



carnavale
resources ltd

ABN 49 119 450 243

AND CONTROLLED ENTITIES

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

CARNAVALE RESOURCES LIMITED
CONTENTS

	Page
Corporate Directory	1
Review of Operations	2
Directors' Report	18
Auditor's Independence Declaration	26
Consolidated Statement of Comprehensive Income	27
Consolidated Statement of Financial Position	28
Consolidated Statement of Changes in Equity	29
Consolidated Statement of Cash Flows	30
Notes to the Financial Statements	31
Consolidated Entity Disclosure Statement	52
Directors' Declaration	53
Independent Auditor's Report	54
Shareholder Information	58
Annual Mineral Resources and Ore Reserves Statement	60
Schedule of Mineral Concession Interests	62

**CARNAVALE RESOURCES LIMITED
CORPORATE DIRECTORY**

DIRECTORS	Ron Gajewski Andrew Beckwith Rhett Brans
CHIEF EXECUTIVE OFFICER	Humphrey Hale
COMPANY SECRETARY	Paul Jurman
PRINCIPAL AND REGISTERED OFFICE	Level 2, Suite 9 389 Oxford Street Mount Hawthorn WA 6016 Telephone: (08) 9380 9098 Facsimile: (08) 9380 6761 Email: admin@carnavaleresources.com Website: www.carnavaleresources.com
AUDITORS	HLB Mann Judd Level 4, 130 Stirling Street Perth WA 6000
SHARE REGISTRY	Automic Group Level 5, 191 St Georges Terrace Perth WA 6000 Telephone: 1300 288 664
SECURITIES EXCHANGE	Australian Securities Exchange Level 40, Central Park 152-158 St Georges Terrace Perth WA 6000
ASX CODE	CAV

For personal use only

CARNAVALE RESOURCES LIMITED REVIEW OF OPERATIONS

Introduction

Carnavale Resources Limited (“Carnavale” or “Company”) 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 2 RC and Diamond drilling programs. The first program was completed in November 2024 with results in January 2025 and consisted of 21 holes that included 4,798m of RC drilling with 8 diamond tails for 545m of diamond drilling. The second program was completed in April 2025 with results in June 2025 and consisted of 20-holes that included 4,098m of RC drilling and 4 diamond tails for 392m. The program was designed to expand the high-grade mineralisation at **Swiftsure**, **Tiptoe** and **southern extensions of Swiftsure**.

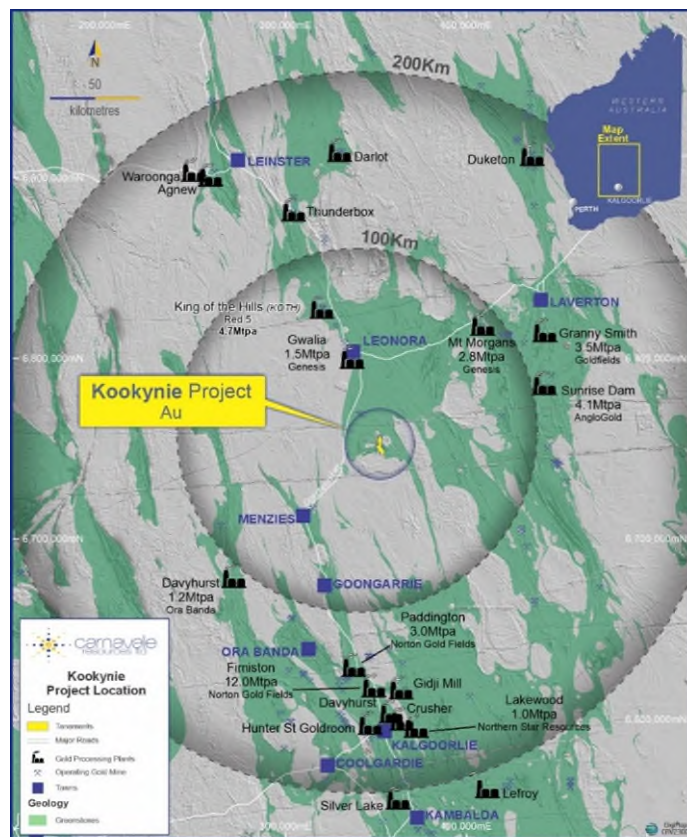


Figure 1: Carnavale Kookynie Gold Project with nearby processing plants.

Carnavale updated its JORC 2012 mineral resource estimate (MRE) incorporating the results from the two exploration drilling programs conducted during the period. The new total resource consists of 842kt @ 4.3g/t for 117koz Au and includes bonanza gold zone containing 60 kt @ 28.3g/t Au for 55k oz. There has been a 38% increase on Total ounces with 66% in the Indicated category. The resources included in the Indicated category increased by 46%

The Company 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 in September 2024 managed by Argonaut Securities Pty Ltd and Canaccord Genuity (Australia) Limited for **\$2.2 million**.

CARNAVALE RESOURCES LIMITED

REVIEW OF OPERATIONS

Kookynie Gold Project Mineral Resource Estimate (MRE)

The high grade Swiftsure deposit is a virgin discovery below barren cover. The discovery is a result of chasing strong aircore anomalies first defined in January 2022. Further drilling expanded the bonanza grades considerably during 2023 and 2024. The Company published a maiden MRE and Scoping Study in June 2024. Additional RC and diamond drilling carried out in 2024 and 2025 has allowed Carnavale to increase the overall MRE in July 2025.

To maintain momentum, Cube Consulting is currently updating the original 2024 Scoping Study with the new larger MRE. The revised Scoping Study will include the 38% increase in total resources, which have benefited from a 46% increase in the indicated category. These increases in resource and confidence, combined with improved gold price, signal an expected positive outcome to the revised Scoping Study.

The MRE presented has been reported with a cut-off grade of 0.8g/t for mineralisation that lies above the 320m RL for open pit mining and a cut-off grade of 1.5g/t for mineralisation expected to be developed by an underground mining scenario below the 320m RL. A summary of the Resource is tabulated in Table 1 below.

Swiftsure and Tiptoe Lodes CoG 0.8 > 320 mRL, 1.5 < 320 mRL			
	Kt	Au g/t	Au K oz
Indicated	426	5.6	77
Inferred	416	3.0	40
Total (Indicated + Inferred)	842	4.3	117

Table 1, MRE for Kookynie Gold Project including Swiftsure and Tiptoe lodes

The Total MRE for the Kookynie Gold Project as presented in Table1 includes Swiftsure lodes 1, 2 and 22 and Tiptoe lodes 3 and 4. Tiptoe was not included in the previous MRE or Scoping Study and represents potential for new, shallow, open pitable resources, with further U/G potential.

Resource Statement notes:

- Figures have been rounded in compliance with the JORC Code (2012)
- Rounding errors may cause a column to not add up precisely. Resources exclude recoveries.
- No past mining has occurred at Swiftsure or Tiptoe.
- No Reserves have been estimated.

**CARNAVALE RESOURCES LIMITED
REVIEW OF OPERATIONS**

**Grade-Tonnage Curve
Swiftsure Deposit, July 2025, Indicated + Inferred**

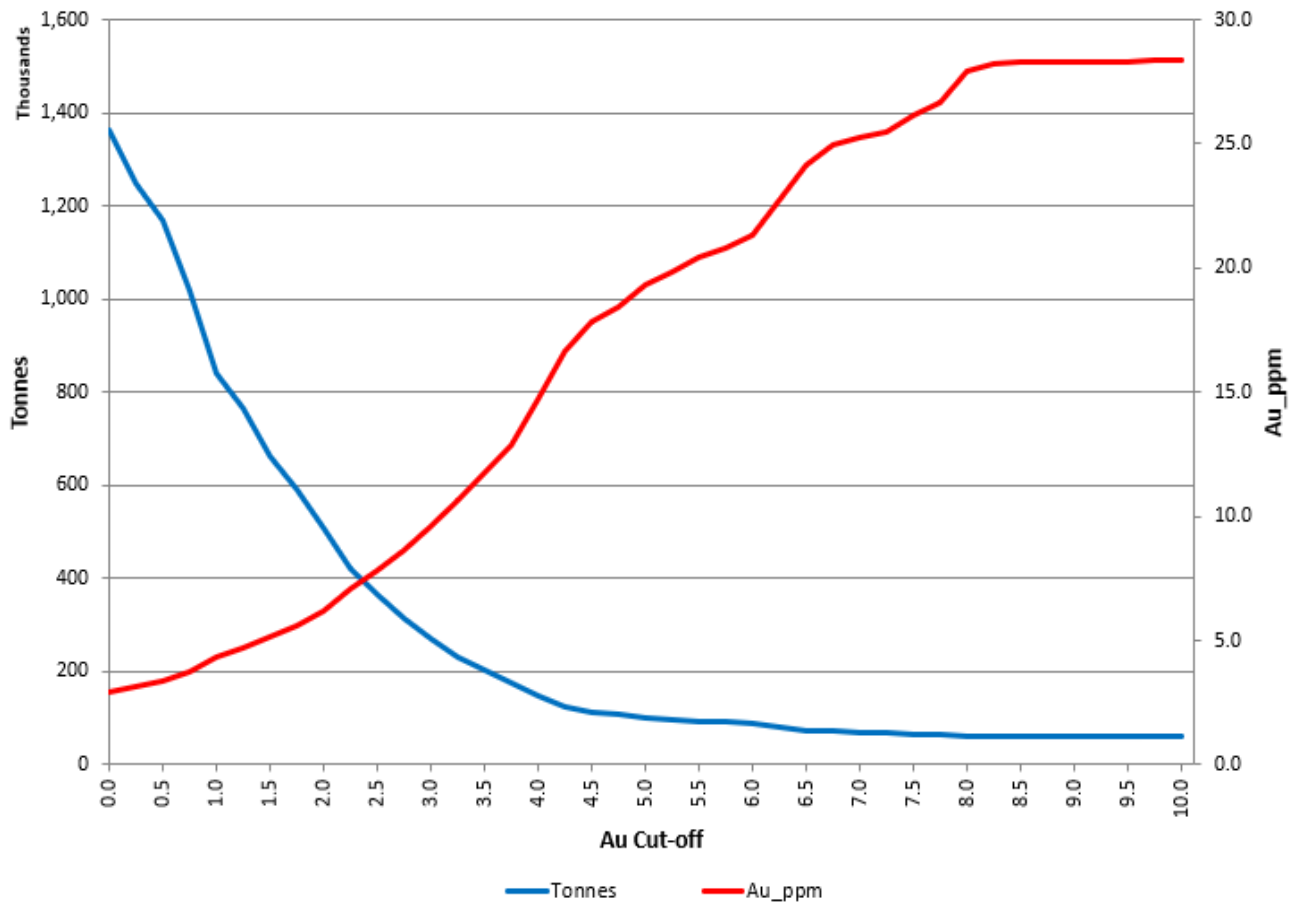


Table 2, Grade tonnage curve for the Kookynie Gold Project including Swiftsure and Tiptoe lodes.

The shallow high-grade nature of mineralisation lends itself to a number of mining development scenarios with early access to ore. The Swiftsure and Tiptoe lodes are expected to be developed by compact open pits with underground access to extract deeper ore.

For personal use only



Figure 2, Long sections through the extended Swiftsure and proposed Pit 9 with new Tiptoe lodes on the right. Representing Resource categories for June 2024 MRE – top and July 2025 updated MRE - bottom.
(Orange - Indicated, Green – Inferred, Blue - unclassified)

Carnavale commissioned Cube Consulting to update the MRE to understand the impact of the RC and diamond drilling campaigns in late 2024 and 2025. This drilling was designed to test the down dip extensions to the Swiftsure lodes and explore the Tiptoe anomalies discovered in earlier aircore drilling. Carnavale was successful in expanding the new lodes at Tiptoe adding 11.5k oz to the total resources. Tiptoe is 160m north along strike and adjacent to the Swiftsure lodes. The drilling was also successful in extending known mineralisation at Swiftsure to +400m down-dip (Figure 2).

In addition, the drilling increased the confidence of mineralisation previously in the Inferred category that was included in the earlier Scoping Study. The latest drilling has increased the Indicated resources by 46%, especially located within the proposed underground development area. (Figure 2).

The top 120m of the Tiptoe mineralisation has all been classified as Indicated as well as an area south of Swiftsure. This increase in the Indicated category will allow more mineralisation to be used in the updated and expanded Scoping Study.

CARNAVALE RESOURCES LIMITED REVIEW OF OPERATIONS

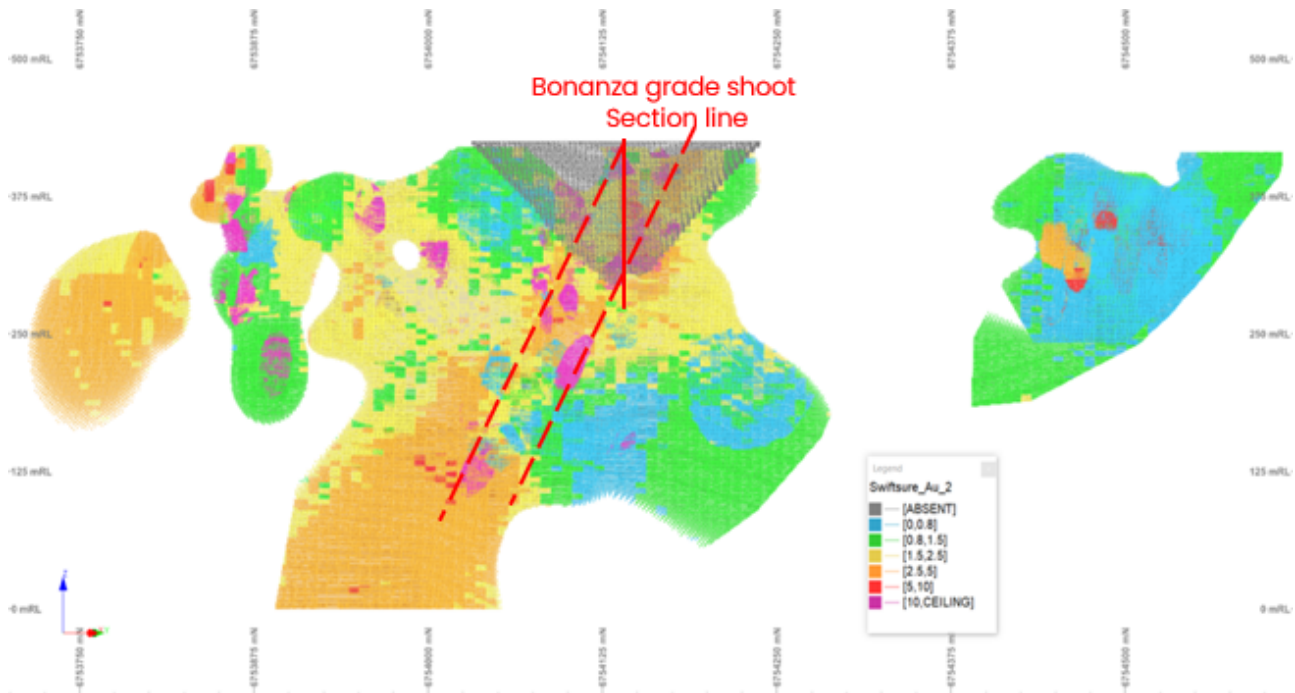


Figure 3, Long section through the Swiftsure and new Tiptoe lodes representing gold Grade for July 2025 MRE including proposed Scoping Study Pit 9

This MRE is limited to the Swiftsure and Tiptoe lodes and does not include other prospects within the Project area. Whilst the previous drilling is sufficient to update the MRE, exploration upside remains strong at the Swiftsure and Tiptoe lodes as mineralisation remains open at depth and along strike. Further exploration targets include Champion South, McTavish North and Valiant (Figure 3). These additional targets have the potential to add valuable ounces to the Kookynie Gold Project and will be the target of exploration drilling in the future.

The Kookynie Gold Project includes 4 granted tenements (E40/355, P40/1480, P40/1380, and P40/1381). Carnavale (80%) has entered into a joint venture with Western Resources Pty Ltd (20%) on tenements E40/355, P40/1380 and P40/1381. Western Resources Pty Ltd is free carried until completion of a Bankable Feasibility Study. The Swiftsure and Tiptoe lodes, which comprise the MRE, are located on E40/355 (CAV 80%). Carnavale owns 100% of P40/1480 (Figure 4).

The Swiftsure lode is characterized by a zone of “ounce dirt” with 60kt grading more than 28g/t containing 55,000 ounces within plunging shoots. Figure 3 demonstrates the bonanza grades in Lode 1. Overall, the mineralisation dips steeply to the south east. The grade tonnage curve graph (Table 2) illustrates that the deposit is characterized by very valuable high-grade mineralisation.

Cube Consulting have previously reported Open Pit resources as being above the 320m RL and Underground Resources below the 320m RL. The 320m RL is close to the base of the proposed Scoping Study Pit 9 and therefore is considered an appropriate RL to allocate open pit and underground resources.

Exploration program at Kookynie Gold Project

During the period 2 RC and diamond drilling programs were completed. The first program was completed in November 2024 with results in January 2025 and consisted of 21 holes that included 4,798m of RC drilling with 8 diamond tails for 545m of diamond drilling. The second program was completed in April 2025 with results in June 2025 and consisted of 20-holes that included 4,098m of RC drilling and 4 diamond tails for 392m. The drilling was directed towards:

- ✦ Swiftsure - testing down-dip extensions to the high-grade shoots,
- ✦ Tiptoe - targeted the Tiptoe prospect 160m northeast of Swiftsure, and
- ✦ Southern extensions (Swiftsure South) targeted the southern extension to the Swiftsure mineralisation.

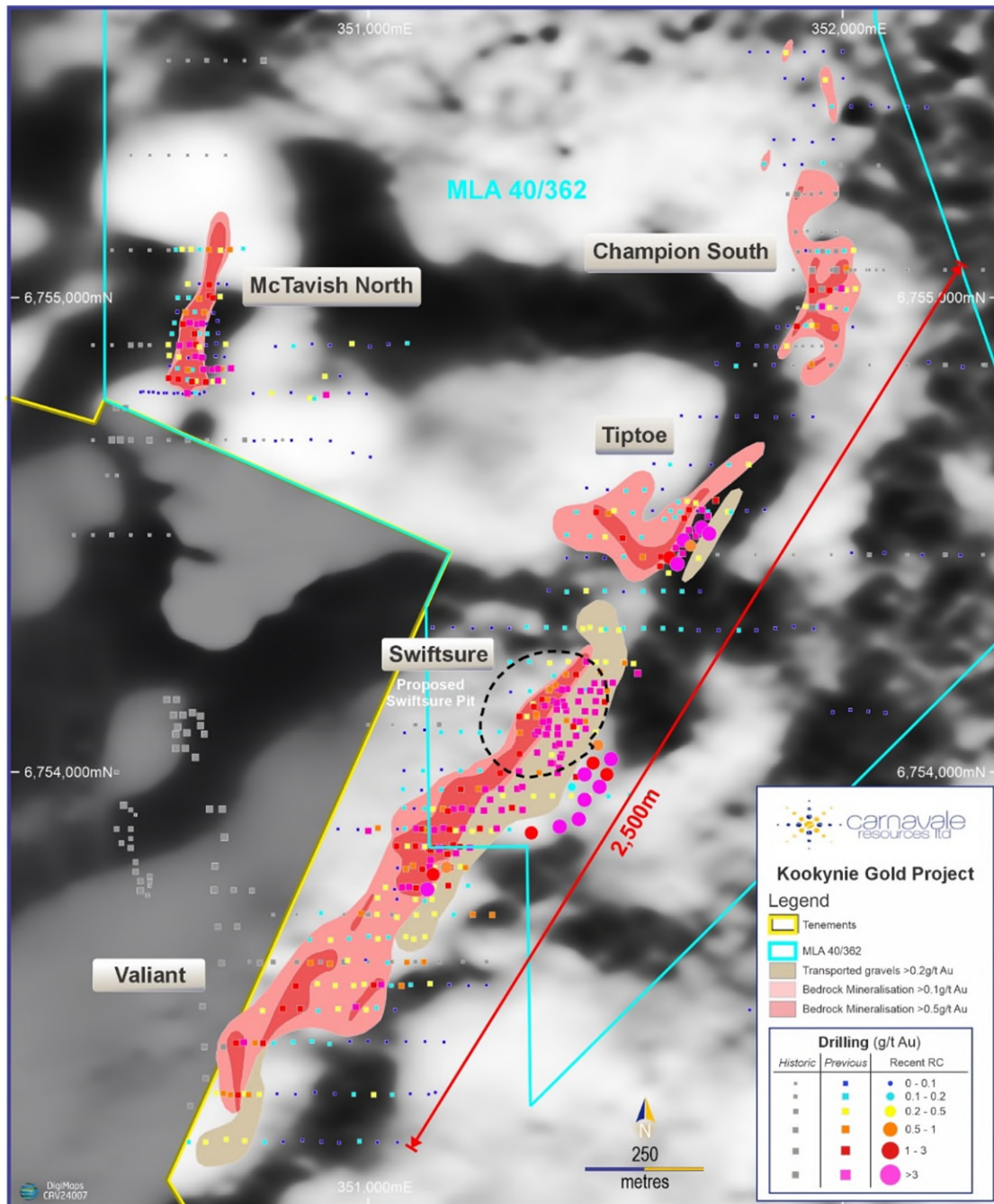


Figure 4, Plan of Kookynie Gold Project showing collar locations of recent drilling with MLA, prospect locations over aeromagnetics.

CARNAVALE RESOURCES LIMITED REVIEW OF OPERATIONS

Drilling down dip at Swiftsure

The November 2024 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

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 demonstrated that the high-grade Swiftsure mineralisation is part of a large system.

The April 2025 drilling consisted of 8 RC holes with 4 diamond tails was drilled to test for depth extensions. MEPC018 intersected 4.1m @ 2.75g/t that included 0.75m @ 11.35g/t at a depth of 443m downhole, making this the deepest intercept at the Kookynie Gold Project. Significant intercepts included:

- 2.5m @ 21.5g/t from 336.8m and 1m @ 7.3g/t from 341m in MEPC021
- 2m @ 5.4g/t from 59m and 6m @ 8.4g/t from 125m (inc. 1.3m @ 24.1g/t) in MEPC019
- 1.9m @ 9.60g/t from 318m and 4.1m @ 2.75g/t from 443m (inc. 0.75m @ 11.35g/t) in MEPC018

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. The extensional exploration drilling programs confirmed that the high-grade zones continue below the current resource zone to +350m below surface. The mineralisation remains open in all directions.

Exploration drilling Tiptoe Prospect

Tiptoe represents a newly discovered mineable lode, defined over 200m of strike and +200m of depth, which is located 160m north-east along strike from the Swiftsure Lode. Mineralisation at Tiptoe remains open along strike and at depth.




The November 2024 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 included:

- 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

For personal use only

CARNAVALE RESOURCES LIMITED REVIEW OF OPERATIONS

The April 2025 drilling program into the Tiptoe Prospect comprised 7 RC holes chasing high grade mineralisation in fresh rock below previous high-grade intercepts from the earlier November 2024 drilling. The mineralisation has been extended down dip by an additional 40m and remains open at depth with the mineralised structures plunging to the south. Significant high-grade intercepts included:



-  7m @ 3.5g/t from 121m (inc. 2m @ 6.9g/t) in MERC134
-  2m @ 4.9g/t from 155m in MERC145
-  2m @ 4.5g/t from 121m in MERC137

Tiptoe was newly discovered in 2024 and was not included in the June 2024 MRE, this discovery adds shallow, mineable high-grade ounces to the new MRE. Mineralisation encountered at Tiptoe has a similar mineral assemblage as the high-grade zones within the Swiftsure lode and represents a repeat of this style of mineralisation. The shallow mineralised zone at Tiptoe depth extends into fresh rock to 125m and remains open along strike and down dip.


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.

Exploration drilling South of Swiftsure

During the November 2024 drilling program 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 June 2024 mineral resource estimate. The drilling extended the mineralisation down dip by 30m. This lode lies southwest of the Swiftsure lode along the main mineralising structure and remained open down dip and along strike. This new zone represents the potential for a repeat of the Swiftsure lode. Significant intercepts included:

-  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.

The April 2025 drilling program followed up the earlier drilling with five shallow RC drill holes that were drilled into the Swiftsure South area to extend and infill mineralisation previously identified south of the Swiftsure deposit. The drilling increased resource confidence of mineralisation in this area for inclusion in pit optimisations and added to indicated resource categories. Drilling confirmed and extended the known mineralisation. This lode lies southwest of the Swiftsure lode along the main mineralising structure and remains open down dip and along strike. Significant intercepts included:

-  3m @ 6.8g/t from 267m (inc. 1m @ 13.3g/t) in MERC141
-  5m @ 2.7g/t from 82m (inc. 1m @ 8.8g/t) in MERC135.
-  2m @ 4.3g/t from 150m in MERC148

For personal use only

CARNAVALE RESOURCES LIMITED REVIEW OF OPERATIONS

Kookynie –Exploration upside

Carnavale expects to improve the economics of the Project with updated mining studies including revised parameters. The Kookynie Gold Project represents a rare high-grade gold mining opportunity, located within trucking distance to many operating mines in the region. Further exploration potential remains to be tested as various regional targets and new gravity data is assessed to improve target selection. Further exploration work at the Kookynie Gold Project includes:

- ✦ Swiftsure and Tiptoe mineralisation is open at depth and along strike. Depth extensions would add ounces to a future Resource.
- ✦ With further drilling McTavish North and Champion South have the potential to add additional resources.
- ✦ The tenement package at Kookynie remains relatively underexplored for further mineralisation undercover, this has the potential to add to the existing resource base.
- ✦ A gravity survey has been completed. This shows promise for future exploration targeting the granite greenstone structural interface at depth associated with the main Kookynie mineralising shear.

CAV is excited about the exploration upside at the Kookynie Gold project and expects to discover further high-grade gold shoots at depth and along strike within the tenement package and notes all of the prospects discovered so far remain open along strike and at depth.

Kookynie – Next Steps for exploration

- ✦ Update scoping study based on updated 117koz resource – underway.
- ✦ Complete Mining Lease grant including mining agreement
- ✦ Evaluate and finalise preferred mining strategy – owner operator, mining JV partner, using toll treating options
- ✦ Complete BFS to trigger Joint Venture partner (80% CAV and 20% Western Resources)
- ✦ Evaluate mining development opportunities to develop the Kookynie Gold Project

For personal use only

CARNAVALE RESOURCES LIMITED REVIEW OF OPERATIONS

Mining License Application

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.

Carnavale will commence additional studies to progress the grant of the mining license. These studies include:

- ✦ 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.

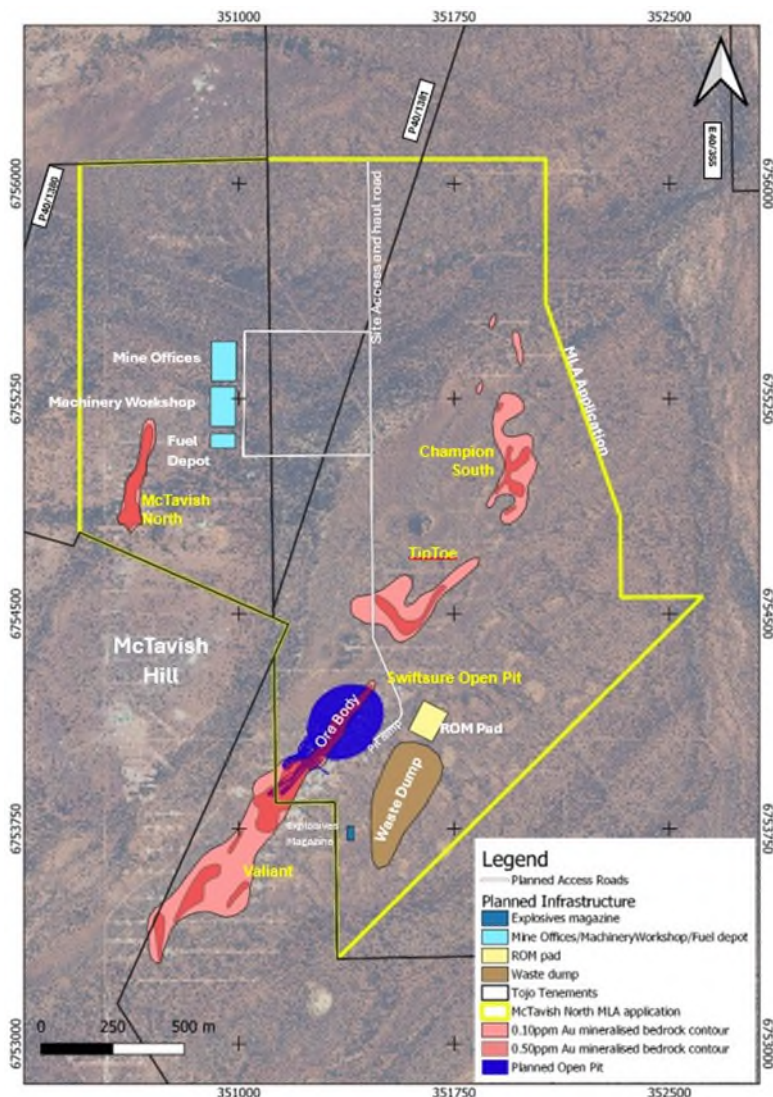


Figure 5, M40/362 location map with associated infrastructure and mineralisation.

CARNAVALE RESOURCES LIMITED REVIEW OF OPERATIONS

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 6. 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.

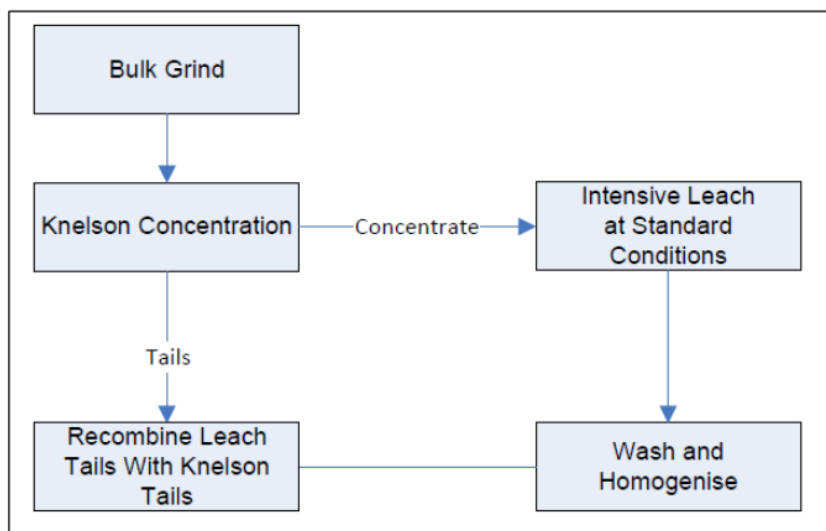


Figure 6, Gravity test flowsheet

CARNAVALE RESOURCES LIMITED REVIEW OF OPERATIONS

Gravity gold recovery is presented in Table 3. 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 3, 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.

The grind size optimisation cyanide leach results are presented in Table 4 and kinetic leach curves shown in Figure 7. 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.

**CARNAVALE RESOURCES LIMITED
REVIEW OF OPERATIONS**

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 4, Grind Optimisation Cyanide Leach Tests Results Summary

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.

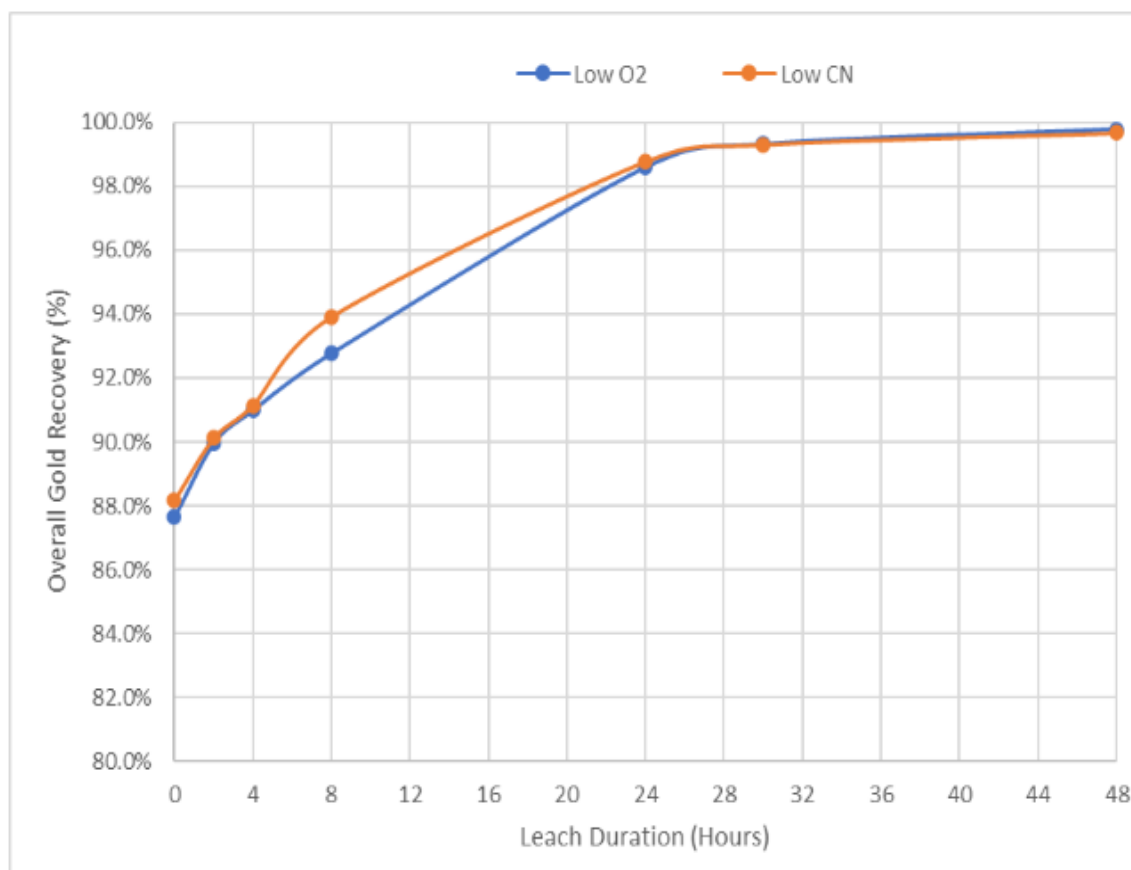


Figure 7, Reagent Optimisation Cyanide Leach Tests Kinetic Curves.

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.

The reagent optimisation cyanide leach results are presented in the kinetic leach curve shown in Figure 7. 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

CARNAVALE RESOURCES LIMITED REVIEW OF OPERATIONS

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 Amenableity Testwork 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.

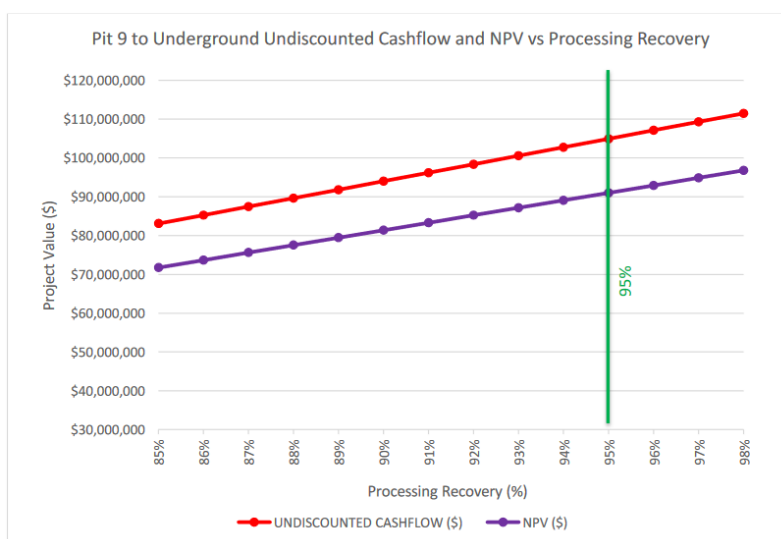


Figure 12, Undiscounted cashflow and NPV vs Processing recovery at AU\$3,500/oz

Variability work completed during the June 2024 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.

Other Projects

During the period Carnavale entered into an Asset Sale Agreement for the sale of 100% of CAV's license E40/394, to KoBold Tanura Pty Ltd. 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. 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 to determine the next steps for the 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.

Carnavale is always reviewing possible new projects that fit the Company profile and may provide opportunities for shareholders.

CARNAVALE RESOURCES LIMITED

REVIEW OF OPERATIONS

Corporate

Capital Raisings

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.

Competent Person's Statement

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

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.

Information relating to Previous Disclosure

The technical and financial information in this report that relates to the Grey Dam Project has been previously reported by the Company in compliance with JORC 2012 in various releases between 19 March 2018 and 19 December 2023. The technical and financial information in this report that relates to the Kookynie Gold Project has been previously reported by the Company in compliance with JORC 2012 in various releases between 2 August 2024 and 17 August 2025.

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 announcements and, in the case of 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 included in these earlier market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Statements regarding Carnavale Resources' plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Carnavale Resources' plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Carnavale Resources' will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Carnavale Resources' mineral properties.

CARNAVALE RESOURCES LIMITED DIRECTORS' REPORT

The Directors of Carnavale Resources Limited submit herewith the annual financial report of Carnavale Resources Limited ("Company") and its controlled entities ("Group") for the year ended 30 June 2025 and the independent auditor's report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and particulars of the directors of the Company during or since the end of the financial year are as follows.

Directors were in office for the entire period unless otherwise stated.

Ron Gajewski, BBus, CPA

Independent Non-Executive Chairman

Appointed 18 October 2006

Mr Gajewski is an accountant by profession, with many years of experience as a director of public listed companies and as a corporate advisor to public companies.

Mr Gajewski has previously held directorships with mining companies listed in both Canada and Australia.

Mr Gajewski holds no other listed company directorships and has held no other listed company directorships in the last 3 years.

Andrew Beckwith, BSc Geology, AusIMM

Independent Non-Executive Director

Appointed 29 July 2014

Mr Beckwith is a geologist, with a career spanning 40 years across the Australian mining industry. Roles include senior technical and management roles within a range of companies from large gold producers to small explorers through to corporate positions in ASX listed companies including Managing Director at Westgold and was formerly a technical director at De Grey Mining, a company which grew from being a sub \$1M market capitalisation when he was first involved to being in the ASX 200 before being acquired by Northern Star Resources Limited (ASX: NST) in an all scrip scheme of arrangement which valued De Grey at ~ A\$6Bn. He has been involved in many successful exploration teams including the early stages of the multi-million ounce Tropicana gold discovery (AngloGold Ashanti) and oversaw the growth in resources at Westgold, through a combination of organic exploration and corporate acquisition to established ~5.0M ounces in gold resources, which has gone on to become a leading Australian gold producer.

During the past three years he has also served as a director of the following listed companies:

Company	Date appointed	Date ceased
De Grey Mining Limited	26 October 2017	5 May 2025

Rhett Brans, MIEAust CPEng

Independent Non-Executive Director

Appointed 17 September 2013

Mr Brans is a civil engineer with more than 50 years of experience in project development of treatment plants and mine developments and an experienced director having fulfilled directorship responsibilities in a number of ASX listed mining companies since 2004.

Throughout his career, Mr Brans has been involved in the co-ordination and management of scoping and feasibility studies and the design and construction of mineral treatment plants across a range of commodities and geographies including gold in Ghana, copper and lithium in the DRC, graphite in Mozambique, gold, copper, coal and mineral sands in Australia. He has extensive experience as an owner's representative for several successful mine feasibility studies and project developments.

During the past three years he has also served as a director of the following ASX listed companies:

Company	Date appointed	Date ceased
Australian Potash Limited	9 May 2017	2 February 2024
AVZ Minerals Limited	5 February 2018	-

CARNAVALE RESOURCES LIMITED DIRECTORS' REPORT

COMPANY SECRETARY

Paul Jurman, BCom, CPA
Appointed 22 November 2006

Mr Jurman is a Certified Practising Accountant with over 20 years' experience and has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles. He is also company secretary of Tempest Minerals Limited, Lord Resources Limited, Desert Metals Limited and Platina Resources Limited.

Directors' interests

The relevant interests in the shares and options of the Company at the date of this report are as follows:

<i>Name</i>	<i>Ordinary shares</i>
R Gajewski	198,910,227
A Beckwith	99,543,188
R Brans	5,000,000

No director has an interest, whether directly or indirectly, in a contract or proposed contract with the Group.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the year was acquiring and exploring mineral interests, prospective for precious metals and energy.

RESULTS AND DIVIDENDS

The consolidated loss after tax for the year ended 30 June 2025 was \$3,026,950 (2024: \$791,143). No dividends were paid during the year and the Directors do not recommend payment of a dividend.

LOSS PER SHARE

Basic loss per share for the year was 0.077 cents (30 June 2024: 0.023 cents).

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW

The Group is currently engaged in mineral exploration for metals in Australia. A review of the Group's operations, including information on exploration activity and results thereof, financial position, strategies and projects of the Group during the year ended 30 June 2025 is provided in this Annual Report and, in particular, in the "Review of Operations" section immediately preceding this Directors' Report. The Group's financial position, financial performance and use of funds information for the financial year is provided in the financial statements that follow this Directors' Report.

As an exploration entity, the Group has no operating revenue or earnings and consequently the Group's performance cannot be gauged by reference to those measures. Instead, the Directors consider the Group's performance based on the success of exploration activity, acquisition of additional prospective mineral interests and, in general, the value added to the Group's mineral portfolio during the course of the financial year.

Whilst performance can be gauged by reference to market capitalisation, that measure is also subject to numerous external factors. These external factors can be specific to the Group, generic to the mining industry and generic to the stock market as a whole and the Board and management would only be able to control a small number of these factors.

CARNAVALE RESOURCES LIMITED DIRECTORS' REPORT

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW (continued)

The Group's business strategy for the financial year ahead and, in the foreseeable future, is to continue exploration activity on the Group's existing mineral projects, identify and assess new mineral project opportunities throughout the world and review development strategies where individual projects have reached a stage that allows for such an assessment. Due to the inherently risky nature of the Group's activities, the Directors are unable to comment on the likely results or success of these strategies. The Group's activities are also subject to numerous risks, mostly outside the Board's and management's control. These risks can be specific to the Group, generic to the mining industry and generic to the stock market as a whole. The key risks, expressed in summary form, affecting the Group and its future performance include but are not limited to:

- Geological and technical risk posed to exploration and commercial exploitation success;
- Sovereign risk, change in government policy, change in mining and fiscal legislation;
- Prevention of access by reason of political or civil unrest, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals, or native title issues;
- Force majeure events;
- Change in metal market conditions;
- Mineral title tenure and renewal risks; and
- Capital requirement and lack of future funding.

This is not an exhaustive list of risks faced by the Group or an investment in it. There are other risks generic to the stock market and the world economy as a whole and other risks generic to the mining industry, all of which can impact on the Group.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's objective is to maximise shareholder value through the discovery and delineation of significant gold, cobalt, nickel, tin, copper, silver and other mineral deposits throughout the world.

The Directors are unable to comment on the likely results from the Company's planned exploration activities due to the speculative nature of such activities.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There has not been any significant changes in the state of affairs of the company and its controlled entities during the financial year, other than as noted in this Annual Report.

SUBSEQUENT EVENTS

No matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out exploration work.

CARNAVALE RESOURCES LIMITED DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of meetings of the Directors and the number of meetings attended by each Director during the year ended 30 June 2025 were:

<i>Name</i>	<i>Eligible to attend</i>	<i>Attended</i>
R Gajewski	5	5
A Beckwith	5	5
R Brans	5	5

There were 5 directors' meetings held during the year. However, matters of Board business have also been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Group's activities throughout the period.

At present, the Company does not have any formally constituted committees of the Board. The Directors consider that the Group is not of a size nor are its affairs of such complexity as to justify the formation of special committees.

REMUNERATION REPORT – AUDITED

This report outlays the remuneration arrangements in place for the Key Management Personnel (as defined under section 300A of the Corporations Act 2001) of Carnavale Resources Limited.

The following were Key Management Personnel of the Company during or since the end of the financial period.

<i>Directors</i>		
R Gajewski	Non-Executive Chairman	Appointed 18 October 2006
A Beckwith	Non-Executive Director	Appointed 29 July 2014
R Brans	Non-Executive Director	Appointed 17 September 2013

Other Senior Management

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

<i>Senior Management</i>		
H Hale	Chief Executive Officer	Appointed 1 June 2021

There have been no other changes of Key Management Personnel after the reporting date and up to the date the financial report was authorised for issue.

Remuneration policy

The remuneration policy of Carnavale Resources Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board of Carnavale Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive Directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The Group is an exploration entity and is, therefore, speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the Group moves from an exploration to a producing entity and

CARNAVALE RESOURCES LIMITED DIRECTORS' REPORT

key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.

- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at a shareholders' meeting on 5 January 2007 when the shareholders approved an aggregate remuneration of \$200,000 per year. Fees for non-executive directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.
- Executive Directors' remuneration and other terms of employment are reviewed annually by the non-executive directors having regard to performance against goals set at the start of the year, relative comparative information and independent expert advice.

Except as detailed in the Remuneration Report, no director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Group.

Remuneration Structure

In accordance with best practice corporate governance, the structure of remuneration for Non-Executive Directors and Executive Directors is separate and distinct.

Details of Remuneration

Details of the remuneration of the Directors and other Key Management Personnel of the Company are set out in the following table. The Key Management Personnel of the Company are the Directors of Carnavale Resources Limited and the Chief Executive Officer. Detail of the employment contract with the Chief Executive Officer is as follow:

<i>Name</i>	<i>Term of Agreement</i>	<i>Base Salary including Superannuation</i>	<i>Termination Benefit</i>
Humphrey Hale Chief Executive Officer	Ongoing commencing 1 June 2021	\$256,450	May be terminated by either Mr Hale or the Company by providing three months' notice.

Voting and comments made at the Company's 2024 Annual General Meeting (AGM) – At the 2024 AGM, 99.69% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Remuneration of KMP:

Remuneration for the year ended 30 June 2025

	Short-term benefits		Post-employment Super-annuation	Equity-based compensation	Total	Proportion related to performance
	Directors' fees	Consulting fees				
	\$	\$	\$	\$	\$	%
Directors						
R Gajewski	51,680	-	1,840	-	53,520	-
A Beckwith	36,000	-	4,140	-	40,140	-
R Brans	36,000	-	4,140	-	40,140	-
Total, Directors	123,680	-	10,120	-	133,800	
Other KMP						
Chief Executive Officer						
H Hale	-	230,000	26,450	-	256,450	-
Total KMP	123,680	230,000	36,570	-	390,250	

CARNAVALE RESOURCES LIMITED

DIRECTORS' REPORT

Remuneration for the year ended 30 June 2024

	Short-term benefits		Post-employment Super-annuation	Equity-based compensation	Total	Proportion related to performance
	Directors' fees	Consulting fees				
	\$	\$	\$	\$	\$	%
Directors						
R Gajewski	48,000	-	5,280	91,400	144,680	63.17
A Beckwith	36,000	-	3,960	91,400	131,360	69.58
R Brans	36,000	-	3,960	22,850	62,810	36.38
Total, Directors	120,000	-	13,200	205,650	338,850	
Other KMP						
Chief Executive Officer						
H Hale	-	230,000	25,300	91,400	346,700	26.36
Total KMP	120,000	230,000	38,500	297,050	685,550	

Accounting, secretarial and corporate service fees of \$53,522 (2024: \$64,302) and rental fees of \$30,000 (2024: \$30,000) were paid or payable during the year ended 30 June 2025 on normal terms and conditions to Corporate Consultants Pty Ltd, a company in which Mr Gajewski is a director and has a beneficial interest.

Remuneration Options granted as part of remuneration for the year ended 30 June 2025

No remuneration options were granted to directors or key management personnel during the year ended 30 June 2025.

Remuneration Options granted as part of remuneration for the year ended 30 June 2024

Key Management Personnel	Grant date	Number granted	Number vested at year end	Average fair value per option at grant date	Maximum total value of grant yet to vest
R Gajewski	15 Sep 2023	20,000,000	20,000,000	0.457 cents	-
A Beckwith	15 Sep 2023	20,000,000	20,000,000	0.457 cents	-
R Brans	15 Sep 2023	5,000,000	5,000,000	0.457 cents	-
Other KMP					
H Hale	15 Sep 2023	20,000,000	20,000,000	0.457 cents	-

Assumptions used in valuing the options issued are as follows:

Grant Date	Expiry Date	Fair value per option	Exercise price	Price of shares on grant date	Expected Volatility	Risk free interest rate	Dividend yield
15 Sept 2023	31 Mar 2025	0.457 cents	0.8 cents	0.7 cents	155%	4.10%	-

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

No options over unissued ordinary shares in Carnavale Resources Limited were granted to, or were exercised by key management personnel of the Company (as part of their remuneration). 65,000,000 unlisted options held by key management personnel, exercisable at \$0.008 each on or before 31 March 2025, expired unexercised.

Performance Rights granted as part of remuneration for the year ended 30 June 2025

The Company has not granted any performance rights during the financial year to any Directors or officers as part of their remuneration during the years ended 30 June 2025 or 30 June 2024.

The Company has not granted any performance rights since the end of the financial year to any Directors or officers as part of their remuneration.

CARNAVALE RESOURCES LIMITED DIRECTORS' REPORT

Shareholdings of key management personnel

Year ended 30 June 2025

	Balance at 1 July 2024	Granted as remuneration	Net other change	Balance at 30 June 2025
Directors				
R Gajewski	198,910,227	-	-	198,910,227
A Beckwith	99,543,188	-	-	99,543,188
R Brans	5,000,000	-	-	5,000,000
Total	303,453,415	-	-	303,453,415
Other KMP				
H Hale	-	-	6,060,606	6,060,606
Total	303,453,415	-	6,060,606	309,514,021

Option holdings of key management personnel

Year ended 30 June 2025

	Balance at 1 July 2024	Granted as remuneration	Net other change (i)	Balance at 30 June 2025
Directors				
R Gajewski	20,000,000	-	(20,000,000)	-
A Beckwith	20,000,000	-	(20,000,000)	-
R Brans	5,000,000	-	(5,000,000)	-
Total	45,000,000	-	(45,000,000)	-
Other KMP				
H Hale	20,000,000	-	(20,000,000)	-
Total	65,000,000	-	(65,000,000)	-

(i) The options expired unexercised.

End of Remuneration report

SHARE OPTIONS

As at the date of this report, there are no options on issue.

87,500,000 options expired unexercised on 31 March 2025 and 67,500,000 options expired unexercised on 31 July 2025, subsequent to year end.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every officer or agent of the Group shall be indemnified out of the property of the Group against any liability incurred by him in his capacity as Officer or agent of the Group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the period, the Company agreed to pay an annual insurance premium of \$9,657 in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome.
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty.

CARNAVALE RESOURCES LIMITED DIRECTORS' REPORT

NON - AUDIT SERVICES

There have been no non-audit services provided by the Group's auditor during the year (2024: Nil).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and forms part of the directors' report and can be found on the following page of the annual report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of the Company is responsible for the corporate governance of the Company and guides and monitors the business and affairs on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company's governance approach aims to achieve exploration, development and financial success while meeting stakeholders' expectations of sound corporate governance practices by proactively determining and adopting the most appropriate corporate governance arrangements.

ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have followed the recommendations set by the ASX Corporate Governance Council during the reporting period. The Company has disclosed this information on its website at www.carnavaleresources.com/corporate-governance. The Corporate Governance Statement is current as at 30 June 2025, and has been approved by the Board of Directors.

The Company's website at www.carnavaleresources.com contains a corporate governance section that includes copies of the Company's corporate governance policies.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the Directors.



RON GAJEWSKI

Chairman

Dated this 18th day of September 2025.

Perth, Western Australia

For personal use only

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Carnavale Resources Limited for the year ended 30 June 2025, 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
18 September 2025



M R Ohm
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

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

CARNAVALE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated 2025 \$	2024 \$
Revenue	3	151,839	222,573
		<u>151,839</u>	<u>222,573</u>
Expenditure			
Administrative expenses		(590,147)	(585,745)
Exploration expenditure impaired	11	(2,588,666)	(83,216)
Foreign exchange gain / (loss)		24	(5)
Share-based payments expense	15	-	(401,825)
Depreciation expenses	12	-	(461)
		<u>-</u>	<u>(461)</u>
Loss before related income tax benefit		(3,026,950)	(848,679)
Income tax benefit		-	57,536
		<u>-</u>	<u>57,536</u>
Net loss attributable to members of the parent entity		(3,026,950)	(791,143)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the year		<u>(3,026,950)</u>	<u>(791,143)</u>
Loss per share			
Basic – cents	17	(0.077)	(0.023)
Diluted – cents	17	(0.077)	(0.023)

The accompanying notes form part of these financial statements

CARNAVALE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	Consolidated 2025 \$	2024 \$
Current assets			
Cash and cash equivalents	18(a)	777,602	1,244,845
Receivables	8	117,439	153,361
Other assets	9	23,665	22,059
Total current assets		<u>918,706</u>	<u>1,420,265</u>
Non-current assets			
Other assets	10	20,000	20,000
Exploration and evaluation expenditure	11	9,464,958	10,051,189
Property, plant and equipment	12	-	-
Total non-current assets		<u>9,484,958</u>	<u>10,071,189</u>
Total assets		<u>10,403,664</u>	<u>11,491,454</u>
Current liabilities			
Trade and other payables	13	224,619	338,194
Total current liabilities		<u>224,619</u>	<u>338,194</u>
Total liabilities		<u>224,619</u>	<u>338,194</u>
Net assets		<u>10,179,045</u>	<u>11,153,260</u>
Equity			
Issued capital	14	44,380,048	42,327,313
Reserves	15	3,696,283	3,696,283
Accumulated losses	16	(37,897,286)	(34,870,336)
Total equity		<u>10,179,045</u>	<u>11,153,260</u>

The accompanying notes form part of these financial statements

CARNAVALE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2023	39,660,291	3,019,733	(34,079,193)	8,600,831
Loss attributable to members of the parent entity	-	-	(791,143)	(791,143)
Total comprehensive loss for the year	-	-	(791,143)	(791,143)
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 30 June 2024	42,327,313	3,696,283	(34,870,336)	11,153,260
	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2024	42,327,313	3,696,283	(34,870,336)	11,153,260
Loss attributable to members of the parent entity	-	-	(3,026,950)	(3,026,950)
Total comprehensive loss for the year	-	-	(3,026,950)	(3,026,950)
Shares and options issued during the year (net of issue costs)	2,052,735	-	-	2,052,735
Balance at 30 June 2025	44,380,048	3,696,283	(37,897,286)	10,179,045

The accompanying notes form part of these financial statements

CARNAVALE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated	
		2025 \$	2024 \$
Cash flows from operating activities			
Payments to suppliers		(547,663)	(622,211)
Payments for due diligence expenses		(50,000)	-
Interest received		71,839	102,573
Other income		80,000	70,000
Other income – R & D tax offset received		57,536	98,537
Net cash outflows from operating activities	18(b)	<u>(388,288)</u>	<u>(351,101)</u>
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		<u>(2,131,690)</u>	<u>(2,264,986)</u>
Net cash outflows from investing activities		<u>(2,131,690)</u>	<u>(2,264,986)</u>
Cash flows from financing activities			
Proceeds from issue of shares and options		2,200,000	3,105,675
Issue costs - shares and options		<u>(147,265)</u>	<u>(163,928)</u>
Net cash inflows from financing activities		<u>2,052,735</u>	<u>2,941,747</u>
Net (decrease) / increase in cash and cash equivalents held		(467,243)	325,660
Cash and cash equivalents at the beginning of the financial year		1,244,845	919,185
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	18(a)	<u>777,602</u>	<u>1,244,845</u>

The accompanying notes form part of these financial statements

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1. CORPORATE INFORMATION

Carnavale Resources Limited is a company limited by shares, incorporated in Australia. The Company's shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activity of the Group is mineral exploration.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial statements have also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report is presented in whole Australian dollars.

Going Concern

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

The Group has incurred a loss for the year after tax of \$3,026,950 (2024: \$791,143) and experienced net operating and investing cash outflows of \$2,519,978 (2024: \$2,616,087). As at 30 June 2025, the Group has net current assets of \$694,087.

The Directors consider that additional funding will be required to enable the Group to continue as a going concern for a period of at least twelve months from the date of signing this financial report. Such additional funding is potentially available from a number of sources including further capital raisings.

However, should these funding initiatives be unsuccessful, there exists a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe the Group will obtain sufficient funding from one or more of the funding opportunities detailed above to enable it to continue as a going concern and therefore that it is appropriate to prepare the financial statements on a going concern basis.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of Carnavale Resources Limited and its subsidiaries.

(b) New, revised or amending Accounting Standards and Interpretations adopted

Standards and Interpretations applicable to 30 June 2025

In the year ended 30 June 2025, 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 the current annual reporting period. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group.

Standards and Interpretations on issue not yet effective

The Directors have also reviewed all Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2025.

As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet effective on the Group and, therefore, no change is necessary to Group accounting policies.

(c) Statement of compliance

The financial statement of Carnavale Resources Limited (the Company) for the year ended 30 June 2025 was authorised for issue on 18 September 2025.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Carnavale Resources Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Carnavale Resources Limited and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

(e) Income tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(f) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

(g) Revenue

Revenue is recognised to the extent that control of the goods or services has passed, and it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(h) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date (where applicable). Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred (where applicable).

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) Impairment of assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired and makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether any previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Earnings / (loss) per share

Basic earnings / (loss) per share is calculated as net profit / (loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

For personal use only

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and are solely principal and interest. All other financial instrument assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income. For financial liabilities, the portion of the change in fair value that relates to the Group's credit risk is presented in other comprehensive income.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either be: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(n) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Plant and equipment – 4 years

(o) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(p) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Carnavale Resources Limited.

(r) Share based payments

For equity-settled share-based payment transactions, the Group shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the Group shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The Group, from time to time, provides compensation benefits to employees (including directors) and consultants of the Group in the form of share-based payment transactions, whereby employees and consultants render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by a Black-Scholes-Merton model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the recipient become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

For personal use only

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(r) Share based payments (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(s) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure is set out in Note 2 (f). The application of this policy necessarily requires the Board to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is concluded that the expenditures are unlikely to be recoverable by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

The Board determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

The Directors have considered the carrying value of all carried forward exploration and evaluation expenditure in light of present conditions that exist in financial markets and have formed the view that successful development of the Ora Banda Gold Project is unlikely as the Group has ceased material exploration expenditure at the Ora Banda Gold Project and is focussed on exploration and development of the Kookynie Gold Project and have decided that it is appropriate for an impairment of exploration expenditure of \$2,588,666 to be charged to the statement of comprehensive income.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Black-Scholes-Merton model, using various assumptions.

(t) Parent Entity Financial Information

The financial information for the parent entity, Carnavale Resources Limited, disclosed in Note 25 has been prepared on the same basis as the consolidated financial statements.

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. REVENUE

	Consolidated	
	2025	2024
	\$	\$
Other revenue		
Interest earned	71,839	102,573
Other income – option fee received	80,000	120,000
	<u>151,839</u>	<u>222,573</u>

4. EXPENSES

	Consolidated	
	2025	2024
	\$	\$

Loss before income tax includes the following specific expenses:

Exploration expenditure impaired	2,588,666	83,216
----------------------------------	-----------	--------

5. INCOME TAX

- (a) **Prima facie tax benefit at 30% (2024: 30%) on loss from ordinary activities is reconciled to the income tax provided in the financial statements**

	Consolidated	
	2025	2024
	\$	\$
Loss before income tax	(3,026,950)	(791,143)
Prima facie income tax benefit at 30% (2024: 30%)	908,085	237,343
Tax effect of amounts which are not tax (deductible) / taxable in calculating taxable income:		
Exploration expenses incurred	600,731	675,220
Exploration expenses impaired	(776,600)	(24,965)
Tax effect of capitalised share issue costs	82,891	76,323
Share-based payment expense	-	(120,548)
Other non-assessable items	24,000	53,261
Other non-deductible items	(15,000)	-
Refundable R & D tax offset	-	57,536
Income tax benefit adjusted for non (deductible) / taxable items	824,107	954,170
Deferred tax asset not brought to account	(824,107)	(896,634)
Income tax benefit	<u>-</u>	<u>57,536</u>

(b) Deferred tax assets

The potential deferred tax asset arising from tax losses and temporary differences has not been recognised as an asset because recovery of tax losses is not yet considered probable.

	Consolidated	
	2025	2024
	\$	\$
Carry forward revenue losses	12,527,890	11,716,063
Carry forward capital losses	2,744,459	2,768,459
Capital raising costs	119,938	150,857
	<u>15,392,287</u>	<u>14,635,379</u>

The benefits will only be obtained if:

- (i) the companies in the Group derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

5. INCOME TAX (continued)

(b) Deferred tax assets (continued)

- (ii) the companies in the Group continue to comply with the conditions for deductibility imposed by the Law; and
- (iii) no changes in tax legislation adversely affect the companies in realising the benefits from the deductions for the losses.

(c) Deferred tax liabilities

The potential deferred tax liability arising from capitalised exploration expenditure has not been recognised as a liability. This would reduce the potential deferred tax asset noted at (b) above.

	Consolidated	
	2025	2024
	\$	\$
Deferred exploration and evaluation expenditure	2,429,306	2,472,001

6. AUDITOR'S REMUNERATION

	Consolidated	
	2025	2024
	\$	\$
The auditor of Carnavale Resources Limited is HLB Mann Judd.		
Amounts received or due and receivable by the Company's auditors for:		
Auditing or reviewing the Company's financial statements	45,257	37,912
	<u>45,257</u>	<u>37,912</u>

7. KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors

R Gajewski
A Beckwith
R Brans

Senior Management

H Hale

(b) Compensation of key management personnel

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	353,680	350,000
Post-employment benefits	36,570	38,500
Share-based payments	-	297,050
	<u>390,250</u>	<u>685,550</u>

Information regarding individual directors' and senior management compensation is provided in the Remuneration report on pages 21 to 24.

(c) Other key management personnel transactions

Accounting, secretarial and corporate service fees of \$53,522 (2024: \$64,302) and rental fees of \$30,000 (2024: \$30,000) were paid or payable during the year ended 30 June 2025 on normal terms and conditions to Corporate Consultants Pty Ltd, a company in which Mr Gajewski is a director and has a beneficial interest.

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

8. CURRENT RECEIVABLES

	Consolidated	
	2025	2024
	\$	\$
Other receivables	117,439	153,361
	<u>117,439</u>	<u>153,361</u>

Other receivables represent amounts outstanding for goods and services tax (GST) and an R & D tax refund, which are non-interest bearing, with repayment terms applicable under the relevant government authorities.

9. OTHER CURRENT ASSETS

	Consolidated	
	2025	2024
	\$	\$
Prepayments	23,665	22,059

10. OTHER ASSETS

	Consolidated	
	2025	2024
	\$	\$
Credit card bond	20,000	20,000

11. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2025	2024
	\$	\$
Exploration and evaluation costs carried forward in respect of exploration areas of interest (i)	9,464,958	10,051,189
Opening balance	10,051,189	7,883,671
Exploration expenditure incurred	2,002,435	2,250,734
Exploration expenditure impaired (i)	(2,588,666)	(83,216)
	<u>9,464,958</u>	<u>10,051,189</u>

- (i) 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. Refer to Note 2 (s) for further details. 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.

12. PLANT AND EQUIPMENT

	Consolidated	
	2025	2024
	\$	\$
Plant and equipment, at cost	1,545	1,545
Less: accumulated depreciation	(1,545)	(1,545)
	<u>-</u>	<u>-</u>
Balance at beginning of year	-	461
Additions	-	-
Depreciation expense	-	(461)
	<u>-</u>	<u>-</u>

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

13. TRADE AND OTHER PAYABLES

	Consolidated	
	2025	2024
	\$	\$
Current		
Trade and other payables	224,619	338,194

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

14. ISSUED CAPITAL

(a) Issued capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movements in share capital

	2025	2024	2025	2024
	Number	Number	\$	\$
Balance at beginning of year	3,423,551,728	2,733,551,728	42,327,313	39,660,291
Share placement at an issue price of \$0.0045 each in July and September 2023	-	690,000,000	-	3,105,000
Share placement at an issue price of \$0.0033 each in September 2024	666,666,666	-	2,200,000	-
Transaction costs arising from issue of securities	-	-	(147,265)	(437,978)
Balance at end of year	4,090,218,394	3,423,551,728	44,380,048	42,327,313

(c) Share options

Options to subscribe for ordinary shares in the capital of the Company have been granted as follows:

2025	Exercise Period	Exercise Price	Opening Balance 1 July 2024	Options Issued 2024/2025	Options Exercised / Expired 2024/2025	Closing Balance 30 June 2025
			Number	Number	Number	Number
	On or before 31 July 2025	\$0.007	67,500,000	-	-	67,500,000
	On or before 31 March 2025 (i)	\$0.008	87,500,000	-	(87,500,000)	-
	Total		155,000,000	-	(87,500,000)	67,500,000

(i) All options noted in (i) above expired unexercised.

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

14. ISSUED CAPITAL (continued)

(c) Share options

2024	Exercise Period	Exercise Price	Opening Balance 1 July 2023	Options Issued 2023/2024	Options Exercised / Expired 2023/2024	Closing Balance 30 June 2024
			Number	Number	Number	Number
	On or before 30 November 2023 (i)	\$0.012	70,000,000	-	(70,000,000)	-
	On or before 31 July 2023 (i)	\$0.016	188,999,998	-	(188,999,998)	-
	On or before 31 July 2025 (ii)	\$0.007	-	67,500,000	-	67,500,000
	On or before 31 March 2025 (iii)	\$0.008	-	87,500,000	-	87,500,000
Total			258,999,998	155,000,000	(258,999,998)	155,000,000

(i) All options noted in (i) above expired unexercised.

(ii) In July 2023, Argonaut Securities Pty Ltd (Argonaut) was appointed as Lead Manager for a Placement. For managing the Placement (including obtaining the firm commitments), Argonaut (and its nominees) subscribed for 67.5 million options at an issue price of \$0.00001.

(iii) In August and September 2023, the Company issued 42.5 million unlisted options to the CEO, company secretary and other consultants. In September 2023, following shareholder approval received at a general meeting of shareholders held on 15 September 2023, a total of 45 million options were issued to directors Mr Gajewski (20 million options), Mr Beckwith (20 million options), and Mr Brans (5 million options).

15. RESERVES

	Consolidated	
	2025	2024
	\$	\$
Option premium and share-based payments reserve (a)	3,696,283	3,696,283
Total	3,696,283	3,696,283

(a) 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. Refer to Note 19 for further details.

	Consolidated	
	2025	2024
	\$	\$
Opening balance	3,696,283	3,019,733
Fair value of options issued	-	401,825
Fair value of options subscribed for by Lead Manager	-	274,725
Balance at end of year	3,696,283	3,696,283

16. ACCUMULATED LOSSES

	Consolidated	
	2025	2024
	\$	\$
Accumulated losses at the beginning of the year	(34,870,336)	(34,079,193)
Loss for the year	(3,026,950)	(791,143)
Accumulated losses at the end of the year	(37,897,286)	(34,870,336)

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

17. LOSS PER SHARE

	Consolidated	
	2025	2024
	\$	\$
Net loss after income tax attributable to members of the Company	(3,026,950)	(791,143)
	Number	Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	3,943,698,248	3,370,702,413
Effect of dilution	-	-
Weighted average number of ordinary shares for diluted earnings per share	3,943,698,248	3,370,702,413

Effect of Dilutive Securities - Share Options

The Company has 67,500,000 share options at 30 June 2025 (30 June 2024: 155,000,000). Options are considered to be potential ordinary shares. However, in periods of a net loss, share options are anti-dilutive, as their exercise will not result in lower earnings per share. The options have therefore not been included in the determination of diluted earnings per share.

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	Consolidated	
	2025	2024
	\$	\$
Cash at bank	777,602	1,244,845
	777,602	1,244,845

(b) Reconciliation of loss after tax to net cash outflows from operations

	Consolidated	
	2025	2024
	\$	\$
Loss after income tax	(3,026,950)	(791,143)
Depreciation	-	461
Exploration expenditure impaired / expensed	2,588,666	83,216
Share-based payments expense	-	401,825
(Increase) / decrease in assets		
Trade and other receivables	56,554	(11,414)
Increase / (decrease) in liabilities		
Trade and other payables	(6,558)	(34,046)
	(388,288)	(351,101)

(c) Non-cash investing activities

There were no non-cash investing activities during the period.

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

19. SHARE-BASED PAYMENTS

The Company makes share-based payments to Directors, consultants and/or service providers from time to time, not under any specific plan.

The expense recognised in the Statement of Comprehensive Income in relation to share-based payments is \$Nil (2024: 401,825), relating to options.

The following tables illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

Options	2025 Number	2025 Weighted average exercise price	2024 Number	2024 Weighted average exercise price
Outstanding at the beginning of the year	155,000,000	\$0.076	258,999,998	\$0.0149
Issued during the year	-	-	155,000,000	\$0.0076
Exercised during the year	-	-	-	-
Forfeited / lapsed during the year	(87,500,000)	\$0.008	(258,999,998)	\$0.0149
Outstanding at the end of the year	67,500,000	\$0.007	155,000,000	\$0.0076
Exercisable at the end of the year	67,500,000	\$0.007	155,000,000	\$0.0076

Refer to Note 14 c) for details of the movement in options during the year ended 30 June 2025 and 30 June 2024.

Assumptions used in valuing the options issued in the prior period are as follows:

2024 Number of Options	Grant Date	Expiry Date	Fair value per option	Exercise price	Price of shares on grant date	Expected Volatility	Risk free interes t rate	Dividend yield
67,500,000	21 Jul 2023	31 Jul 2025	\$0.004	\$0.007	\$0.006	141%	4.10%	-
15,000,000	04 Aug 2023	31 Mar 2025	\$0.0047	\$0.008	\$0.007	155%	4.10%	-
72,500,000	15 Sep 2023	31 Mar 2025	\$0.0046	\$0.008	\$0.007	155%	4.10%	-

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

20. COMMITMENTS AND CONTINGENCIES

(a) Commitments

In order to maintain current contractual rights concerning its mineral projects, the Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets in which it has an interest.

The current annual minimum lease expenditure commitments on tenements wholly owned by the Group comprising E28/1477 and M28/378, which covers the Grey Dam Project is \$82,300 (2024: \$82,300). During the prior period, the Company entered into an option agreement for the sale of 80% of the Grey Dam Project to Trans Pacific Energy Group Pty Ltd (TPEG). During the Option Term and in the event of exercise of the Option, then until Completion, TPEG shall be solely responsible for maintaining E28/1477 and M28/378 in good standing in accordance with all applicable laws including meeting the minimum lease expenditure commitments.

The Company owns 80% of the Kookynie Gold Project, comprising tenements E40/355, P40/1380 and P40/1381. In order to maintain current contractual rights, the Group has certain commitments to meet minimum expenditure requirements. The current annual minimum lease expenditure commitments on this tenement package is \$80,920 (2024: 80,920).

**CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

20. COMMITMENTS AND CONTINGENCIES (continued)

In September 2020, the Company agreed to purchase 100% of P40/1480 at the Kookynie Gold Project and in order to maintain current contractual rights, the Group must spend \$6,560 (2024: \$6,560) to meet minimum lease expenditure commitments.

In October 2020, the Company agreed to purchase 100% of E40/394 at the Kookynie Gold Project and in order to maintain current contractual rights, the Group must spend \$30,000 (2024: \$20,000) to meet minimum lease expenditure commitments.

During the period Carnavale entered into an Asset Sale Agreement for the sale of E40/394 to KoBold Tjantjuru Pty Ltd (KoBold) under which KoBold has an exclusive right to acquire 100% of Tojo's interests in the Leonora tenement for \$405,000. For the duration of Agreement, ending on the Completion Date (or termination of this Agreement), KoBold shall be solely responsible for maintaining E40/394 in good standing in accordance with all applicable laws including meeting the minimum lease expenditure commitments.

The Company owns 80% of the Ora Banda South Gold Project and in order to maintain current contractual rights, the Group has certain commitments to meet minimum expenditure requirements. The current annual minimum lease expenditure commitments on this tenement package is \$84,800.

In April 2021, the Company agreed to purchase 100% of the Barracuda Platinum-Palladium-Nickel-Copper (PGE-Ni-Cu) Project (granted license E58/551) and in order to maintain current contractual rights, the Group must spend \$50,000 to meet minimum lease expenditure commitments. During the prior period, the Company entered into an option agreement for the sale of its Barracuda PGE-Ni-Cu Project with Midas Resources Ltd (ASX MM1) (Midas). During the Option Term and in the event of exercise of the Option, then until Completion, Midas shall be solely responsible for maintaining E58/551 in good standing in accordance with all applicable laws including meeting the minimum lease expenditure commitments. Midas must contribute the minimum lease expenditure commitments regardless of whether or not it exercises the Option and all rehabilitation of E58/551 including all costs relating to rehabilitation of the tenement.

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer, or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

(b) Contingent liabilities

The Group does not have any contingent liabilities at balance date other than as below:

In accordance with the tenement acquisition agreements and option agreements entered into by the Group the following deferred consideration may become payable in future periods:

M28/378 - Grey Dam Project

- A 2% gross royalty is payable comprising a 1% gross revenue payable on all nickel, copper, cobalt value if any profit from them is derived and a 1% total gold production royalty.

Barracuda Platinum-Palladium-Nickel-Copper (PGE-Ni-Cu) Project

- A 0.5% Net Smelter Return ('NSR') royalty is payable on all minerals produced from the tenement.

Kookynie Gold Project - E40/394

- A 1% royalty on gross revenue payable on all minerals produced from the tenement.

21. EVENTS SUBSEQUENT TO BALANCE DATE

No matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

For personal use only

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Overview

The activities of the Company expose it to a variety of financial risks, including:

- market risk;
- credit risk; and
- liquidity and capital risks.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. Carnavale will use different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The Australian dollar is the reporting currency for the Group and the functional currency for the parent company; however, during the financial year, the Group currently held foreign currency, namely US dollars. At period end, the Group did not have any foreign exchange risk that was material to the Group.

(ii) Exposure to currency risk

The Group's exposure to foreign currency risk at balance date was nil.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on short term deposits.

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate %
		\$	\$	\$	\$	
2025						
Financial assets						
Cash and cash equivalents	18(a)	763,351	-	14,251	777,602	4.35
Trade and other receivables	8	-	-	117,439	117,439	
		<u>763,351</u>	<u>-</u>	<u>131,690</u>	<u>895,041</u>	
Financial liabilities						
Trade and other payables	13	-	-	224,619	224,619	

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate %
		\$	\$	\$	\$	
2024						
Financial assets						
Cash and cash equivalents	18(a)	1,239,876	-	4,969	1,244,845	4.34
Trade and other receivables	8	-	-	153,361	153,361	
		<u>1,239,876</u>	<u>-</u>	<u>158,330</u>	<u>1,398,206</u>	
Financial liabilities						
Trade and other payables	13	-	-	338,194	338,194	

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below, where interest is applicable. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

Consolidated	Profit or (Loss)		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
30 June 2025				
Variable rate instruments	16,510	(16,510)	16,510	(16,510)
Cash flow sensitivity (net)	<u>16,510</u>	<u>(16,510)</u>	<u>16,510</u>	<u>(16,510)</u>
30 June 2024				
Variable rate instruments	23,368	(23,368)	23,368	(23,368)
Cash flow sensitivity (net)	<u>23,368</u>	<u>(23,368)</u>	<u>23,368</u>	<u>(23,368)</u>

Financial assets

Trade receivables from other entities are carried at nominal amounts less any allowance for doubtful debts. Other receivables are carried at nominal amounts due. Interest is recorded as income on an accruals basis.

Financial liabilities

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the group.

Net fair value of financial assets and liabilities

The carrying amount of financial assets and liabilities approximates fair value because of their short-term maturity.

(iv) Commodity price risk

As Carnavale explores for a variety of minerals including gold, tin, nickel, copper and cobalt, it will be exposed to the risks of fluctuation in prices for those minerals. The market for all of these minerals has a history of volatility, moving not only with the standard forces of supply and demand, but also in the case of gold, to investment and disinvestment. Prices fluctuate widely in response to changing levels of supply and demand but, in the long run, prices are related to the marginal cost of supply.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and investment deposits. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group does not have significant exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

The Company and Group have established an allowance for impairment that represents their estimate of incurred losses in respect of other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. The management does not expect any counterparty to fail to meet its obligations.

(c) Liquidity and capital risk

The Group's total capital is defined as the shareholders' net equity plus any net debt. The objectives when managing the Company's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group does not have a target debt / equity ratio but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

If the Company anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities, then the decision on how the Company will raise future capital will depend on market conditions existing at that time.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the Group's financial liabilities into maturity groupings based on the remaining period from the balance date to the contractual maturity date.

2025	Within 1 year	Between 1 and 5 years	After 5 years
Financial liabilities	\$	\$	\$
Trade and other payables	224,619	-	-
Total Financial Liabilities	224,619	-	-

2024	Within 1 year	Between 1 and 5 years	After 5 years
Financial liabilities	\$	\$	\$
Trade and other payables	338,194	-	-
Total Financial Liabilities	338,194	-	-

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

23. INVESTMENT IN CONTROLLED ENTITIES

(a) Particulars in relation to subsidiaries

Entity	Country of incorporation	Equity holding 2025 %	Equity holding 2024 %	Class of Shares
Parent Entity				
Carnavale Resources Limited				
Subsidiaries				
Carnavale Petroleum Pty Ltd	Australia	100	100	Ord
Tojo Minerals Pty Ltd	Australia	100	100	Ord

(b) Risk exposure

Refer to Note 22 for information on the Group's and parent entity's exposure to credit, foreign exchange and interest rate risk.

24. 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 year, Carnavale operated in the mineral exploration industry in Australia and investing activities in Australia.

2025	Investing Australia \$	Mineral Exploration Australia \$	Eliminations \$	Consolidated \$
Business segments				
Revenue				
Other external revenue	71,839	80,000	-	151,839
Total segment revenue	71,839	80,000	-	151,839
Results				
Operating profit / (loss) before income tax	(499,712)	(2,527,238)	-	(3,026,950)
Income tax benefit				-
Net loss				(3,026,950)
Assets				
Segment assets	931,206	9,472,458	-	10,403,664
Non-current assets acquired	-	2,002,435		2,002,435
Liabilities				
Segment liabilities	100,723	123,896	-	224,619
Other segment information				
Depreciation	-	-	-	-
Impairment of exploration and evaluation expenditure	-	2,588,666	-	2,588,666

CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

24. SEGMENT REPORTING (continued)

2024	Investing Australia \$	Mineral Exploration Australia \$	Eliminations \$	Consolidated \$
Business segments				
Revenue				
Other external revenue	102,573	120,000	-	222,573
Total segment revenue	102,573	120,000	-	222,573
Results				
Operating profit / (loss) before income tax	(863,659)	14,974	6	(848,679)
Income tax benefit				57,536
Net loss				(791,143)
Assets				
Segment assets	1,287,329	10,204,125	-	11,491,454
Non-current assets acquired	-	2,250,734		2,250,734
Liabilities				
Segment liabilities	107,279	230,915	-	338,194
Other segment information				
Depreciation	461	-	-	461
Impairment of exploration and evaluation expenditure	-	83,216	-	83,216

25. PARENT ENTITY DISCLOSURES

(a) Summary financial information

Financial Position

	2025 \$	2024 \$
Assets		
Current assets	668,429	1,254,219
Non-current assets	9,611,339	9,880,436
Total assets	10,279,768	11,134,655
Liabilities		
Current liabilities	100,723	97,787
Total liabilities	100,723	97,787
Net assets	10,179,045	11,036,868
Equity		
Issued capital	44,380,048	42,327,313
Share-based payment reserve	3,696,283	3,696,283
Accumulated losses	(37,897,286)	(34,986,728)
Total equity	10,179,045	11,036,868

Financial performance

	2025 \$	2024 \$
Loss for the year after income tax	(2,910,558)	(863,847)
Total comprehensive loss	(2,910,558)	(863,847)

**CARNAVALE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

25. PARENT ENTITY DISCLOSURES (continued)

(b) Guarantees entered into by the parent entity in relation to the debts of its subsidiary

Carnavale Resources Limited has not entered into any guarantees in relation to the debts of its subsidiary.

(c) Contingent liabilities of the parent

The parent entity did not have any contingent liabilities as at 30 June 2025 or 30 June 2024 other than as disclosed in Note 20.

(d) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2025 (30 June 2024 – \$Nil), the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment.

For personal use only

CARNAVALE RESOURCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*. It includes certain information for each entity that was part of the Consolidated Entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Consolidated Entity has applied the following interpretations:

Australian tax residency

The Consolidated Entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Consolidated Entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Details of entities within the consolidated entity

Name of Entity	Type of Entity	Trustee, partner or participant in joint venture	Country of incorporation	% of share capital held	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction of foreign residents
Carnavale Resources Limited	Body Corporate	N/A	Australia	N/A	Australian	N/A
Tojo Minerals Pty Ltd	Body Corporate	N/A	Australia	100	Australian	N/A
Carnavale Petroleum Pty Ltd	Body Corporate	N/A	Australia	100	Australian	N/A

**CARNAVALE RESOURCES LIMITED
DIRECTORS' DECLARATION**

In the opinion of the Directors of Carnavale Resources Limited:

- (a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year then ended; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
- (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.
- (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
- (d) The information disclosed in the attached Consolidated entity disclosure statement is true and correct.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2025.

Signed in accordance with a resolution of the Directors made pursuant to s 295(5) of the Corporations Act 2001.

On behalf of the Board.



RON GAJEWSKI
Chairman

Dated this 18th day of September 2025
Perth, Western Australia

For personal use only

INDEPENDENT AUDITOR'S REPORT

To the Members of Carnavale Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Carnavale Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report.

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

54

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

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

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration and evaluation expenditure Note 11 to the financial statements	
<p>The Company has capitalised exploration and evaluation expenditure of \$9,464,958 as at 30 June 2025.</p> <p>Our audit procedures determined that the carrying value of exploration and evaluation expenditure was a key audit matter as it was an area which required the most communication with those charged with governance and was determined to be of key importance to the users of the financial statements.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - We obtained an understanding of the key processes and relevant controls associated with management's review of the carrying value of exploration and evaluation expenditure; - We obtained evidence that the Company has current rights to tenure of its areas of interest; - We considered the existence of any indicators of impairment; - We substantiated a sample of additions to exploration expenditure during the year; - We ensured that the Company had not decided to discontinue exploration and evaluation at any areas of interest; and - We ensured the adequacy of the disclosures made within the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Carnavale Resources Limited for the year ended 30 June 2025 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

**Perth, Western Australia
18 September 2025**



**M R Ohm
Partner**

CARNAVALE RESOURCES LIMITED SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 14 September 2025.

1. Distribution of holders of listed equity securities

Size of holding	Ordinary Shares	% of Securities issued
1 - 1,000	65	0.00%
1,001 - 5,000	46	0.00%
5,001 - 10,000	50	0.01%
10,001 - 100,000	428	0.66%
100,001 and over	1,255	99.32%
	<u>1,844</u>	<u>100.00</u>

2. Voting rights

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present, who is a member or representative of a member shall have one vote and, on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options or performance rights have any voting rights.

3. Substantial Shareholders

An extract of the Company's register of substantial shareholders is set out below.

Shareholder	Number of Shares
Philip John Coulson	449,972,153
Cremorne Capital Ltd at the RE for Lowell Resources Fund	270,803,030
Philip David Reese	217,214,036

4. Unmarketable parcels

As at 14 September 2025 there were 630 shareholders with unmarketable parcels of shares.

5. Top 20 shareholders (CAV)

The names of the twenty largest shareholders as at 14 September 2025, who hold 45.10% of the fully paid ordinary shares of the Company were as follows:

	Name of holder	Number of Shares	Percentage held
1	Troca Enterprises Pty Ltd <Coulson Super A/C>	449,972,153	11.00%
2	Equity Trustees Limited <Lowell Resources Fund A/C>	270,803,030	6.62%
3	Mr Philip David Reese	226,740,010	5.54%
4	Mr Michael Lynch & Mrs Susan Lynch <Lynch Superannuation A/C>	194,127,613	4.75%
5	Vienna Holdings Pty Ltd <The Ronjen Super A/C>	171,410,227	4.19%
6	BNP Paribas Nominees Pty Ltd Acf Clearstream	136,535,705	3.34%
7	Penand Pty Ltd <Beckwith Super Fund A/C>	99,543,188	2.43%
8	Western Resources Pty Ltd	65,000,000	1.59%
9	Mr Kaide Wang	61,000,000	1.49%
10	Wersman Nominees Pty Ltd	60,375,000	1.48%
11	Citicorp Nominees Pty Limited	59,453,502	1.45%
12	Jetosea Pty Ltd	47,121,213	1.15%
13	Mr Matthew Caudle	46,459,950	1.14%
14	P Coulson & Co Pty Ltd	40,000,000	0.98%
15	Mr Andrew Russell Proudman & Mrs Fiona Louise Proudman <FIAND A/C>	39,831,345	0.97%
16	Jayleaf Holdings Pty Ltd <The Pollock Investment A/C>	37,125,000	0.91%
17	Cranley Consulting Pty Ltd <Cranley Consulting A/C>	32,136,364	0.79%
18	Cadden Nominees Pty Ltd <Carson Family Super A/C>	31,796,510	0.78%
19	Mr Phillip John Carson	31,435,584	0.77%
20	Mr Peter Robert Disher & Mrs Lynette Jean Disher	30,000,000	0.73%
		<u>2,130,866,394</u>	<u>52.10%</u>

**CARNAVALE RESOURCES LIMITED
SHAREHOLDER INFORMATION**

6. Unquoted equity securities

There are no unquoted equity securities on issue at 14 September 2025.

7. Securities subject to escrow

There are no ordinary shares subject to escrow.

For personal use only

CARNAVALE RESOURCES LIMITED
ANNUAL MINERAL RESOURCES STATEMENT

Annual Mineral Resources Statement

Carnavale reviews and reports its Mineral Resources at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to the Mineral Resource estimates for our projects over the course of the year we are required to report these changes.

Kookynie Gold Project, Swiftsure deposit, Western Australia.

The Kookynie Gold Project mineral resource estimate announced on ASX 17th August 2025 is reported in Table 1. The mineral resources as announced on the ASX on 13th June 2024 is reported in Table 2. Mineral resources are 80% owned by Carnavale Resource Ltd and 20% owned by Western Resources Ltd. No reserves have been calculated for the Swiftsure deposit.

A summary of the MRE, reported by classification, is shown (Table 1) – a lower Au cut-off grade of 0.8 g/t is used for material within the optimised pit shell, and 1.5 g/t Au for material below the pit shell.

Swiftsure and Tiptoe Lodes CoG 0.8 > 320 mRL, 1.5 < 320 mRL			
	Kt	Au g/t	Au K oz
Indicated	426	5.6	77
Inferred	416	3.0	40
Total (Indicated + Inferred)	842	4.3	117

Table 1, 17th August 2025 MRE for Kookynie Gold Project including Swiftsure and Tiptoe lodes

Swiftsure Deposit Pit 9 and Underground CoG 0.8g/t Open Pit 1.5g/t UG			
	Kt	Au g/t	Au K oz
Indicated	222	7.4	53
Inferred	235	4.3	32
Total (Indicated + Inferred)	457	5.8	85

Table 2, 13th June 2024 Maiden MRE for the Kookynie Gold Project including Swiftsure deposit

Review of material changes

The updated Mineral Resource (announced 17 August 2025) incorporates data from 2 RC and Diamond drilling programs. The first program was completed in November 2024 with results in January 2025 and consisted of 21 holes that included 4,798m of RC drilling with 8 diamond tails for 545m of diamond drilling. The second program was completed in April 2025 with results in June 2025 and consisted of 20-holes that included 4,098m of RC drilling and 4 diamond tails for 392m. The program was designed to expand the high-grade mineralisation at Swiftsure, Tiptoe and southern extensions of Swiftsure and upgrade the mineral resource confidence from inferred to indicated. This has resulted in an increase to the resource ounces that can be included in a revised Scoping Study. The updated Mineral Resource represents a 36% increase in the size of the gold resource to 117koz (up from 85koz), and a 46% increase in inferred resources. The overall grade has reduced from 5.8g/t to 4.3g/t as more lower grade material has been included. There still remains bonanza grades of 55kt @ 28g/t for 55koz as a core to the Swiftsure lodes.

The August 2025 Mineral Resource estimate has been successful in proving up the additional mining areas with the addition of Tiptoe lodes and additional depth to the underground resources. For the two areas the additional drilling has increased much of the mineral resource classification to Indicated from Inferred.

CARNAVALE RESOURCES LIMITED

ANNUAL MINERAL RESOURCES STATEMENT

Grey Dam Ni-Co Deposit, Kurnalpi, Western Australia.

In February 2019, a maiden JORC 2012 compliant Mineral Resource estimate was announced on the Grey Dam Ni-Co deposit. The estimate included all available historic drilling as well as 85 reverse circulation holes drilled by Carnavale during the 2018 calendar year. The total inventory for the Grey Dam Project now stands at 14.6 Mt at 0.75% Ni and 0.049% Co for 110,000t of nickel and 7,200t of cobalt.

There has been no change to the Mineral Resources at the Grey Dam Ni-Co deposit from June 2025 to June 2024.

Grey Dam June 2025 and June 2024 Mineral Resource Inventory

Domain	Class	Tonnes Mt	Ni %	Co %	Ni Metal Tonnes	Co Metal Tonnes
High Ni >0.5% Ni	Indicated	10.0	0.77	0.049	77,100	4,900
	Inferred	3.9	0.76	0.043	30,100	1,700
	Sub Total	14.0	0.77	0.048	107,300	6,700
Low Ni <0.5% Ni, >0.05% Co	Indicated	0.3	0.46	0.093	1,600	300
	Inferred	0.3	0.45	0.100	1,200	300
	Sub Total	0.6	0.46	0.092	2,800	600
Total >0.5% Ni or >0.05% Co	Indicated	10.4	0.76	0.050	78,700	5,200
	Inferred	4.2	0.74	0.047	31,300	2,000
	Sub Total	14.6	0.75	0.049	110,000	7,200

Table 6, Detailed Mineral Resource Estimate – Grey Dam
(Rounding discrepancies may occur in summary tables)

COMPETENT PERSON STATEMENT

In relation to Mineral Resources, the Company confirms that all material assumptions and technical parameters that underpin the relevant market announcements continue to apply and have not materially changed.

The information in this Annual Mineral Resources Statement 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.

The information in this Annual Mineral Resources Statement relating to the Grey Dam Resources is based on, and fairly represents information and supporting documentation prepared by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne 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 Payne consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Governance and Internal Control

The Company's procedures for the sample techniques and sample preparation are regularly reviewed and audited by independent experts.

Assays are performed by independent internationally accredited laboratories with a QAQC program showing acceptable levels of accuracy and precision.

The exploration assay results database is maintained and appropriately backed-up internally.

CARNAVALE RESOURCES LIMITED
SCHEDULE OF MINERAL CONCESSION INTERESTS

Group mineral concession interests at 14 September 2025

<i>Concession name and type</i>	<i>Registered Holder</i>	<i>File Number</i>	<i>Carnavale's current equity interest</i>	<i>Maximum equity interest capable of being earned</i>
Location: Australia				
Grey Dam Project, WA	Tojo Minerals Pty Ltd	M28/378, E28/1477 ⁴	100%	100%
Kookynie Gold Project, WA	Tojo Minerals Pty Ltd (80%) Western Resources Pty Ltd (20%)	E40/355, P40/1380 and P40/1381 ¹	80%	80%
Kookynie Gold Project, WA	Tojo Minerals Pty Ltd	P40/1480	100%	100%
Kookynie Gold Project, WA	Tojo Minerals Pty Ltd	E40/394 ⁵	100%	100%
Barracuda Project, WA	Tojo Minerals Pty Ltd	E58/551 ³	100%	100%
Ora Banda Gold Project, WA	Tojo Minerals Pty Ltd (80%) Western Resources Pty Ltd (20%)	P16/3081, P16/3082, P16/3077, P24/5274, P24/5275, P24/5276, P24/5277, P24/5278, P24/5279, P24/5280, P24/5281 and P24/5282 ²	80%	80%

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

1. In July 2020, Carnavale secured an option with Western Resources Pty Ltd to earn 80% of tenements E40/355, P40/1380 and P40/1381. Under the terms of the agreement, Carnavale having explored the tenement area, elected to earn 80% of the tenements in July 2021. Both parties have entered into a formal Joint Venture ("JV") (CAV 80%, Western Resources 20%), where Carnavale will free carry Western Resources Pty Ltd to the completion of a Bankable Feasibility Study (BFS) and on completion of a BFS Western Resources Pty Ltd will be obliged to contribute to future costs on a pro-rata basis or be diluted, or alternatively elect to convert its 20% equity interest to a 1.5% NSR ("Royalty") within 30 days of Carnavale notice of the completion of the BFS. Thereafter, no party to dilute to less than 10% equity in the Project, otherwise deemed to have no further interest and will assign the remaining interest to the other party.
2. In October 2020, Carnavale signed an exclusive and binding Option Agreement with Western Resources Pty Ltd to acquire 80% of the Ora Banda South Gold Project. Under the terms of the agreement, Carnavale having explored the tenement area, elected to earn 80% of the tenements in October 2022. Both parties have entered into a formal Joint Venture ("JV") (CAV 80%, Western Resources 20%), where Carnavale will free carry Western Resources Pty Ltd to the completion of a Bankable Feasibility Study (BFS) and on completion of a BFS Western Resources Pty Ltd will be obliged to contribute to future costs on a pro-rata basis or be diluted, or alternatively elect to convert its 20% equity interest to a 1.5% NSR ("Royalty") within 30 days of Carnavale notice of the completion of the BFS. Thereafter, no party to dilute to less than 10% equity in the Project, otherwise deemed to have no further interest and will assign the remaining interest to the other party.
3. Option agreement with Midas Resources Limited (ASX: MM1) - refer ASX release dated 23 August 2022.
4. Option agreement with Trans Pacific Energy Group Pty Ltd – refer ASX release dated 19 December 2023.
5. Option agreement with KoBold Tjantjuru Pty Ltd – refer ASX release dated 6 November 2024.