



Kookynie Gold Project – Aircore Drilling commenced

Highlights

- Aircore drilling program of 6,450m commenced at Kookynie Gold Project targeting structurally controlled high-grade gold mineralisation (Figure 1).
- The Kookynie Gold Project is along strike and adjacent to Nex Metals Ltd (ASX: NME) and Metalicity Ltd.'s (ASX: MCT) high-grade Leipold, McTavish Cosmopolitan and Champion deposits, being successfully developed by MCT under an earn in agreement.
- Recently completed high-resolution aeromagnetic survey has been used to update the interpretation of the bedrock geology (Figure 4) within the Project and has been used to identify multiple structural targets.
- The updated interpretation has been used to design and plan the aircore drilling program.
- A comprehensive soil sampling program of approx. 1,100 samples has also been completed over residual soils domains at the Kookynie Gold Project with samples submitted to the laboratory.
- The tenement package is underexplored with multiple structurally controlled targets located under alluvial cover (Figure 3).

Carnavale Resources Limited (ASX:CAV) is pleased to advise that the 6,450m aircore drilling program, that is part of the systematic exploration program at the Kookynie Gold Project, 60km south of Leonora in the West Australian Goldfields, has commenced.

The current aircore drilling program has been designed to test the potential of structural features identified in the aeromagnetic survey to host high-grade gold at the Kookynie Gold Project.

Executive Chairman Ron Gajewski commented:

"Carnavale is delighted to be on the ground drilling at the Kookynie Gold Project, the area has produced some outstanding results for our neighbours, adjacent to and along strike from our highly prospective tenement package.

The Company is excited by the outcome of the recent aeromagnetic survey, which has identified abundant structural targets that have the potential to host high-grade gold mineralisation. We look forward to the results of the drilling in the new year."



Figure1, Bostech Drill rig at the Kookynie Gold Project yesterday

Aircore drill target generation criteria.

The Kookynie Gold Project has had limited exploration, especially under areas of transported cover, and represents a priority target for high-grade gold mineralisation similar to the deposits being successfully developed by NME and MCT such as Cosmopolitan, Champion, Leipold and McTavish (Figure 2). The central area to the Project is covered by a layer of transported cover and fluvial sediments. This layer of cover made it unattractive to early explorers and unsuitable for traditional surface sampling techniques.

As a result, the planning and design of the exploration programs being conducted at the Kookynie Gold Project have been dominated by the geology and terrain, with initial soil sampling being completed on areas of residual soil material and aircore drilling designed to test structural targets, identified by the detailed aeromagnetic survey, where soil sampling would be ineffective due to surface cover.

These work programs are being run concurrently at the Project. Gold anomalies identified by initial aircore program and the soil sampling program will be followed up in a second phase of aircore or RC drilling depending upon results. The initial soil sampling program has been completed and submitted to the laboratory for analysis.

The mineralisation in the Kookynie district appears to be controlled by structures interpreted to be east dipping that strike broadly north–south. These structures host high-grade gold in sulphidic quartz veining that were exploited by historic mines adjacent to the Project. There appears to be a consistent south-east plunge to the gold mineralisation identified at Leipold and Cosmopolitan within the host structures (Figure 2 and 4). This preferred orientation has been considered when planning Carnavale's aircore program.

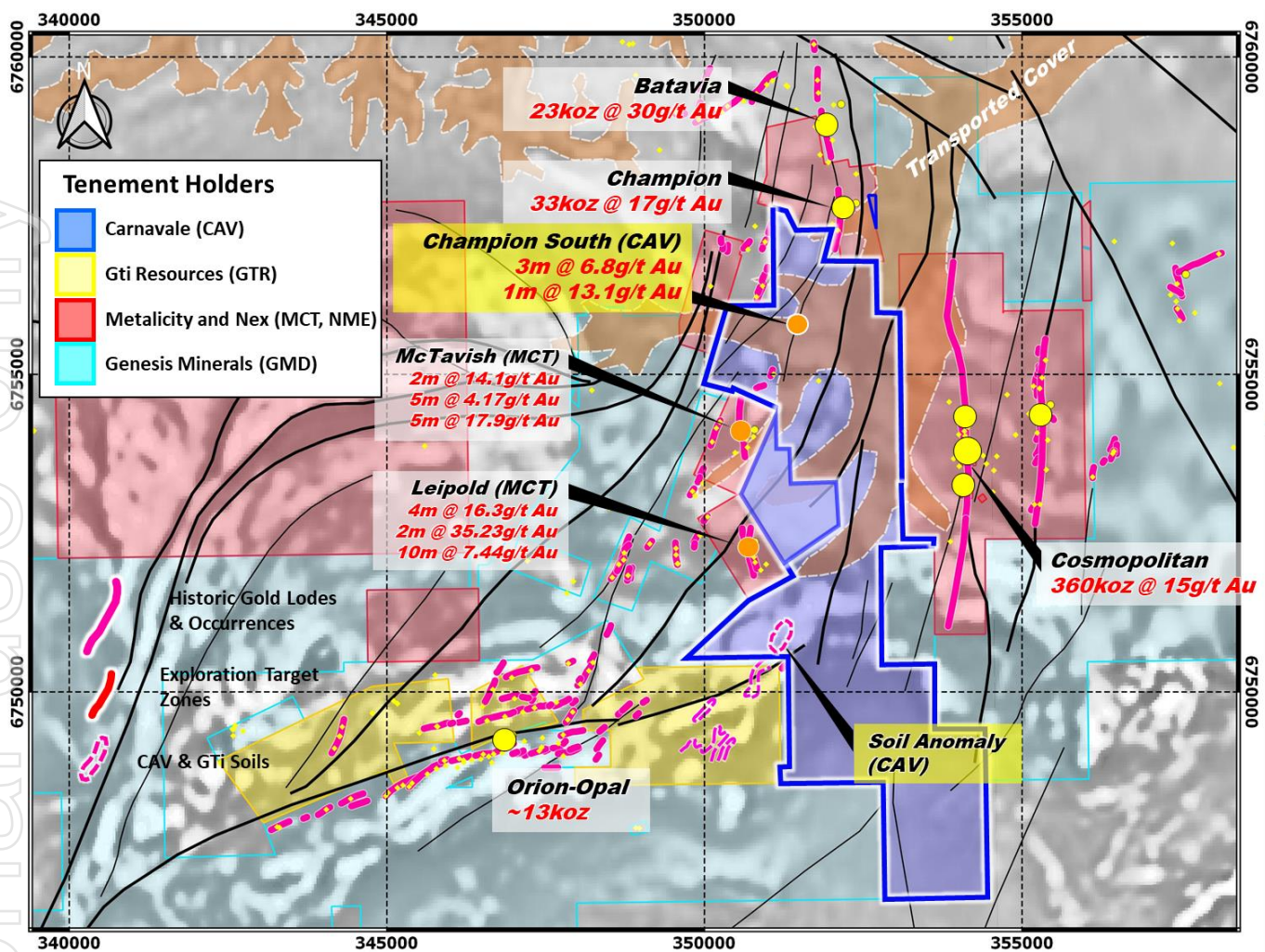


Figure 2, Kookynie Tenement holding with historic production and initial structural interpretation.

A data compilation and detailed review of the historic exploration data was undertaken for the Kookynie Gold Project and tenements adjacent to the Project area by Carnavale geologists. The drilling and surface data supplied by Western Resources Ltd. was reviewed and checked against the WAMEX data and uploaded into the database along with historic data surrounding the Project area. The exploration that has recently been undertaken by NME/MCT, and in the public domain, was also uploaded into the database.

In addition, the historic data recorded in the WAMEX system for the recently acquired tenement P40/1480 was compiled and added to the dataset. The combination of all this information helped to identify the structures within the aeromagnetic imagery that were demonstrated to host gold. These structures can be extrapolated into the Project area under cover. Utilising this data Carnavale was able to create an updated bedrock geology map and identify mineralized trends from the data (Figure 4).

Detailed aeromagnetic survey completed

Multiple structural targets were identified by interpretation of the recent aeromagnetic survey that have the potential to host high-grade gold mineralisation. The Company is very pleased with the high quality of the data produced by the survey (Figure 5).

The Company engaged Magspec Ltd. to conduct a detailed aeromagnetic survey that was flown at a height of 35m and 20m line spacing, orientated north south. The aim of the survey was to identify the structural features that could potentially host high-grade gold, concealed by the transported cover. The survey was flown at a height that would minimize the impact of the mag-haematite in the transported material and orientated to avoid the Kookynie township.

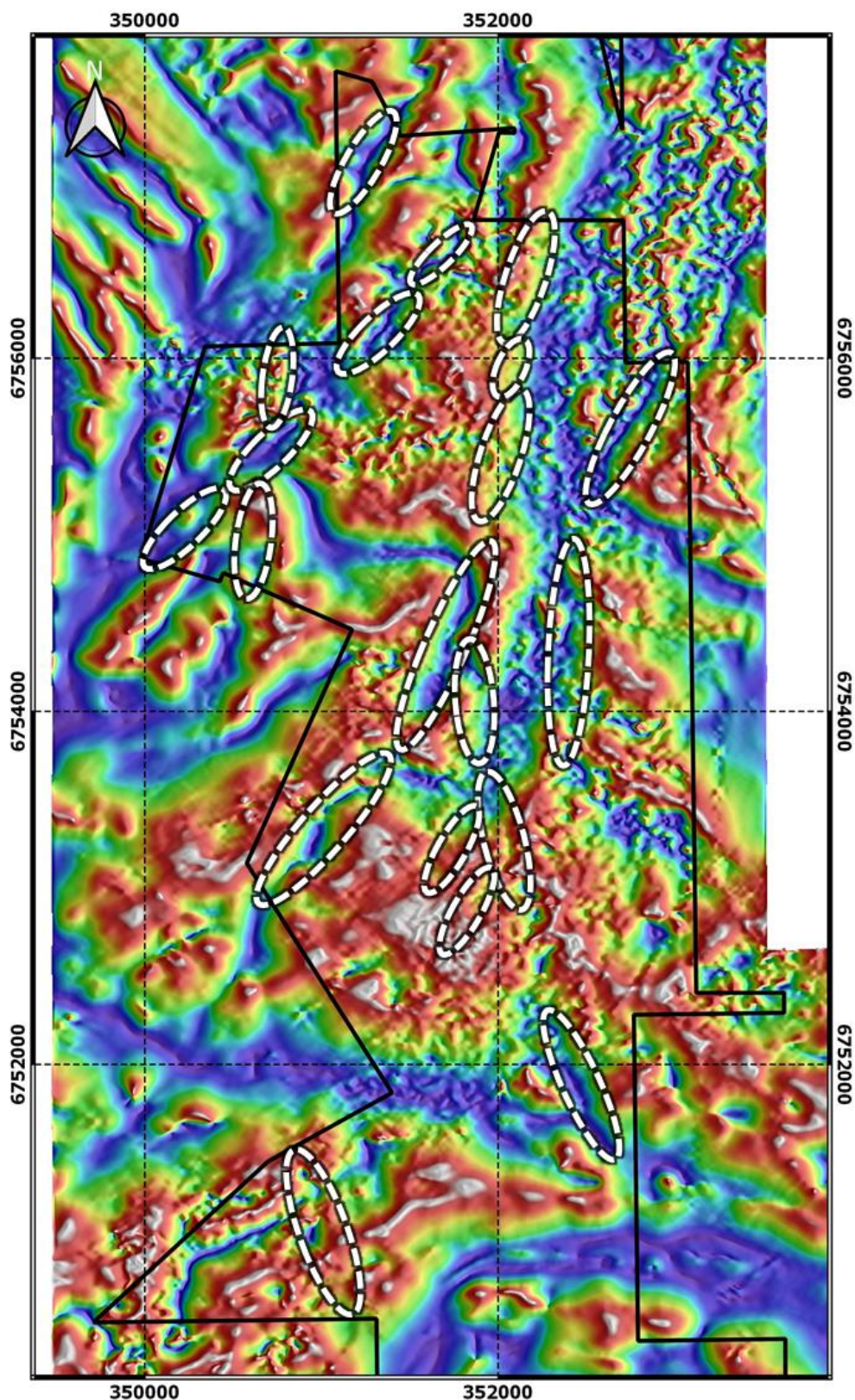


Figure 3, Structural gold targets overlain on high res. Aeromagnetic imagery (TMI RTP TILT)

Precision Geophysics processed and generated a series of images from the aeromagnetic survey data to enhance the underlying geological features. Carnavale geologists reviewed the imagery in conjunction with the known geology, historic data compilation, satellite data and mineralised systems identified by the drilling database to create structural drilling targets with a strong probability to host high-grade gold mineralisation (Figure 3). The current aircore drill program has been designed to test these multiple structural targets.

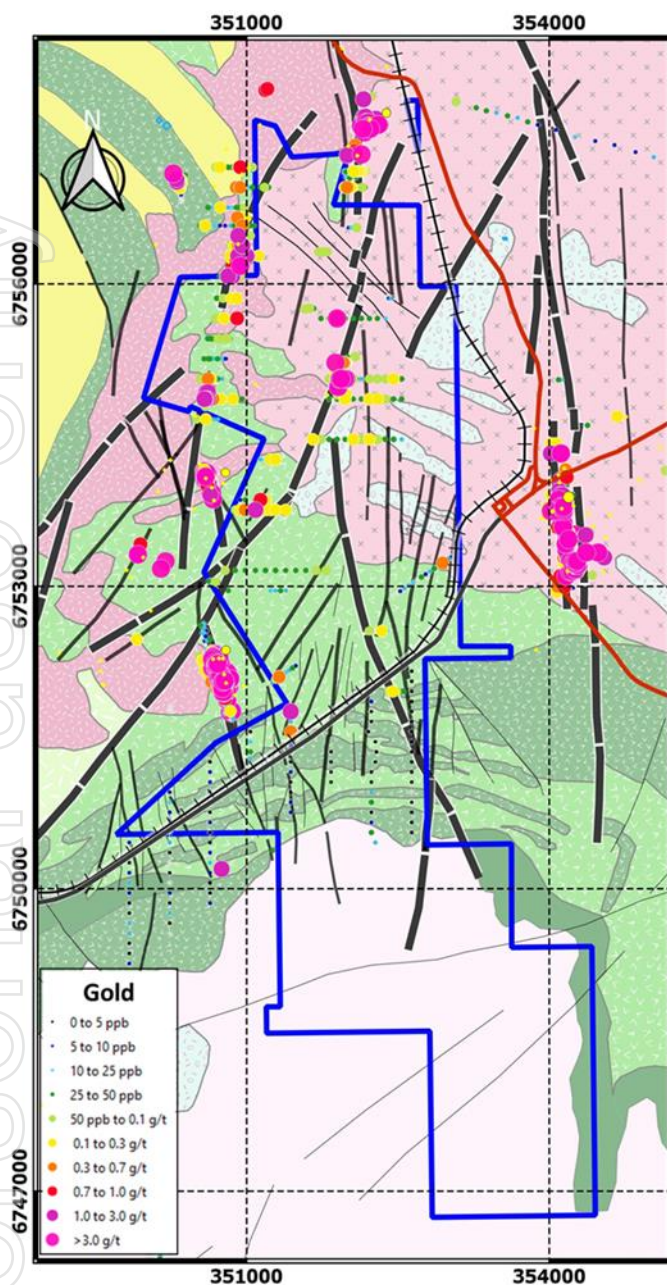


Figure 4, Updated bedrock geology map with mineralised trends from historic data and interpreted structures

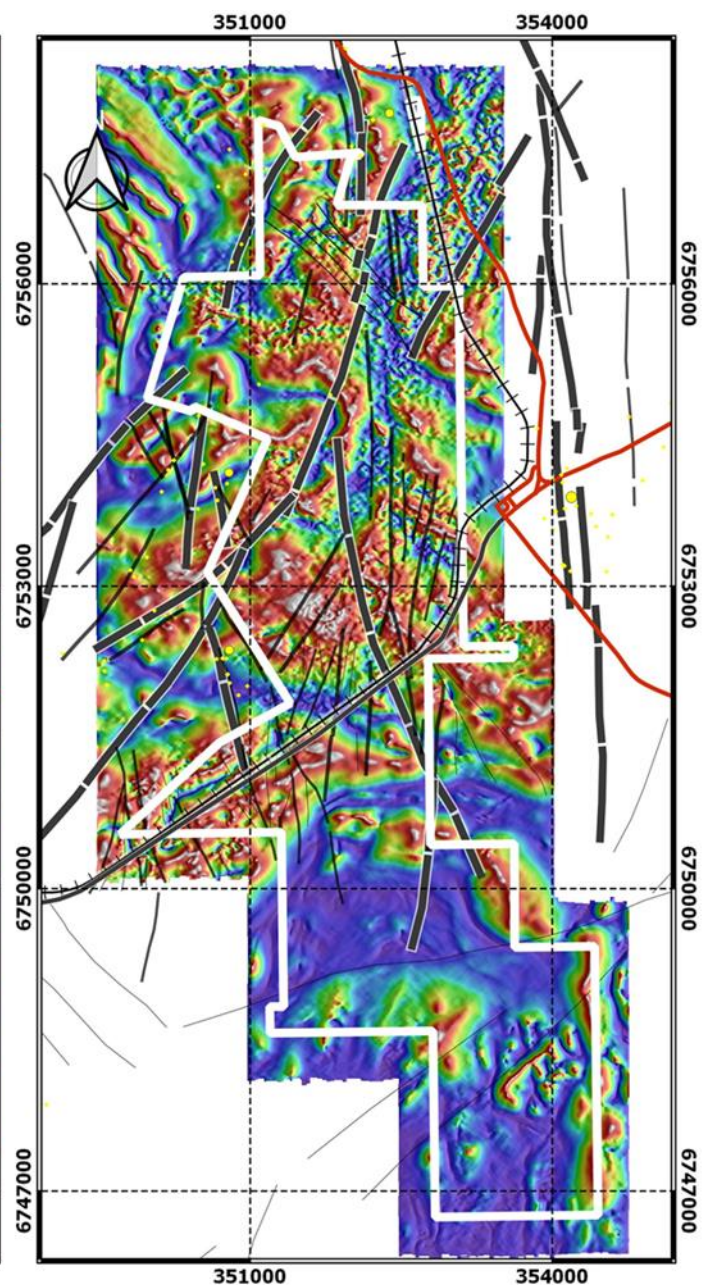


Figure 5, Detailed aeromagnetic imagery with interpreted structure and infrastructure.

Soil sampling program

A soil sampling program has been completed over the areas of residual soils (Figure 6). Approximately 1,100 samples were taken across five zones. The samples were taken from 20cm below the surface and sieved to -180 micron in the field. The program is targeting interpreted structural gold zones in the residual soil profile along strike from the Leipold, McTavish, and Champion deposits.

The samples have been submitted to ALS for multi-element analysis including gold with results expected in December 2020. The soil program is being run concurrently with the aircore program.

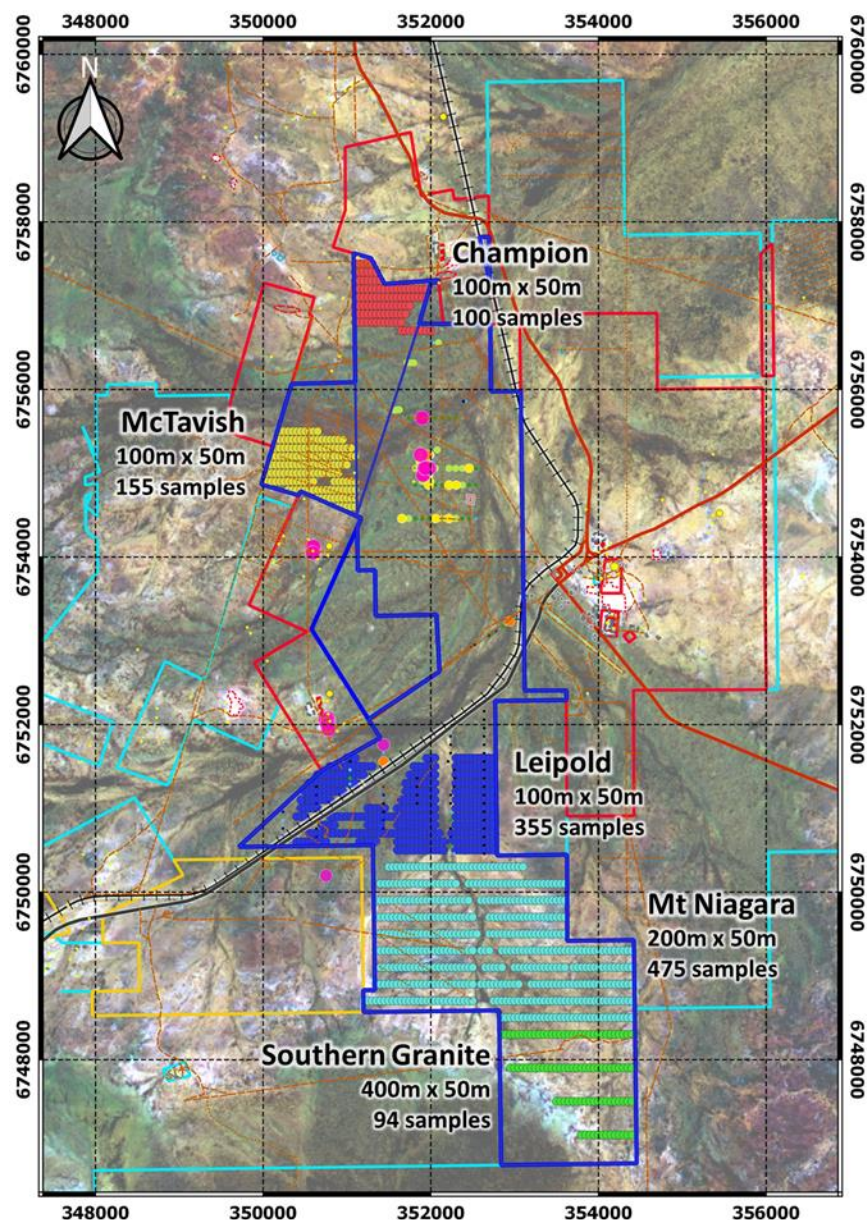


Figure 6, Soil sampling program at Kookynie Gold Project over Sentinel satellite imagery

Permits in place

The Company completed an ethnographic heritage survey of the tenement package, in conjunction with the traditional landowners, to ensure that any potential areas of cultural significance are not disturbed. The survey has found no areas that will impact on the Company's current exploration plans.

The program of work applications (PoW) for exploration at the Kookynie Gold Project have been approved by the DMIRS.

This release is approved by the Board of Carnavale Resources Limited.

For further information contact:

Ron Gajewski
Chairman
P: +61 8 9380 9098

Humphrey Hale
Managing Geologist

Competent Persons Statement

The information that relates to Exploration Results for the projects discussed in this announcement represents a fair and accurate representation of the available data and studies; and is based on, and fairly represents information and supporting documentation reviewed by Mr. Humphrey Hale, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Hale is a Consultant to Carnavale Resources Limited. Mr. Hale has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr. Hale consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Statements regarding Carnavale's plans with respect to the mineral properties, resource reviews, programs, economic studies and future development are forward-looking statements. There can be no assurance that Carnavale's plans for development of its mineral properties will proceed any time in the future. There can also be no assurance that Carnavale will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Carnavale's mineral properties.

Information relating to Previous Disclosure

Previously reported material Information relating to the Kookynie Gold Project includes:

Exploration

Carnavale acquires a High-Grade Gold Project - Kookynie, 4 August 2020

Carnavale secures additional ground at Kookynie Gold Project, 14 September 2020

Strategic Acquisition and Intensive Exploration to commence at Kookynie High-Grade Gold Project, 22 Oct 2020

Kookynie Exploration update, 9 November 2020