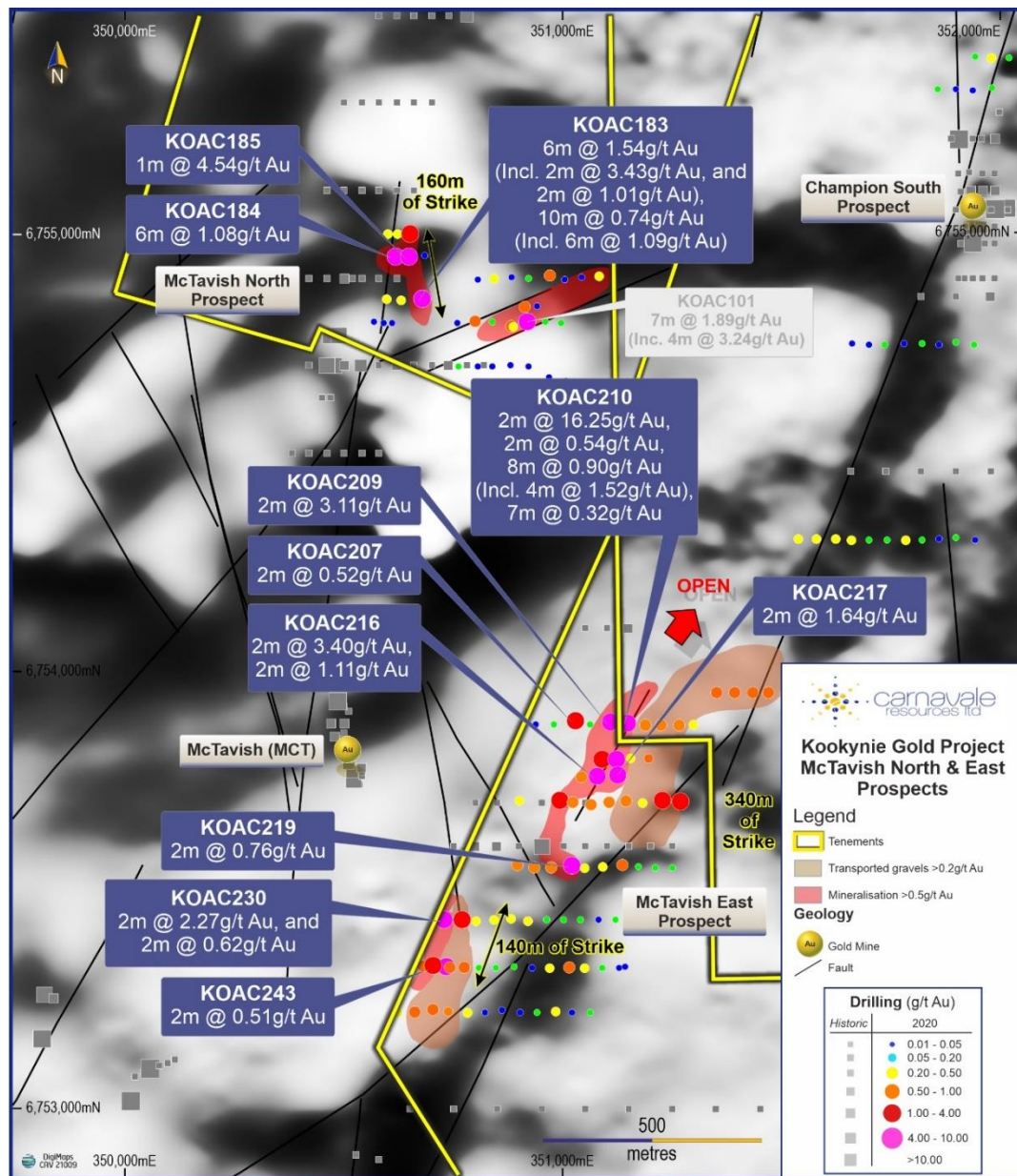


Figure 2, Plan of McTavish North and McTavish East mineralization over Aeromagnetic image

Aircore Drilling Programs

Bostech Drilling completed the initial 139 hole aircore drilling program, for 6,539m at Kookynie in December 2020. The aircore drilling identified three main areas of significant gold anomalism in the weathered rock profile with prospective gold mineralisation open along structural corridors. The aircore drilling was completed to blade refusal. Blade refusal, in this terrain, is reached at the fresh rock boundary.

Sampling was consistent in both drilling programs with samples taken on 2 metre composite intervals downhole, finishing with a 1 metre sample at the bottom of hole (BoH) in the freshest material. All samples were analysed for multi-element geochemistry and the BoH samples were also analysed for trace element geochemistry to help with further interpretation.

Bostech Drilling completed a second program of 117 aircore holes at Kookynie for 5,967m. This program tested the extents and potential of the multiple gold anomalies and structural features identified in the Company's first round of aircore drilling.

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

The drilling successfully used the strong gold anomalism detected in the first round of drilling as a vector to high-grade mineralisation, similar to that hosted by the historic mines such as Cosmopolitan, Leipold, and McTavish. The second phase of aircore drilling has also significantly expanded the footprint of this gold anomalism in the weathered profile.

Exploration results

McTavish East

Immediately to the east of NME and MCT's McTavish tenement (McTavish East), Carnavale discovered a gold anomaly, in the first round of aircore drilling, that had a strike length of over 500m (Figure 1). This initial anomaly is characterized by gold intercepts such as:

Hole KOAC086	2m @ 0.86g/t Au from 52m
Hole KOAC087	4m @ 0.37g/t Au from 62m
	6m @ 0.49g/t Au from 70m
Hole KOAC090	8m @ 0.51g/t Au from 18m
Hole KOAC110	2m @ 1.46g/t Au from 22m
	6m @ 0.29g/t Au from 54m

This anomaly was followed up with a second round of aircore drilling. The anomaly has been increased in size and tenor by the second round of drilling and remains open to the northeast (Figure 2). Significant high-grade intercepts include:

Hole KOAC210	2m @ 16.25g/t from 54m
	8m @ 0.90g/t from 70m <i>inc. 4m @ 1.52g/t</i>
	7m @ 0.32g/t from 81m
Hole KOAC209	2m @ 3.11g/t from 14m
Hole KOAC230	2m @ 2.27g/t from 50m
Hole KOAC216	4m @ 1.80g/t from 70m <i>inc. 2m @ 3.40g/t</i>
	2m @ 1.11g/t from 30m
Hole KOAC217	2m @ 1.64g/t from 54m

In the second phase the aircore drilling was extended along strike of the original anomaly to the northeast to expand the extent of the gold mineralisation prior to RC drilling. The second phase of aircore has successfully extended the mineralized zone by over 100m to the northeast and remains open (Figure 2).

The mineralisation at the McTavish East prospect is steeply dipping to the east and is structurally controlled by northeast striking structures that can be interpreted from the aeromagnetic images flown by Carnavale in late 2020. These mineralizing structures have been the subject of deeper weathering that can be seen

in the section through McTavish East (Figure 3). It is of note that intrusive, felsic porphyries have been logged within these structural zones, which may indicate that the mineralizing structures have been active for a long time.

Gold mineralization, interpreted to be of alluvial origin, has been identified near the surface at McTavish East within the transported material. It can be seen on the section (Figure 3) that the paleo surface slopes to the east and that the alluvial gold in the transported horizon lies to the east and downslope of the identified gold mineralization at depth. It is interpreted that the primary mineralisation identified by the aircore drilling, at depth, is the source of the transported gold to the east and downslope.

The transported gold has been plotted on plan (Figure 2) showing the relationship to the deeper primary mineralization. The transported gold mineralization extends to the northeast and to the east of the primary mineralization. This shallow gold anomalism in the transported material provides an additional pathfinder and vector for the deeper primary high-grade mineralisation.

It is notable that the upper regolith profile, over the primary gold mineralization, appears to be depleted in gold for the first few metres, with significant gold mineralisation identified in the lower saprolite.

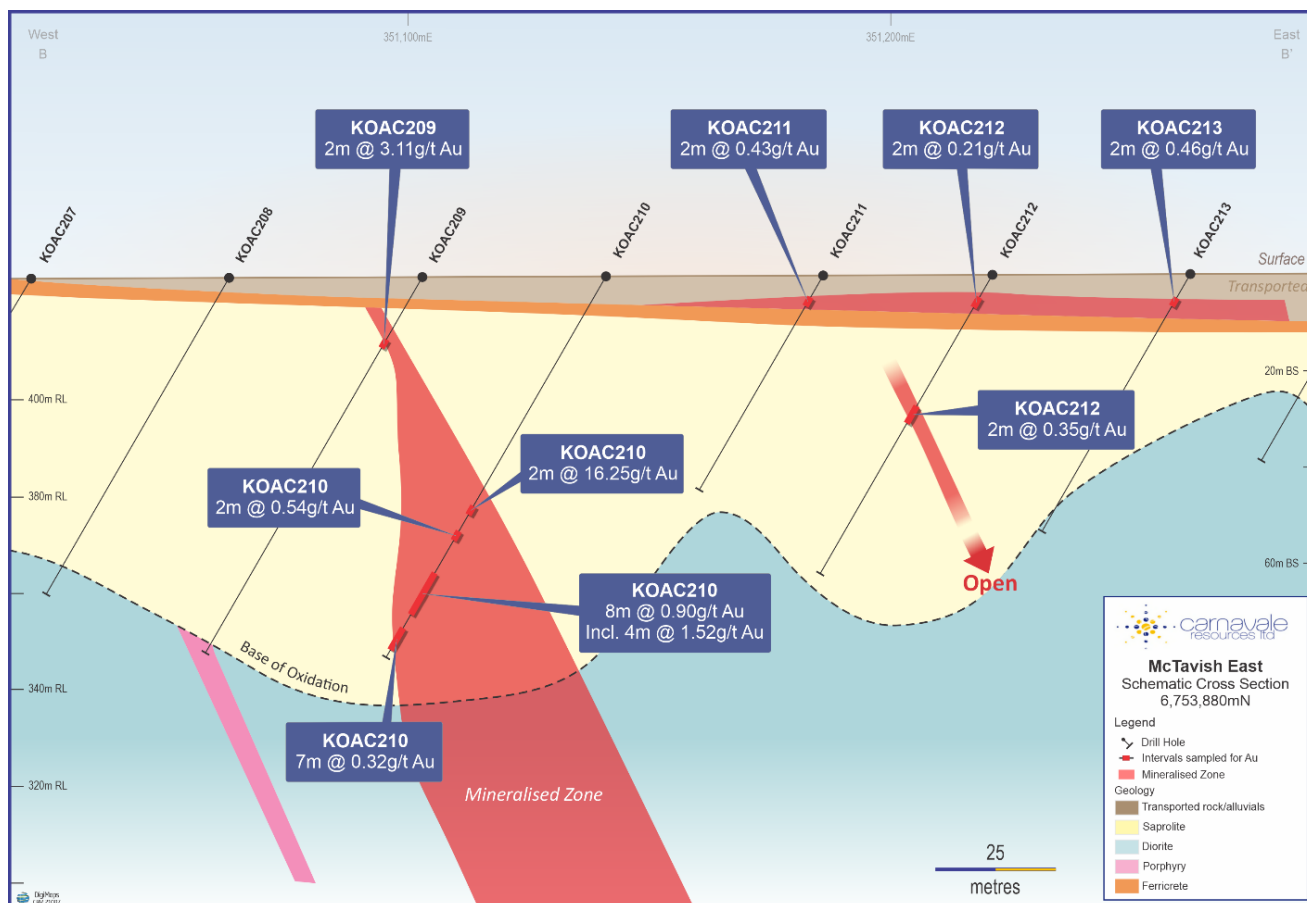


Figure 3, Section B-B' through McTavish East showing geology and mineralisation.

Primary gold mineralisation at McTavish East is found in northeast trending structures that have a deeper weathering profile and are characterized by an alluvial gold anomaly to the east. McTavish East remains open to the northeast for 2km.

McTavish North

The gold anomalies to the north of NME and MCT's McTavish tenement (McTavish North) are characterized by a number of shallow old workings and pits. The initial aircore drilling intercepted high-grade gold mineralisation in weathered rock that included (Figure 1):

Hole KOAC 101 **7m @ 1.89g/t** from 14m (**inc.4m @ 3.24g/t**) ended in mineralisation.

The soil geochemistry and the aeromagnetics indicate that the gold anomalism close to this intercept trends to the northeast. The second phase of aircore drilling intercepted additional high-grade gold mineralisation in weathered rock. Significant intercepts include:

Hole KOAC183 **6m @ 1.54g/t** from 2m **inc. 2m @ 3.43g/t** and **2m @ 1.01g/t**
10m @ 0.74g/t from 12m **inc. 6m @ 1.09g/t**
Hole KOAC184 **6m @ 1.08g/t** from 8m
Hole KOAC185 **1m @ 4.54g/t** from 31m

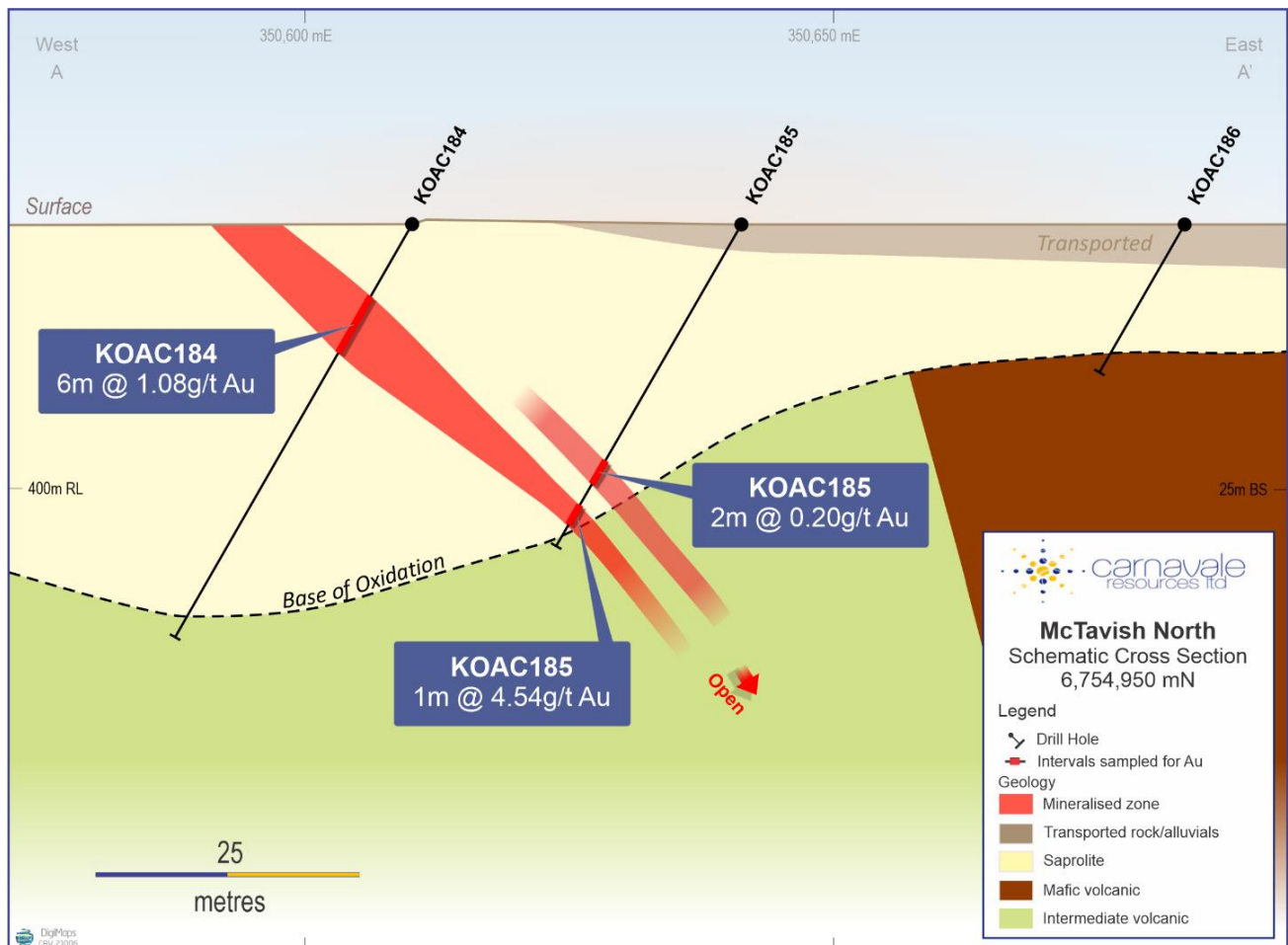


Figure 4, Section A-A' through McTavish North showing geology and mineralisation.

The McTavish North Prospect has abundant old workings and pits developed by historic miners that have not been tested by modern exploration techniques until now. Rock chips from around these old workings have returned gold assays that include **33.21g/t** and **9.93g/t**.

The recent aircore drilling has identified wide zones of gold mineralization in the regolith profile that provides a vector to potential high-grade mineralization at depth (Figure 4). The new zone identified by recent drilling strikes 160m to the north and remains open.

The primary gold mineralisation at McTavish North strikes to the north and northeast and remains open. The mineralized structures appear to dip to the east and are adjacent to the contact between the intermediate volcanics and the mafic volcanics (Figure 4). The high-grade gold is found within the saprock close to the fresh rock boundary indicating dispersion and depletion within the upper saprolite.

There have been two gold zones identified at McTavish North (Figure 2) that remain open to the north and northeast. Carnavale is excited to discover that the McTavish North Prospect appears to have multiple stacked gold bearing structures within each zone.

Exploration Strategy

CAV's proposed work program includes:

- Additional aircore drilling to define the extents of the new anomalies at McTavish East and McTavish North.
- Infill aircore drilling to outline the detail of the new anomalies.
- RC drilling for the bed rock source of these regolith anomalies.
- Interpretation of the multi-element geochemistry and drainage anomalies to provide further understanding of the morphology of the mineralising systems.

The Barracuda PGE-Ni-Cu Project

During the quarter Carnavale agreed to acquire 100% of the Barracuda Platinum-Palladium-Nickel-Copper (PGE-Ni-Cu) Project (granted license E58/551) located 60km east of the gold mining town of Mt Magnet in the Murchison district of Western Australia.

Outcropping PGE mineralisation assaying 8.27g/t PGE was discovered by Pancon in 1987 on the contact between mafic and olivine-rich ultramafic rocks. Subsequently, PGE-sulphide minerals were identified in the rocks by the Western Australia Geological Survey in 2016.

This highly prospective area has the potential to host substantial magmatic, mafic-ultramafic intrusion-related Pt-Pd-Ni-Cu sulphide deposits and has received no attention since Pancon drilled 1,811m of diamond and shallow (<100m) RC holes in 1988.

Platinum Pt	Palladium Pd	Rhodium Rh	Ruthenium Ru	4PGE	
g/t	g/t	g/t	g/t	g/t	Concentration
0.002	0.002	0.002	0.002	0.002	Detection limit
1.12	0.67	0.09	0.14	2.03	
1.58	1.50	0.15	0.16	3.39	
1.07	0.81	0.10	0.13	2.11	
1.60	1.52	0.15	0.18	3.45	

Table 1 CAV rock chip sample results detailing Platinum Group Elements.

CAV intends to apply the latest airborne EM technology to delineate conductors for drill testing as no ground-based electrical geophysical surveys (EM, IP) have ever been conducted within E58/551.

Carnavale geologists visited the Project in March and sampled the chromitite outcropping within the project area (figure 6 and 7) with assay results including 3.45g/t 4PGE and 3.39g/t 4PGE plus up to 12.55% chrome (Table 1).

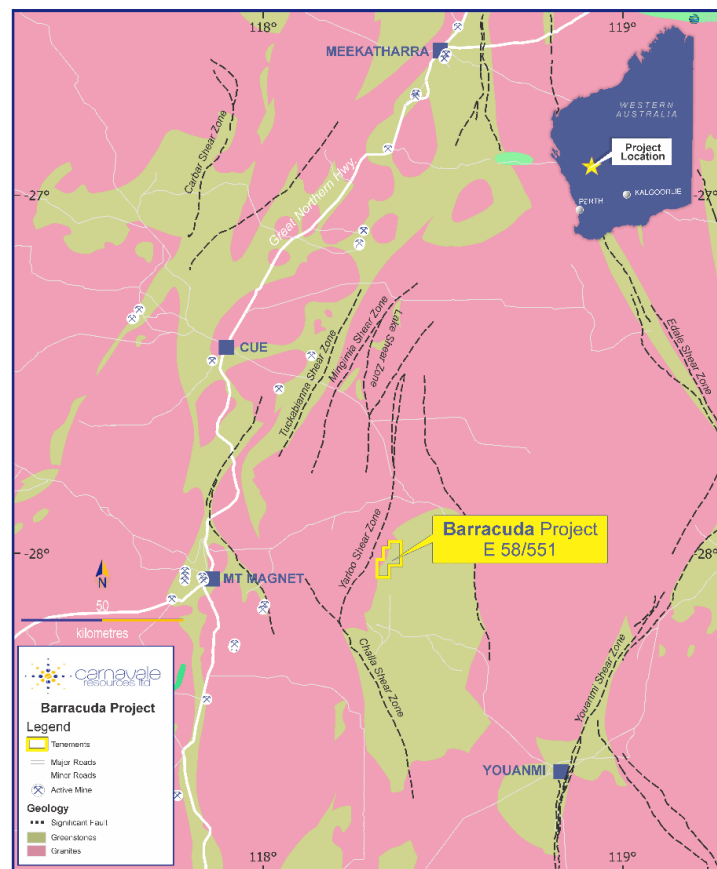


Figure 5, Location of E58/551 close to Mt Magnet in the Windimurra igneous complex

While this particular outcrop of PGE mineralisation is of limited area extent, it is highly significant, in that it conclusively demonstrates that basic and ultrabasic magmas (crystallising as mafic and ultramafic rocks) were interacting to concentrate PGE metals to potentially economic grades of PGE mineralisation.

Pancon’s drilling in 1988 intersected broad intervals (>20m) of olivine-bearing gabbroic rocks that contain anomalous copper (200 to 800ppm Cu), nickel (200 to 800ppm Ni) and platinum-palladium (100 to 500ppb Pt+Pd), which further highlights the fertility of the system, and a number of higher-grade intervals associated with magmatic sulphide were delineated by their limited drilling (Table 2).

No further holes were drilled and no further exploration for magmatic PGE-Ni-Cu sulphide has been conducted within the area since 1990. This highly prospective area has the potential to host substantial magmatic, mafic-ultramafic intrusion-related Pt-Pd-Ni-Cu sulphide deposits and has received no attention since Pancon drilled 1,811m of diamond and shallow (<100m) RC holes in 1988.

CAV intends to take a broader approach to evaluating this fertile intrusive sequence of mafic-ultramafic rocks by applying technologies that were not available to Pancon. CAV intends to apply the latest airborne EM technology to delineate conductors for drill testing that potentially represent either magmatic, hydrothermal or structural accumulations of Ni-Cu-PGE-rich sulphide mineralisation in this poorly explored and drilled terrain. No ground-based electrical geophysical surveys (EM, IP) have been conducted within E58/551.



Figure 6, Outcropping PGE mineralization at the Barracuda PGE-Ni-Cu Project.

Location: 634164E 6901306N, GDA-94 Zone 50

Hole No.	Interval (m)	Pt ppb	Pd ppb	Pt + Pd
WO-2	10-11	430	1200	1.63 g/t
WP-3	40-41	760	680	1.44 g/t
WP-12	20-21	215	580	795 ppb

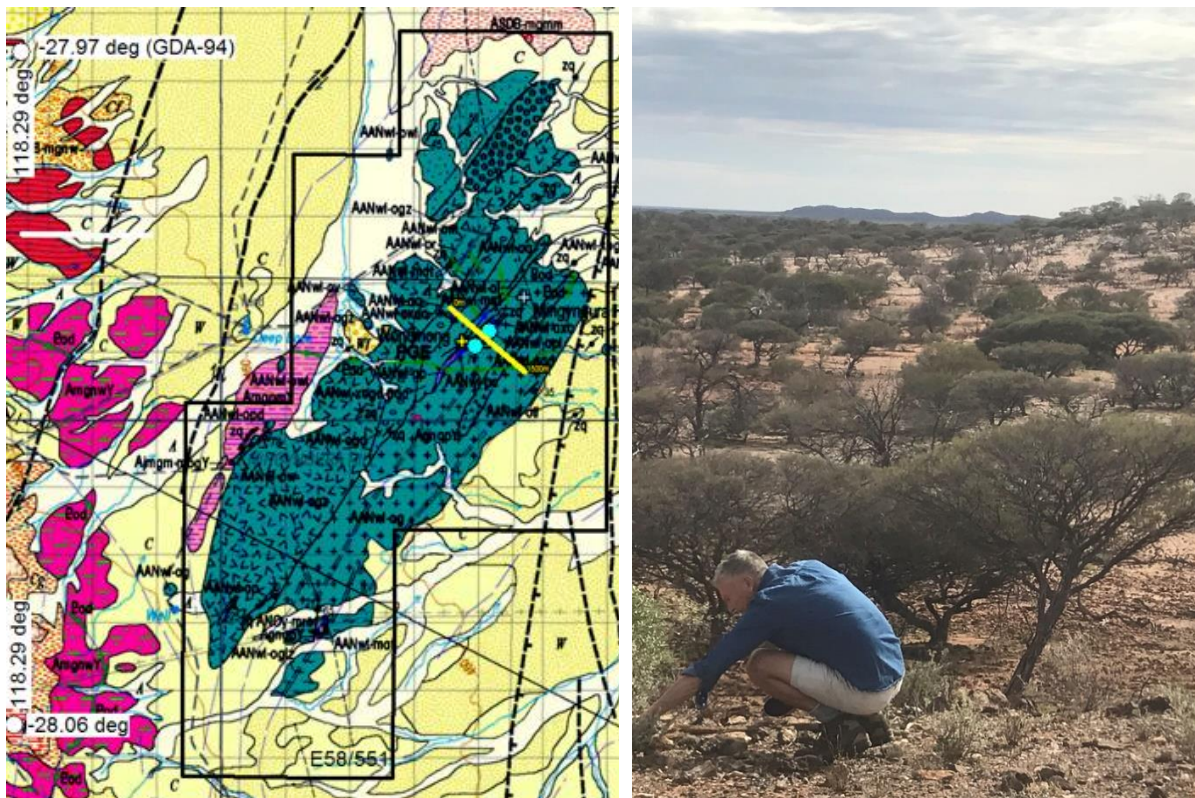
Table 2, Historic significant intercepts in Pancon drilling.

Metal prices for these elements are very strong with Rhodium at US\$26,000/oz, Palladium at US\$2,834/oz, Platinum at US\$1,214/oz. (Ref. from Kitco.com 28 April 2021) Ruthenium \$12,900/kg (Ref. Umicore Sales 27 April March 2021).

Exploration Strategy

CAV's proposed work program includes:

- Fly the Project area with airborne EM (used by Chalice Mining Limited (ASX: CHN) to define the Julimar PGE- Ni-Cu-Co-Au discovery).
- Digitally capture the Pancontinental soil geochemistry and contour the PGE, Ni, and Cu data to define metal-anomalous trends.
- Follow-up airborne EM anomalies with ground EM, with priority given to areas with established, coincident PGE-Cu-Ni soil anomalism.
- Drill-test targets subject to results.



PGE mineralisation within mafic complex as blue dots

View of Barracuda Project close to PGE rock chips

Figure 7, Geology and terrain within the Barracuda Project tenement area

Exploration at Ora Banda South, Grey Dam Nickel Sulphide and Mt Alexander Projects

Exploration commenced at the Ora Banda South Gold project during the quarter and subsequent to the end of the quarter CAV completed a program of soil sampling located over the residual soil profile targeting regolith gold in soil anomalies that have been created by structurally controlled bedrock gold mineralisation at depth.

Exploration for nickel sulphide mineralisation continues at the Grey Dam Nickel Sulphide Project. Subsequent to the end of the quarter, CAV commenced a program of soil sampling utilising the Ultra Fine Fraction (UFF) soil sampling and assaying technique that the Company has been working with the CSIRO to develop. The aim of the soil sampling program is to assist in the exploration for nickel sulphide mineralisation under cover.

No further exploration was undertaken at the Mt Alexander Ni-Cu-Pt-Pd Project as CAV has declined to exercise the option to acquire an interest in this tenement package.

Corporate

In March 2021, CAV paid a \$10,000 non-refundable deposit, with the balance of \$40,000 in cash and 20 million fully paid ordinary shares in CAV paid after the end of the quarter at settlement for the acquisition of the Barracuda PGE-Ni-Cu Project E58/551. In addition, CAV has granted a 0.5% Net Smelter Return royalty on minerals produced from the tenement.

In March 2021, CAV issued 300 million shares at an issue price of \$0.007 each to raise \$2.1 million to high net worth overseas, sophisticated and professional investors, comprising existing and new shareholders ("Placement") (before costs of raising). 150 million free attaching options (exercisable at \$0.01 on or before 31 July 2022) will be issued to the participants of the Placement, subject to shareholder approval at a general meeting of shareholders to be held on 7 May 2021.

Golden Triangle Capital Pty Ltd ('GTCap') was appointed as Lead Manager for the Placement. For managing the capital raising (including obtaining the firm commitments), GTCap received a 6% capital raising fee and subject to shareholder approval will receive 40 million unlisted options exercisable at \$0.01 each on or before 31 July 2022.

The Company had a cash position of \$4.169M as of 31 March 2021.

ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was \$356,000. 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 \$37,289 was paid to related parties during the quarter comprising consulting fees and Non-Executive Director fees. During the quarter, \$37,077 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:

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Chairman	Managing Geologist 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 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

Information relating to Exploration Results and Mineral Resources associated with previous disclosures relating to the Grey Dam Project, Ora Banda South Project, Kookynie Gold Project, and the Mt Alexander 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, 19th April 2021

Carnavale to acquire the Barracuda PGE-Ni-Cu Project in Western Australia and Placement to raise \$2.22M, 11 March 2021

Up to 3.45g/t 4PGE in rock chips from Barracuda PGE-Ni-Cu Project initial field trip, 6 March 2021*

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

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%
		E28/2587	Earning up to 80%
		E28/2567	Earning up to 80%
		E28/2682	Earning up to 80%
		E28/2760	Earning up to 80%
		E28/2506	Earning up to 80%
Barracuda Project, WA	Australia	E58/551	100%
Kookynie Gold Project, WA	Australia	E40/1480	100%
		E40/355	Earning up to 80%
		P40/1380	Earning Up to 80%
		P40/1381	Earning up to 80%
		E40/394	100%
Ora Banda South, WA	Australia	P16/3081	Earning up to 80%
		P16/3082	Earning up to 80%
		P16/3077	Earning up to 80%
		P16/3000	Earning up to 80%
		P16/3001	Earning up to 80%
		P24/5274	Earning up to 80%
		P24/5275	Earning up to 80%
		P24/5276	Earning up to 80%
		P24/5277	Earning up to 80%
		P24/5278	Earning up to 80%
		P24/5279	Earning up to 80%
		P24/5280	Earning up to 80%
		P24/5281	Earning up to 80%
		P24/5282	Earning up to 80%

* Carnavale has the right to earn up to this level on expending the funds and payments stated in the relevant agreements.

Schedule of Mining Tenements, Beneficial Interests and agreements

Acquired during the Quarter

Project/Location	Country	Tenement	Percentage held/earning
Barracuda Project, WA	Australia	E58/551	100%

Schedule of Mining Tenements, Beneficial Interests and agreements

Disposed of during the Quarter

Project/Location	Country	Tenement	Percentage held/earning
Mt Alexander Project, WA	Australia	E29/960 E29/961 P29/2356	nil