

ASX ANNOUNCEMENT**11th May 2021**

Aircore continues at Kookynie targeting high-grade gold.

Highlights

- The third phase of Aircore drilling of 7,300m has commenced at the Kookynie Gold Project, targeting the high-grade gold targets identified in the March 2021 drilling program.
- Previous aircore drilling has identified high-grade, structurally controlled gold mineralisation in regolith, under cover at
 - McTavish East with a strike length of over 500m that remains open to the northeast. High-grade Intercepts included.
 - Hole KOAC210 **2m @ 16.25g/t** from 54m
 - Hole KOAC209 **2m @ 3.11g/t** from 14m
 - Hole KOAC230 **2m @ 2.27g/t** from 50m
 - Hole KOAC216 **2m @ 3.40g/t** from 70m
 - McTavish North over 160m of strike and remains open to the North. High grade intercepts included.
 - Hole KOAC183 **2m @ 3.43g/t** from 2m
 - Hole KOAC185 **1m @ 4.54g/t** from 31m
 - Hole KOAC 101 **4m @ 3.24g/t** from 14m (ended in mineralisation)
- The March aircore drilling followed up on the initial program in December 2020 and expanded two areas of significant high-grade gold anomalism within the weathered rock profile, with evidence of additional mineralisation open along structural corridors.
- The current drill program is following up on these anomalies with close spaced aircore designed to define the anomalies sufficient for RC drilling.
- 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.

Chairman Ron Gajewski commented:

"The Company is excited about this round of aircore drilling at the Kookynie Gold Project. The earlier aircore drilling produced some strong high-grade gold anomalies that warrant immediate follow up. We are targeting these high grade intercepts with infill and extensional aircore drilling that will provide definition to the gold mineralisation prior to RC drilling into bedrock."

The third phase of aircore has been designed to infill areas of identified gold anomalism and prove the extents and potential of the multiple gold anomalies and structural features identified in the first and second phases of aircore drilling.



Figure1, Bostech Drill rig at the Kookynie Gold Project

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 2). 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.

Aircore Drilling Programs

Bostech Drilling has completed 2 programs of aircore drilling at Kookynie consisting of 256 holes for 12,506m. The aircore drilling identified multiple gold anomalies and structural features in the weathered rock profile with prospective gold mineralisation open along structural corridors. The drilling successfully used the strong gold anomalism 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 significantly expanded the footprint of this gold anomalism in the weathered profile.

The third phase of aircore drilling has been designed to infill the areas of known anomalism at McTavish East, McTavish North and Champion South (Figure 4) that contain high-grade gold intercepts and explore the limits of this anomalism in the weathered profile.

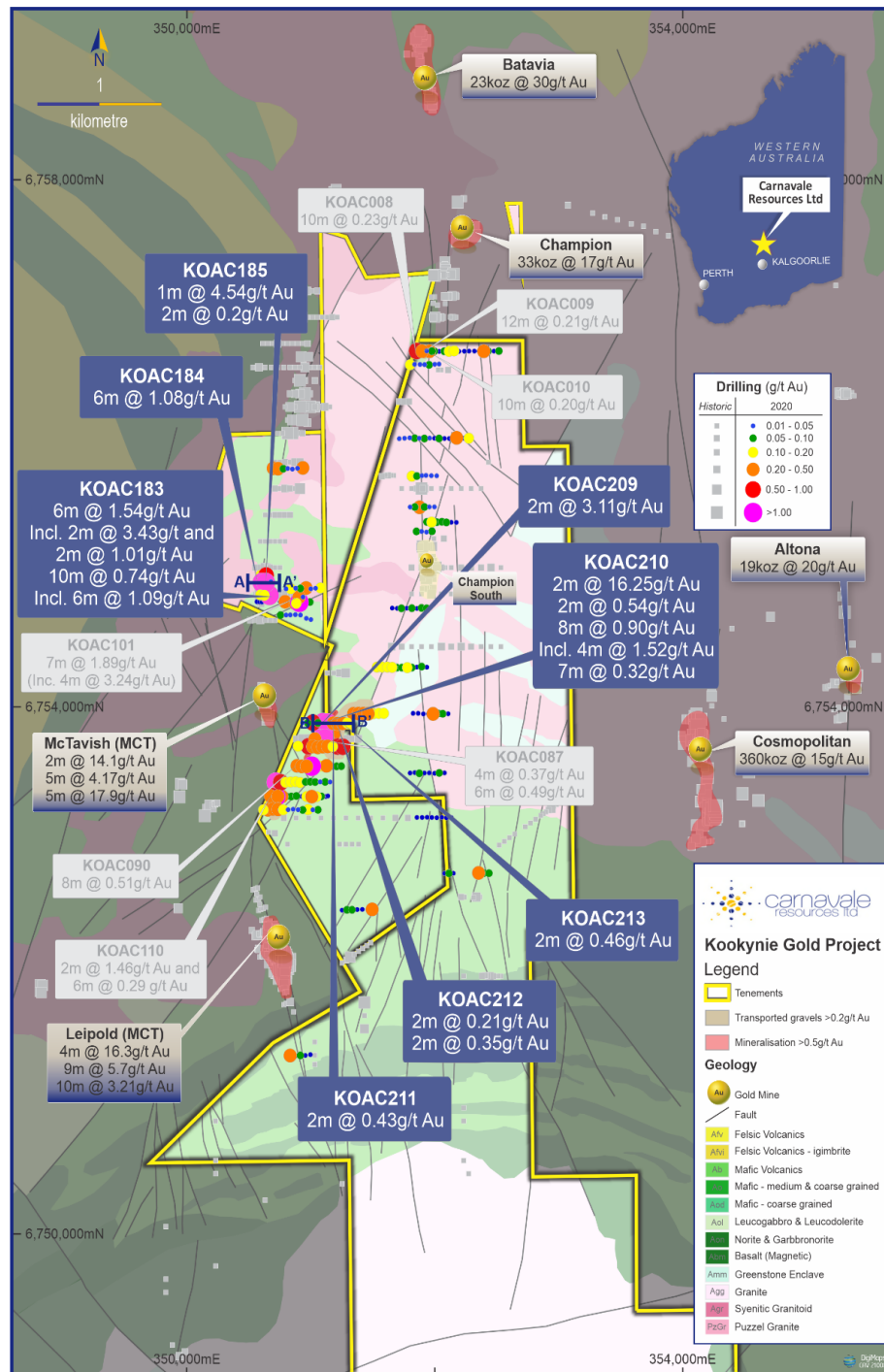


Figure 2, Carnavale tenement holdings with aircore drilling intercepts.

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

It is expected that the program will be completed over a period of three weeks, with the first results expected at the end of June 2021.

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 2). This initial anomaly is characterized by gold intercepts such as:

Hole KOAC086 **2m @ 0.86g/t** from 52m

Hole KOAC087 **4m @ 0.37g/t** from 62m
6m @ 0.49g/t from 70m

Hole KOAC090 **8m @ 0.51g/t** from 18m

Hole KOAC110 **2m @ 1.46g/t** from 22m
6m @ 0.29g/t 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 4). Significant high-grade intercepts include:

Hole KOAC210 **2m @ 16.25g/t** from 54m
8m @ 0.90g/t from 70m (inc. **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 (inc. **2m @ 3.40g/t**)
2m @ 1.11g/t from 30m

Hole KOAC217 **2m @ 1.64g/t** from 54m

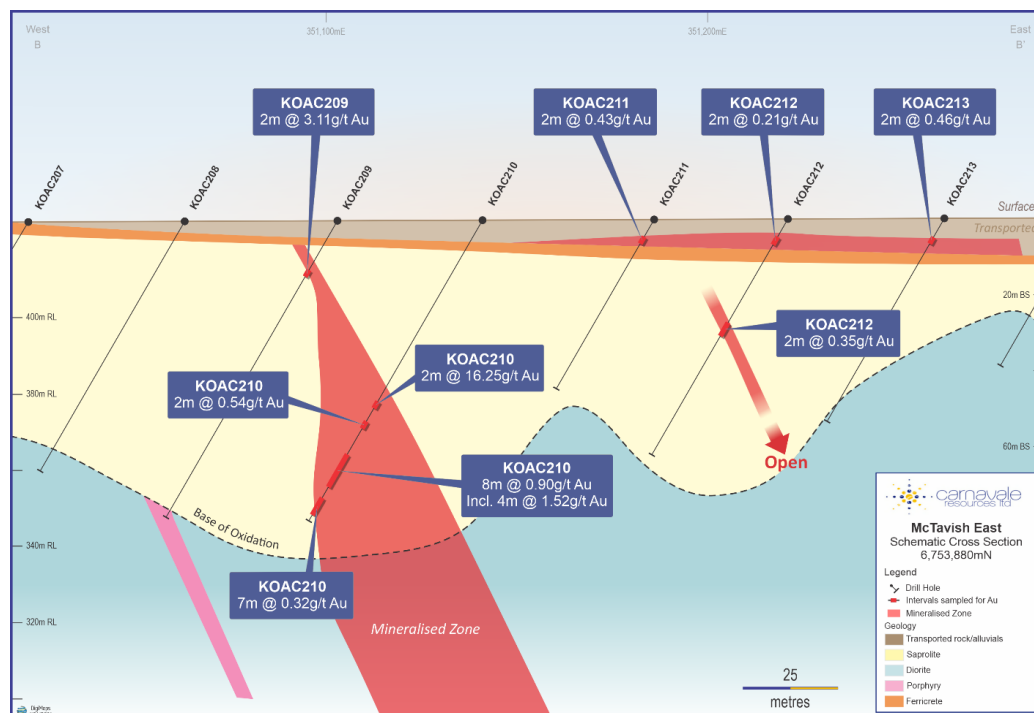


Figure 3, Section B-B' through McTavish East showing geology and mineralisation.

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. The second phase of aircore has successfully extended the mineralized zone by over 100m to the northeast and remains open (Figure 4). Carnavale will infill this area and drill along strike to define the anomaly prior to RC drilling.

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.

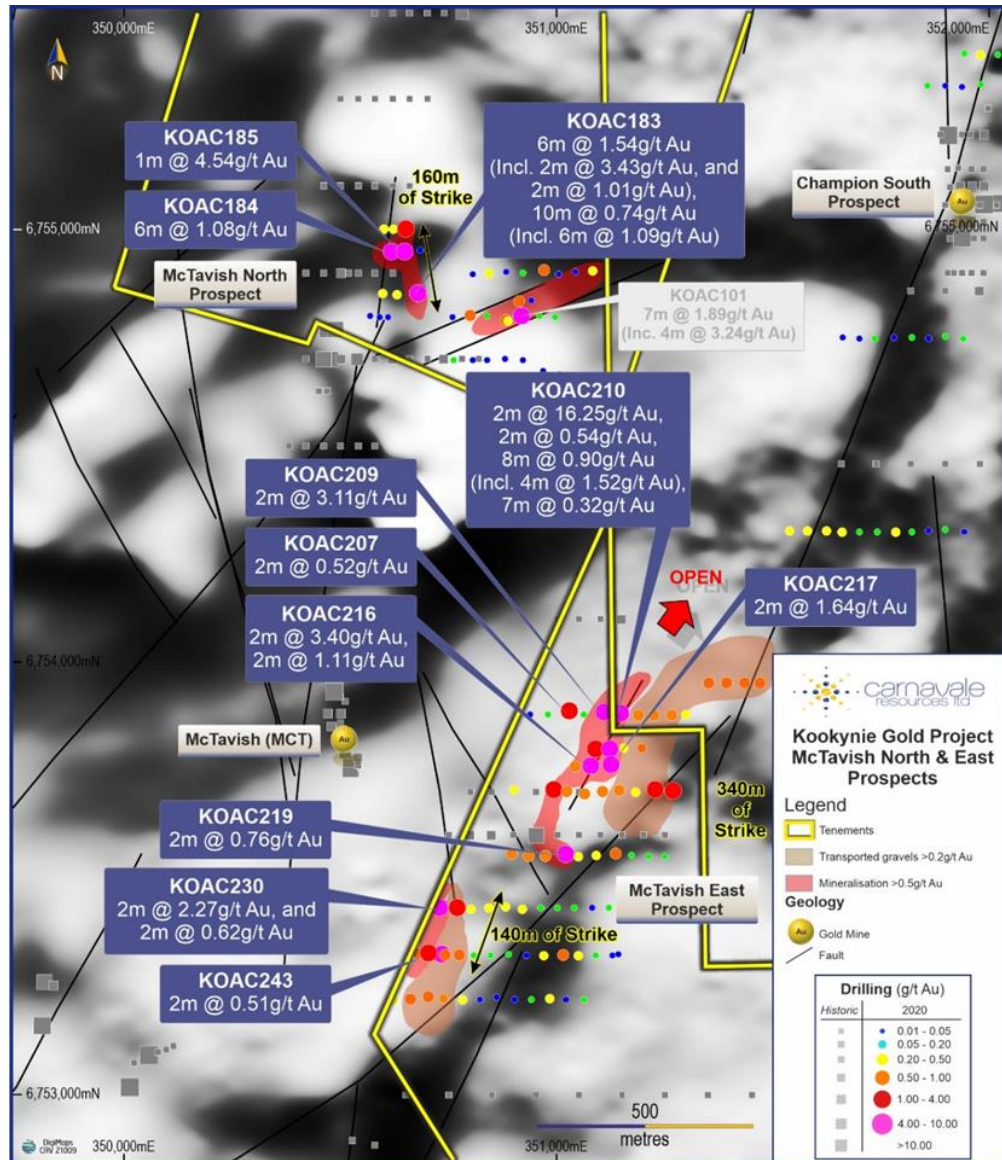


Figure 4, Plan of McTavish North and McTavish East mineralization over Aeromagnetic image

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 4) 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 4) 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.

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.

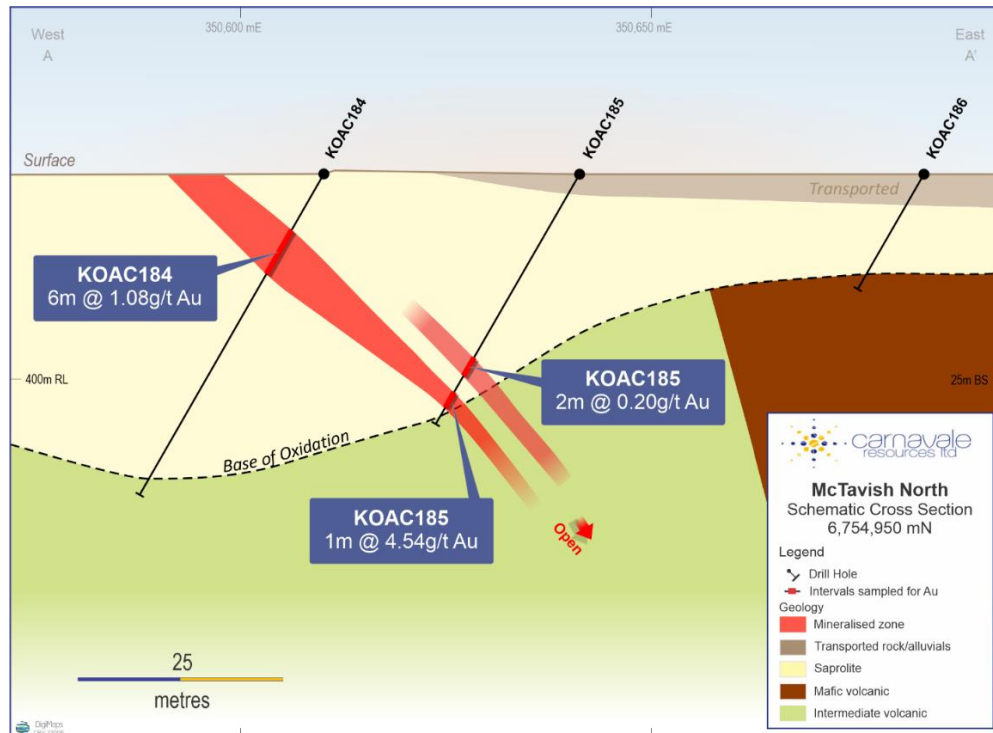


Figure 5, Section A-A' through McTavish North showing geology and mineralisation.

McTavish North

The gold anomalies to the north of NME and MCT's McTavish tenement (McTavish North) are characterized by several shallow old workings and pits. The initial aircore drilling intercepted high-grade gold mineralisation in weathered rock that included (Figure 2):

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

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 5). The new zone identified by recent drilling strikes 160m to the north and remains open. In the current aircore program this anomalism will be infilled by detailed drilling to define the McTavish North anomalies prior to RC drill testing.

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 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.

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

High grade Gold discovered at Kookynie Gold Project – 19 April 2021