



carnavale
resources ltd

ABN 49 119 450 243

AND CONTROLLED ENTITIES

**HALF YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED
31 DECEMBER 2023**

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

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CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

DIRECTORS' REPORT

Your directors submit the financial report of Carnavale Resources Limited (the “Company”) and its controlled entities (the “Group”) for the half-year ended 31 December 2023. The directors report as follows:

Directors

The directors of the Company during or since the end of the half-year are listed below. All directors were in office for this entire period unless otherwise stated.

Ron Gajewski	Chairman
Andrew Beckwith	Non-Executive Director
Rhett Brans	Non-Executive Director

Results

The consolidated loss for the half-year after tax was \$592,188 (2022: \$289,973).

Review of Operations

Carnavale is an Australian based mineral exploration company with a strategy to acquire and explore high quality advanced exploration and development projects. Carnavale is currently focused on exploring and developing high-grade, truckable resources at the **Kookynie Gold Project**, of a similar size to the historic Cosmopolitan Mine that can be processed at an existing third-party nearby processing plant.

At the **Kookynie Gold Project** the Company completed two drilling programs designed to infill and expand the high-grade mineralisation at **McTavish East**. The first RC drill program (5,364m) was completed in August with results from this program received in October. In December 2023 CAV completed a second program of drilling consisting of a 29 hole, 4,169m RC drilling program with an additional 7 holes with diamond tails for a further 356.6m of NQ2 core. The new close spaced drilling has confirmed the continuity of the high-grade mineralisation and will be used to create a maiden resource estimate. Results from this program were received in February 2024.

During the period Carnavale completed a preliminary program of metallurgical testing to evaluate the gold recovery from the **McTavish East** mineralisation. Sixteen samples were tested with outstanding recoveries of between 97 and 99%.

In December 2023, the Company entered into an agreement for the potential sale of 80% of the **Grey Dam Ni-Co Project**, to Trans Pacific Energy Group Pty Ltd (TPEG). TPEG has an exclusive option to acquire 80% of Tojo's interests in the Grey Dam Ni-Co Project. *Refer to ASX announcement Carnavale Divests Non-Core Grey Dam asset as it maintains WA gold focus 19 Dec 2023.*

The Company continues to evaluate new gold exploration opportunities and exploration projects associated with the rapidly increasing demand for commodities within the electric battery sector and other new-age disruptive technologies.

DIRECTORS' REPORT

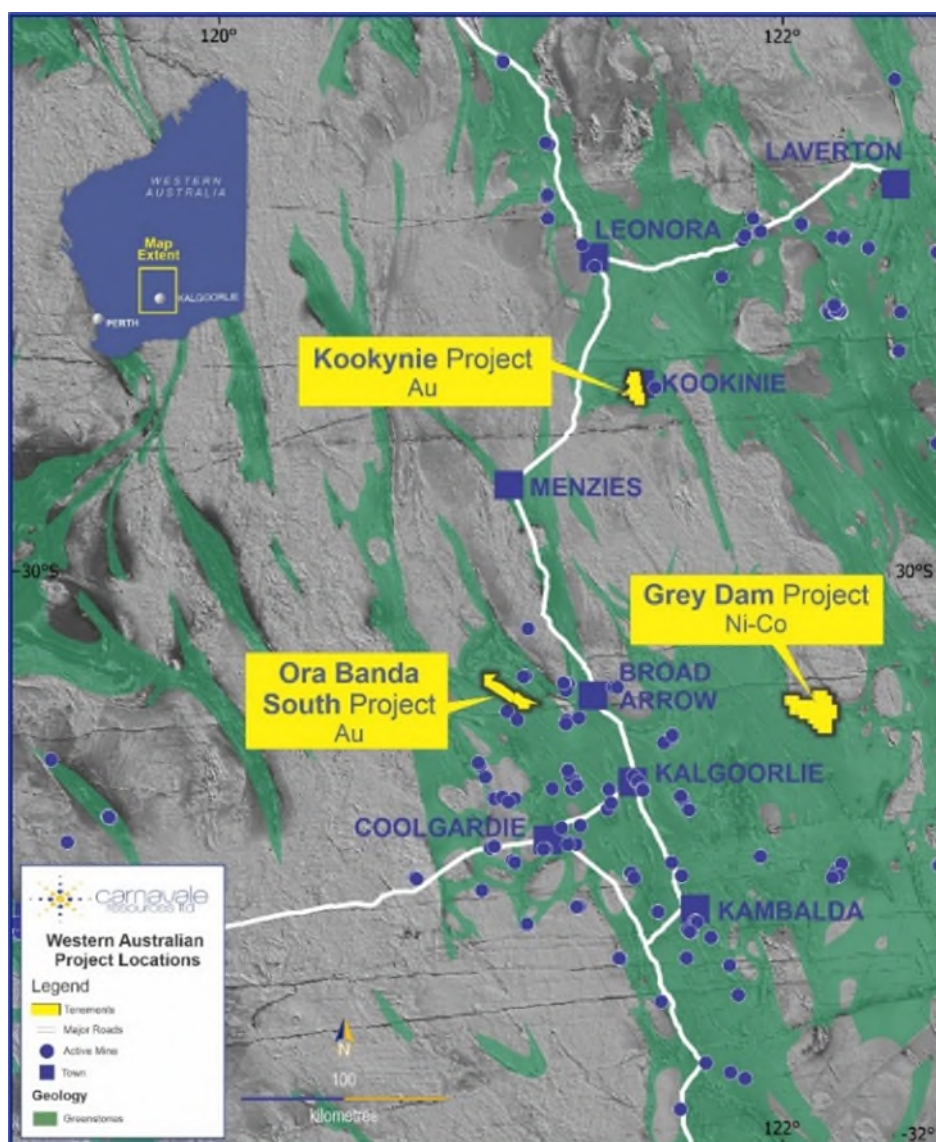


Figure 1: Carnavale tenement holding with historic deposits.

DIRECTORS' REPORT

**Kookynie Gold Project
McTavish East Prospect**

Legend

- Tenements
- Transported gravels >0.2g/t Au
- Bedrock Mineralisation >0.1g/t Au
- Bedrock Mineralisation >0.5g/t Au
- Bedrock Mineralisation >1.0g/t Au

Drilling (g/t Au)

Historic	Previous	Recent RC
•	•	• 0 - 0.1
•	•	• 0.1 - 0.2
•	•	• 0.2 - 0.5
•	•	• 0.5 - 1
•	•	• 1 - 3
•	•	• >3

McTavish North

Champion South

McTavish East

McTavish (MCT)

Drill Hole Data:

- MERC044: 6m @ 79.21g/t Au
- MERC066: 6m @ 68.78g/t Au (Inc. 2m @ 184.9g/t Au)
- MERC097: 4m @ 22.68g/t Au (Inc. 3m @ 29.77g/t)
- MERC098: 7m @ 23.18g/t Au (Inc. 3m @ 51.18g/t)
- MERC104: 5m @ 15.50g/t Au (Inc. 2m @ 26.48g/t Au & 1m @ 20.4g/t Au)
- MERC105: 10m @ 11.03g/t Au (Inc. 2m @ 42.15g/t Au)
- MEPC003: 1m @ 47.40g/t Au
- MERC091: 12m @ 12.90g/t Au (Inc. 1m @ 23.5g/t Au)
- MERC102: 3m @ 58.54g/t Au (Inc. 2m @ 84.5g/t Au)
- MEPC008: 4.6m @ 24.92g/t Au (Inc 0.2m @ 26.4g/t Au & 1.25m @ 69.28g/t Au)
- MERC047: 4m @ 75.74g/t Au
- MERC053: 6m @ 41.38g/t Au (Incl. 3m @ 78.1g/t Au)
- MERC088: 3m @ 10.98g/t Au (Inc. 2m @ 15.38g/t Au)
- MERC103: 5m @ 4.22g/t Au (Inc. 1m @ 12.95g/t Au)

Scale: 200 metres

Coordinates: 351,000mE, 6,755,000mN

Source: DigiMaps CRV23005

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DIRECTORS' REPORT

McTavish East

Drilling at McTavish East

In October 2023, CAV reported on results from an extensive RC drilling program (29 RC holes for 5,364m) that extended the previously identified bonanza grade gold mineralisation. This lies within a high-grade zone that strikes 700m to the north-east. This drilling extended the bonanza grade gold mineralisation 100m down dip for a total down dip length of 250m which remains open at depth. (ASX 30 Oct 2023 Outstanding high-grade gold results continue to flow from the Kookynie Gold Project).

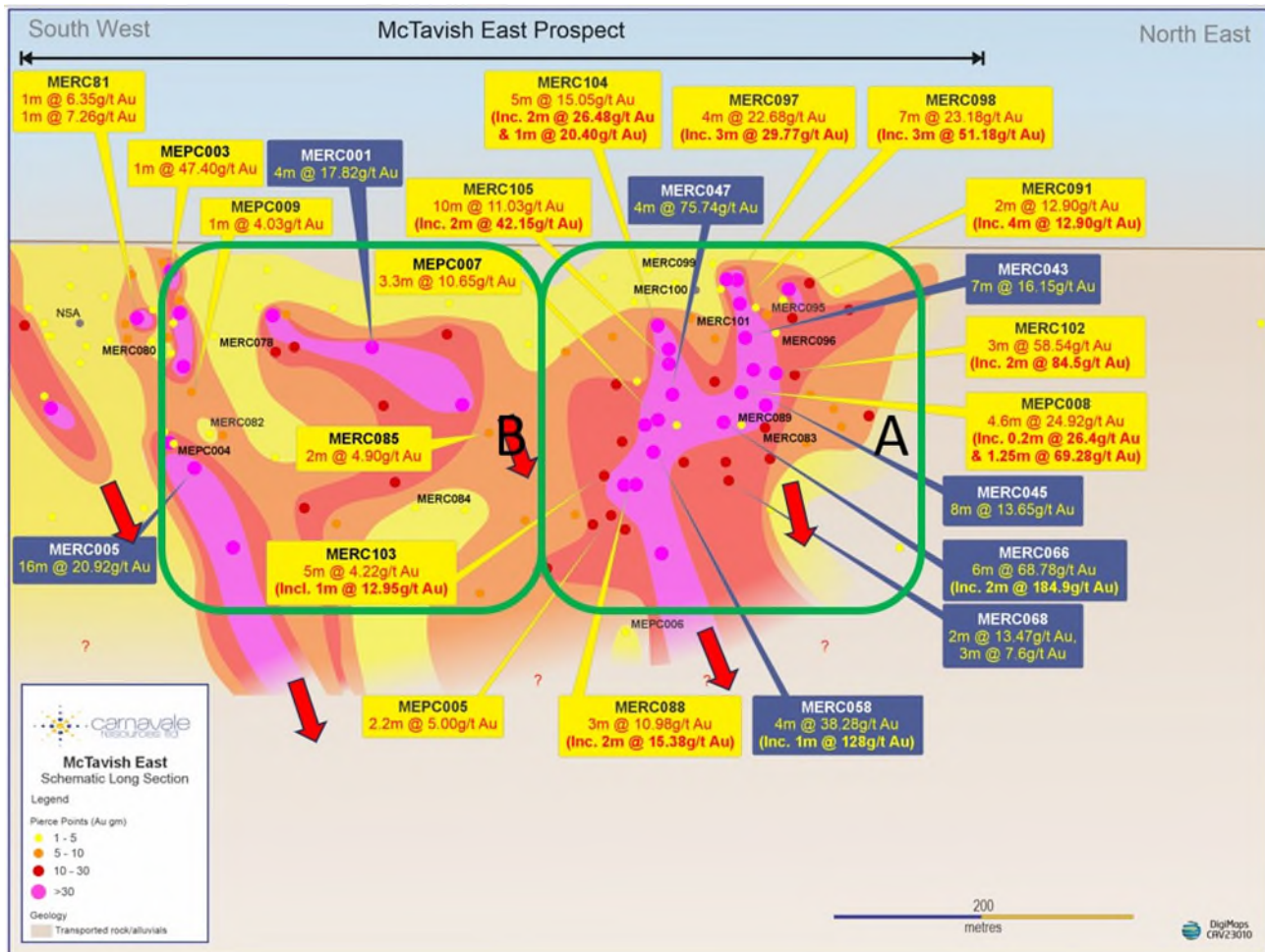


Figure 3: Long section of McTavish East. Results received in February 2024 reported in yellow callouts. Red arrows represent down dip opportunities to extend high grade mineralisation.

In December 2023 CAV completed a program of drilling consisting of a 29 hole, 4,169m RC drilling program with an additional 7 holes with diamond tails for a further 356.6m of NQ2 core that followed up on previous RC drilling programs. (ASX 19 Feb 24 Drilling continues as Kookynie delivers further outstanding gold results)

This drilling program was designed to improve the confidence of the very high-grade plunging shoots by confirming the continuity of high-grade gold and investigate the area to the south (area B in figure 3) that contained sporadic high-grade hits. The new close spaced drilling has confirmed the continuity of the high-grade mineralisation and will be used to create a maiden resource estimate.

DIRECTORS' REPORT

The highest-grade zone (**area A** in figure 3) with bonanza grade gold mineralisation extends down dip for 250m and remains open at depth. The mineralisation is characterized by very high grade mineralised gently north plunging shoots within a mineralised southerly plunging envelope.

The drilling direction for the most recent program was orientated so that drilling intersected mineralisation at right angles to improve the representation of the orebody. The drill density is designed to allow a high confidence maiden mineral resource estimate (**MRE**) to be calculated at **McTavish East**. Detailed resource drilling within the highest-grade zones has helped CAV to understand the morphology of the high-grade zones within the extensive mineralized structure. CAV applied this knowledge to the interpretation of areas previously drilled on a wide spaced pattern to the south that contained sporadic high gold grades. New steep plunging shoots have been identified in the updated interpretation from this drilling that require further follow up.

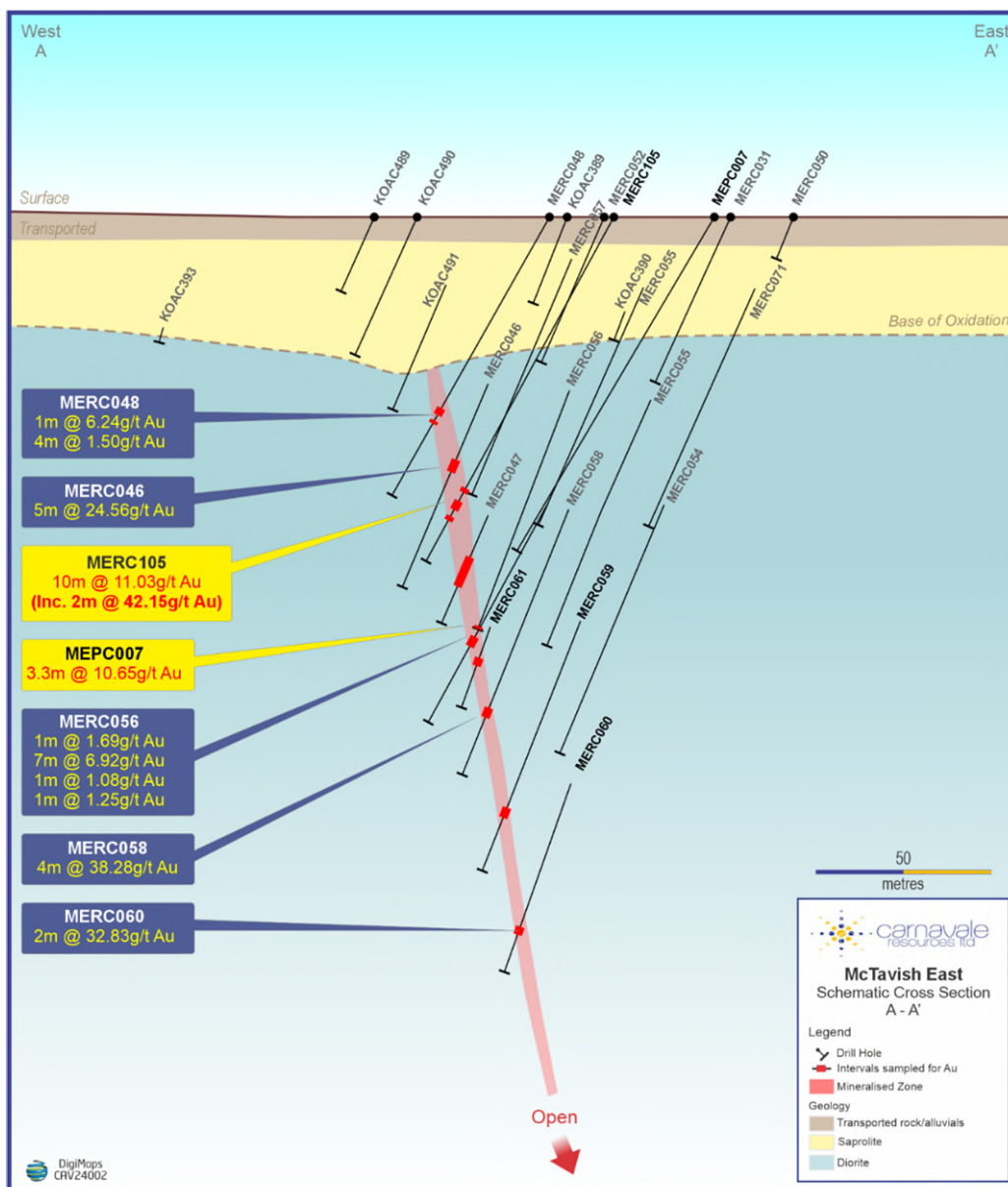


Figure 4, McTavish East – Oblique Section A - A' perpendicular to mineralisation (Section window 20m)

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

A number of shallow RC holes were included in the recent program that have confirmed earlier high-grade gold in oxide intersected by exploration aircore holes that can be used in the upcoming MRE. (figure 5, holes MERC 097 and MERC098)

In Figure 3 CAV has revised the contours of the gold mineralisation taking into account the new drilling results. This demonstrates the shape of strong gold mineralisation as shoots over approximately 700m strike and 250m down dip. CAV has limited drilling to 250m depth at present to maximize exploration outcomes. As a result, mineralisation remains open at depth.

A selection of the significant results from the close spaced RC drilling program reported in October 2023 (*ASX 30 Oct 23 Outstanding high-grade gold results continue to flow from the Kookynie Gold Project*) include:

6m @ 68.78g/t Au from 134m in MERC066 (inc. 2m @ 184.9g/t*)

6m @ 41.38g/t Au from 181m in MERC053 (inc. 3m @ 78.1g/t*)

4m @ 38.28g/t Au from 158m in MERC058 (inc. 1m @ 128g/t*)

2m @ 32.83g/t Au from 228m in MERC060

7m @ 6.92g/t Au from 132m in MERC056 (inc.1m @ 29.5g/t *)

2m @ 13.47g/t Au from 192m in MERC068

Significant results from the December RC and Diamond program *ASX 19 Feb 24 Drilling continues as Kookynie delivers further outstanding gold results*) include:

3m @ 58.54g/t Au from 97m in MERC102 (inc. 2m @ 84.5g/t*)

7m @ 23.18g/t Au from 46m in MERC098 (inc. 3m @ 51.18g/t*)

4.6m @ 24.92g/t Au from 112.07m in MEPC008 (inc. 0.2m @ 26.4g/t and 1.25m @ 69.28g/t*)

10m @ 11.03g/t Au from 88m in MERC105 (inc. 2m @ 42.15g/t*)

4m @ 22.68g/t Au from 28m in MERC097 (inc.3m @ 29.77g/t *)

5m @ 15.50g/t Au from 63m in MERC104 (inc. 2m @ 26.48g/t and 1m @ 20.4g/t*)

1m @ 47.40g/t from 24m in MEPC003

3m @ 10.98g/t from 181m in MERC088 (inc. 2m @ 15.38g/t*)

2m @ 12.90g/t from 32m in MERC091 (inc. 1m @ 23.5g/t*)

5m @ 4.22g/t from 172m in MERC 103 (inc. 1m @ 12.95g/t*)

**Intercepts are calculated with a lower Au cut-off of 1g/t with no included waste, inclusions are calculated with lower Au cut-off of 10g/t with no included waste.*

The cross sections (Figures 4 and 5) have been selected to represent and highlight the morphology of the high-grade zones within the main mineralising structure. Continuity of grade and widths in the new RC drilling are consistent in these sections. The strong mineralisation across the sections remains open down dip. Holes that have failed to log a high-grade intersection are not considered to have closed off the mineralisation as the mineralisation pinches and swells steeply and obliquely across the sections as can be seen in the contoured long sections. The mineralisation is contained within a shear structure characterized by quartz veining with sulphides on the contact between a fine-grained dolerite and a quartz diorite.

DIRECTORS' REPORT

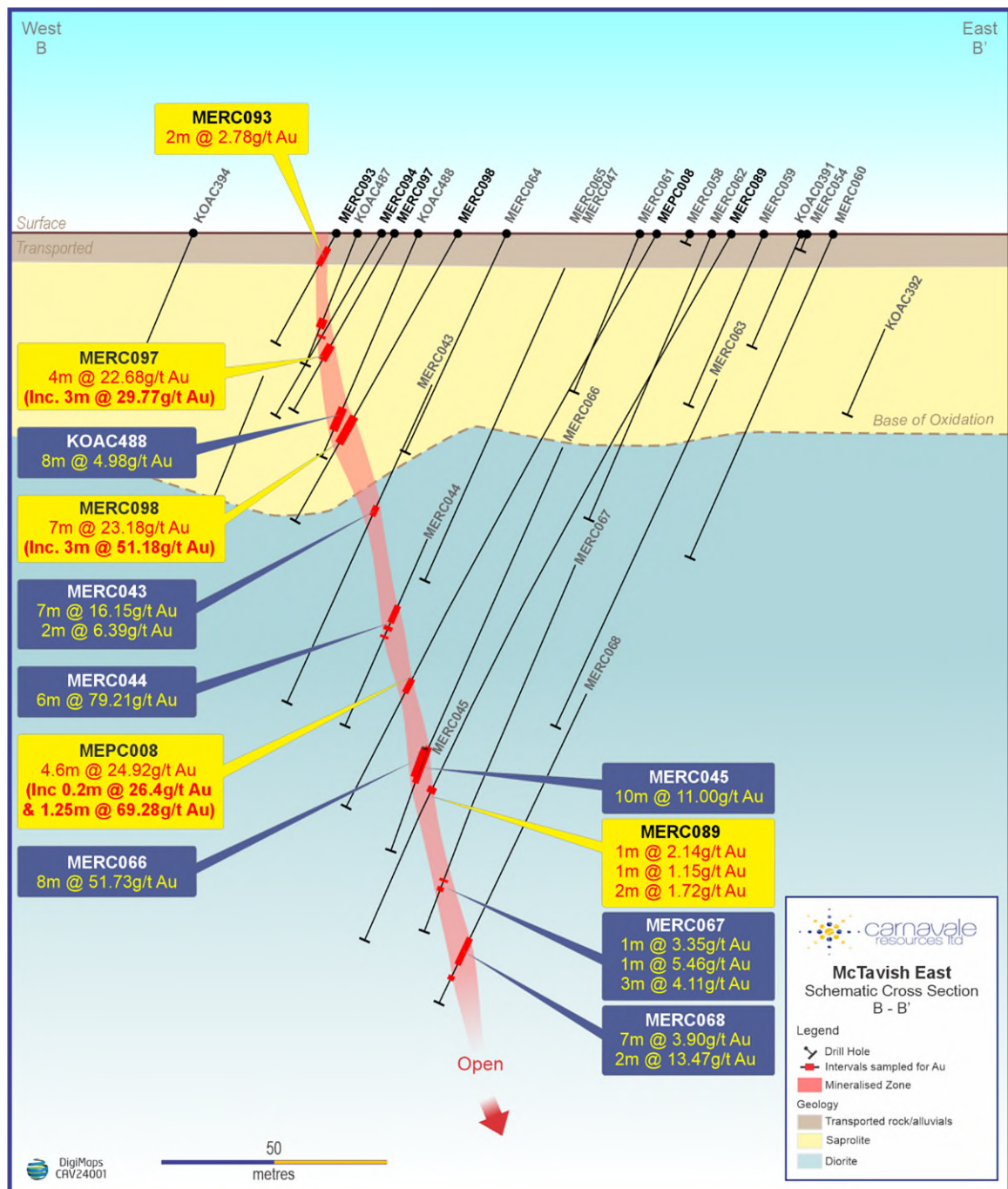


Figure 5, McTavish East – Oblique Section B - B'” perpendicular to mineralisation (Section window 20m)

The diamond core drilled in December was measured, orientated, and sampled for assay. The geology was logged along with structural measurements from the geological contacts and mineralising structures.

In addition, geotechnical consultants were appointed to review CAV’s logging of the diamond core and provide a geotechnical report. As part of the review, 9 samples were selected for geotechnical evaluation including rock strength and stability. This work has been completed and will be used to provide early information in the design of pit slopes, underground stopes and mine development in mining evaluation studies.

DIRECTORS' REPORT



Figure 6, Orientated diamond core with mineralisation in quartz veining

Once the gold mineralisation has been interpreted and modelled, CAV will commission a maiden MRE to be completed. The MRE will form the basis of economic studies into open pit and underground mining scenarios.

The initial metallurgical test work on oxide and fresh rock samples undertaken by the Company was very encouraging with recoveries ranging between 97% and 99%. Further, more detailed metallurgical test work has been commissioned to evaluate the gold recoveries and reagent consumption from the mineralisation.

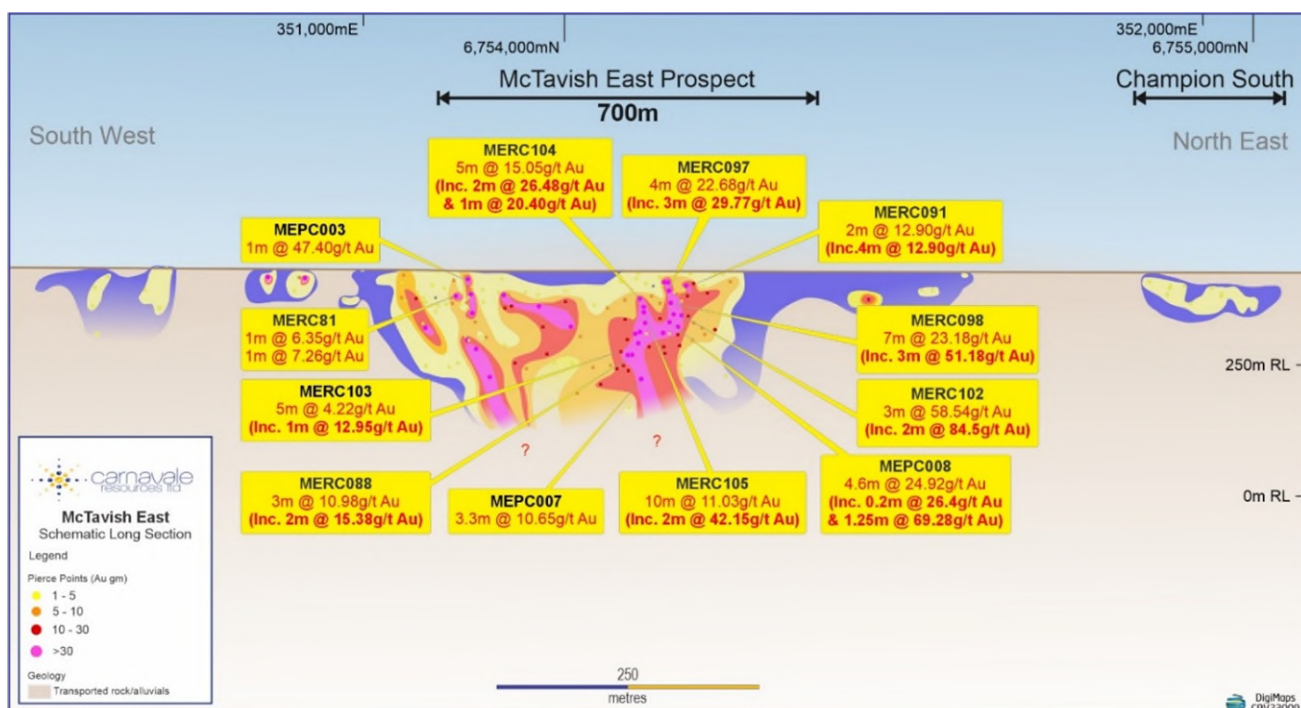


Figure 7, Long section of McTavish East. Recent drilling reported in yellow callouts.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

CAV continues to identify and grow potentially open pit mineable resources along the main McTavish to Champion South trend. The emerging mineralisation, containing multiple high grade plunging shoots, provides the potential for CAV to define an excellent high-grade, low-cost gold mine.

Carnavale's goal is to discover high-grade, truckable resources, of a similar size to the historic Cosmopolitan Mine that can be processed at an existing third-party nearby processing plant. The **McTavish East Prospect** is located 15km from Genesis Minerals Ltd's Ulysses Project and 63km from their Gwalia processing plant at Leonora.

CAV is excited about the further exploration potential of the **Kookynie Gold Project** area and has commenced a program of exploration north of the McTavish East prospect, including RC and aircore drilling.

The RC drilling consists of about 12 holes targeting existing aircore gold anomalies concealed undercover along the main 2km long mineralising structure north of McTavish East and beneath the Champion South prospect (Figure 7). Along strike potential at **McTavish East** is considered high, as the cover sequence and the depleted weathered zone masks the potential for high-grade mineralisation at depth.

A program of about 5,500m of aircore drilling has been planned to follow on from the current RC program. The aircore is designed to test structural and geochemical anomalies within the **Kookynie Gold Project** using pathfinder geochemistry and structural analysis derived from the McTavish East discovery.

Initial Metallurgical Testwork Program at McTavish East

Additional variation test work will be completed in due course as the project progresses.

Samples were selected as individual metre samples from the drill holes to establish if there was any variance in the leach recoveries across the intercepts downhole or at varying grades. The measured recoveries have very little variance with grade or location within the intercept.

Hole ID	Depth m	Head grade g/t	Leach grade g/t	Tail grade g/t	Recovery %
KOAC487	24 - 26	23.73	23.5	0.23	99%
KOAC487	26 - 28	2.75	2.72	0.03	99%
KOAC488	44 - 46	4.19	4.16	0.03	99%
KOAC488	46 - 48	9.84	9.76	0.08	99%
MERC043	48 - 50	5.76	5.69	0.07	99%
MERC043	67 - 68	3.83	3.77	0.06	98%
MERC043	68 - 69	14.23	14.05	0.18	99%
MERC043	69 - 70	2.61	2.56	0.05	98%
MERC043	70 - 71	81.04	79.9	1.14	99%
MERC043	71 - 72	9.69	9.54	0.15	98%
MERC043	72 - 73	0.75	0.73	0.02	97%
MERC044	97 - 98	10.05	9.92	0.13	99%
MERC044	98 - 99	191.38	189.5	1.88	99%
MERC044	90 - 91	229.36	227	2.36	99%
MERC044	91 - 92	20.53	20.2	0.33	98%
MERC044	92 - 93	12.55	12.4	0.15	99%

Table 1, Results from 24-hour cyanide bottle roll leach test work.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The Company is very pleased with these excellent first pass metallurgical recoveries, which give a good indication as to what can be expected from the oxidised and fresh rock areas of the McTavish East Prospect at Kookynie.

The Company is looking forward to reporting the important assay results from the recent RC drilling program at McTavish East as these results become available and are assessed.

Exploration Strategy

CAV's planned work program at the Kookynie Gold Project includes:

-  Establish maiden JORC compliant resource at McTavish East providing an asset base to CAV.
-  Drill test the potential for high grade shoots along strike from McTavish East.
-  Continue metallurgical characterization of the mineralisation as part of establishing a resource.
-  Complete initial geotechnical investigations at Kookynie.
-  Undertake preliminary economic analysis of the McTavish East project.
-  Identify additional targets within the Kookynie tenement package.

Other Projects

In December 2023, the Company entered into an agreement for the sale of 80% of the Grey Dam Ni-Co Project, comprising licenses M28/387 and E28/1477, close to Kurnalpi in Western Australia, to Trans Pacific Energy Group Pty Ltd (TPEG). *Refer to ASX announcement Carnavale Divests Non-Core Grey Dam asset as it maintains WA gold focus 19 Dec 2023.*

Carnavale continues to review the exploration information at the Ora Banda South Gold Project. The exploration aim at Ora Banda is to discover a large-scale gold deposit within the sedimentary package on the Carnage shear analogous to the St Ives Discovery. The first round of reconnaissance RC drilling intersected high grade gold in fresh rock. This suggests that there may be a larger fresh rock gold system that is responsible for the extensive, kilometre scale, regolith gold anomaly at the Carnage prospect.

Midas Resources Ltd extended the option over the Barracuda PGE-Ni-Cu Project (E58/551) for an additional 12-month period. Midas Resources Ltd completed digitising prior detailed mapping, and work was undertaken on the combined Midas and Carnavale Resources Limited VTEM MaxTM datasets with the aim of further filtering out noise related to near surface effects.

Carnavale is always reviewing possible new opportunities in the battery metal space including projects that may include lithium, nickel and REE.

CORPORATE

In July 2023, the Company issued 600 million shares at an issue price of \$0.0045 each to raise \$2.7 million to high net worth overseas, sophisticated and professional investors, comprising existing and new shareholders ("Placement") (before costs of raising). In September 2023 following receipt of shareholder approval, directors, Mr Ron Gajewski and Mr Andrew Beckwith each subscribed for 45 million new ordinary shares at \$0.0045 raising a further \$405,000.

Argonaut Securities Pty Ltd ('Argonaut') was appointed as Lead Manager for the Placement. For managing the Placement (including obtaining the firm commitments), Argonaut (and its nominees) subscribed for 67.5 million options exercisable at \$0.007, expiring on or before 31 July 2025 at an issue price of \$0.00001 ('Options').

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the Company's auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the next page and forms part of this directors' report for the half-year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



R Gajewski
Chairman
Perth

Dated this 8th day of March 2024

Competent Person's Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled by Mr Humphrey Hale, who is a Member of the Australasian Institute of Geoscientists. Mr Hale is the Chief Executive Officer of Carnavale Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Hale consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

References may have been made in this announcement to certain past ASX announcements, including references regarding exploration results. For full details, refer to the referenced ASX announcement on the said date. The Company confirms that it is not aware of any new information or data that materially affects the information included in these earlier market announcements.

Information relating to Previous Disclosure

The technical and financial information in this report that relates to the Grey Dam Project has been previously reported by the Company in compliance with JORC 2012 on the 19 December 2023. The technical and financial information in this report that relates to the Kookynie Gold Project has been previously reported by the Company in compliance with JORC 2012 in various releases between 15 July 2023 and 19 February 2024.

The Company confirms that it is not aware of any new information or data that materially affects the information included in these earlier 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 announcements.

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.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Carnavale Resources Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
8 March 2024



M R Ohm
Partner

hlb.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

For the half-year ended 31 December 2023

	Note	Consolidated 6 Months Ended 31 December 2023 \$	Consolidated 6 Months Ended 31 December 2022 \$
REVENUE			
Interest income	2	64,096	18,379
Other income – option fee received	2	70,000	20,000
		<u>134,096</u>	<u>38,379</u>
EXPENSES			
Administrative expenses		(321,037)	(308,555)
Depreciation		(312)	(312)
Exploration expenditure impaired / written off	3	(3,110)	(19,781)
Share-based payments expense		(401,825)	-
Foreign exchange gain		-	296
		<u>(592,188)</u>	<u>(289,973)</u>
Loss before income tax		(592,188)	(289,973)
Income tax expense		-	-
		<u>(592,188)</u>	<u>(289,973)</u>
Net loss for the period		(592,188)	(289,973)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign subsidiaries		-	-
		<u>-</u>	<u>-</u>
Other comprehensive loss for the period		-	-
		<u>-</u>	<u>-</u>
Total comprehensive loss for the period		<u>(592,188)</u>	<u>(289,973)</u>
Basic and diluted loss per share (cents per share)		(0.018)	(0.011)

The accompanying notes form part of these financial statements.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	Consolidated 31 December 2023 \$	Consolidated 30 June 2023 \$
Assets			
Current Assets			
Cash and cash equivalents		2,607,441	919,185
Receivables		107,859	135,172
Other assets		9,394	21,418
Total Current Assets		2,724,694	1,075,775
Non-Current Assets			
Plant and Equipment		149	461
Exploration and evaluation expenditure	3	9,204,892	7,883,671
Other assets		20,000	20,000
Total Non-Current Assets		9,225,041	7,904,132
Total Assets		11,949,735	8,979,907
Liabilities			
Current Liabilities			
Trade and other payables		597,520	379,076
Total Current Liabilities		597,520	379,076
Total Liabilities		597,520	379,076
Net Assets		11,352,215	8,600,831
Equity			
Issued capital	4	42,327,313	39,660,291
Reserves	5	3,696,283	3,019,733
Accumulated losses		(34,671,381)	(34,079,193)
Total Equity		11,352,215	8,600,831

The accompanying notes form part of these financial statements.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

Consolidated	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2022	39,571,955	(33,626,584)	3,019,733	8,965,104
Loss attributable to members of the parent entity	-	(289,973)	-	(289,973)
Total comprehensive loss for the period	-	(289,973)	-	(289,973)
Shares issued during the year (net)	88,336	-	-	88,336
Balance at 31 December 2022	39,660,291	(33,916,557)	3,019,733	8,763,467

Consolidated	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2023	39,660,291	(34,079,193)	3,019,733	8,600,831
Loss attributable to members of the parent entity	-	(592,188)	-	(592,188)
Total comprehensive loss for the period	-	(592,188)	-	(592,188)
Shares and options issued during the year (net of issue costs)	2,667,022	-	675	2,667,697
Fair value of options issued	-	-	675,875	675,875
Balance at 31 December 2023	42,327,313	(34,671,381)	3,696,283	11,352,215

The accompanying notes form part of these financial statements.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2023

	Consolidated 6 Months Ended 31 December 2023 \$	Consolidated 6 Months Ended 31 December 2022 \$
Cash flows from operating activities		
Payments to suppliers and employees	(370,170)	(330,120)
Interest received	32,899	18,379
Other income – R & D refund	98,537	76,114
Other income – Option fee received	70,000	20,000
Net cash used in operating activities	(168,734)	(215,627)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(1,084,757)	(1,309,103)
Payments for acquisition of exploration properties – including GST	-	(174,000)
Net cash used in investing activities	(1,084,757)	(1,483,103)
Cash flows from financing activities		
Proceeds from issue of shares and options	3,105,675	-
Issue costs	(163,928)	(1,664)
Net cash from / (used in) financing activities	2,941,747	(1,664)
Net increase / (decrease) in cash held	1,688,256	(1,700,394)
Cash at the beginning of the reporting period	919,185	3,246,725
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	-	296
Cash at the end of the reporting period	2,607,441	1,546,627

The accompanying notes form part of these financial statements.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim consolidated financial statements were authorised for issue on 8 March 2024.

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Carnavale Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is a for-profit entity domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2023.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern

The interim consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the commercial realisation of the Group's assets and the settlement of liabilities in the normal course of business.

The Group has incurred a loss for the period after tax of \$592,188 (2022: \$289,973) and experienced net operating and investing cash outflows of \$1,253,491. As at 31 December 2023, the Group has net current assets of \$2,127,174.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

Going Concern - continued

Management has prepared a detailed cash flow forecast for the next 12 months from the date of this report, and the directors are satisfied that the going concern basis of preparation is appropriate.

Adoption of new and revised Standards

Standards and Interpretations applicable to 31 December 2023

In the half-year ended 31 December 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2023. There is no material impact of the new and revised Standards and Interpretations on the Group.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations on issue but not yet mandatory for the period ended 31 December 2023.

As a result of this review, the Directors have determined that there is no material impact of these new and revised Standards and Interpretations in issue on the Group and therefore no material change is necessary to Group accounting policies.

2. LOSS BEFORE INCOME TAX EXPENSE

	Consolidated 31 December 2023 \$	Consolidated 31 December 2022 \$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Revenue		
Interest income	64,096	18,379
Other income – option fee received	70,000	20,000
Total	<u>134,096</u>	<u>38,379</u>
Expenses		
Depreciation	(312)	(312)
Share-based payment expense	(401,825)	-

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

3. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 31 December 2023 (6 months) \$	Consolidated 30 June 2023 (12 months) \$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at 1 July	7,883,671	6,012,377
Acquisition costs – exploration licences	-	240,000
Exploration expenditure incurred	1,324,331	1,661,802
Exploration expenditure impaired / written off	(3,110)	(30,508)
Balance at end of period	9,204,892	7,883,671

The impairment of exploration expenditure in both periods relates to carried forward expenditure in respect of relinquished tenements or where the Directors have formed the view that successful development of the projects is not likely based on results achieved to date. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

4. ISSUED CAPITAL

	Consolidated 31 December 2023 \$	Consolidated 30 June 2023 \$
(a) Issued and paid-up share capital		
3,423,551,728 (30 June 2023: 2,733,551,728) ordinary shares, fully paid	42,327,313	39,660,291
<i>Movements in Ordinary Shares:</i>		
	\$	\$
Balance at the beginning of the period	39,660,291	39,571,955
Shares issued in October 2022 for the acquisition of 80% of the Ora Banda Gold Project - 15 million shares	-	90,000
Shares issued in a share placement in July and September 2023 – 690 million shares	3,105,000	-
Transaction costs arising from issue of securities	(437,978)	(1,664)
Balance at the end of the period	42,327,313	39,660,291

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

4. ISSUED CAPITAL (continued)

(b) Share options

Exercise Period	Exercise Price	Opening Balance 1 July 2023 Number	Options Issued Number	Options Exercised/ Expired Number	Closing Balance 31 December 2023 Number
On or before 30 November 2023	\$0.012	70,000,000	-	(70,000,000)	-
On or before 31 July 2023	\$0.016	188,999,998	-	(188,999,998)	-
On or before 31 July 2025 ¹	\$0.007	-	67,500,000	-	67,500,000
On or before 31 March 2025 ²	\$0.008	-	87,500,000	-	87,500,000
Total		258,999,998	155,000,000	(258,999,998)	155,000,000

1. In July 2023, Argonaut Securities Pty Ltd (Argonaut) was appointed as Lead Manager for a Placement. For managing the Placement (including obtaining the firm commitments), Argonaut (and its nominees) subscribed for 67.5 million options at an issue price of \$0.00001.
2. In August and September 2023, the Company issued 42.5 million unlisted options to the CEO, company secretary and other consultants. In September 2023, following shareholder approval received at a general meeting of shareholders held on 15 September 2023, a total of 45 million options were issued to directors Mr Gajewski (20 million options), Mr Beckwith (20 million options), and Mr Brans (5 million options).

Assumptions used in valuing the options issued are as follows:

Grant Date	Expiry Date	Fair value per option	Exercise price	Price of shares on grant date	Expected Volatility	Risk free interest rate	Dividend yield
21 Jul 2023	31 Jul 2025	0.40 cents	0.7 cents	0.6 cents	141%	4.10%	-
4 Aug 2023	31 Mar 2025	0.47 cents	0.8 cents	0.7 cents	155%	4.10%	-
15 Sep 2023	31 Mar 2025	0.46 cents	0.8 cents	0.7 cents	155%	4.10%	-

Each option entitles the holder to purchase one ordinary share in the Company. The estimated value disclosed above is calculated at the date of grant using the Black-Scholes option pricing model.

5. OPTION PREMIUM AND SHARE-BASED PAYMENTS RESERVE

The option premium and share-based payments reserve represents amounts received in consideration for the issue of options to subscribe for ordinary shares in the Company and the value of options and performance rights issued to parties for services rendered.

	Consolidated 31 December 2023 \$	Consolidated 30 June 2023 \$
Share-based payments reserve	3,696,283	3,019,733
<i>Movements in share-based payments reserve</i>		
Opening balance	3,019,733	3,019,733
Fair value of options subscribed for by Lead Manager	274,725	-
Fair value of options issued to directors, company secretary and consultants	401,825	-
Balance at the end of the period	3,696,283	3,019,733

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

6. COMMITMENTS AND CONTINGENT LIABILITIES

There has been no change in the commitments and contingent liabilities since the last annual reporting date.

7. EVENTS OCCURRING SUBSEQUENT TO BALANCE DATE

No other matters or circumstances have arisen since 31 December 2023 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

8. SEGMENT REPORTING

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that, during the period, Carnavale operated in the mineral exploration industry and conducted investing activities in Australia.

	Investing	Mineral Exploration	Eliminations	Consolidated
	\$	\$	\$	\$
31 December 2023				
Business segments				
Revenue				
Other external revenue	64,096	70,000	-	134,096
Total segment revenue	64,096	70,000	-	134,096
Results				
Operating profit / (loss) before income tax	(651,979)	59,791	-	(592,188)
Income tax expense				-
Net loss				(592,188)
31 December 2023				
Assets				
Segment assets	2,742,343	9,207,392	-	11,949,735
Liabilities				
Segment liabilities	77,261	520,259	-	597,520
	Investing	Mineral Exploration	Eliminations	Consolidated
	\$	\$	\$	\$
31 December 2022				
Business segments				
Revenue				
Other external revenue	18,379	20,000	-	38,379
Total segment revenue	18,379	20,000	-	38,379
Results				
Operating loss before income tax	(270,414)	(19,855)	296	(289,973)
Income tax expense				-
Net loss				(289,973)
31 December 2022				
Assets				
Segment assets	1,637,121	7,457,075	-	9,094,196
Liabilities				
Segment liabilities	79,247	251,482	-	330,729

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

9. FINANCIAL INSTRUMENTS

The method and valuation techniques used for the purpose of measuring values are unchanged compared to the previous reporting period.

The carrying amount of the current receivables and current payables are considered to be a reasonable approximation of their fair value.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

31 December 2023

In the opinion of the directors:

- (a) the financial statements and notes of the Group, as set out on pages 14 to 23, are in accordance with the Corporations Act 2001 including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year then ended; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.



R Gajewski
Chairman

Dated at Perth this 8th day of March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Carnavale Resources Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the half-year financial report of Carnavale Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Carnavale Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
8 March 2024



M R Ohm
Partner