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carnavale  
resources ltd

ABN 49 119 450 243

**AND CONTROLLED ENTITIES**

**HALF YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED  
31 DECEMBER 2025**

# CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

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# CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

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### DIRECTORS' REPORT

Your directors submit the financial report of Carnavale Resources Limited (“the Company”) and its controlled entities (“the Group”) for the half-year ended 31 December 2025. The directors report as follows:

#### Directors

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

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

#### Results

The consolidated loss for the half-year after tax was \$903,757 (2024: \$291,657).

#### Review of Operations

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

During the period, KGP owners, Carnavale (80%) and Western Resources Ltd (20%) signed a Mining and Heritage Agreement (Agreement) with Wangkatja Tjungula Aboriginal Corporation (WTAC) for the Nyalpa Pirniku native title holders.

In addition, Carnavale updated its JORC 2012 Mineral Resource Estimate (MRE) and released a revised Scoping Study for the Kookynie Gold Project.

Subsequent to the end of the period, the Mining Lease M40/362, that hosts all the KGP resources was granted. The Mining Lease M40/362 contains the Swiftsure and Tiptoe high grade gold resources and is surrounded by the larger, prospective exploration tenement E40/355.

Carnavale commenced drilling to support a Bankable Feasibility Study (BFS) during the period. Carnavale contracted Terra Drilling to provide diamond drilling services and commenced with the metallurgical diamond drilling program. The diamond rig was joined by 2 RC rigs to support the BFS drilling programs.

#### Mining and Heritage agreement

The Mining and Heritage Agreement provides a robust framework within which the parties will cooperate during, and benefit from, the development and mining of the KGP, which is currently the subject of a BFS and is the culmination of open and transparent discussions between the two groups to genuinely partner to develop the KGP for all stakeholders.

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*Figure 1, Carnavale CEO Humphrey Hale and Bronwyn Campbell with Chairman of WTAC David Canning and members of the WTAC board, WTAC Office manager Langton Chirinda and WTAC legal representation Vanessa Malu present at the signing of the Heritage and Mining Agreement.*

The Agreement seeks to maintain the strong relationship between the parties to develop the KGP in a manner that identifies and manages the cultural values within the project area, while complying with State heritage and environmental legislation.

The Agreement includes an Aboriginal Heritage Protocol that creates a framework for the Company to undertake the KGP in a manner that respects and protects Nyalpa Pirniku Cultural Heritage. The protocol provides for the identification, protection and management of cultural heritage throughout the development and operation of the KGP.

The Agreement recognises the project area, including those tenements where the KGP is located including mining lease application M40/362. The Agreement provides compensation to WTAC and the Nyalpa Pirniku people and sets out how the KGP may provide WTAC and the Nyalpa Pirniku people with employment and contracting opportunities. The Agreement also provides for milestone payments including mining license approval and environmental approval as well as a royalty-based payment once gold production is achieved.

Carnavale has benefitted from a strong relationship with WTAC, who were able to arrange an ethnographic and archaeological survey, at short notice under the new heritage protocol, within the proposed mining lease that commenced in December 2025.

The completed survey area covered the proposed open pits and areas that are required for the BFS drilling (including geotechnical drilling, water bores and infill drilling). Carnavale can progress the BFS programs with no culturally significant areas identified within proposed open pit and drilling areas.

Carnavale completed the clearing required for the BFS drilling, with drilling commencing in January 2026.

DIRECTORS' REPORT

**Mineral Resource Estimate**

The high grade Kookynie Gold Project is a virgin discovery below barren cover. The discovery is a result of chasing strong aircore anomalies 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 conducted in 2024 and 2025 has allowed Carnavale to increase the overall MRE in July 2025.

The revised Scoping Study includes a 38% increase in total resources, which has benefited from a 46% increase in the indicated category.

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.

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 Table 1 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 underground (U/G) potential.

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.

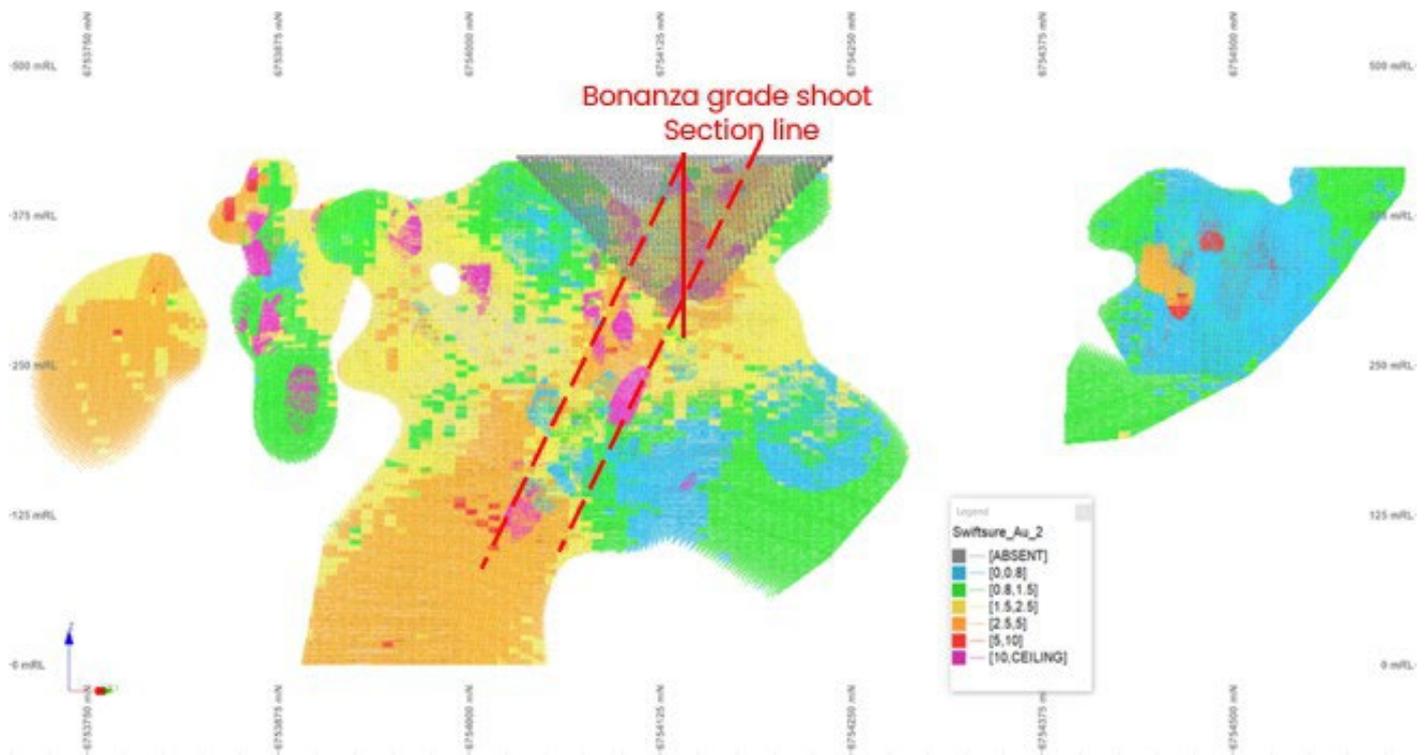
This MRE is limited to the Swiftsure and Tiptoe lodes and does not include other prospects within the Project area. Whilst the previous drilling is sufficient to update the MRE, exploration upside remains strong at the Swiftsure and Tiptoe lodes as mineralisation remains open at depth and along strike. Further exploration targets include Champion South, McTavish North and Valiant. 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 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 1 demonstrates the bonanza grades in Lode 1. Overall, the mineralisation dips steeply to the south east.

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.

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DIRECTORS' REPORT



*Figure 2, Long section through the Swiftsure and new Tiptoe lodes representing gold Grade for July 2025 MRE including proposed Scoping Study Pit 9*

**Scoping Study Summary**

Carnavale released an updated Scoping Study (Study) for the Swiftsure and Tiptoe deposits during the period. The positive Study has highlighted the strong economics that support developing the Swiftsure deposit into a mine. The Swiftsure and Tiptoe deposits are hosted wholly within mining license M40/362.

The Study used revised parameters including increased ounces in the MRE, an updated cost profile for the development to include a higher treatment cost for the ore and an increase in gold price reflective of gold pricing at time of preparation. The pit optimization software suggested two open pits be developed. The larger one eclipses the original scoping study pit at Swiftsure and an additional pit will be developed at the newly discovered Tiptoe deposit.

The high-grade shoots characteristic of the Kookynie Gold Project extend beneath the base of the Swiftsure pit and are to be developed by an integrated underground mine. The Study provides an outline of the economic potential of this proposed mine plan.

The total gold revenue for the project is estimated at A\$501 million using a gold price of A\$5,500. Total costs (inclusive of capital, operating and royalty cost) for the project are estimated at A\$264 million, with total costs per ounce including capital of A\$2,824/oz produced.

The estimated pre-tax free cash generated by the project with an initial mine life of 61 months is A\$237 million with the maximum negative cashflow of A\$21m occurring in month 9. The mine production used in the Study is generated from 70% of the JORC compliant resources in the Indicated category. 84% of the mineral resources extracted during the payback period are classified as Indicated from the Swiftsure open pit.

Cube Consulting produced the Study for the Swiftsure and Tiptoe resource within Kookynie Gold Project, which is based on contract miner, toll treatment operation.

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DIRECTORS' REPORT

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**Figure 3, Mineralised lodes looking East - resources classified by colour.**  
(orange – indicated, yellow – inferred, Blue – unclassified not present.)

The scope of work included: collation of input parameters, open pit and underground optimisation studies, conceptual design and basic economic evaluation.

The completed economic evaluation provided the basis for recommending an initial open pit transitioning to underground operational strategy for future feasibility consideration. Carnavale is satisfied that the project economics are strong enough to progress the project to Feasibility Study level and development.

Mining of an open pit design before transitioning to an underground operation has been identified as the preferred strategy for the Swiftsure and Tiptoe deposits based on ore production continuity during the initial phases of the project, followed by underground mining of the orebody at depth.

After adding dilution factors for both open pit and underground mining methods, the total planned mined material from both the open pit and the underground is 970kt @ 3.1g/t containing 96koz ounces of gold. Total produced gold after processing recoveries is estimated to be 93koz ounces. The mining production schedule, applying this conservative approach, is provided in Figure 4.

The Swiftsure pit is to be mined first in the development schedule, with the Swiftsure underground mine commenced during the operation of the Swiftsure open pit in month 23. Ore tonnes produced from the underground are delivered in month 27 with the Tiptoe pit being brought online in month 44 once the Swiftsure pit is exhausted and expected to be exhausted at the completion of underground mining at Swiftsure.

DIRECTORS' REPORT

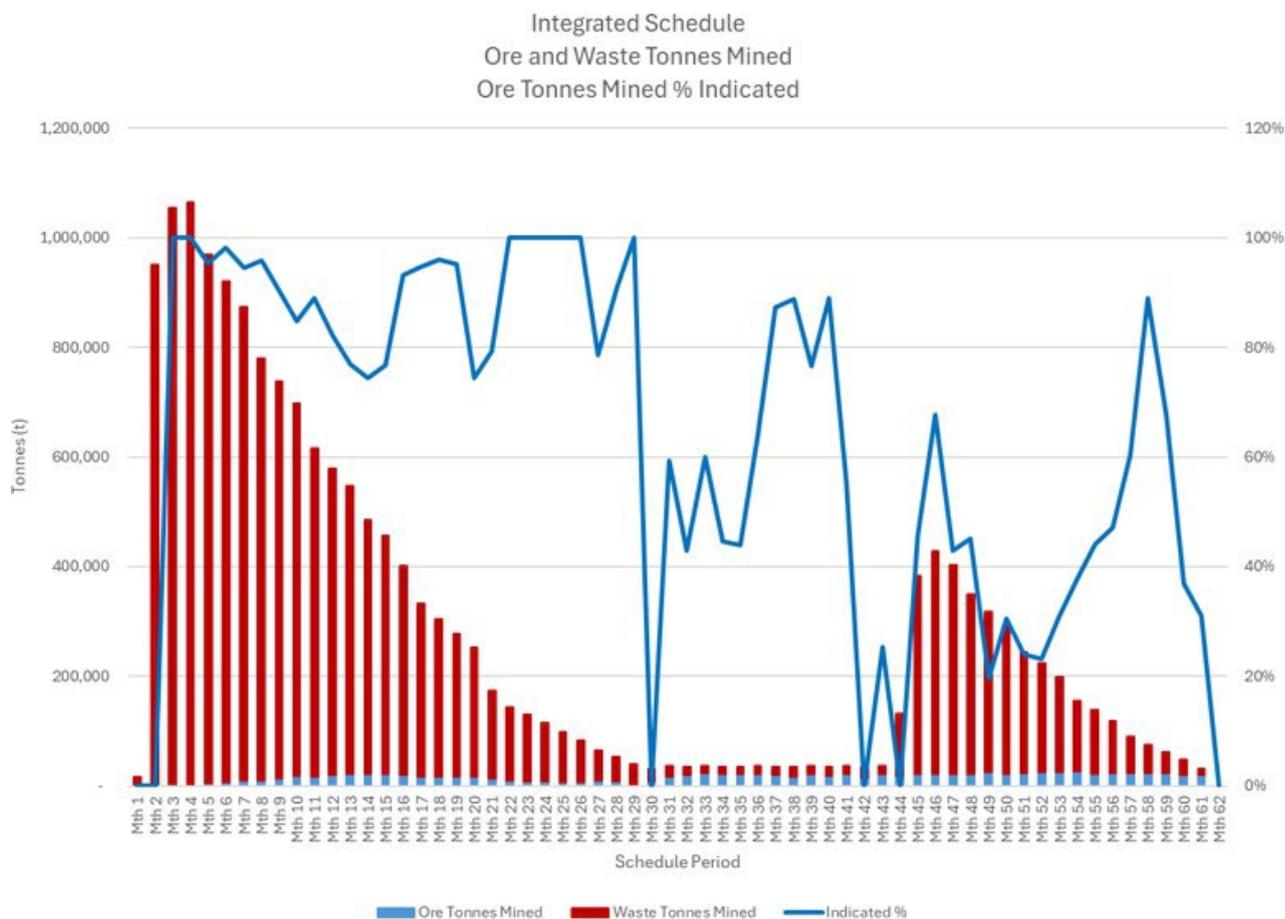


Figure 4, Ore and waste per month with % indicated category - transition to underground in month 27

The mining operation at the Kookynie Gold Project, proposed in the Study, will be based 60km south of Leonora and 2km west of the Kookynie township. Facilities located at the mine will consist of vehicle and machinery workshops, mining offices, explosive magazine and fuel depot. It is expected that accommodation will be within the Kookynie township adjacent to the mine.

Project Cost Summary	A\$ million
Open Pit Capital Cost	3.0
Open Pit Operating Cost inc. G/A	86.3
Underground Capital Cost	30.4
Underground Operating Cost inc. G/A	66.6
Ore Processing and Transport	77.6
Total Cost	~A\$264 million

Table 2, Project Cost Summary

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## DIRECTORS' REPORT

Open pit Capital Cost element	Value \$k
Site offices/change house/ablutions/crib facility	250
Shipping container and Dome based workshop facility	300
Washdown bay with hydrocarbon separation	200
General site earthworks and ground water storage dam	450
Explosives and detonator magazines	200
Stores/ laydown facility/ diesel storage	400
Communications infrastructure and IT	200
Site vehicles	1,000
<b>TOTAL</b>	<b>\$3,000k</b>

*Table 3, Pre-production Open Pit Capital Requirement.*

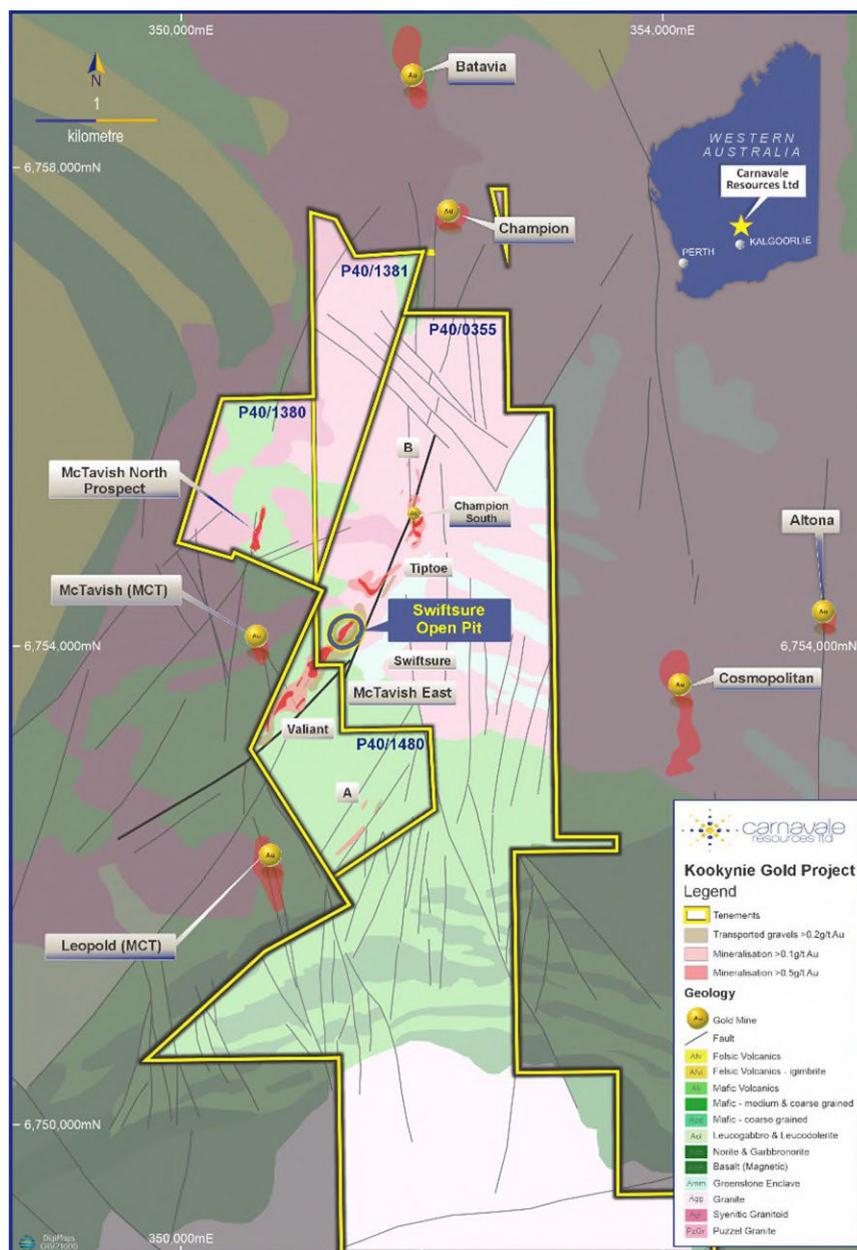
Project Financials	
Gold Price (oz)	A\$5,500
Discount rate	8%
Gross revenue	A\$501m
Net Operating Cashflow (after all Capital, Pre-tax)	A\$237m
Project duration	61 months
Payback period	14 months
Maximum negative cashflow (month 8)	A\$21 m
Pre-Tax NPV8	A\$188m
Pre-Tax IRR	165%

*Table 4, Scoping Study financial metrics*

Detailed hydrology, hydrogeology, flora/fauna, geotechnical and ESG assessments are being undertaken as part of a BFS to develop the Kookynie Gold Project.

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*Figure 5, Tenement outlines, Prospect locations and historic mines over geology*

Understanding the Project sensitivity to the realised gold price is critical in understanding both project robustness and also the potential for improved financial outcomes from rising prices.

The gold price sensitivity has been considered in A\$500 per ounce increments between a base of A\$4,000 per ounce and an upper limit of A\$6,500 per ounce. The outcomes are presented in Table 5. The A\$5,500 gold price used for the evaluation is highlighted in green.

The gold price sensitivity indicates (Table 5) that every A\$500 per ounce variation in the gold price generates a A\$45 million variation in the undiscounted cashflow and a A\$37 million variation in the Project NPV. The sensitivity outcomes show that the Project remains viable across the range of gold prices considered.

# CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

Au price (\$/oz)	Undiscounted Cashflow	NPV8	Payback (month)
4,000	\$101m	\$78m	17
4,500	\$146m	\$115m	16
5,000	\$192m	\$151m	15
5,500	\$237m	\$188m	14
6,000	\$283m	\$225m	13
6,500	\$328m	\$261m	13

*Table 5, Project sensitivity to varying gold price.*

### Carnavale's Development strategy

As a result of the strong economic outcomes suggested by the Study, the Company's immediate goal and prime focus is to advance the KGP to mine ready and be approved for mining during 2026. The Capital raised from the placement and rights issue in Q4 2025 is being used to complete a BFS as soon as possible. This includes:

- BFS underway based on initial open pit mining and a toll treatment ore processing strategy with a completion date during 2026-HY2.
- Definition of "maiden" open pit mining reserves.
- Grant of mining lease and associated access licences;
- Advancement of discussions / negotiations on potential third party mining and milling options;
- Advancement of necessary technical studies for inclusion in the BFS;
- Arrange Funding options for the development of the mine;
- Stronger risk management and enhanced scheduling to enhance future cashflow; and
- Additional exploration within the KGP area.

The BFS will ultimately enable Carnavale (80%) and joint venture partner Western Resources (20%) to implement an agreed mining and processing strategy to provide best value for shareholders.

The BFS work includes detailed studies that will allow the Company to derisk and have more finance options to develop the Project. Upon completion of the BFS the KGP will be shovel ready. BFS work includes:

- Further Metallurgical testwork will be completed to complement the initial studies. Initial studies suggest that recoveries can be between 97% and 99%. The additional metallurgical work will focus on variability testwork across the orebody and characterizing the ore for processing by a third-party mill.
- Geotechnical drilling to define optimum safe slope angles for the Open pit development. There is potential to reduce the strip ratio and enhance the economics over the Scoping Study outcomes.
- Infill/grade control drilling will be completed for the initial mining areas to reduce operational risks during the payback period.
- Geochemical ore and waste management studies to ensure that the waste storage both onsite and tailings produced at a third-party processor are understood and can be stored environmentally safely. Initial work does not suggest any significant issues.
- Hydrology and hydrogeological assessments are underway, these include water bore drilling, to plan water management from mine dewatering and surface water management after rain.
- Environmental, social and community engagement are an essential part of the BFS to ensure that the environmental requirements are met or exceeded and that the Company has a social license to operate in the Kookynie area.

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# CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

- Mining, Milling and Processing options will be established by gaining detailed quotes from contractors and operators to refine costings.
- Review Capital costings for pre-production capital requirements such as workshops and contractor accommodation.

### Other Projects

Carnavale continues to review the exploration information at the Ora Banda South Gold Project. The exploration aim at Ora Banda has been 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.

### CORPORATE

In October 2025, Carnavale completed a capital raising from professional and sophisticated investors of \$3 million (before costs) via a placement (Placement) of approximately 857.1 million shares at an issue price of \$0.0035 per share (Placement Shares).

In addition to the Placement, Carnavale offered eligible shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise up to approximately \$4.09 million (before costs) on the basis of one (1) new share for every four (4) shares held at the record date at an issue price of \$0.004 per share, together with one (1) free-attaching share for every seven (7) shares subscribed for and issued (Entitlement Offer).

The Entitlement Offer was fully underwritten by Canaccord Genuity (Australia) Limited (Underwriter).

Applications received under the Entitlement Offer raised \$2,661,495 (before costs) with the balance of \$1,428,725 subscribed for by the Underwriter (and sub-underwriters), including directors, Mr Beckwith and Mr Gajewski.

The Company convened an annual general meeting of shareholders on 27 November 2025 (AGM) at which the Company received shareholder approval for a number of resolutions, including a resolution seeking shareholder approval to undertake a consolidation of its issued capital on a fifteen (15) to one (1) basis (Consolidation). The Consolidation became effective on 27 November 2025.

Following the AGM, Mr Gajewski transitioned from Non-Executive Chairman to a Non-Executive Director and Mr Beckwith was appointed the Non-Executive Chairman (formerly a Non-Executive Director).

### Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the Company's auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 13 and forms part of this directors' report for the half-year ended 31 December 2025.

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



A Beckwith  
Chairman  
Perth

Dated this 6<sup>th</sup> day of March 2026

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DIRECTORS' REPORT

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**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.*

**Forward Looking Statements**

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

**No New Information**

*With reference to previously reported Exploration results and Minerals resources, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case 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 ASX announcement dated 2 October 2025 continue to apply and have not materially changed.*

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

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of Carnavale Resources Limited for the half-year ended 31 December 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
6 March 2026



**L Di Giallonardo**  
Partner

**hlb.com.au**

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**CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME**

For the half-year ended 31 December 2025

	Note	<b>Consolidated 6 Months Ended 31 December 2025 \$</b>	<b>Consolidated 6 Months Ended 31 December 2024 \$</b>
<b>REVENUE</b>			
Interest income	2	55,488	38,902
Other income – option fee received	2	40,000	30,000
		<u>95,488</u>	<u>68,902</u>
<b>EXPENSES</b>			
Administrative expenses		(407,729)	(308,665)
Exploration expenditure impaired / written off	3	(16,206)	(1,894)
Share-based payments expense		(575,310)	-
Due diligence / project generation expenses		-	(50,000)
		<u>(903,757)</u>	<u>(291,657)</u>
<b>Loss before income tax</b>		<b>(903,757)</b>	<b>(291,657)</b>
Income tax expense		-	-
		<u>(903,757)</u>	<u>(291,657)</u>
<b>Net loss for the period</b>		<b>(903,757)</b>	<b>(291,657)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
		<u>(903,757)</u>	<u>(291,657)</u>
<b>Total comprehensive loss for the period</b>		<b>(903,757)</b>	<b>(291,657)</b>
Basic and diluted loss per share (cents per share)		(0.284)	(0.115) restated

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The accompanying notes form part of these financial statements.

**CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2025

	Note	Consolidated 31 December 2025 \$	Consolidated 30 June 2025 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		6,272,644	777,602
Receivables		118,690	117,439
Other assets		10,726	23,665
<b>Total Current Assets</b>		<b>6,402,060</b>	<b>918,706</b>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	3	10,216,380	9,464,958
Other assets		20,000	20,000
<b>Total Non-Current Assets</b>		<b>10,236,380</b>	<b>9,484,958</b>
<b>Total Assets</b>		<b>16,638,440</b>	<b>10,403,664</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		242,965	224,619
<b>Total Current Liabilities</b>		<b>242,965</b>	<b>224,619</b>
<b>Total Liabilities</b>		<b>242,965</b>	<b>224,619</b>
<b>Net Assets</b>		<b>16,395,475</b>	<b>10,179,045</b>
<b>Equity</b>			
Share capital	4	50,848,527	44,380,048
Reserves	5	4,347,991	3,696,283
Accumulated losses		(38,801,043)	(37,897,286)
<b>Total Equity</b>		<b>16,395,475</b>	<b>10,179,045</b>

The accompanying notes form part of these financial statements.

**CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the half-year ended 31 December 2025

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

<b>Consolidated</b>	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Reserves</b>	<b>Total Equity</b>
	\$	\$	\$	\$
<b>Balance at 1 July 2025</b>	44,380,048	(37,897,286)	3,696,283	10,179,045
Loss attributable to members of the parent entity	-	(903,757)	-	(903,757)
<b>Total comprehensive loss for the period</b>	-	(903,757)	-	(903,757)
Shares and options issued during the year (net of issue costs)	6,468,479	-	300	6,468,779
Fair value of options and performance rights issued	-	-	651,408	651,408
<b>Balance at 31 December 2025</b>	50,848,527	(38,801,043)	4,347,991	16,395,475

The accompanying notes form part of these financial statements.

**CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the half-year ended 31 December 2025

	<b>Consolidated 6 Months Ended 31 December 2025 \$</b>	<b>Consolidated 6 Months Ended 31 December 2024 \$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(410,361)	(332,548)
Cash payments for due diligence and project generation	-	(50,000)
Interest received	30,983	38,902
Other income – R & D refund	-	57,536
Other income – Option fee received	95,000	80,000
<b>Net cash used in operating activities</b>	<b>(284,378)</b>	<b>(206,110)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(743,964)	(1,018,710)
<b>Net cash used in investing activities</b>	<b>(743,964)</b>	<b>(1,018,710)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares and options	7,090,520	2,200,000
Issue costs	(567,136)	(147,265)
<b>Net cash from financing activities</b>	<b>6,523,384</b>	<b>2,052,735</b>
<b>Net increase in cash held</b>	<b>5,495,042</b>	<b>827,915</b>
Cash at the beginning of the reporting period	777,602	1,244,845
<b>Cash at the end of the reporting period</b>	<b>6,272,644</b>	<b>2,072,760</b>

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The accompanying notes form part of these financial statements.

# CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

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### 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

#### Statement of compliance

The interim consolidated financial statements were authorised for issue on 6 March 2026.

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

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by Carnavale Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

#### Basis of preparation

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

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

#### Significant accounting judgements and key estimates

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

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2025.

#### Accounting policies and methods of computation

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

#### Going Concern

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

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# CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

### 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES - continued

#### Adoption of new and revised Standards

*Standards and Interpretations applicable to 31 December 2025*

In the half-year ended 31 December 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 reporting periods beginning on or after 1 July 2025. There is no material impact of the new and revised Standards and Interpretations on the Group.

*Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all of the new and revised Standards and Interpretations on issue but not yet mandatory for the period ended 31 December 2025.

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

### 2. LOSS BEFORE INCOME TAX EXPENSE

	<b>Consolidated 31 December 2025 \$</b>	<b>Consolidated 31 December 2024 \$</b>
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Revenue		
Interest income	55,488	38,902
Other income – option fee received	40,000	30,000
Total	<u>95,488</u>	<u>68,902</u>
Expenses		
Share-based payment expense	575,310	-

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**CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the half-year ended 31 December 2025

**3. EXPLORATION AND EVALUATION EXPENDITURE**

	<b>Consolidated 31 December 2025 (6 months) \$</b>	<b>Consolidated 30 June 2025 (12 months) \$</b>
Costs carried forward in respect of areas of interest in the following phases:		
<b>Exploration and evaluation phase – at cost</b>		
Balance at 1 July	9,464,958	10,051,189
Exploration expenditure incurred	767,628	2,002,435
Exploration expenditure impaired / written off	<u>(16,206)</u>	<u>(2,588,666)</u>
Balance at end of period	<u>10,216,380</u>	<u>9,464,958</u>

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

**4. SHARE CAPITAL**

	<b>Consolidated 31 December 2025 \$</b>	<b>Consolidated 30 June 2025 \$</b>
<b>(a) Issued and paid-up share capital</b>		
407,732,224 (30 June 2025: 4,090,218,394) ordinary shares, fully paid	<u>50,848,527</u>	<u>44,380,048</u>
<i>Movements in Ordinary Shares:</i>		
	\$	\$
Balance at the beginning of the period	44,380,048	42,327,313
Shares issued in a share placement in October 2025 – 857,142,857 shares	3,000,000	-
Shares issued in a non-renounceable rights issue in November 2025 - 1,168,634,261 shares	4,090,220	-
Consolidation of capital (15 for 1 basis) – reduce by 5,708,263,288 shares	-	-
Shares issued in a share placement in September 2024 – 666,666,666 shares	-	2,200,000
Transaction costs arising from issue of securities	<u>(621,741)</u>	<u>(147,265)</u>
Balance at the end of the period	<u>50,848,527</u>	<u>44,380,048</u>

CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

4. SHARE CAPITAL (continued)

(b) Share options

Exercise Period	Exercise Price	Opening Balance 1 July 2025 Number	Options Issued Number	Options Exercised/ Expired Number	Closing Balance 31 December 2025 Number
On or before 31 July 2025	\$0.007	67,500,000	-	(67,500,000)	-
On or before 31 October 2028 <sup>1</sup>	\$0.09	-	2,000,000	-	2,000,000
On or before 26 November 2028 <sup>2</sup>	\$0.09	-	10,800,000	-	10,800,000
<b>Total</b>		67,500,000	12,800,000	(67,500,000)	12,800,000

- In October 2025, Canaccord Genuity (Australia) Limited was appointed as Underwriter for a pro-rata non-renounceable entitlement offer to raise \$4.09 million. For acting as Underwriter, Canaccord Genuity (Australia) Limited subscribed for 30 million options exercisable at \$0.09 at an issue price of \$0.00001. The Company completed a consolidation of the Company's share capital on a 1 for 15 basis in December 2025 and the options issued were reduced by 28 million options to 2 million options with an exercise price of \$0.09 in accordance with the Corporations Act 2001 (Cth).
- In December 2025, following shareholder approval received at the annual general meeting of shareholders, a total of 5 million options were issued to directors Mr Gajewski (2 million options), Mr Beckwith (2 million options), and Mr Brans (1 million options) on a post-consolidation basis. In December 2025, the Company issued a further 5.8 million unlisted options to the CEO, company secretary and other consultants.

Assumptions used in valuing the options issued are as follows / (post consolidation):

Grant Date	Expiry Date	Fair value per option	Exercise price	Price of shares on grant date	Expected Volatility	Risk free interest rate	Dividend yield
10 Nov 2025	31 Oct 2028	3.805 cents	9 cents	7.5 cents	83%	3.5%	-
27 Nov 2025	26 Nov 2028	4.97 cents	9 cents	9 cents	83%	3.5%	-

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.

(c) Performance rights

Grant Date	Expiry Date	Opening Balance 1 July 2025 Number	Rights Issued Number	Rights Exercised/ Expired Number	Closing Balance 31 December 2025 Number
27 November 2025	3 December 2028	-	1,666,666	-	1,666,666
<b>Total</b>		-	1,666,666	-	1,666,666

In December 2025, the Company issued Chief Executive Officer (CEO), Mr Humphrey Hale a total of 1,666,666 performance rights, with an expiry date of 3 December 2028. Subsequent to the end of December 2025, 333,333 Performance Rights vested and were exercised into ordinary shares as the grant of the mining lease at the Kookynie Gold Project (KGP) occurred in February 2026, 666,666 Performance Rights will vest and become exercisable on completion of a bankable feasibility study at KGP, accepted by the Board and 666,667 Performance Rights will vest and become exercisable upon the delivery of first 50,000t of ore from KGP to a processing facility or first 2,000oz gold refined by mint, whichever comes first.

**CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the half-year ended 31 December 2025

**4. SHARE CAPITAL (continued)**

The following table lists the inputs to the model used for the period ended 31 December 2025 (post consolidation):

Date of grant / issue	27 November 2025
Share price on date of issue	9 cents
Expected volatility	83%
Risk-free interest rate	3.5%
Expiry date of rights	3 December 2028
Exercise price	Nil.
Fair value per right	9 cents

**(d) Share-based payments expense in Consolidated Statement of Comprehensive Income**

	<b>Consolidated 31 December 2025</b>	<b>Consolidated 31 December 2024</b>
	\$	\$
Value of options and performance rights issued to directors, employees and consultants	575,310	-
Balance at end of period	575,310	-

**5. OPTION PREMIUM AND SHARE-BASED PAYMENTS RESERVE**

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

	<b>Consolidated 31 December 2025</b>	<b>Consolidated 30 June 2025</b>
	\$	\$
Share-based payments reserve	4,347,991	3,696,283
<i>Movements in share-based payments reserve</i>		
Opening balance	3,696,283	3,696,283
Fair value of options issued to Lead Manager	76,398	-
Fair value of options and performance rights issued to directors, company secretary and consultants	575,310	-
Balance at the end of the period	4,347,991	3,696,283

**6. COMMITMENTS AND CONTINGENT LIABILITIES**

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

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# CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

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### 7. EVENTS OCCURRING SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since 31 December 2025 that have significantly affected or may significantly affect the operations, results, or state of affairs of the Group in future financial periods other than in February 2026, the Company announced that the Mining Lease M40/362, that hosts all the Kookynie Gold Project (KGP) resources was granted.

### 8. FINANCIAL INSTRUMENTS

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

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

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# CARNAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' DECLARATION

31 December 2025

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In the opinion of the directors:

- (a) the financial statements and notes of the Group, as set out on pages 14 to 23, are in accordance with the Corporations Act 2001 including:
  - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year then ended; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



A Beckwith  
Chairman

Dated at Perth this 6<sup>th</sup> day of March 2026

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Carnavale Resources Limited

### Report on the Condensed Half-Year Financial Report

#### *Conclusion*

We have reviewed the half-year financial report of Carnavale Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Basis for Conclusion*

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

#### *Responsibility of the Directors for the Financial Report*

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

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*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

*Independence*

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

*HLB Mann Judd*

**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
**6 March 2026**

*L Di Giallonardo*

**L Di Giallonardo**  
Partner

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