

ASX ANNOUNCEMENT

2nd Sept 2021

Initial Aircore drilling commenced at the Ora Banda South Gold Project



Figure 1, Prospect drilling onsite at Ora Banda South Gold Project

Highlights

- ✦ +10,000m aircore program underway at the Ora Banda South Gold Project targeting structurally controlled gold mineralisation under cover.
- ✦ Analogous geological setting target to the +2.5Moz @ +4g/t Invincible Gold Mine¹, discovered by Gold Fields Limited near Kambalda in 2012.
- ✦ 15km long tenement package with anomalous gold in soil and auger along the Carnage Shear Zone.
- ✦ CAV Soil sampling confirmed historic gold anomalies and identified multiple additional +50ppb gold in soil anomalies coincident with arsenic in soil anomalies.
- ✦ Significant shallow bedrock gold results from limited aircore and RAB drilling completed by previous explorers see *ASX Release - Carnavale Bolsters Gold Portfolio with New Acquisition Ora Banda South - 5 October 2020*:

CEO Humphrey Hale commented:

“We are excited to have started CAV’s first aircore drilling at Ora Banda this week. This initial aircore program of 10,000m follows up on the gold anomalies outlined in the recent CAV soil sampling program and the positive shallow bedrock gold results from the limited historic drilling. It is our view that the Ora Banda South Project has the potential to host a significant gold deposit along 15km of the Carnage Shear Zone within the tenement package. The Project is very under explored with a geological setting analogous to the +2.5Moz @ +4g/t Invincible deposit at St Ives.”

¹ <https://www.goldfields.com/pdf/investors/integrated-annual-reports/2020/mmr-2020.pdf>

Carnavale Resources Limited (ASX: CAV) is pleased to advise it has commenced an aircore drilling program consisting of approximately 10,000m designed to test for structurally controlled gold at the Ora Banda South Project (“OBSP”, “Project”), which covers an area of approximately 25km², located 65km northwest of Kalgoorlie in the Yilgarn Craton, Western Australia (Figure 3).

CAV Exploration

Exploration by CAV to date has included a program of soil sampling that followed a review of existing and publicly available geophysical aeromagnetic surveys to define stratigraphic and structural target zones that have the potential to host gold mineralisation.

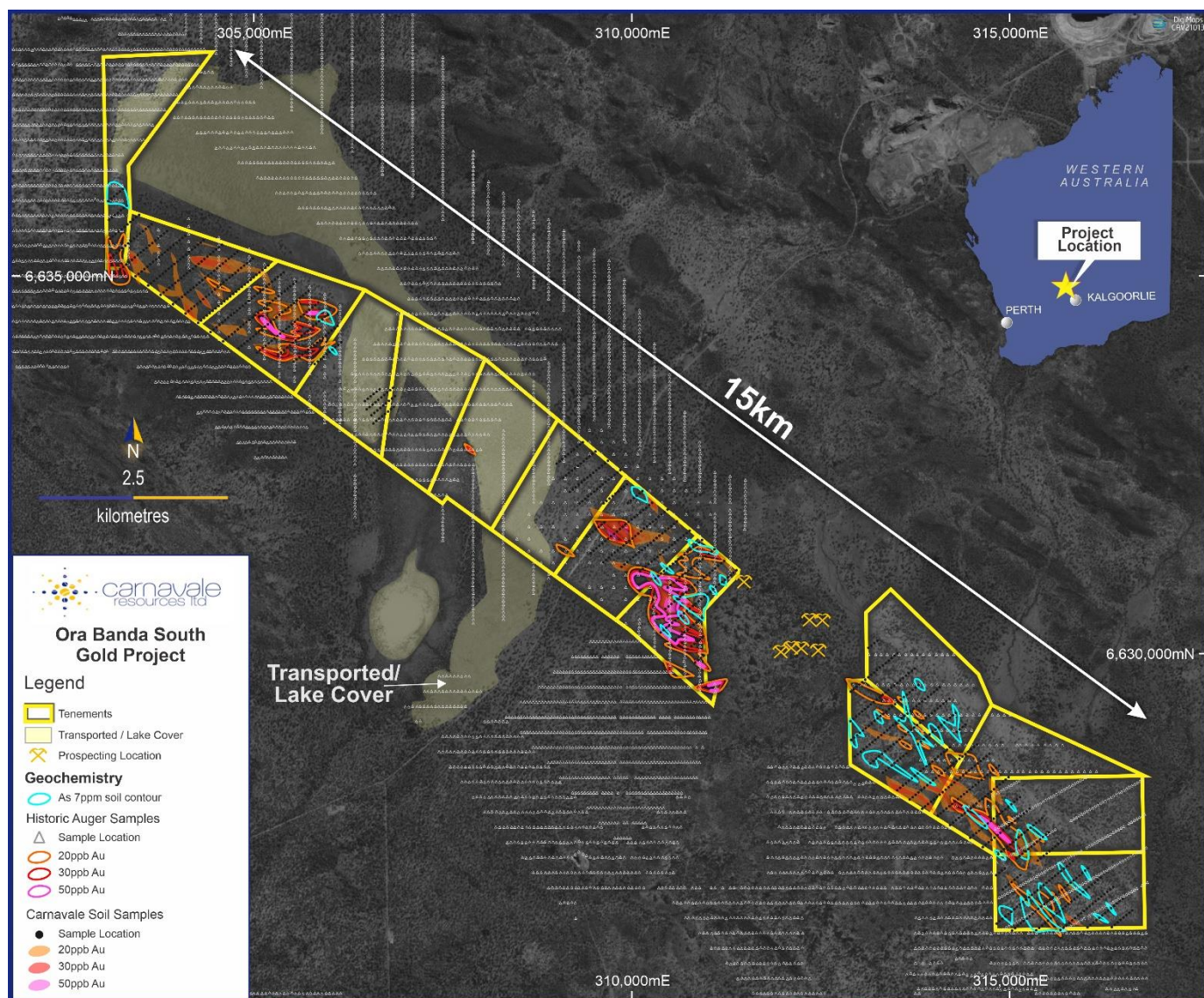


Figure 2, CAV tenure in yellow and soil sampling overlain with historic anomalies that show a 15km long mineralised trend

CAV has validated and extended known gold occurrences in drilling and soil zones to define new targets for drilling.

As a result of this work, the Company undertook a soil sampling program of approximately 1,100 soil samples on a nominal 50m x 200m grid covering the residual soil profile along the Carnage Shear Zone as defined by Sentinel and aeromagnetic imagery (Figure 2). This comprehensive soil sampling program has identified drill targets and has defined the scale of the anomalism present within the tenement package. The assay results have been contoured at 20ppb, 30ppb and 50ppb cutoffs and are shown in figure 2 along with the historic work. CAV samples were analysed for low level gold and multi elements to assist in the interpretation of the potential mineralisation that might be present.

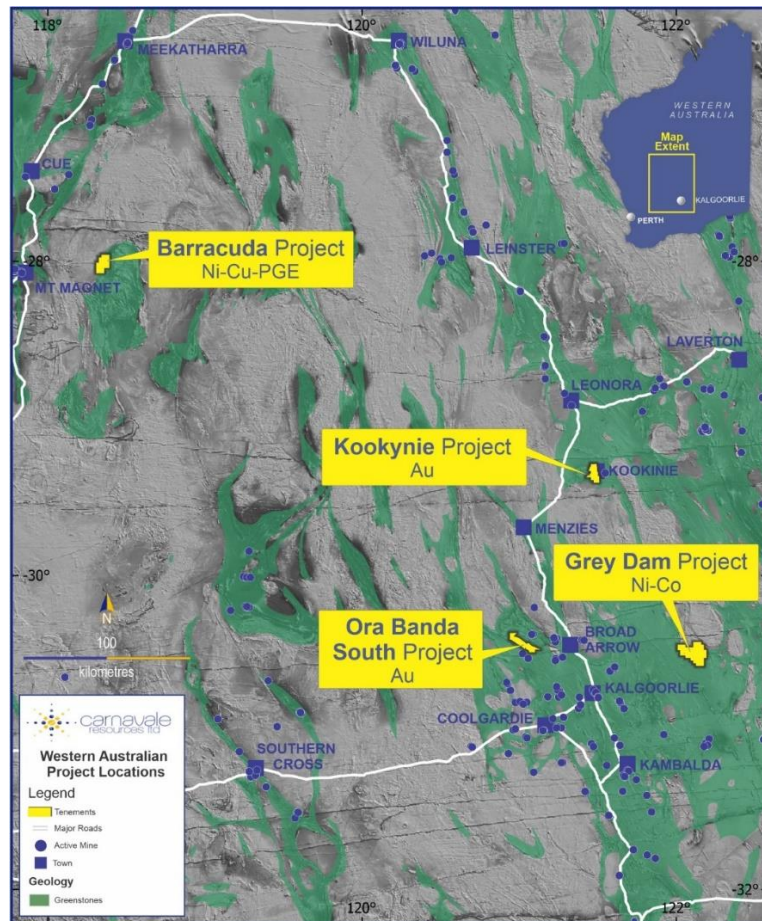


Figure 3 - Location of Carnavale's Ora Banda South Gold Project

CAV has identified multiple coherent +50ppb anomalies within broader +20ppb anomalous zones that are coincident with the historic work, as well as additional gold anomalies identified in the northern tenement areas. In addition to the extensive gold anomalism, CAV also identified abundant associated arsenic anomalism highlighted in blue (Figure 2) that is commonly associated with gold bearing mineralising fluids. These anomalies will be tested during this program of aircore drilling.

Soil sampling was not undertaken in the area defined as transported cover in figure 2, as the sampling would have been ineffective, this area will be tested by aircore during this program of drilling.

It is notable that the area between the CAV tenements, held by a prospector, has been worked for gold over many years by surface workings and a shaft. This area is considered by CAV to be part of the anomalous gold zone. Historic pits are shown on figure 2 by the pick and shovel symbol. These new and historic gold anomalies including the presence of the historic pits have confirmed the fertility of the geological setting and has encouraged CAV to further progress exploration at OBSP.

CAV's current aircore drilling program is targeting gold anomalies interpreted to be created by structurally controlled bedrock gold mineralisation associated with the Carnage shear structure within the sedimentary sequence.

Ora Banda South Project Prospectivity

The Ora Banda region is well endowed with gold, with numerous mines to be found in the local area. The OSBP is surrounded by the significant historic mines of Ora Banda, Siberia, Bullant, Mt Pleasant, Cashmans and Lady Bountiful within 15km of the project (Figure 4). Much of the tenement package is concealed by shallow recent transported cover, which has hindered previous explorers.

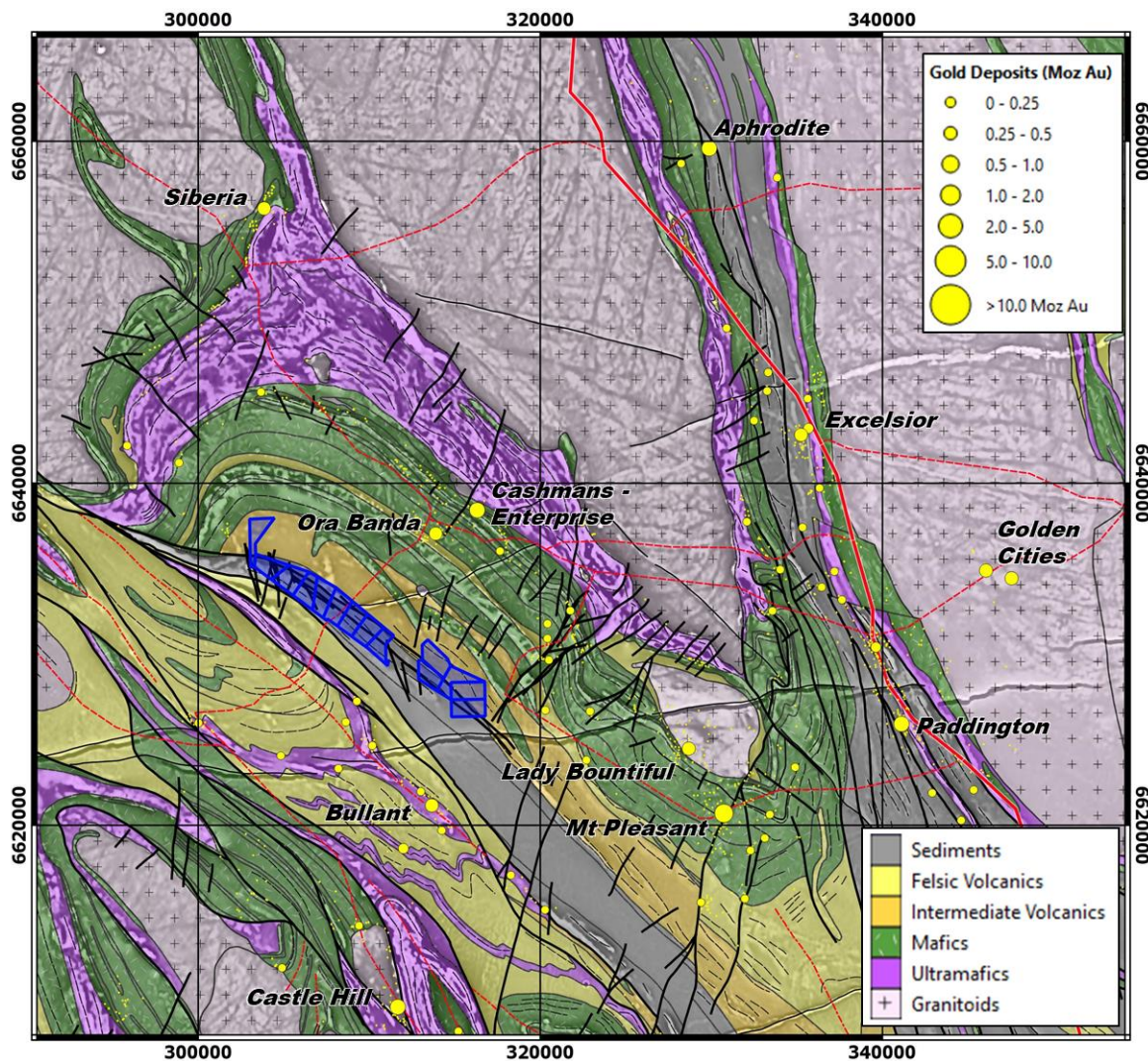


Figure 4, Location of CAV tenements in blue with Geology and Gold deposits.

Carnavale is excited to be exploring for structural targets defined by the Carnage Shear Zone and associated structures that intersect the late basin Kurrajong sediments, that include the Black Flag Group and Kurrawang conglomerates. This setting is analogous to the geology of the +2.5Moz Invincible deposits, discovered by Gold Fields Limited in 2012. The late basin sediments of the Kurrajong sediments were always considered a poor gold exploration target up until Gold Fields Limited discovered the Invincible deposits near Kambalda.

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 the Chief Executive Officer of Carnavale Resources Limited and 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 Ora Banda Gold Project includes:

Exploration

*Carnavale Bolsters Gold Portfolio with New Acquisition Ora Banda South 5 October 2020
CAV expands gold in soil anomalies at Ora Banda South Project 29 July 2021*