September 2020 Quarterly Activities Report

Carnavale Resources Limited ("CAV", "Company" or "Carnavale") reports on activities completed during the September Quarter 2020.

Highlights

Two new and under explored gold projects secured in well-endowed gold regions within 200km of Kalgoorlie, Western Australia

- **Kookynie Gold Project**
  - Strategic land position in highly prospective structural corridor south of the Tier 1 Sons of Gwalia gold mine (>8Moz) and the Greater Ulysses Project (1.3Moz).
  - High grade gold targets immediately along strike from the historic high-grade Champion, McTavish and Leipold gold deposits.
  - Exploration programs underway including soil sampling, detailed aeromagnetic survey and 6,000m aircore program planned during December quarter.
- **Ora Banda South Gold Project**
  - Prospective and under explored landholding in the well-endowed Ora Banda region where over 6Moz of gold has been produced from nearby mines including the Ora Banda, Siberia, Bullant, Mt Pleasant mines.
  - Geological and structural setting analogous to Goldfields 2Moz Invincible Gold Mine associated with the Black Flag Group sediments and the Kurrawang Conglomerates and intersecting Carnage Shear Zone.
  - Encouraging soil anomalies and bedrock gold mineralisation highlighted in limited past exploration.
  - Soil sampling planned to commence in the December quarter with aircore drilling planned in the March 2021 quarter.
- **Nickel sulphide exploration activities underway at Grey Dam and Mt Alexander Projects**
  - RC and diamond drilling targeting EM targets completed, results pending and additional soil sampling planned during the December 2020 Quarter.
  - Nickel targets defined in soil sampling with Moving Loop EM survey at Mt Alexander project planned.

Executive Chairman Ron Gajewski commented:

"Our exciting new gold projects add a new dimension to our existing nickel portfolio. All our projects are highly prospective and under explored and located in well-endowed regions near existing mines. I am particularly excited about the potential to discover high-grade gold resources in the current high gold price environment.

The company is well positioned with a cash balance of $3.6 million after strong support from option holders, many of which are long term shareholders, who exercised their listed options raising $2.76 million. We are actively exploring with a strong news flow expected during the next quarter and beyond."

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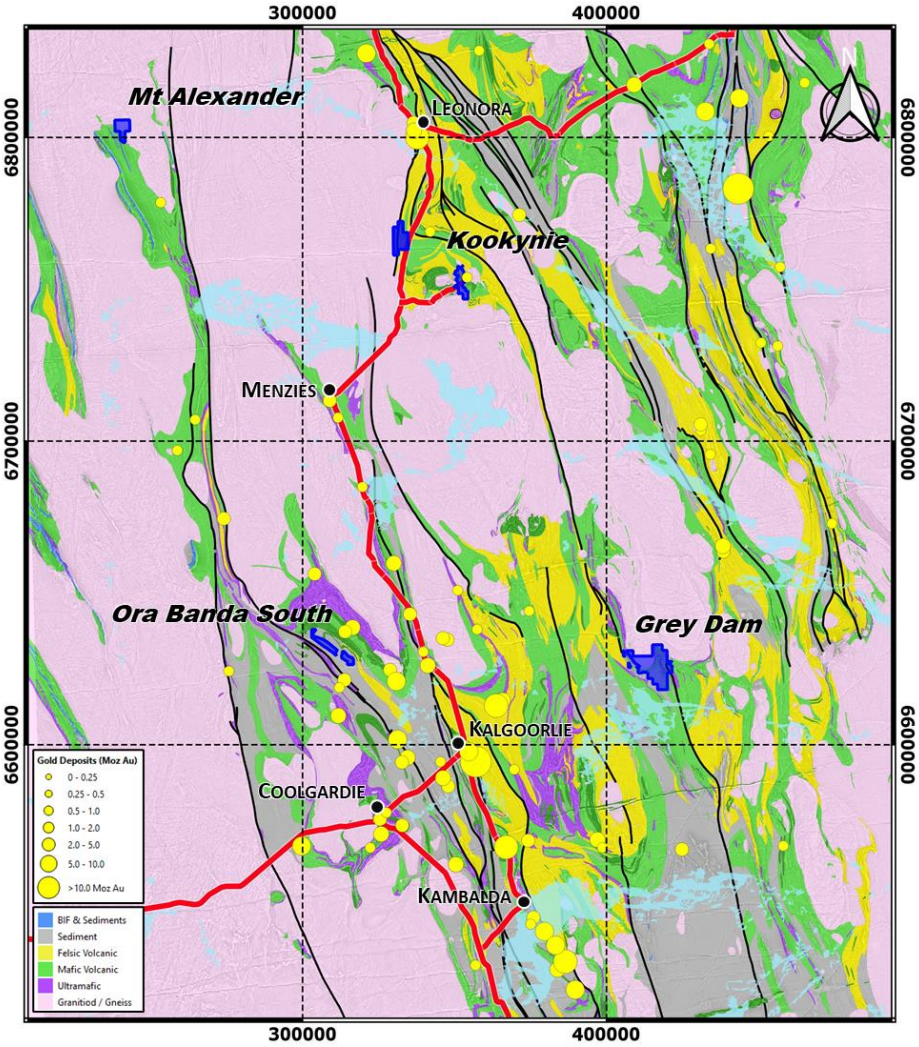


Figure 1. Location of Carnavale's Projects
Simplified geology and significant Gold deposits

The Kookynie Gold Project. – Western Australia

During the September quarter Carnavale signed an exclusive and binding Option Agreement with Western Resources Pty Ltd, a West Australian private company, to acquire 80**%** of the high-grade Kookynie Gold Project ("KGP", "Project"), located 60km south of Leonora and 150km north of Kalgoorlie in Yilgarn Craton, Western Australia (Figure 1).

The Project covers an area of approximately 27km^2 and subsequent to the end of the quarter, Carnavale bolstered its holdings near Kookynie by the acquisition of 100% of application E40/394 consisting of an additional 45km^2.

Kookynie Prospectivity

The Kookynie area has strong gold production history from high-grade quartz vein deposits dating back to the late 19th century. The high-grade quartz vein deposits, found in the area, usually are representative of larger systems comprising numerous individual high-grade lodes.

All the significant historical high-grade lodes mined at Kookynie have been from areas of outcrop that were discovered by prospectors at the turn of the last century. The Project has the benefit of similar geology and structural setting with along strike extension of the mineralised structures. The most significant producing mines are associated with high-grade gold shoots within North-South trending quartz veins interacting with the Puzzle granite (Figure 2).

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The geology of the project area is dominated by the Keith/Kilkenny tectonic zone within the north-northwest trending Archaean aged Malcom Greenstone belt which can be seen reaching from Sons of Gwalia in the North through the Kookynie District in the south (Figure 2).

The historic mining together with the recent exploration success of other explorers in the region provide strong support for the prospectivity of the Project. The major structural corridor extends from the Tier 1 Sons of Gwalia gold mine (>8Moz) owned by St Barbara Limited (SBM), through the Greater Ulysses Project (1.3Moz) owned by Genesis Minerals (GMD) and 10km further south to the Kookynie region (>0.65moz production) where NEX Metals, Metalicity and GTI Resources are achieving exploration success.

At Kookynie, historic production was predominantly from the Cosmopolitan Mine (360,000oz @ 15g/t production) which lies 1km east of the project and the Champion Mine (33,000oz @ 17g/t production), the smaller mines of McTavish, Leipold, Batavia, Altona, Diamantia, and Cumberland lie adjacent to the Project (Figure 2 and 3).

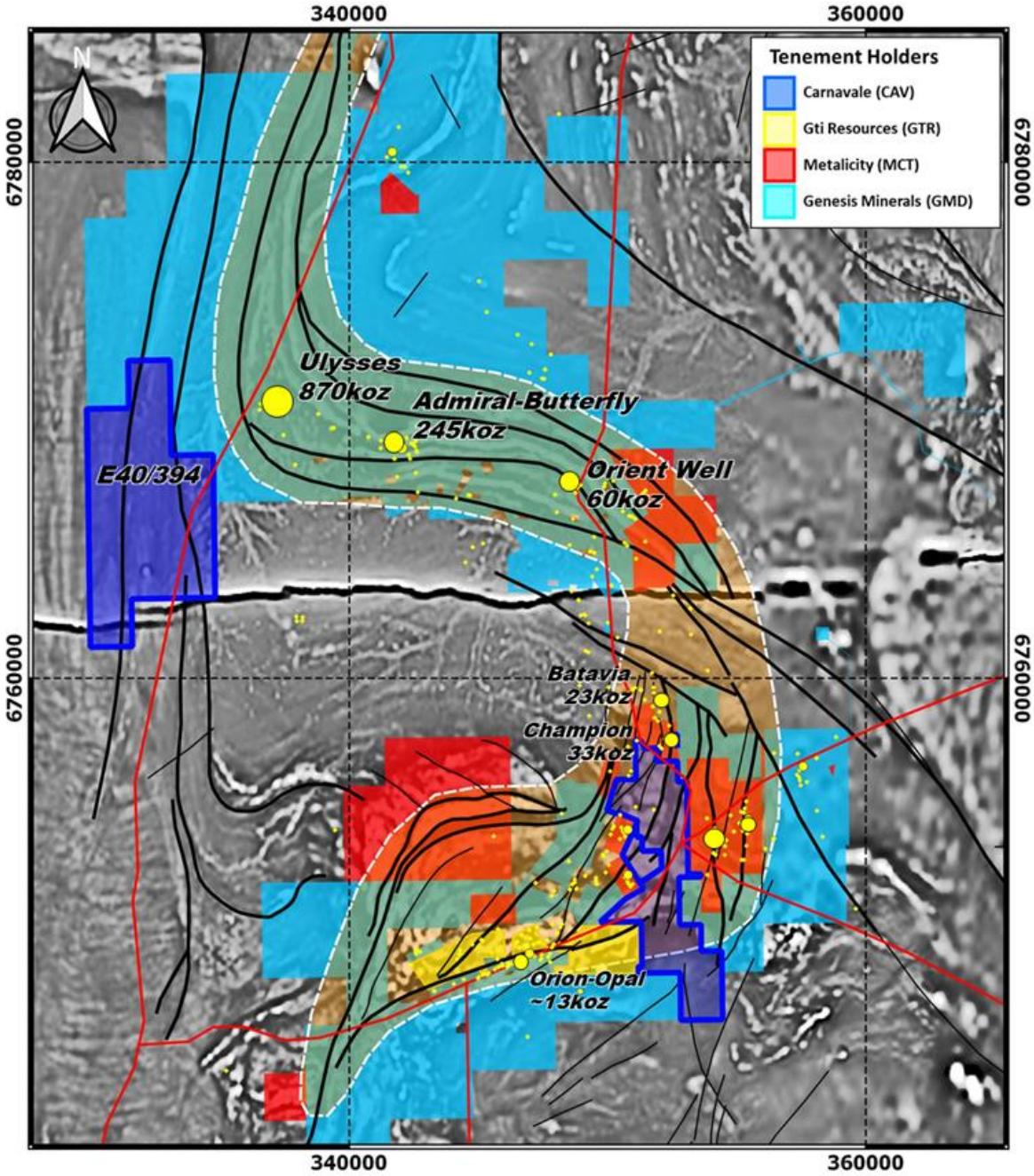


Figure 2. Map showing Tenement Holdings over geology.

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The core of the Kookynie Gold Project area is covered with a thin layer of transported material and is under explored with only 2 RC holes and limited wide-spaced RAB/aircore drilling undertaken within the Project area. Carnavale is excited by the opportunity of applying modern geochemistry and drilling techniques to this highly prospective area.

The Kookynie Project is located in the central portions of the historic mining centre, which has produced over 650,000oz from high-grade gold lodes. Carnavale's strategy is to explore and define sufficient high-grade gold resources that can be mined and transported to one of the five nearby processing plants.

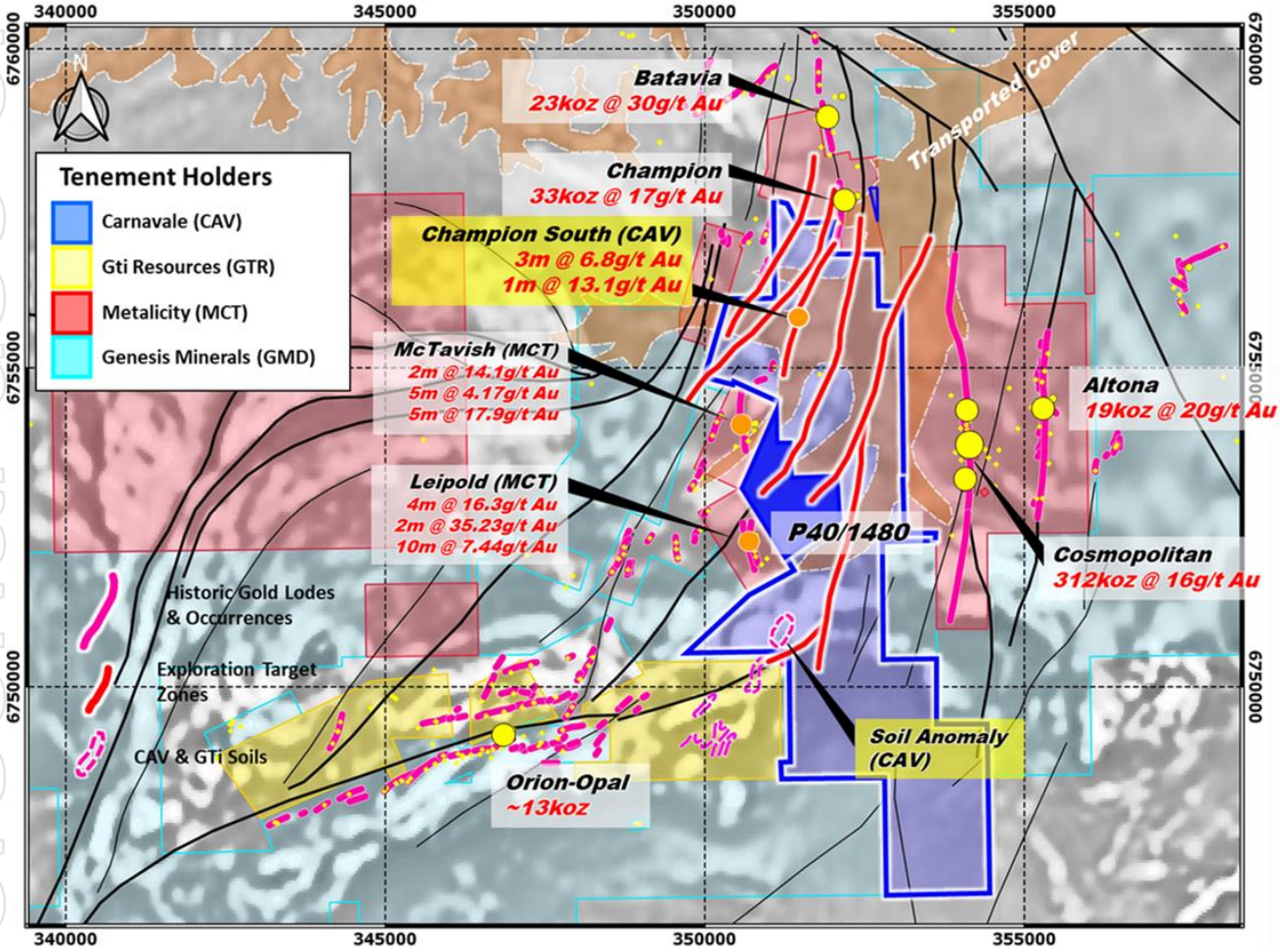


Figure 3 Kookynie mineralised trends

Tenure over aeromagnetic imagery and outlines of transported cover with recent significant gold results and historic gold production.

Previous surface exploration was hampered by a thin layer of recent sheetwash cover. The historic, high-grade gold mines that have been exploited in the area, are all located in sub cropping or outcropping geology. Western Resources Pty Ltd has identified several high priority drill targets from the previous exploration results that Carnavale will assess in detail.

The old workings that are located on P40/1380 and P40/1381 in the northwest of the Project have not been systematically drill tested, although 5 short RC holes were completed on P40/1380 on the license border with Metalicity Limited's McTavish prospect. Surface prospecting by Western Resources Pty Ltd has confirmed the presence of gold mineralisation at these historic workings. The historic workings represent excellent early stage drill targets.

Six significant NNE-SSW striking target structures, identified from the aeromagnetic survey, cross the Project and have a similar orientation to structures that are host to the historic, high-grade gold production in the area, including strike extents of the high-grade Champion and Batavia mines. The extensions of the historic high-grade Cosmopolitan and Altona structures trend into the southern portion of the Project (Figure 3).

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The soils anomalies defined by GTi Resources Ltd immediately to the southwest of the tenements supports the previous soil anomalies defined within the Project.

Additional ground acquired at Kookynie.

As part of Carnavale Resources strategic exploration plan at Kookynie, the Company acquired tenement P40/1480 from owner Duane Briggs, covering an area of approximately 6km^2 and is contiguous with Carnavale's existing 21 km^2 tenure (Figure 3).

P40/1480 is situated immediately adjacent to the high grade Leipold and McTavish prospects that are being successfully explored by Metalicity Ltd.

Exploration across P40/1480 has been dominated by historic prospecting and remains largely under explored by modern exploration, as the geology is dominated by sheetwash and transported alluvium which hampered early explorers. (*For details see ASX release Carnavale secures additional ground at Kookynie Gold Project 14th September 2020).*

Subsequent to the end of the quarter, the Company acquired 100% of tenement application E40/394, covering 45km^2 within the prospective Melita formation from prospector Bruce Legendre.(Refer *Metalicity Limited ASX release significant and strategic tenement application for the Kookynie Gold Project and update on assays and drone survey dated 22 June 2020*)

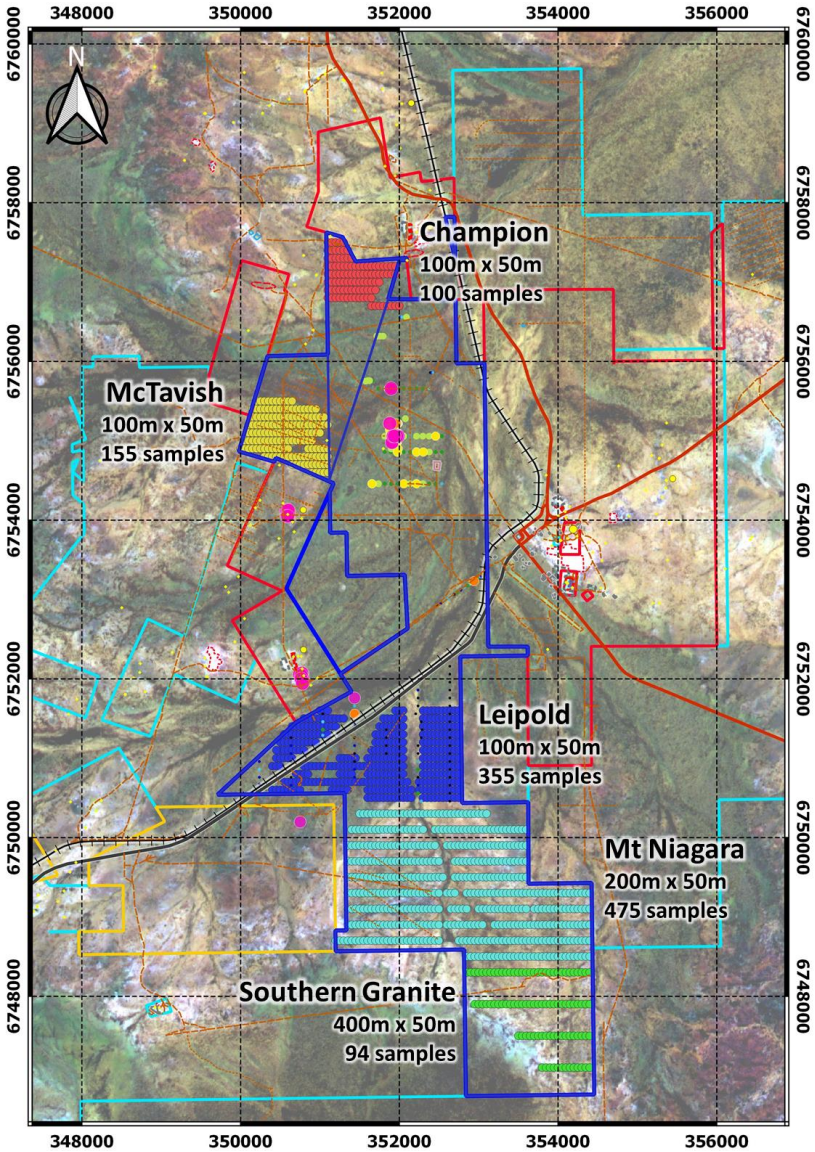


Figure 4 Plan of soil sampling areas at Kookynie Gold project.

CAV tenement - Dark blue, Metalicity Ltd – Red, Genesis Minerals - Light Blue, GTi Resources - yellow.

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E40/394 is located 5km west of the historic Ulysses Mining Camp that is successfully progressing towards development by Genesis Minerals Ltd and 40km south-southwest of Leonora in the Eastern goldfields of Western Australia (Figure 2).

E40/394 is situated within the Melita formation, that is the host sequence to the Ulysses-Orient-Well mining Camp that has produced over 1.5Moz of gold (Figure 2). The tenement has been explored by two phases of recent exploration, one in the 1990's and the most recent in 2012. This exploration included an extensive soil geochemistry program completed within the tenement and over 10,000m of drilling. Open file data is available from WAMEX reports A062530 and A094841. Carnavale is in the process of reviewing this data to establish a modern exploration plan, targeting Ulysses style gold mineralisation (*For details see ASX release "Strategic Acquisition and Intensive Exploration to commence at Kookynie High-Grade Gold Project dated 22 October 2020").*

Kookynie Gold Project Exploration

Carnavale has planned a program of detailed, targeted exploration in the first phase of work programs at the Kookynie Gold project. The planned program includes systematic soil sampling, detailed aeromagnetic survey over the whole tenement package and an estimated 6,000m aircore drilling program, targeting structurally hosted high-grade gold mineralisation.

The program of soil sampling will cover five target areas (Figure 4), where the transported cover is not well developed. These areas include:

- Champion – Strike extensions to the south of the historic high-grade Champion mine.
- McTavish – the northwestern tenement areas along strike from the McTavish project being developed by Metalicity.
- Leipold - the southwest soil anomaly along strike from Metalicity's Leipold project and north of GTi Resources soil anomaly.
- Mt Niagara - The southeast part of the tenement along strike from Metalicity's Cosmopolitan trend.
- Southern Granite – Further extensions of the Cosmopolitan trend.

The gold mineralisation at Kookynie is high-grade and structurally controlled by faults and shears within the bedrock, which can often be identified by aeromagnetic surveys. Carnavale will fly a detailed aeromagnetic survey over the Kookynie Project to identify discrete structural targets that have potential to host significant high-grade gold mineralisation. It is anticipated that the Company will complete this survey in November. The systematic soil program matched with the detailed aeromagnetic survey is designed to pinpoint the structures that have anomalous gold and provide focused targeting for aircore drilling programs.

The Ora Banda South Gold Project – Western Australia

Subsequent to the end of the quarter, the Company signed an exclusive and binding Option Agreement with Western Resources Pty Ltd, a West Australian private company, to acquire 80% of the Ora Banda South Project which covers an area of approximately 25km^{2,} located 65km northwest of Kalgoorlie in the Yilgarn Craton, Western Australia (Figure 1).

The Ora Banda region is well endowed with gold, with numerous mines to be found in the local area. The Project area is surrounded by the gold mines of Ora Banda, Siberia, Bullant, Mt Pleasant, Cashmans and Lady Bountiful, that have produced in excess of 6Moz, all within 15km of the project. (Figure 5)

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The geology of the Project area is dominated by the northwest trending package of the Black Flag Group sediments and the Kurrawang Conglomerates that are intersected by the anastomosing Carnage Shear zone and associated northerly crosscutting structures. (Figure 6). The tenement package remains largely unexplored, despite being surrounded by numerous significant gold mines.

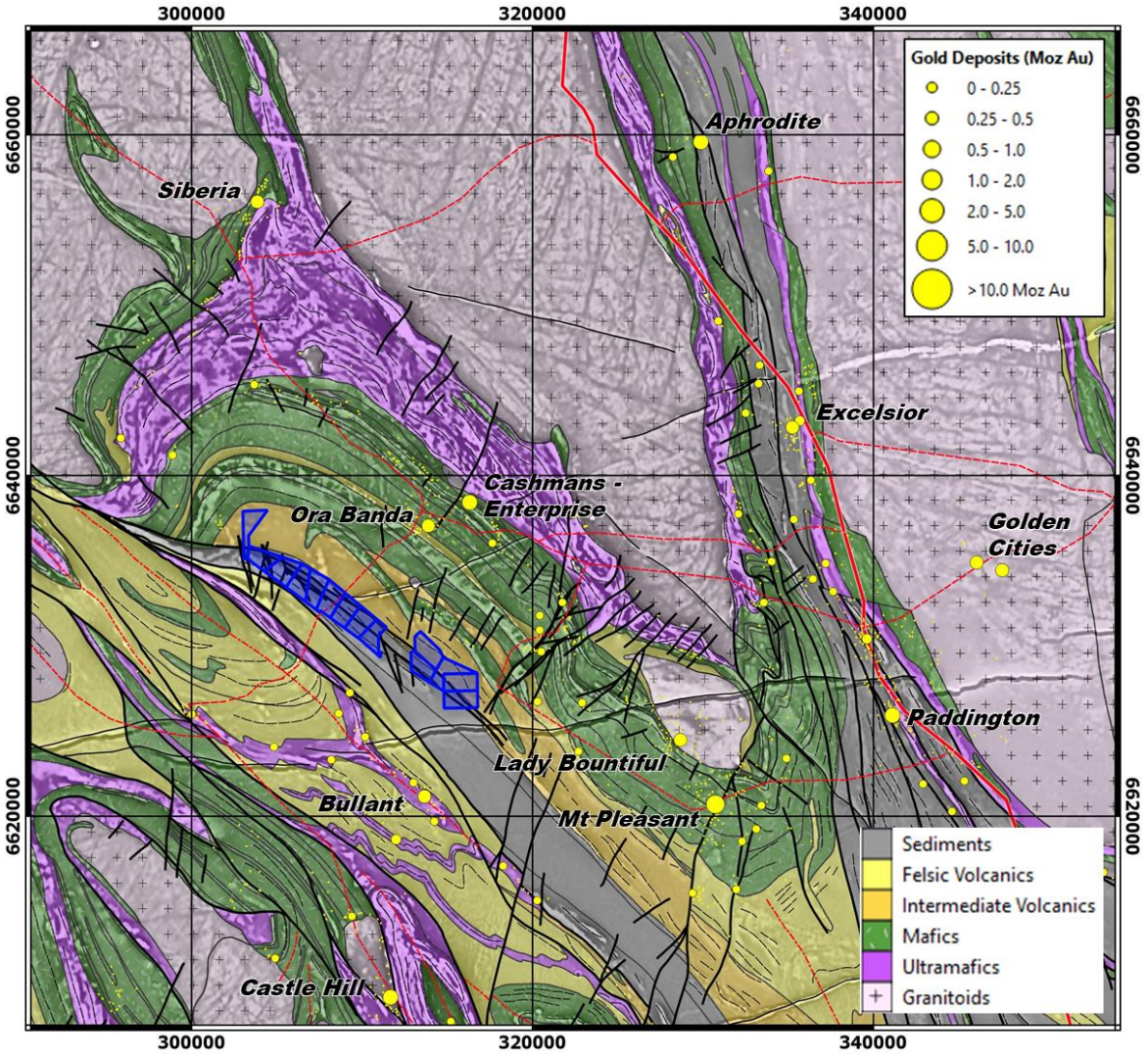


Figure 5. Map showing Tenement Holdings over geology and magnetics.
Ora Banda South Project (CAV option to earn 80%) - Dark Blue

Carnavale is excited to be exploring for structural targets defined by the Carnage Shear Zone and associated structures that intersect the late basin Kurrajong sediments, that include the Black Flag Group and Kurrawang conglomerates. This setting is analogous to the geology of the +2Moz Invincible deposits, discovered by Goldfields Ltd in 2012. The late basin sediments of the Kurrajong sediments were always considered a poor gold exploration target up until Goldfields Ltd discovered the Invincible deposits near Kambalda.

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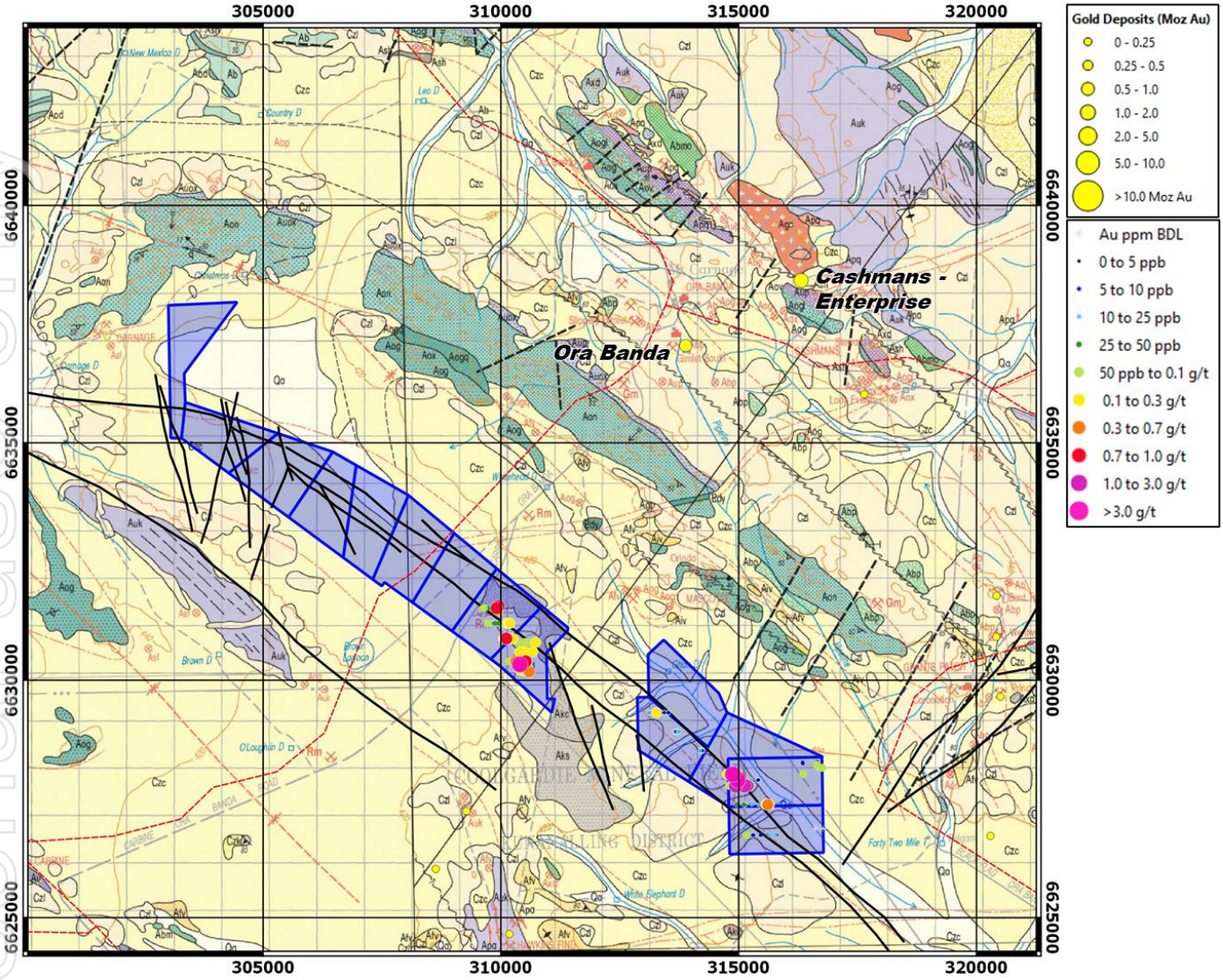


Figure 6. Ora Banda South Project showing structural interpretation of the Carnage Shear Zone and associated minor shears.

(Tenure in blue over geology with recent significant gold results and historic gold deposits.)

The Invincible deposits are hosted by mudstones of the Black Flag Group within the northwest trending Speedway Shear Zone. Mineralisation at Invincible comprises bedding-parallel, shear-hosted, laminated to brecciated quartz veins accompanied by intense albite alteration, pyrite, and free gold.

Carnavale's prospective tenement package, at Ora Banda South, extends for over 15km along the Carnage Shear Zone hosted within the late basin Kurrajong sediments. Much of the tenement package is concealed by shallow recent transported cover, which has hindered previous explorers (Figure 6).

The Project area is covered with a layer of transported material that deepens to the north and is made up of a northern and southern group of tenements separated by a gap of 2km (Figure 6). In the early 1990's a program of auger soils was completed by Flinders Gold and Merritt Mining NL over the southern group of tenements that produced a coherent 15ppb soil anomaly over 4km of strike (Figure 7).

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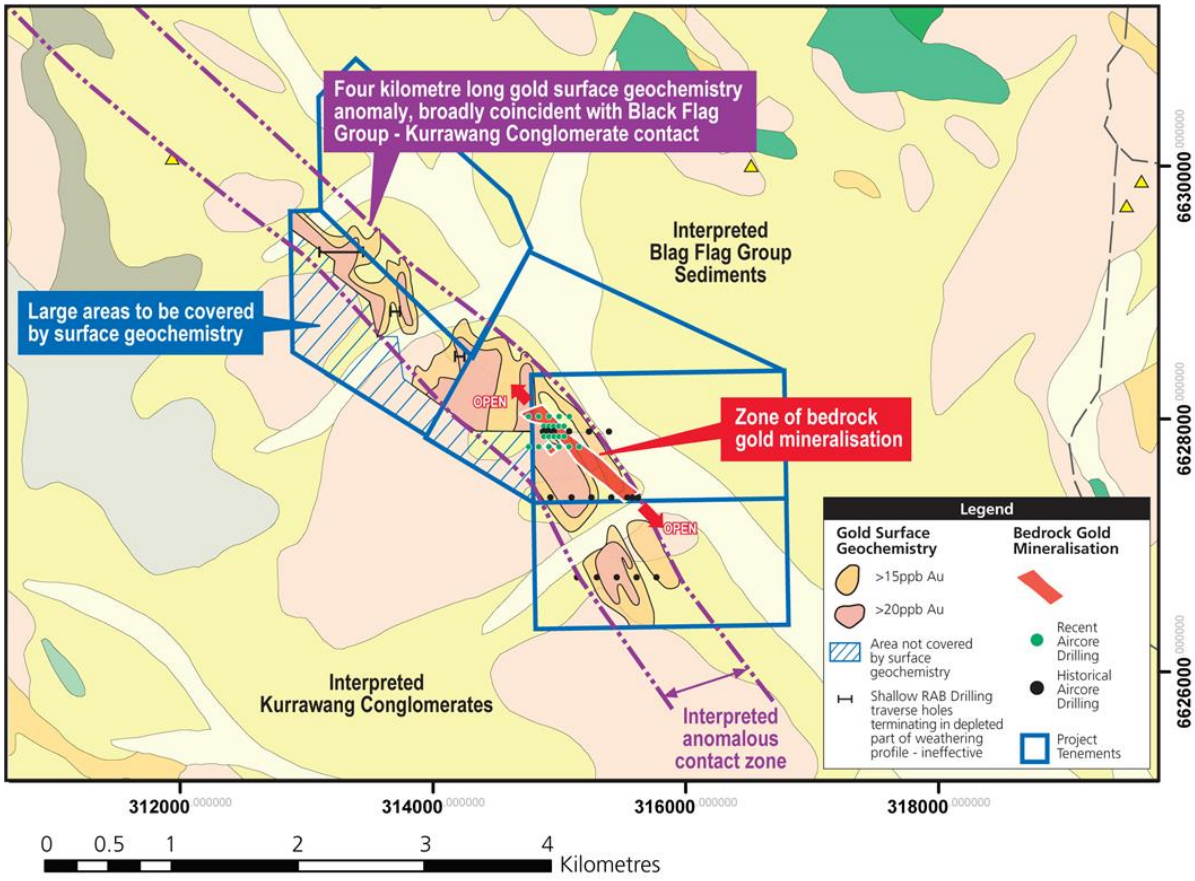


Figure 7. surface geochemical anomalies and drilling over GSWA geology map at the Ora Banda South Project.

Carrick Gold Ltd completed a program of 31 aircore holes in the region between 2009-2012. Fourteen (14) of these aircore holes crossed the southern tenement package and were drilled on three traverses spaced 520m and 640m apart (Figure 6) and 80m to 160m apart on each traverse. Carrick Gold Ltd.'s program of aircore drilling returned significant results within the auger soil anomaly envelope of **5m @ 2.29g/t at the EOH in KWAC055** and **1m @ 0.68g/t in KWAC056** (*for details see ASX release 'Carnavale Bolsters Gold Portfolio with New Acquisition - Ora Banda South dated 5 October 2020*").

Four poorly sited shallow RC holes failed to test the gold mineralisation intersected within the initial phase of aircore holes. A diamond tail (OBRD001) was drilled beneath KWAC055 that returned anomalous gold results and 20m of significant alteration, that included quartz-carbonate veining, variably sheared and sericite altered intermediate volcanoclastics/sediments.

The most recent drilling completed at the Project was undertaken by Siburan Resources Ltd and comprised a second phase of 21 Aircore holes for 1,698m to infill the original program and test the strike extent of the bedrock anomaly (Figure 8). The holes were drilled on east-west traverses 40m to 80m apart. Drilling was to blade refusal and returned multiple plus 0.5g/t Au intersections including **14m @ 0.79g/t** from 73m and **2m @ 1.56g/t** from 90m to EOH in OBAC033 on the northern most traverse (Figure 8). The mineralized interval was associated with abundant pyrite and quartz veining and remains untested to the north. The mineralized zone within OBAC033 is considered significant as it confirms the presence of primary bedrock gold mineralisation in the Black Flag Group sediments within the Project.

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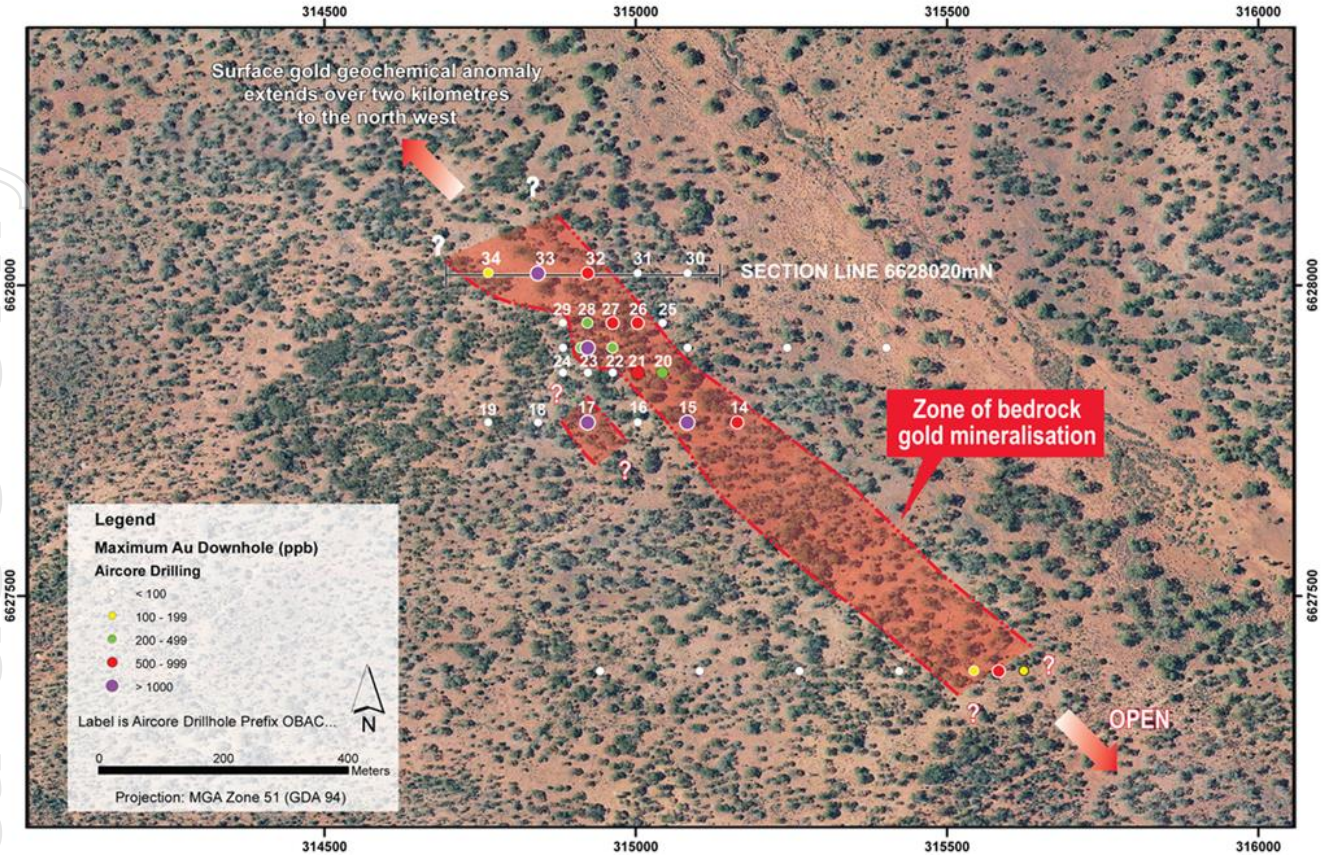


Figure 8. Ora Banda South Project showing aircore drilling and maximum gold in drilling.

Western Resources Pty Ltd conducted a review of exploration data available within the WAMEX database for the Northern tenements and discovered that some auger geochemistry had been completed by Placer Asia Pacific in 2002 that defined a robust >30ppb Au surface anomaly that has a strike length of 1.2km and a width of 700m, peaking at **560ppb Au**.

This was followed up by a limited RAB drilling program conducted by Placer Asia Pacific that was confined to the southernmost tenements of the northern group *(Refer WAMEX Report A065960)*. Significant results included **8m @ 2.58g/t Au** from 32m in OBRB096 and **4m @ 0.72g/t at EOH** (Figure 9). Field observations of the historic RAB spoil piles suggest that the mineralisation is associated with ferruginous quartz veining.

The best gold intersections were identified on a drill traverse that was orientated north-south, suggesting mineralisation is associated with structures trending ENE-WSW. This is comparable to the mineralised structures identified at the Ora Banda deposit located 8km to the northeast (Figure 5).

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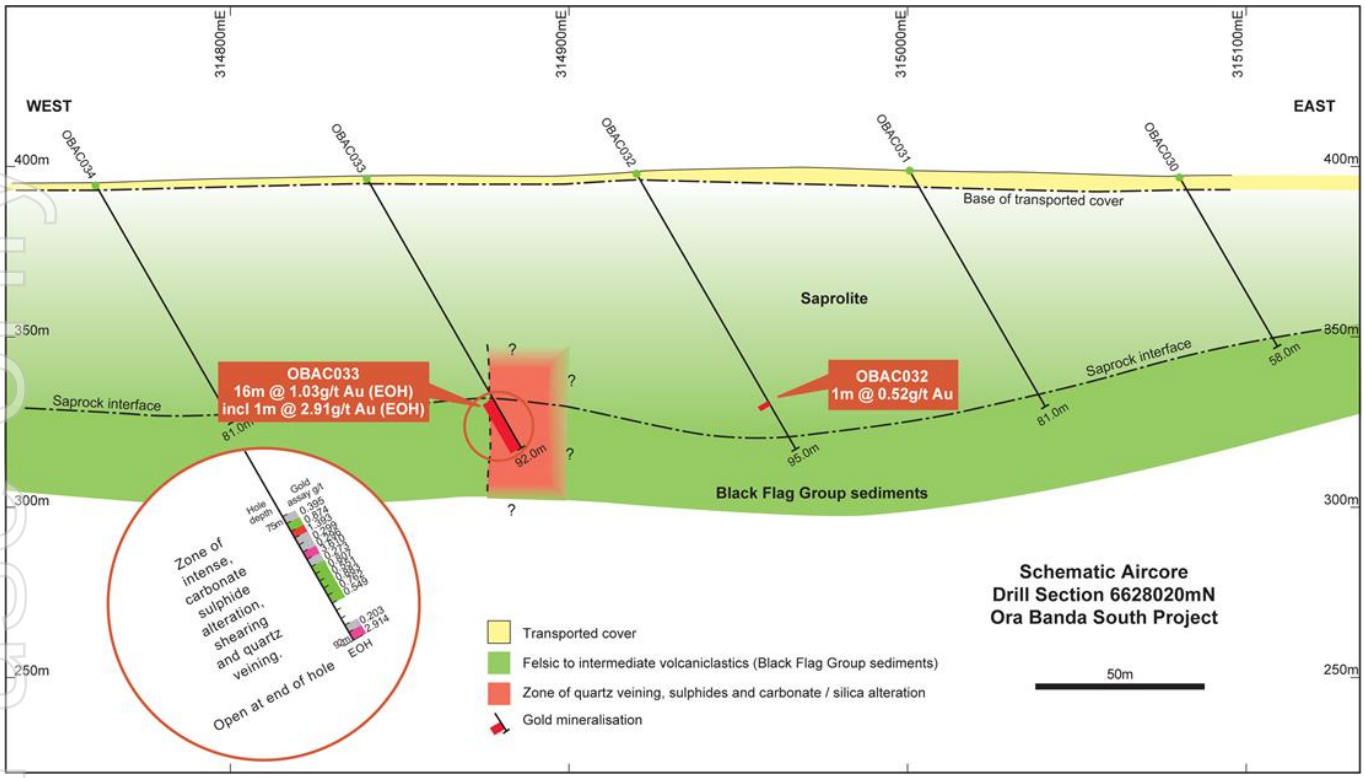


Figure 9. Schematic Cross Section 6628020mN - Ora Banda South Project.

Programs going forward at the Ora Banda South Project

Carnavale plans to commence targeted and systematic exploration of these tenements utilising modern exploration techniques such as Ultra Fine Fraction (UFF) soil sampling and shallow aircore drilling.

The Company considers the Project as having an analogous geological setting to the Invincible Gold Mine (+2Moz) discovered by Goldfields close to Kambalda in 2012.

The program is planned to include:

- A review of existing and publicly available geophysical aeromagnetic surveys to define stratigraphic and structural target zones that have the potential to host gold mineralisation.
- A comprehensive and project wide review to validate and extend known gold occurrences in drilling and soil zones and define new targets.
- Ultrafine soil sampling along the Carnage Shear Zone to define drill targets.
- An aircore drilling program will be planned to target bedrock gold mineralisation and extend mineralisation in the southern tenement target areas.
- Subject to additional results, RC and diamond drill testing for the primary source of the regolith gold anomalies.

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Grey Dam Nickel-Cobalt (Ni-Co-Cu) Project, Western Australia

During the quarter, Carnavale engaged Seismic Drilling Services to provide RC and diamond drilling services utilising a truck mounted multipurpose drilling rig (Figure 10). The drilling program targeted shallow (less than 400m) EM conductors prospective for nickel sulphide.



Figure 10. Seismic Drilling Services drilling Target 4 at Grey Dam

The drilling focused on 4 target areas containing 5 priority EM conductors, within the tenement package, for Kambalda style nickel sulphide mineralisation. The program consisted of 7 drill holes for approximately 1,700m of combined RC and diamond drilling. Three of these holes were drilled with diamond core tails allowing deeper targets to be tested (*for details see ASX release "Grey Dam drilling commenced" 10 September 2020).*

The drilling program was completed in about 4 weeks, with samples dispatched to the laboratory for analysis. The RC samples were sent directly to the ALS lab in Kalgoorlie for transport to the ALS facility in Perth after being logged by the geologists. The core was logged, cut, and sampled in Kalgoorlie prior to being dispatched to ALS's facility in Kalgoorlie for transport to Perth for analysis. The samples are being analyzed for a spectrum of multi elements, nickel, gold, and platinum as required.

It is expected that the Company will receive all of the results from this program in November 2020. Turnaround time at the laboratory is under pressure from increased exploration recently.

Once the results have been analyzed, Carnavale may engage contractors to survey the drill holes with downhole EM equipment designed to locate any possible off-hole EM conductors not intersected by the drilling.

Additional programs at the Grey Dam Nickel Project - UFF soil program

The Ultra Fine Fraction (UFF) soil sampling program has yielded positive results at the Grey Dam Nickel Project. Analysis and interpretation of the geochemistry results has refined the geological interpretation of the mafic/ultramafic sequence completed by the Carnavale team from the aeromagnetic imagery.

The Grey Dam tenement package lies within the Norseman-Wiluna greenstone belt, an Archaean sequence of ultramafic, mafic and felsic intrusive and extrusive volcanic rocks with associated sediments. The greenstone belt trends north-northwest and is flanked by major Archaean intrusive granitic bodies. Much of the northern part of the tenement package is under colluvium and sheetwash (Figure 11).

The tenement package contains two mafic/ultramafic sequences with the first southern sequence hosting the previously defined nickel-cobalt laterite resource and the recently defined EM target area that is prospective for nickel sulphides. The second mafic/ultramafic sequence has received very little past exploration and is also considered prospective for Kambalda style nickel sulphide mineralisation, usually located close to the mafic-ultramafic-sediment contact. Carnavale is using aeromagnetics and UFF soil sampling to define this stratigraphic position and any nickel geochemical targets along the prospective sequence.

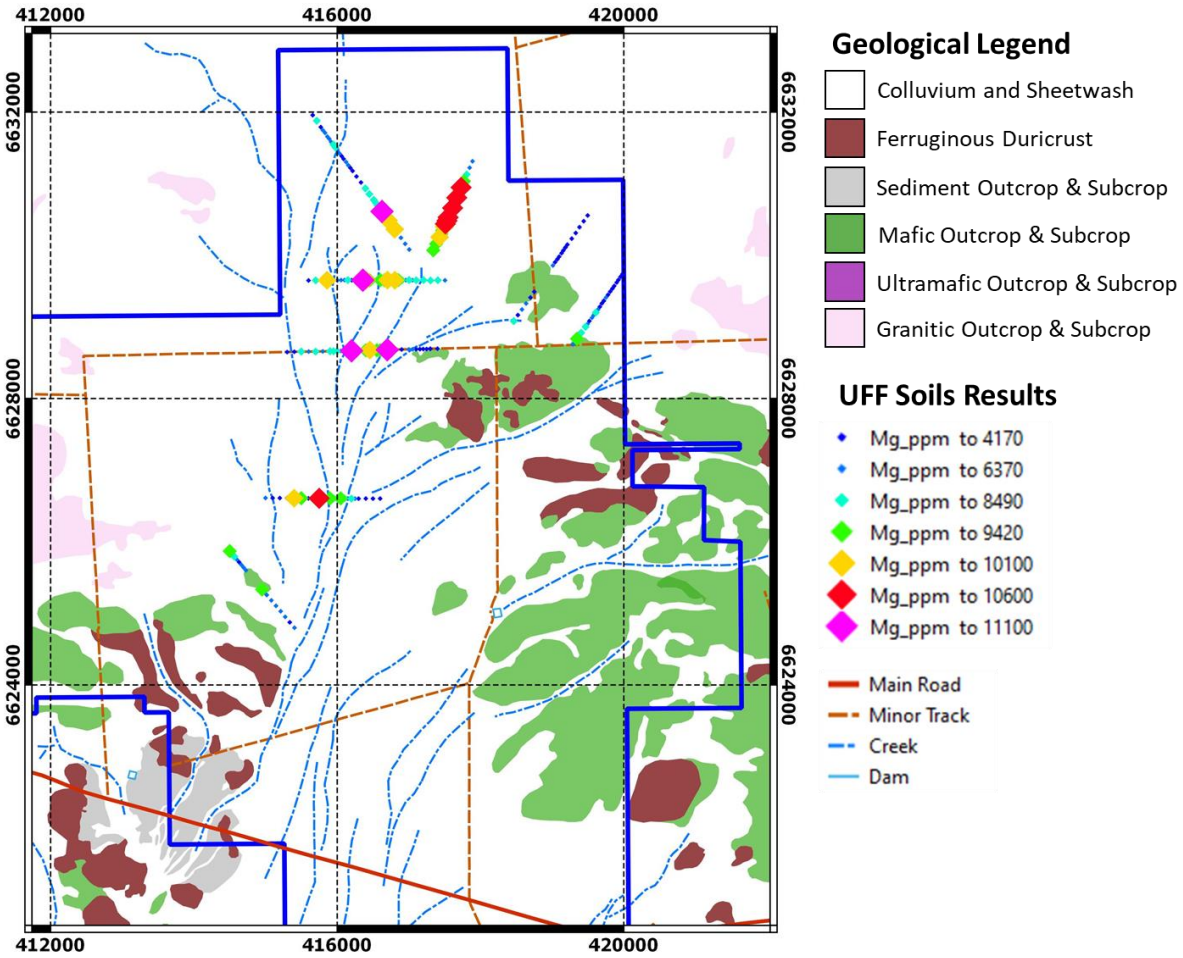


Figure 11. Surface geology and location of UFF soil traverses

The trial UFF soil sampling program at Grey Dam consisted of eight (8) traverses across the interpreted position of the mafic/ultramafic sequences in the northwest portion of the Grey Dam tenement package (Figure 11 and 12). The northern area is covered by sheetwash and alluvial material that makes it difficult to explore using traditional soil sampling techniques. UFF soil sampling is a sensitive new exploration technique that is being evaluated by CSIRO and explorers to target mineralisation under areas of thin cover.

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The geochemical response from the trial UFF soil program has identified the ultramafic sequence beneath the cover in the northern part of the tenement package. Due to the positive response from this first phase of soil sampling, the Company has decided to expand the soil sampling program over the majority of the interpreted mafic/ultramafic sequence (Figure 12). The EM targets, identified by geochemistry and geophysics, for the recently completed drilling program are shown as red and yellow lines on the southern mafic/ultramafic sequence (Figure 12).

The new detailed UFF soil sampling program in the northwest of the tenement area, aims to delineate discrete geochemical anomalies similar to the zones identified along in the southern mafic/ultramafic sequence. Subject to the positive results of the second phase of UFF soil sampling, Carnavale will follow up any prospective geochemical anomalies with an EM geophysical survey to identify concealed conductive nickel sulphide mineralisation.

CSIRO has been engaged to further optimise the information produced by the trial UFF soil program. Data analysis and reporting of the interpretation by CSIRO is pending and is expected to refine and improve the identification of anomalies and further information on the underlying geology.

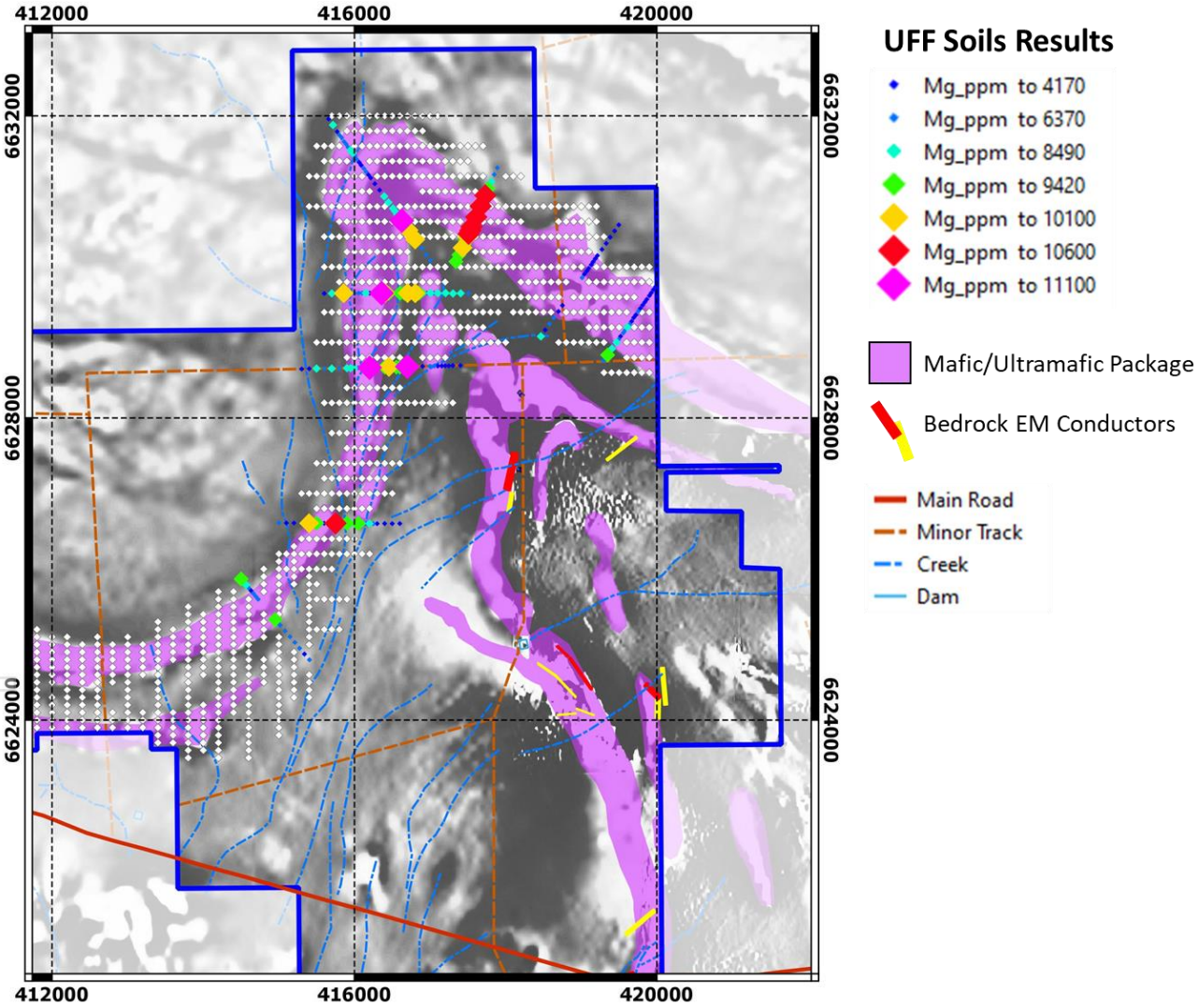


Figure 12. Proposed phase 2 UFF soil program over Interpreted Mafic Ultramafic package

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Mt Alexander (Ni-Cu-Co-PGE) Project, Western Australia

During the quarter Carnavale received positive results from the UFF program that was completed earlier in the year. Analysis and interpretation of the geochemistry results has identified multiple anomalies with extensive strike length, that are prospective for nickel sulphides.

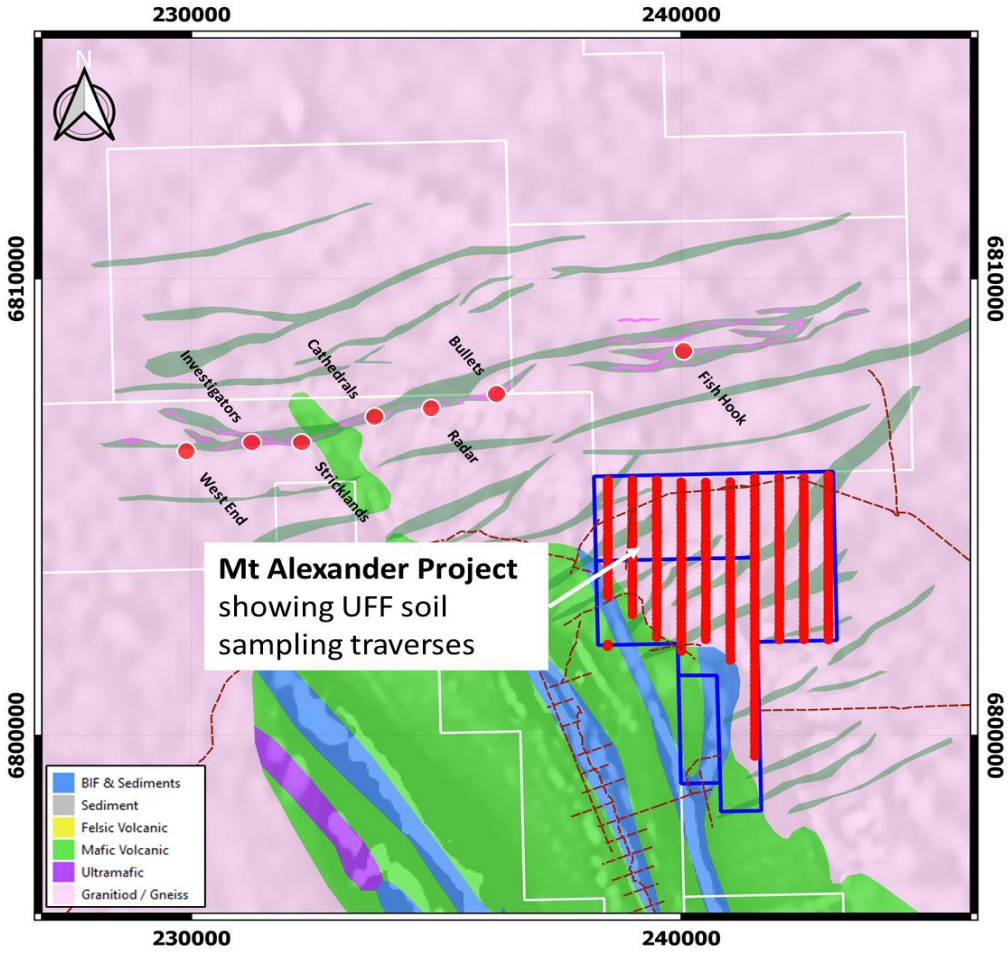


Figure 13. St George Mining Cathedrals Ni Sulphide Trend and location of UFF soil traverses

The Mt Alexander Nickel Project covers approximately 24km^2 of the prospective granite-greenstone belt that lies immediately south of the Cathedrals Ni-Cu-Co-PGE Project, owned by St George Mining Limited.

St George Mining Limited (ASX: SGQ) has been successful in discovering significant high-grade nickel-copper-cobalt-platinum group mineralisation in massive sulphide bodies hosted in ENE trending mafic-ultramafic intrusions within the poorly explored granite dominated portion of the greenstone belt. The intrusions have been emplaced along ENE trending structures and represents a new style of mineralisation in the region.

Early low-cost exploration activities by St George Mining Limited, using a combination of mapping and surface rock chip sampling followed by EM geophysical surveys, has been highly successful in delineating direct drill targets along the Cathedrals Trend.

St George Mining Limited have announced drill results from the Cathedrals trend that include MAD152 discovery hole (**6m @ 2.14% Ni, 0.74% Cu and 1.62 g/t PGEs** from 46m) at the Radar prospect and high-grade mineralisation intersected in MARC128 (**5m @ 2.97% Ni, 1.04% Cu, 1.02 g/t PGEs** from 83m) and in MAD71 (**17.45m @ 3.01% Ni, 1.31% Cu, 0.13% Co and 1.68g/t total PGEs** from 37.45m) at the Stricklands prospect.(*ASX STGM release 'Drilling Success continues at Mt Alexander', dated 23 Dec 2019*)

A review by Carnavale and consultants indicates limited exploration has previously been conducted on

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the Project and certainly no activities have focused on this new Cathedrals Ni sulphide style of mineralisation.

The Company has now completed reconnaissance mapping and UFF soil sampling over the prospective "magnetic low" ENE corridors and has defined a series of targets over prospective target corridors. UFF soil sampling is a new technique of soil analysis being trialed by explorers to assess the potential for concealed mineralisation under cover. Carnavale has used this new technique to search for nickel-copper-cobalt and platinum group elements in bedrock sulphide deposits at the Project.

The Company is also engaged with CSIRO to further optimise the information produced by this UFF soil program. Data analysis and reporting of the interpretation by CSIRO is pending. It is expected that the analysis by CSIRO will add additional refinement and detail to the identified anomalies and further information on the underlying geology within the Project.

The UFF soil program comprised 10 north-south traverses on 500m spaced lines across the entire Project area for a total of 505 samples taken at 50m to 100m intervals along the lines (Figure 13). The sampling was designed to provide the best coverage and resolution to the ENE target structures, similar to those that host the nickel-copper-cobalt-platinum mineralisation discovered by St George Mining Limited to the immediate north.

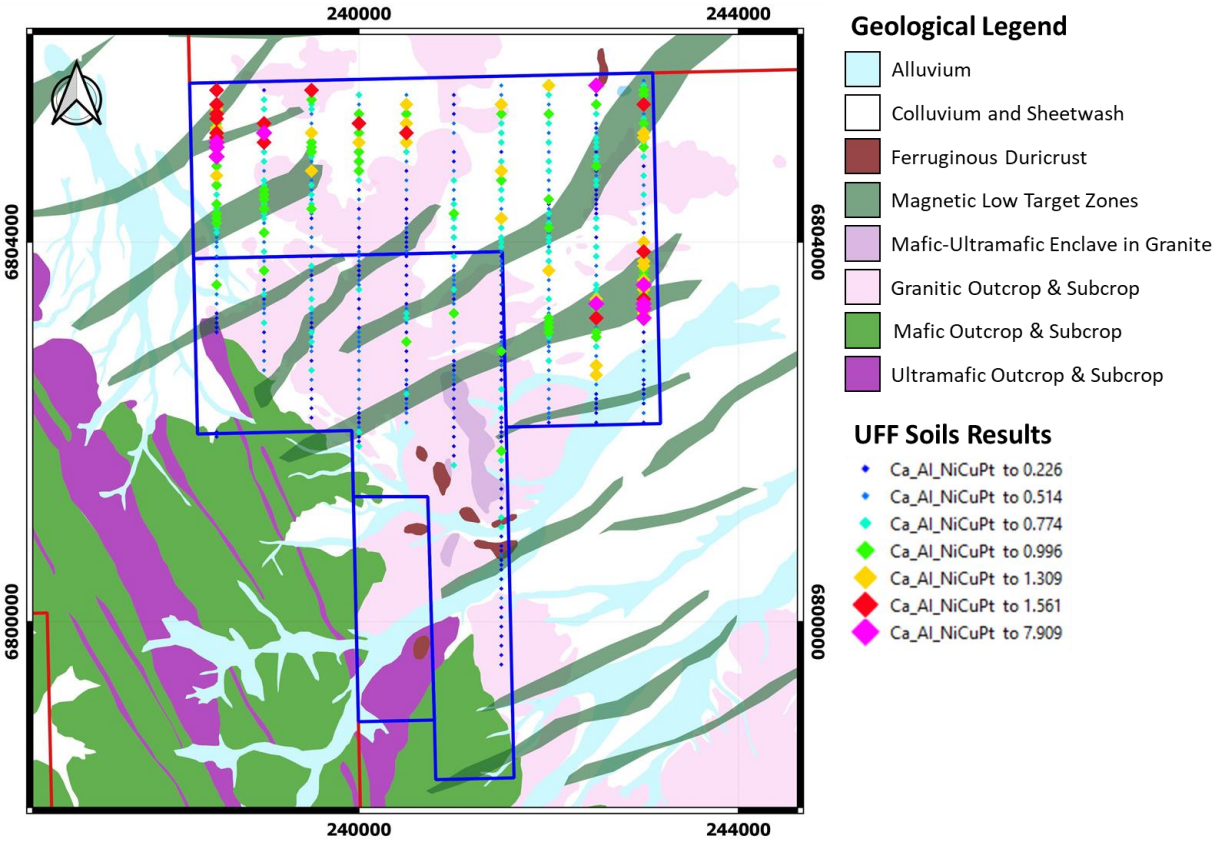


Figure 14. Data has been Ca-Normalised. Data shown as additive Index (Ni, Cu & Pt)

The UFF soil geochemistry is designed to provide explorers with a very sensitive method to look beneath the thin transported cover. This information is also complimented with mapping and Sentinel satellite imagery to create a detailed combined regolith and geology map (Figure 14). This data and detailed interpretation shows that most of the tenement package is covered by thin transported material with granite bedrock and ENE trending mafic intrusions similar to the Cathedrals trend (Figure 14).

The UFF soil data has been integrated and domained to the regolith. The data was levelled against calcium content to help domain the results with regard to the regolith and geology. The combined Additive Index results from the levelled soil data has successfully defined multiple, discrete anomalous areas in multiple

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elements, with long strike lengths, that show strong correlation with he interpreted target domains within ENE trending structures.

The data shows overlapping geochemical signatures in platinum, copper and nickel which flags the potential prospectivity for Ni-Cu-Co-PGE sulphide rich mineralisation beneath the transported cover. In detail, the results highlight a strong soil response in the north and west and in the central east of the Project area which are aligned with the interpreted ENE trending structures. The soil anomalies are extensive, defining a strike length in excess of 3km in the northwest zone and over 1.5km of strike length at the eastern zone.

Programs going forward at the Mt Alexander Nickel Project

Carnavale will follow up the newly defined UFF soil targets in November 2020 with ground EM surveys aiming to define direct drilling targets. The EM surveys will be targeting nickel-copper-cobalt-platinum sulphide rich mineralisation similar to the Cathedrals trend immediately to the north.

December Quarter Exploration programs

Exploration activities are continuing at the Company's Projects with the following programs planned for the period:

- Systematic soil sampling at Kookynie Gold Project
- Detailed aeromagnetic survey at Kookynie Gold project
- 6,000m aircore drill program to commence at Kookynie.
- Moving Loop EM survey to be completed at Mt Alexander Nickel Project
- Results from Grey Dam Drilling to be received
- Data review and field reconnaissance at Ora Banda Gold Project

New Opportunities

The Company continues to assess new opportunities for high demand metals, such as gold, tin, copper, nickel and cobalt, to supply the increasing demand for technology metals consumed in the rapidly growing batteries, electric motors and electronics industry.

Corporate

In August 2020, the Company paid an option fee of $100,000 cash and issued 37.5 million ordinary shares to Western Resources Pty Ltd for the right to acquire 80% of the Kookynie Gold Project. The Company also issued 1.5 million shares to Gold Geological Consulting Pty Ltd as a fee for facilitating the transaction.

In September 2020, the Company issued 33 million shares to Mr Klaus Eckhof arising from the conversion of 33 million performance rights, which vested upon the completion of the Company's Shares having traded at a volume weighted average price of at least $0.007 for a consecutive period of at least 15 business days. The performance rights were approved by shareholders at the 2019 Annual General Meeting.

In September 2020, the Company agreed to purchase 100% of tenement P40/1480 at the Kookynie Gold Project for a total consideration of $10,000 (paid) in cash plus the issue of 1.5 million ordinary shares in CAV.

During the September quarter, the Company allotted 321,625,163 ordinary fully paid shares following the exercise of 321,625,163 CAVOA listed options exercisable at $0.007 raising $2,251,376 and received a further $515,911 on 30 September from the exercise of 73,701,511 options, allotted on 2 October 2020.

The Company had a cash position of $3.6M as of 30 September 2020.

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ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure (excluding staff costs) during the Quarter was $62,000. Full details of exploration activity during the Quarter are set out in this report.

2. ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the Quarter.

3. ASX Listing Rule 5.3.5: A total of $41,000 was paid to related parties during the quarter comprising consulting fees and Non-Executive Director fees. During the quarter, $23,000 was paid to Corporate Consultants Pty Ltd, a company in which Chairman Mr Gajewski is a director and has a beneficial interest, for accounting, secretarial, corporate service fees and provision of office space.

This announcement was approved for release by the Board of Carnavale Resources Limited.

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Carnavale Competent Person Statement

The information in this report that relates to the exploration results is an accurate representation of the available data and studies for the project. This information has been assessed and reviewed by Mr. Humphrey Hale, a Competent Person who is a member of The Australasian Institute of Geoscientists. Mr. Hale is a Consultant to Carnavale. 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.

Information relating to Previous Disclosure

Information relating to Exploration Results and Mineral Resources associated with previous disclosures relating to the Grey Dam Project, Ora Banda South Project, Kookynie Gold Project, and the Mt Alexander Project in this announcement has been extracted from the following ASX announcements:

- *Drilling to test strong Nickel EM targets at Grey Dam dated 29 July 2020*
- *Carnavale acquires High-Grade Gold project – Kookynie dated 4 August 2020*
- *Nickel targets defined at the Mt Alexander Nickel Project dated 24 August 2020*
- *Grey Dam Nickel Project - Soil Sampling update dated 31 August 2020*
- *Grey Dam Nickel Project - Drilling Commenced dated 11 September 2020*
- *Carnavale secures additional ground at Kookynie Gold Project 14 September 2020*
- *Carnavale Bolsters Gold Portfolio with New Acquisition - Ora Banda South dated 5 October 2020*
- *Strategic Acquisition and Intensive Exploration to commence at Kookynie High-Grade Gold Project dated 22 October 2020*

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

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.

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Appendix

Carnavale Resources Limited (ASX: CAV) provides the following addendum in relation to additional information required by Listing Rule 5.3.3.

Schedule of Mining Tenements, Beneficial Interests and agreements
Held as at the end of the Quarter

Project/Location	Country	Tenement	Percentage held/earning
Grey Dam Project, Western Australia	Australia	M28/378	100%
		E28/1477	100%
		E28/2587	Earning up to 80%
		E28/2567	Earning up to 80%
		E28/2682	Earning up to 80%
		E28/2760	Earning up to 80%
		E28/2506	Earning up to 80%
Mt Alexander Project, Western Australia	Australia	E29/960	Earning up to 80%
		E29/961	
		P29/2356	
Kookynie Gold Project, Western Australia	Australia	E40/1480	100%
		E40/355	Earning up to 80%
		P40/1380	Earning Up to 80%
		P40/1381	Earning up to 80%

* Carnavale has the right to earn up to this level on expending the funds and payments stated in the relevant agreements.

Schedule of Mining Tenements, Beneficial Interests and agreements
Acquired during the Quarter

Project/Location	Country	Tenement	Percentage held/earning
Kookynie Gold Project, Western Australia	Australia	E40/1480	100%
		E40/355	Earning up to 80%
		P40/1380	Earning Up to 80%
		P40/1381	Earning up to 80%

Schedule of Mining Tenements, Beneficial Interests and agreements
Disposed of during the Quarter

Project/Location	Country	Tenement	Percentage held/earning
N/A			

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