



carnavale
resources ltd

ABN 49 119 450 243

AND CONTROLLED ENTITIES

**HALF YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED
31 DECEMBER 2024**

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 2024. 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 \$291,657 (2023: \$592,188).

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 an RC and Diamond drilling program which consisted of 21 holes that included 4,798m of RC drilling with 8 diamond tails for 545m of diamond drilling. The program was designed to expand the high-grade mineralisation at Swiftsure, Tiptoe and southern extensions of Swiftsure. Drilling was completed in November with results received in January 2025.

Carnavale submitted a Mining License Application (MLA) M40/362 to progress the development of the high-grade gold Swiftsure deposit within the Kookynie Gold Project.

During the period Carnavale completed further metallurgical testing to evaluate the gold recovery from the Swiftsure high-grade mineralisation. Samples were tested with outstanding recoveries of between 98.9% and 99.5% with the gravity recovery component reaching 87.1%.

CAV successfully completed a capital raising managed by Argonaut Securities Pty Ltd and Canaccord Genuity (Australia) Limited for \$2.2 million in September 2024.

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.

Exploration program at Kookynie

During the period, a program of reverse circulation (RC) and diamond drilling program was completed that consisted of 21 holes that included 4,798m of RC drilling with 8 diamond tails for 545m of diamond drilling. The program was directed towards:

- ✦ Swiftsure - 13 RC holes, with 8 diamond tails testing down-dip extensions to the high-grade shoots,
- ✦ Tiptoe - 6 RC holes targeted the Tiptoe prospect 200m northeast of Swiftsure, and
- ✦ Southern extensions (Swiftsure South) - 2 RC holes targeted the southern extension to the Swiftsure mineralisation.

DIRECTORS' REPORT

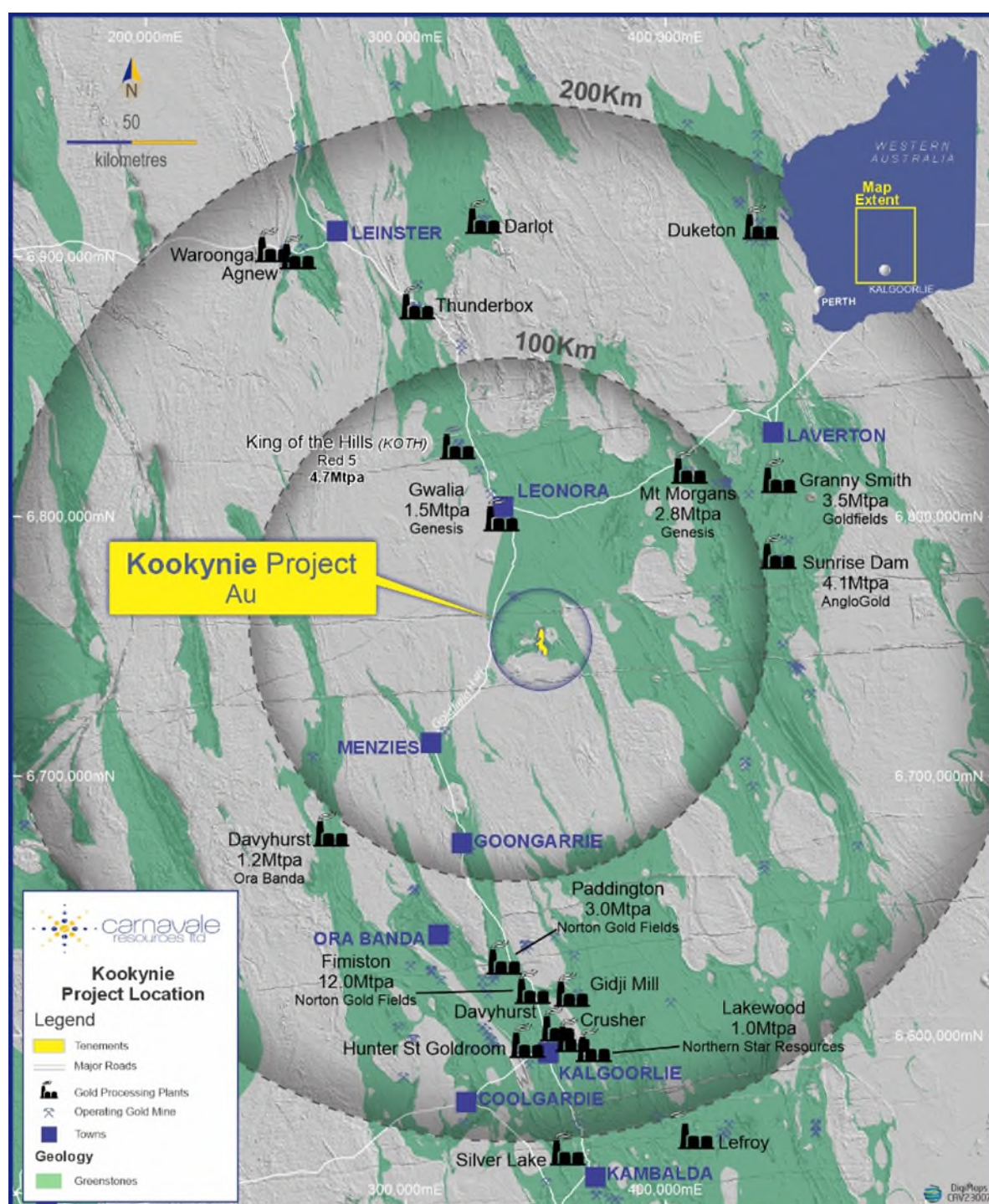


Figure 1: Carnavale Kookynie Gold Project with nearby processing plants.

DIRECTORS' REPORT

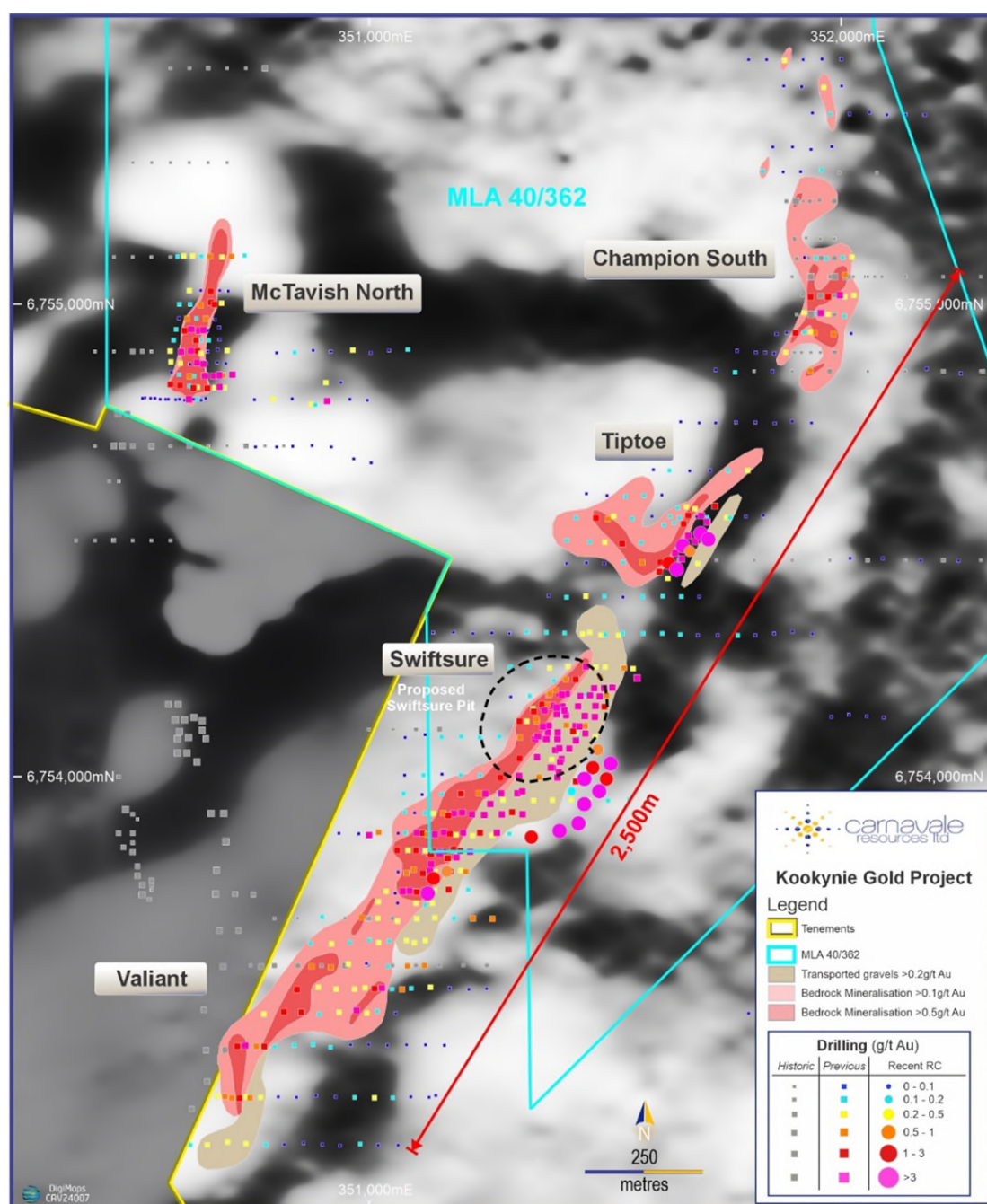


Figure 2, Plan of Kookynie Gold Project showing collar locations of recent drilling with MLA, prospect locations over aeromagnetics.

Drilling down dip at Swiftsure

Carnavale has defined indicated and inferred resources at the Swiftsure deposit to approximately 200 - 250m below surface (refer ASX release 13 June 2024 – “Robust Maiden Resource and Positive Scoping Study for Kookynie”). The extensional exploration drilling program confirmed that the high-grade zones continue below the current resource zone to +350m below surface.

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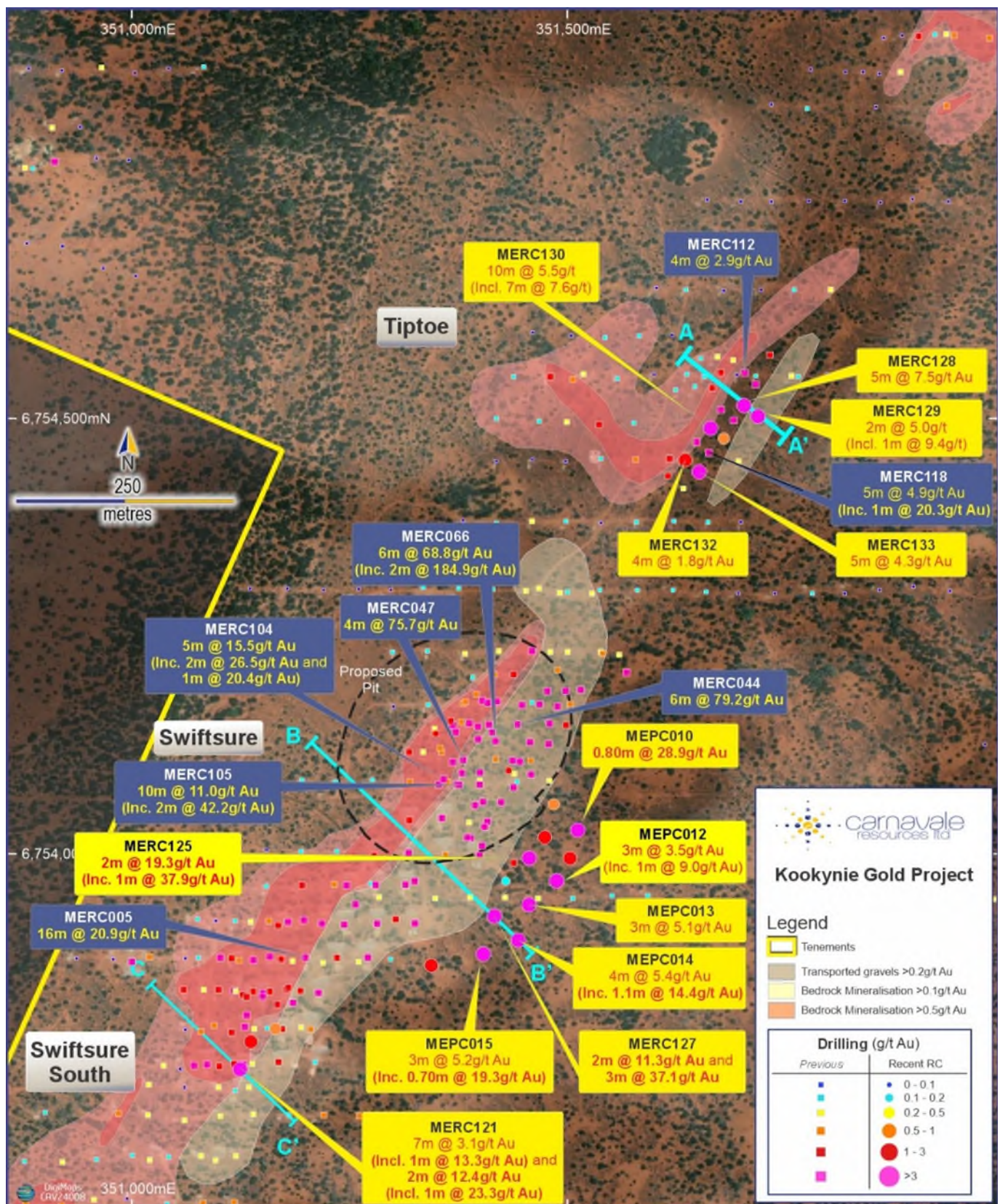


Figure 3, Plan of RC and Diamond drilling collar locations over aerial photography with contoured grade projected to surface and conceptual Pit 9 (Latest drilling in yellow callouts. Previous drilling in blue callouts)

DIRECTORS' REPORT

Drilling has extended the high-grade structures at Swiftsure 150m down dip and 100+m of strike. Significant intercepts include:

- ✦ 2m @ 11.3g/t from 318m and 3m @ 37.1g/t from 323m in MERC127
- ✦ 2m @ 19.3g/t (inc. 1m @ 37.90g/t) from 210m in MERC125
- ✦ 0.8m @ 28.9g/t from 314.6m in MEPC010
- ✦ 4m @ 5.4g/t (inc. 1.1m @ 14.4g/t) from 382m in MEPC014
- ✦ 3m @ 5.2 g/t (inc. 0.7m @ 19.3g/t) from 361m MEPC015
- ✦ 3m @ 5.1g/t from 352m MEPC013
- ✦ 3m @ 3.5g/t (inc. 1m @ 9.0g/t) from 304m MEPC012

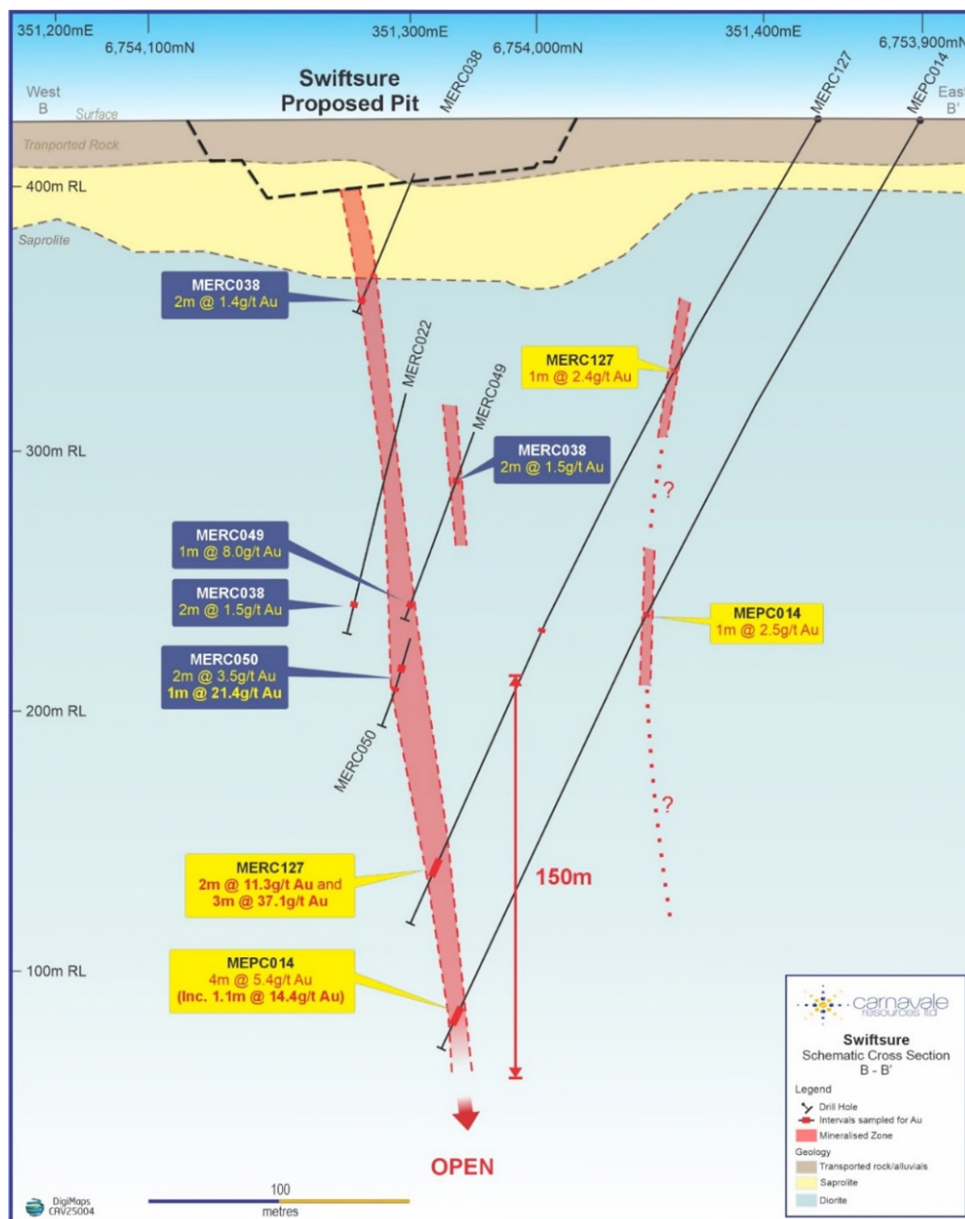


Figure 4, Section B – B' through Swiftsure Lode Showing 150m depth extension with Scoping Study Pit 9 Latest drilling in yellow callouts. Previous drilling in blue callouts

DIRECTORS' REPORT

The exploration drilling was wide spaced at 40x40m and intersected high-grade gold beneath the conceptualized underground development that was published in the Scoping Study (June 2024). This demonstrates the high-grade Swiftsure mineralisation is part of a large system that remains open at depth and along strike.

Mineralisation at Swiftsure is located in quartz veins associated with pyrrhotite and pyrite with sericite alteration in the sheared wallrock. Bismuth rich scheelite has also been observed proximal to the mineralisation. The contact between the quartz diorite and the fine-grained dolerite appears to provide the best location for high grade gold mineralisation.

Exploration drilling Tiptoe Prospect

Tiptoe represents a newly discovered lode, defined over 200m of strike and 120m of depth, that is located immediately north-east along strike from the Swiftsure Lode that hosts bonanza grade gold. Mineralisation at Tiptoe remains open along strike and at depth. Carnavale initially identified Tiptoe as a structural target under alluvial cover hosted on the main mineralising structure that hosts Swiftsure, Champion South and Valiant. This structure has a strike length of +2.5km.

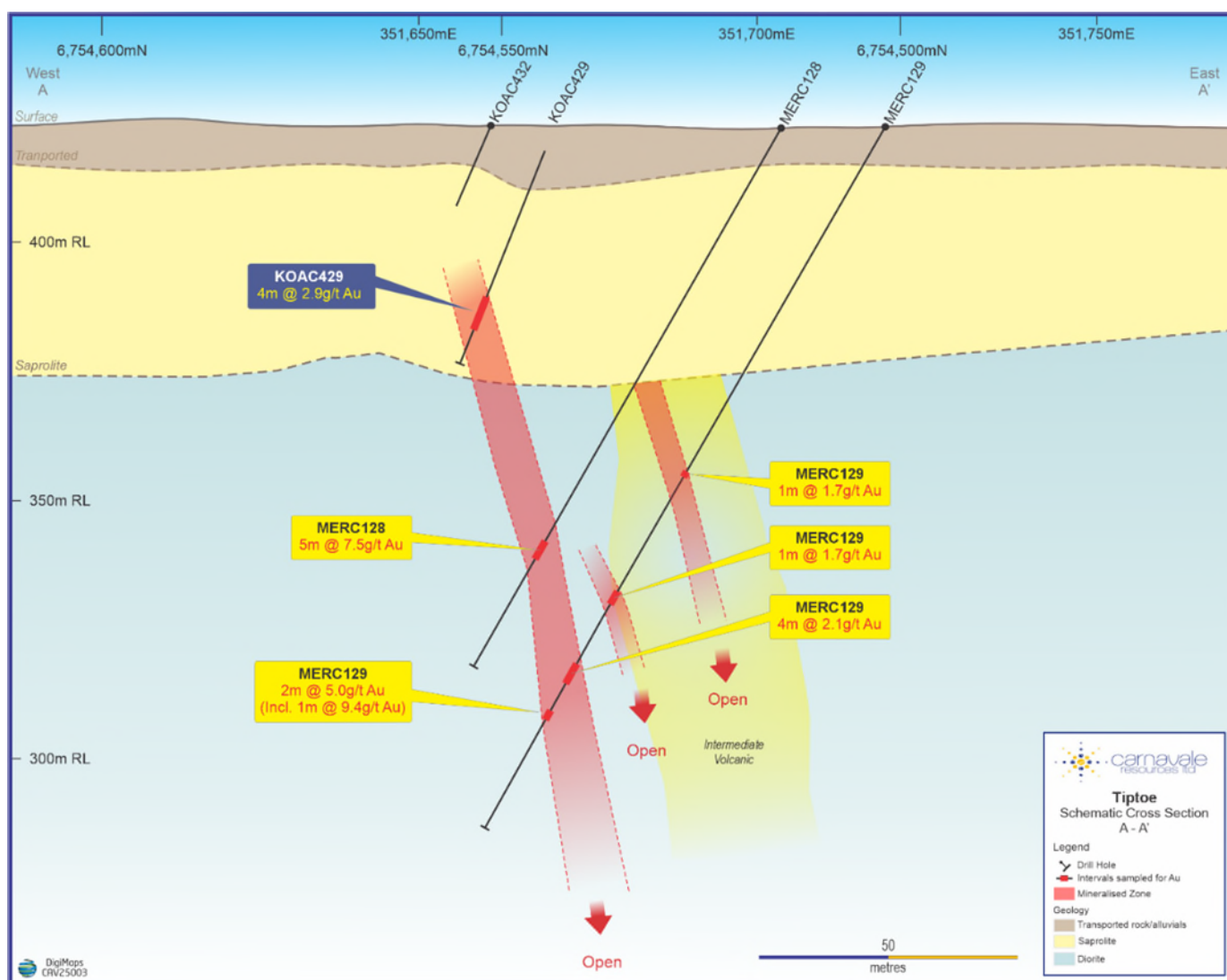


Figure 5, Section A – A' through Tiptoe deposit showing morphology of the structure and geology. Latest drilling in yellow callouts. Previous drilling in blue callouts

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DIRECTORS' REPORT

The drilling program comprised 6 shallow RC holes for 756m into the Tiptoe Prospect chasing high grade mineralisation in fresh rock below strong regolith anomalies. Significant high grade shallow intercepts including:

- ✦ 10m @ 5.5g/t from 73m (inc. 7m @ 7.6g/t) in MERC130
- ✦ 5m @ 7.5g/t from 93m in MERC128
- ✦ 5m @ 4.3g/t from 103m in MERC133
- ✦ 2m @ 5.0g/t from 130m (inc. 1m @ 9.4g/t) in MERC129

Previous significant results at Tiptoe include:

- ✦ 5m @ 4.9g/t Au from 87m in MERC118 (inc. 1m @ 20.3g/t*)
- ✦ 4m @ 2.9g/t Au from 80m in MERC112
- ✦ 3m @ 3.1g/t Au from 97m in MERC114

Mineralisation encountered at Tiptoe has the same quartz, disseminated sulphides and free gold mineral assemblage as the high-grade zones within the Swiftsure lode and could represent a repeat of this style of mineralisation. Tiptoe has not been included in the mineral resource estimate and represents an opportunity to add ounces to the resource at the Kookynie Project.

The cross section at Tiptoe (Figure 5) shows the shallow mineralised zone and depth extent into fresh rock to 120m and remains open along strike and down dip.

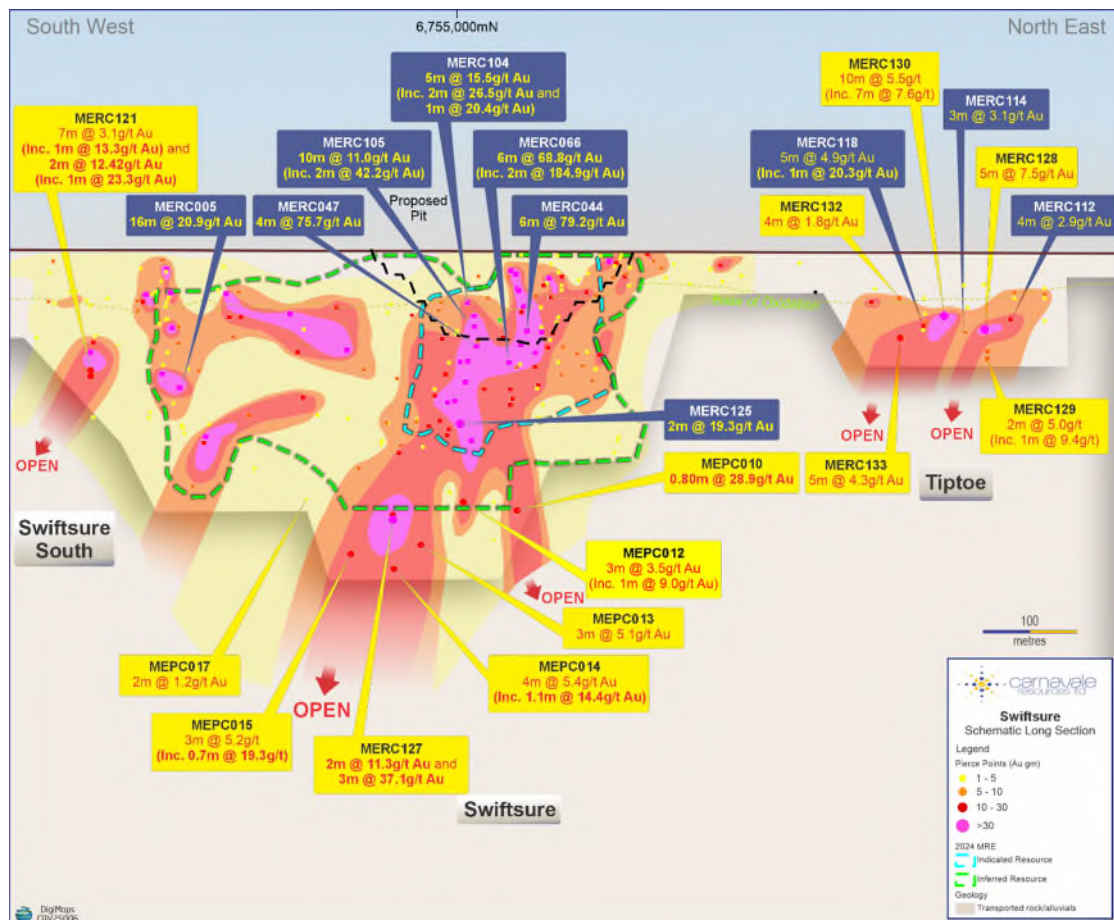


Figure 6, Long section through Swiftsure and Tiptoe showing contoured grade resource outlines and limit of drilling with conceptual Pit 9. Latest drilling in yellow callouts.

DIRECTORS' REPORT

Exploration drilling South of Swiftsure

Two shallow RC drill holes for 316m were completed to extend and support mineralisation identified south of the Swiftsure deposit that was not included in the mineral resource estimate. The drilling has extended the mineralisation down dip by 30m. This lode lies southwest of the Swiftsure lode along the main mineralising structure and remains open down dip and along strike. This new zone represents the potential for a repeat of the Swiftsure lode. Significant intercepts include:

- ✦ 7m @ 3.1g/t from 146m (inc. 1m @ 13.3g/t) and
- ✦ 2m @ 12.4g/t from 155m (inc. 1m @ 23.3g/t) in MERC121.

Previous intercepts include:

- ✦ 4m @ 6.4g/t from 114m (inc. 1m @ 23.3g/t) and
- ✦ 4m @ 12.9g/t from 126m (inc. 1m @ 34.2g/t) in MERC009

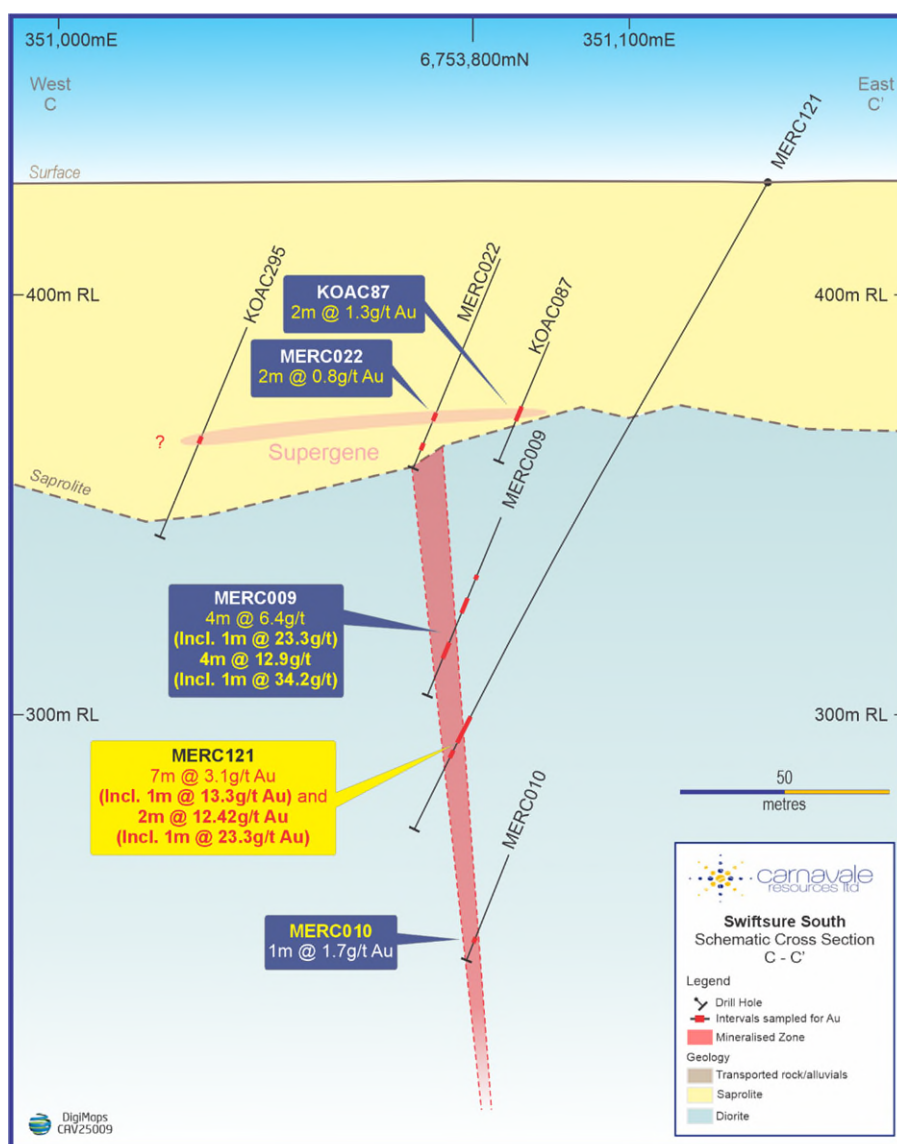


Figure 7, Section C- C' south of Swiftsure showing MERC121and MERC009 Latest drilling in yellow callouts. Previous drilling in blue callouts

DIRECTORS' REPORT

Tenement scale structure

The major mineralising structure strikes northeast southwest and hosts mineralisation at Swiftsure with the new prospects of Tiptoe and Valiant, including Champion South, along strike.

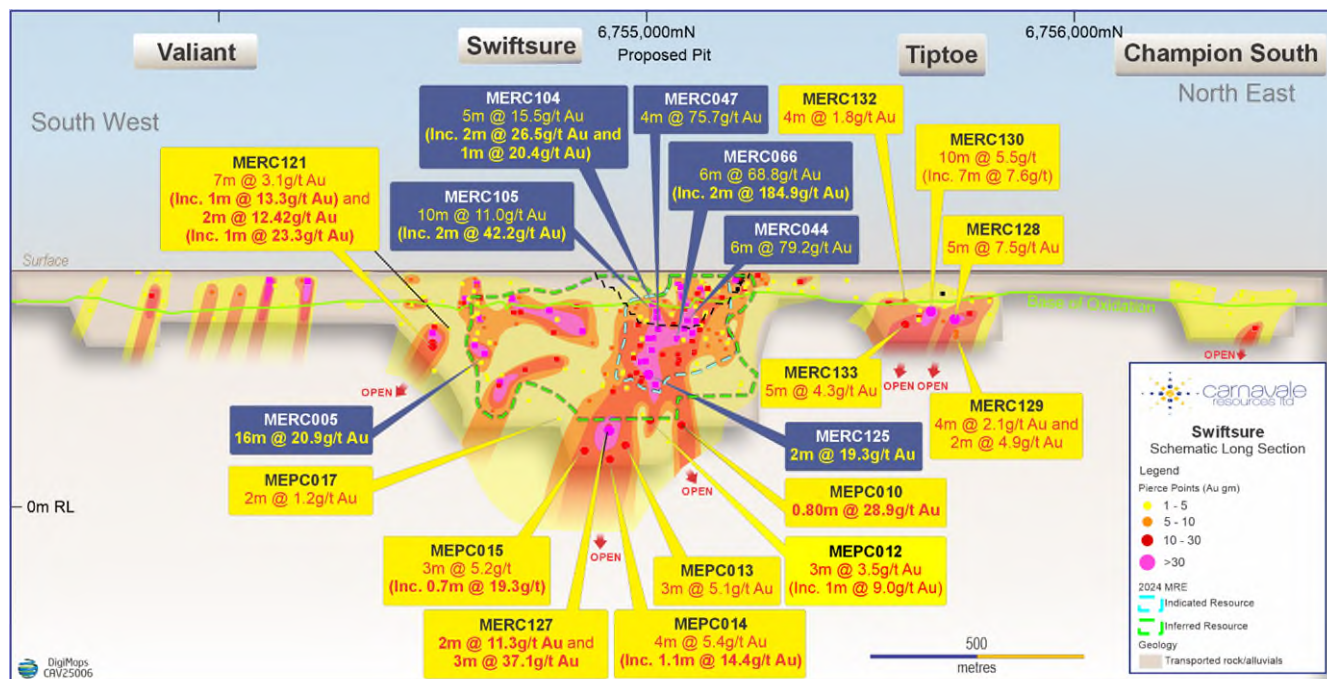


Figure 8, Tenement scale long section with Valiant, Swiftsure, Tiptoe and Champion South prospects with contoured grade resource outlines and limit of drilling with conceptual Pit 9. Latest drilling in yellow callouts. Previous drilling in blue callouts

The morphology of this major structure changes along its length with variable dips to the East and the potential to split into parallel structures as the major structure interacts with the bedrock geology and associated north northwest striking structures. This variation in the major structure provides the geometry for bonanza grade gold zones as steeply dipping shoots in fresh rock.

Drilling at depth has shown indications of the potential for a granite intrusion proximal to mineralisation. The presence of a granite intrusion and the interaction of the main mineralising structure that hosts the Kookynie Gold project provides an exciting exploration target at depth. It has been seen in the region that the Puzzle granite provides a favourable host to mineralisation within brittle fractures that produce wider gold intersections. CAV will undertake a gravity survey over the local area to investigate the location of the granite at depth close to Swiftsure.

CAV is excited about the exploration upside and expects to discover further high-grade gold shoots at depth and along strike. All of the prospects discovered so far remain open along strike and at depth with additional exploration targets that remain untested, including the new conceptual granite target at depth. These areas of potential resource growth are expected to add significant value to the economics of the Kookynie Gold Project.

DIRECTORS' REPORT

Kookynie – Next Steps for exploration

Carnavale seeks to maximize shareholder value in the development of the Kookynie Gold project especially within the Swiftsure deposit. Further exploration work includes:

- ✦ Extend the fresh rock potential of the newly discovered Tiptoe and explore for fresh rock extensions at the Valiant prospect along strike from the Swiftsure proposed pit.
- ✦ Complete a gravity survey over the tenement package at Kookynie to characterize the location and depth of the Puzzle granite and its association with the major mineralization structure that hosts Swiftsure.
- ✦ Continue to drill test for extensions of the bonanza grade shoots down dip beneath the Swiftsure planned development.
- ✦ Continue to explore Champion South and McTavish North mineralisation.
- ✦ Continue metallurgical characterization of the Swiftsure mineralisation.

Mining License Application

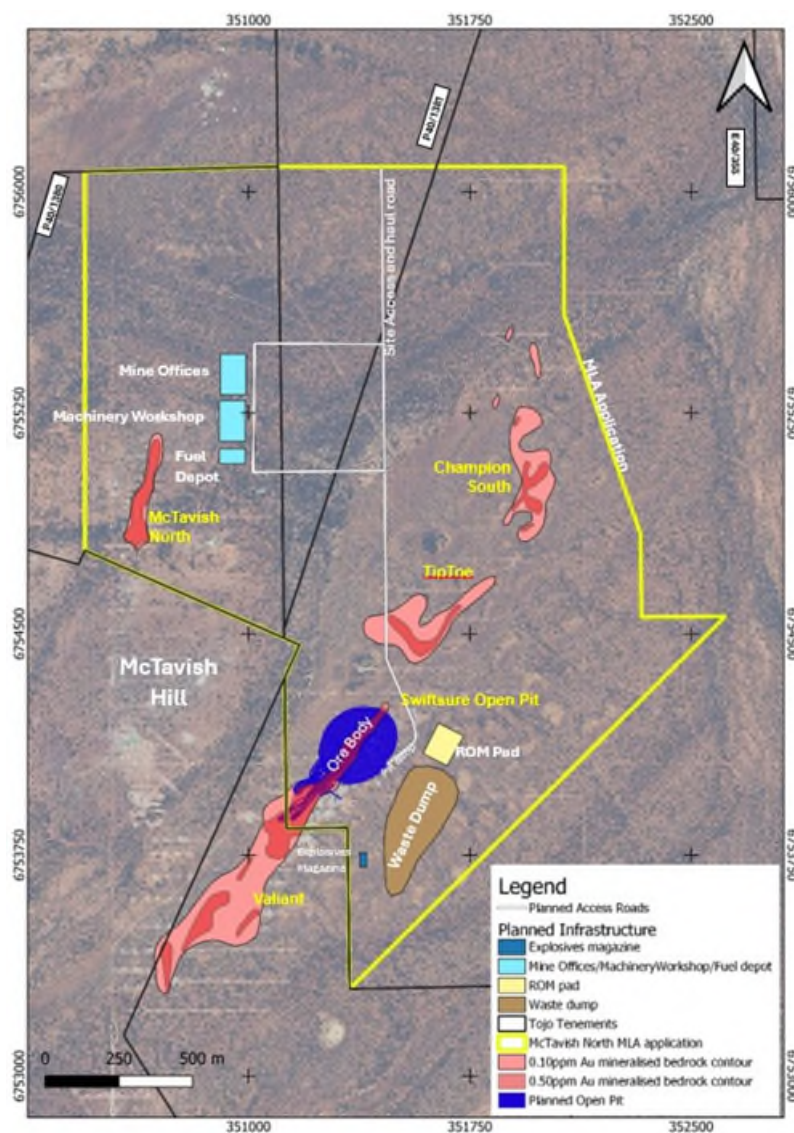


Figure 9, M40/362 location map with associated infrastructure and mineralisation.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

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Carnavale submitted a Mining License Application (MLA) M40/362 in July 2024 to progress the development of the high-grade gold Swiftsure deposit within the Kookynie Gold Project. The MLA totals 355.06ha and is a conversion of portions of Prospecting Licenses 40/1380 and 40/1381 and Exploration License 40/355.

Studies to progress the grant of the mining license include:

- ✦ Initial spring flora and fauna surveys within the application area have been completed.
- ✦ The transition from an exploration license to a mining license requires negotiation of a workable Mining Agreement with representatives of the Nyalpa Pirniku people, holders of the native title.
- ✦ Geotechnical test work on the planned open pit and underground; and
- ✦ Obtaining various government approvals to mine including hydrological surveys and waste characterization studies.

Outstanding Metallurgical Results

CAV engaged Independent Metallurgical Operations Pty Ltd (IMO) to follow up previous Leachwell testwork that indicated outstanding gold recoveries could be achieved at the Kookynie Gold Project.

CAV requested IMO to conduct metallurgical test work on the Swiftsure Deposit. A single composite sample of 28kg of mineralised material was generated from RC chips that represented the high-grade gold zone of the Swiftsure deposit. The Swiftsure deposit is characterized by plunging shoots that contain bonanza grade zones of mineralisation in excess of 31g/t. The composite sample had a head grade of 27.60 g/t and was processed via the following steps:

- ✦ Comprehensive assay analysis.
- ✦ Gravity concentration via a Knelson Concentrator.
- ✦ Three (3) cyanide leach tests to study the effect of varying grind size.
- ✦ Two (2) cyanide leach tests to study the effect of varying leach conditions, and
- ✦ One (1) Carbon in Leach (CIL) test to study the performance of the carbon in the leach.

Head Assay Analysis

A sub split of the testwork composite was pulverised and submitted to Intertek for head assay analysis with results provided in Table 1. The following observations can be made:

- ✦ The head grade of the composite sample has an average gold grade of 27.60 g/t with little variation in the repeat assay.
- ✦ Sulphur grade of 1.40% with the majority existing as sulphides, confirming a fresh rock source.
- ✦ Arsenic and copper grades are low at 1.2 ppm and 48.4 ppm respectively.
- ✦ Antimony grade of 0.6 ppm which is low and is not expected to cause passivation issues in the leach.

Gravity Concentration and Cyanide leach testwork

Gravity recoverable gold was assessed prior to the cyanide leach test as presented in Figure 11. For the gravity test a 15 kg sub sample was ground to 80% passing 300µm and passed as a single pass through a 3" standard Knelson concentrator. The Knelson concentrate was subsequently intensively leached to emulate industry standard gravity concentrate leach conditions.

DIRECTORS' REPORT

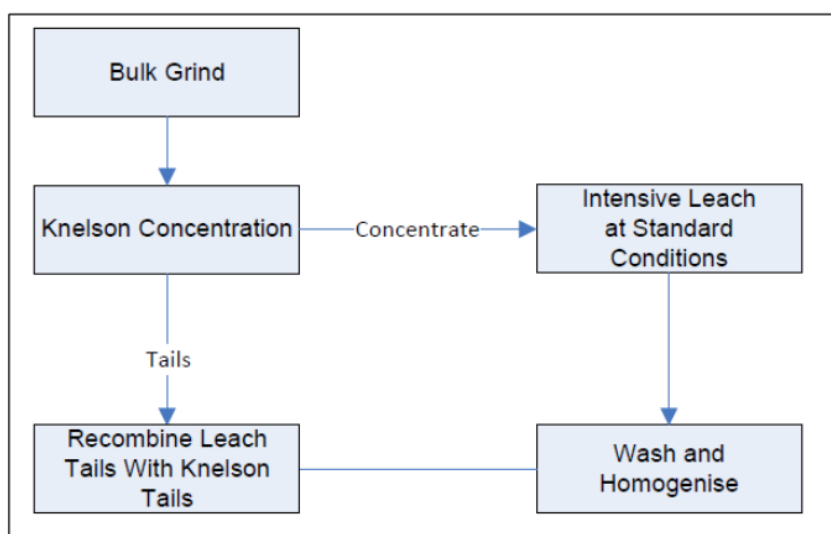


Figure 10, Gravity test flowsheet

Gravity gold recovery is presented in Table 1. This has been back calculated from the intensive leach solution assay and calculated head grade from the gravity tailing leach tests. Results indicate a mass recovery of 0.56% and average gravity recoverable gold of 87.1% (25.0 g/t) calculated from the five (5) leach tests. The mass of concentrate collected was 82.7 g from the Knelson run.

Results	Units	LT01	LT02	LT03	LT04	LT05
Calculated Head Grade	g/t	28.86	28.83	28.94	28.67	28.43
Concentrate Mass Recovery	%	0.56%	0.56%	0.56%	0.56%	0.56%
Gravity Gold Recovery	%	86.6%	86.7%	86.5%	87.6%	88.2%
Gravity Gold Grade	g/t	24.99	25.00	25.03	25.11	25.08
Concentrate Gold Grade	g/t	4,511	4,511	4,511	4,511	4,511
Calculated Leach Feed Grade	g/t	3.87	3.83	3.91	3.56	3.35

Table 1, Gravity results summary

Grind Size Optimisation Cyanide Leaching Test Work

Cyanide leach test work was conducted on 1 kg subsamples of the recombined Knelson tails and intensive leach tails. Three (3) initial cyanide leach tests were conducted to study the effect of grinding to the following particle sizes: P80 75 µm (LT01), P80 106 µm (LT02) and P80 150 µm (LT03). Conditions utilised for the tests were as follows:

- ✦ 48-hour duration with kinetic points at 2, 4, 8, 24, 30 and 48 hours;
- ✦ pH maintained at 10 – 9.5;
- ✦ Initial cyanide of 500 ppm, maintained at 300ppm.
- ✦ Dissolved oxygen maintained between 15 – 20ppm through oxygen sparging; and
- ✦ 40% solids in Perth Tap Water.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

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The grind size optimisation cyanide leach results are presented in Table 2 and kinetic leach curves shown in Figure 11. The following observations can be made:

- ✦ The 48-hour gold extraction was 99.4%, 99.5% and 98.9% respectively at P80 75, 106 and 150µm.
- ✦ The optimum grind size was found to be 106µm.
- ✦ Residue grade was slightly higher in the coarsest sample (P80 150µm) at 0.33 g/t (compared to 0.18g/t and 0.16g/t at respective grind size P80's of 106 and 75µm) which IMO concluded is due to reduced gold liberation.
- ✦ The cyanide consumptions ranged from 0.36kg/t to 0.39kg/t and IMO considers the cyanide consumption to be low; and
- ✦ No lime was added to maintain a pH of 9.

Sample ID	Units	Bucket #1	Bucket #1	Bucket #1
Grind Size (P ₈₀)	µm	75 µm	106 µm	150 µm
Leach Test Number		LT01	LT02	LT03
Calc'd Head Grade	g/t	28.86	28.83	28.94
Assayed Head Grade	g/t	27.60	27.60	27.60
0 Hour Extracted Au	%	86.6%	86.7%	86.5%
2 Hour Extracted Au	%	89.4%	89.8%	88.9%
4 Hour Extracted Au	%	91.2%	91.6%	90.6%
8 Hour Extracted Au	%	94.4%	94.9%	93.6%
24 Hour Extracted Au	%	98.7%	98.6%	97.7%
30 Hour Extracted Au	%	99.0%	98.8%	98.0%
48 Hour Extracted Au	%	99.4%	99.5%	98.9%
Gravity Recovery	%	86.6%	86.7%	86.50%
Overall Recovery	%	99.4%	99.5%	98.9%
Residue Grade	g/t	0.176	0.157	0.326
Lime Consumption	kg/t	0	0	0
Cyanide Consumption	kg/t	0.36	0.39	0.38

Table 2, Grind Optimisation Cyanide Leach Tests Results Summary

DIRECTORS' REPORT

Reagent Optimisation Cyanide Leaching Test Work

Cyanide leach test work was conducted on 1kg subsamples of the recombined Knelson tails and intensive leach tails ground to P80 106µm. Two (2) cyanide leach tests were conducted to study the effect of reducing reagent concentrations in the leach. Conditions utilised for the tests were as follows:

LT04 – Reduced oxygen concentration:

- ✦ 48-hour duration with kinetic points at 2, 4, 8, 24, 30 and 48 hours;
- ✦ pH maintained at 10 – 9.5;
- ✦ Initial cyanide of 500 ppm, maintained at 300ppm.
- ✦ Dissolved oxygen maintained between 6 – 10 ppm through air sparging; and
- ✦ 40% solids in Perth Tap Water.

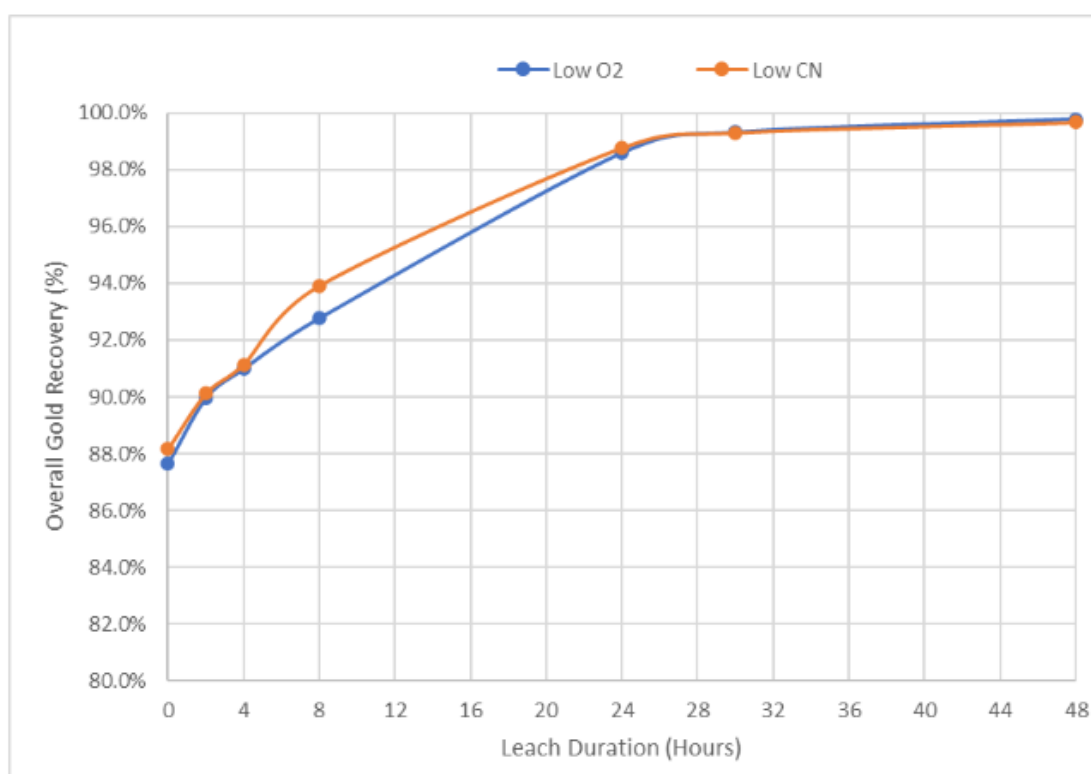


Figure 11, Reagent Optimisation Cyanide Leach Tests Kinetic Curves.

LT05 – Reduced cyanide concentration:

- ✦ 48 hour duration with kinetic points at 2, 4, 8, 24, 30 and 48 hours;
- ✦ pH maintained at 10 – 9.5;
- ✦ Initial cyanide of 300 ppm, maintained at 200 ppm;
- ✦ Dissolved oxygen maintained between 15 – 20 ppm through oxygen sparging; and
- ✦ 40% solids in Perth Tap Water.

DIRECTORS' REPORT

The reagent optimisation cyanide leach results are presented in the kinetic leach curve shown in Figure 11. The following observations can be made:

- ✦ The 48-hour gold extraction was 99.8% and 99.7% respectively in LT04 and LT05;
- ✦ The optimum conditions were those in LT05 with the reduced cyanide consumption;
- ✦ The kinetics up to 24 hours were faster in LT05 due to the higher oxygen concentration using oxygen sparging;
- ✦ Cyanide consumption was reduced from 0.361kg/t to 0.23kg/t which still maintained very high extraction of gold in the leach;
- ✦ No lime was added to maintain a pH of 9.5.

Carbon in Leach testwork

- ✦ High gold recovery of 99.7%
- ✦ High carbon absorption of dissolved gold with only 0.03 ppm or 0.1% of the gold remaining in solution; and
- ✦ Low final leach solids residue grade of 0.08g/t.

Recommendations and further work

Based on the results to date of the Swiftsure Leach Amenability Test Work program CAV will continue metallurgical work to include additional leach test work on multiple composite samples representing the variability in gold grade, ore type and depth / weathering profile throughout the Swiftsure deposit.

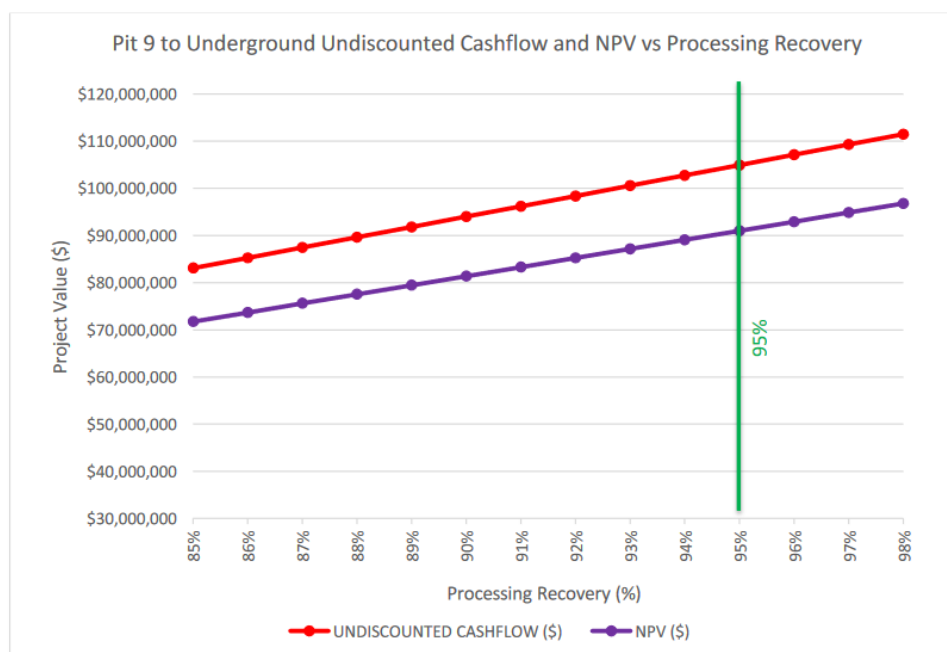


Figure 12, Undiscounted cashflow and NPV vs Processing recovery @ AU\$3,500/oz

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Variability work completed during the Scoping Study indicates that a **1% variation** in recovery generates a **\$2.2 million variation** in undiscounted cashflow and a **\$1.9 million variation in the project NPV**. The sensitivity outcomes show that the project remains viable across the range of recoveries considered. The Scoping Study used a nominal 95% recovery for the calculation of financials. Updated metallurgical testwork indicates that the Project can deliver up to 99.7% recovery. This is an increase of 4.7% in recovery which translates to an increase of \$8.9m to the NPV⁸ for a **revised study figure of AU\$99.9 million** at a gold price of AU\$3,500/oz.

Other Projects

During the period Carnavale entered into an Asset Sale Agreement for the sale of 100% of CAV's license E40/394, close to Leonora in Western Australia, to KoBold Tjantjuru Pty Ltd (KoBold). The sale formed part of our strategy of crystallizing value from non-core exploration assets while maintaining a strong focus on gold exploration and development at our Kookynie Gold Project and Ora Banda South Gold Project.

The Company, through its wholly owned subsidiary Tojo Minerals Pty Limited, entered into the agreement with KoBold under which KoBold has an exclusive right to acquire 100% of Tojo's interests in the Leonora tenement for \$405,000.

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.

CORPORATE

In September 2024, CAV issued 666,666,666 shares at an issue price of \$0.0033 each to raise \$2.2 million (before costs) to high net worth overseas, sophisticated and professional investors, comprising existing and new shareholders ("Placement") (before costs of raising). Argonaut Securities Pty Ltd and Canaccord Genuity (Australia) Limited were appointed as Joint Lead Managers for the Placement.

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 2024.

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 10th day of March 2025

DIRECTORS' REPORT

Competent Person's Statement

The information that relates to Exploration Results for the projects discussed in this report 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.

The information in this report that relates to Estimation and Reporting of Mineral Resources at the Kookynie Gold Project is based on information compiled by Mr Michael Job, who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Job is an independent consultant employed by Cube Consulting. Mr Job has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Job consents to the inclusion in the report of the matters based on the 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.

No New Information

With reference to previously reported Exploration results and Minerals resources, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case off estimates of mineral resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

The Company confirms that all material assumptions underpinning the Production Targets, or the forecast information derived from the Production Targets, included in the original ASX announcement dated 13 June 2024 continue to apply and have not materially changed.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original reports.

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 2024, 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
10 March 2025



M R Ohm
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

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HLB Mann Judd 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 2024

	Note	Consolidated 6 Months Ended 31 December 2024 \$	Consolidated 6 Months Ended 31 December 2023 \$
REVENUE			
Interest income	2	38,902	64,096
Other income – option fee received	2	30,000	70,000
		<u>68,902</u>	<u>134,096</u>
EXPENSES			
Administrative expenses		(308,665)	(321,037)
Depreciation		-	(312)
Exploration expenditure impaired / written off	3	(1,894)	(3,110)
Share-based payments expense		-	(401,825)
Due diligence / project generation expenses		<u>(50,000)</u>	<u>-</u>
Loss before income tax		(291,657)	(592,188)
Income tax expense		<u>-</u>	<u>-</u>
Net loss for the period		(291,657)	(592,188)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign subsidiaries		-	-
Other comprehensive loss for the period		<u>-</u>	<u>-</u>
Total comprehensive loss for the period		<u>(291,657)</u>	<u>(592,188)</u>
Basic and diluted loss per share (cents per share)		(0.008)	(0.018)

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 2024

	Note	Consolidated 31 December 2024 \$	Consolidated 30 June 2024 \$
Assets			
Current Assets			
Cash and cash equivalents		2,072,760	1,244,845
Receivables		102,573	153,361
Other assets		9,617	22,059
Total Current Assets		2,184,950	1,420,265
Non-Current Assets			
Exploration and evaluation expenditure	3	11,121,432	10,051,189
Other assets		20,000	20,000
Total Non-Current Assets		11,141,432	10,071,189
Total Assets		13,326,382	11,491,454
Liabilities			
Current Liabilities			
Trade and other payables		412,044	338,194
Total Current Liabilities		412,044	338,194
Total Liabilities		412,044	338,194
Net Assets		12,914,338	11,153,260
Equity			
Issued capital	4	44,380,048	42,327,313
Reserves	5	3,696,283	3,696,283
Accumulated losses		(35,161,993)	(34,870,336)
Total Equity		12,914,338	11,153,260

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 2024

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

Consolidated	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2024	42,327,313	(34,870,336)	3,696,283	11,153,260
Loss attributable to members of the parent entity	-	(291,657)	-	(291,657)
Total comprehensive loss for the period	-	(291,657)	-	(291,657)
Shares and options issued during the year (net of issue costs)	2,052,735	-	-	2,052,735
Balance at 31 December 2024	44,380,048	(35,161,993)	3,696,283	12,914,338

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 2024

	Consolidated 6 Months Ended 31 December 2024 \$	Consolidated 6 Months Ended 31 December 2023 \$
Cash flows from operating activities		
Payments to suppliers and employees	(332,548)	(370,170)
Cash payments for due diligence and project generation	(50,000)	-
Interest received	38,902	32,899
Other income – R & D refund	57,536	98,537
Other income – Option fee received	80,000	70,000
Net cash used in operating activities	(206,110)	(168,734)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(1,018,710)	(1,084,757)
Net cash used in investing activities	(1,018,710)	(1,084,757)
Cash flows from financing activities		
Proceeds from issue of shares and options	2,200,000	3,105,675
Issue costs	(147,265)	(163,928)
Net cash from financing activities	2,052,735	2,941,747
Net increase / (decrease) in cash held	827,915	1,688,256
Cash at the beginning of the reporting period	1,244,845	919,185
Cash at the end of the reporting period	2,072,760	2,607,441

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 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

Statement of compliance

The interim consolidated financial statements were authorised for issue on 10 March 2025.

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 2024 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 2024.

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.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES - continued

Adoption of new and revised Standards

Standards and Interpretations applicable to 31 December 2024

In the half-year ended 31 December 2024, 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 2024. 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 2024.

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 2024 \$	Consolidated 31 December 2023 \$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Revenue		
Interest income	38,902	64,096
Other income – option fee received	30,000	70,000
Total	<u>68,902</u>	<u>134,096</u>
Expenses		
Depreciation	-	(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 2024

3. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 31 December 2024 (6 months) \$	Consolidated 30 June 2024 (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	10,051,189	7,883,671
Exploration expenditure incurred	1,072,137	2,250,734
Exploration expenditure impaired / written off	(1,894)	(83,216)
Balance at end of period	11,121,432	10,051,189

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 2024 \$	Consolidated 30 June 2024 \$
(a) Issued and paid-up share capital		
4,090,218,394 (30 June 2024: 3,423,551,728) ordinary shares, fully paid	44,380,048	42,327,313
<i>Movements in Ordinary Shares:</i>		
	\$	\$
Balance at the beginning of the period	42,327,313	39,660,291
Shares issued in a share placement in July and September 2023 – 690,000,000 shares	-	3,105,000
Shares issued in a share placement in September 2024 – 666,666,666 shares	2,200,000	-
Transaction costs arising from issue of securities	(147,265)	(437,978)
Balance at the end of the period	44,380,048	42,327,313

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2024

4. ISSUED CAPITAL (continued)

(b) Share options

Exercise Period	Exercise Price	Opening Balance 1 July 2024 Number	Options Issued Number	Options Exercised/ Expired Number	Closing Balance 31 December 2024 Number
On or before 31 July 2025	\$0.007	67,500,000	-	-	67,500,000
On or before 31 March 2025	\$0.008	87,500,000	-	-	87,500,000
Total		155,000,000	-	-	155,000,000

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 2024 \$	Consolidated 30 June 2024 \$
Share-based payments reserve	3,696,283	3,696,283
<i>Movements in share-based payments reserve</i>		
Opening balance	3,696,283	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	3,696,283

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 2024 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2024

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 2024				
Business segments				
Revenue				
Other external revenue	38,902	30,000	-	68,902
Total segment revenue	38,902	30,000	-	68,902
Results				
Profit / (loss) before income tax	(311,418)	19,761	-	(291,657)
Income tax expense				-
Net loss				(291,657)
31 December 2024				
Assets				
Segment assets	2,201,950	11,124,432	-	13,326,382
Liabilities				
Segment liabilities	73,241	338,803	-	412,044
	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				
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

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 2024

In the opinion of the directors:

- (a) the financial statements and notes of the Group, as set out on pages 20 to 28, 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 2024 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 10th day of March 2025

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 2024, 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 2024 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 responsibility is further described in the *Auditor's Responsibility 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 2024 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
10 March 2025



M R Ohm
Partner