Carnavale Resources (CAV)

Compelling Near Term, High Margin Gold Production

Recommendation: SPEC BUY

June 2026

Resources Team
Mark Gordon, Senior Analyst

www.breakawayresearch.com

Company Information

ASX Code	**CAV**
Share Price (June 19, 2026)	A$0.092
Ord Shares (M)	408.1
Options (M)	12.8
Market Cap	**A$37.5 m**
Cash (31 March 26)	A$5.1 m
Debt (31 March 26)	A$0.0 m
Enterprise Value	**A$32.4 m**

Directors and Management

Non-Executive Chairman	Andrew Beckwith
Managing Director	Humphrey Hale
Non-Executive Director	Ron Gajewski
Note that Mr Gajewski is retiring on 30/6/26	
Non-Executive Director	Rhett Brans

Significant Shareholders

Troca Enterprises	10.0%
Lowell Resources Fund	5.7%
Vienna Holdings	5.0%
Board and Management	8.1%
Top 20	48%

Source: Company

Company Details

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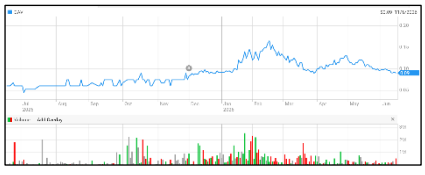
Web: www.carnavaleresources.com/

One Year Price Chart



Key Points

Carnavale Resources ("Carnavale" or "the Company") is an emerging Western Australian gold developer focused on the 80%-owned Kookynie Gold Project ("Kookynie" or "the Project)", located 60km south of Leonora in the Eastern Goldfields of Western Australia, one of Australia's (and the world's) premier gold mining districts.

The Company's strategy is to develop a low capex, high-grade, truckable gold operation capable of supplying ore to existing third-party processing infrastructure in the Kalgoorlie region, thereby avoiding the capital intensity (and permitting/time) associated with constructing a standalone processing plant.

Since acquiring the project in 2020, Carnavale has transformed a largely unexplored exploration property into a high-grade development asset through systematic drilling, resource growth, metallurgical testwork, economic studies and permitting.

The project now hosts the Swiftsure and Tiptoe gold deposits, which contain a JORC 2012-compliant Mineral Resource of 120,000 oz Au at an average grade of 4.4g/t Au, including a coherent high-grade component of 55 koz Au @ 30.2 g/t Au.

The investment case is underpinned by three key factors. Firstly, Kookynie is a high-grade resource located in an established mining district with multiple operating treatment plants and excellent infrastructure.

Secondly, Carnavale has materially de-risked the project through resource upgrades, metallurgical testwork (with recoveries exceeding 97%), completion of Scoping Studies, execution of a Native Title Mining and Heritage Agreement, and the grant of Mining Lease M40/362 which covers the entire resource inventory.

Thirdly, the defined mineralisation remains open at depth and along strike, providing further resource growth potential, with other targets also remaining to be tested.

The current Bankable Feasibility Study (BFS), which is targeted for a July completion, is building on a very robust Scoping Study, which returned undiscounted free cash flows of A$237 million over five years, and an upfront capital requirement of only A$3 million, with a maximum cash requirement of A$21 million by month 8.

All other things being equal, there is upside to the cash flow with gold consistently trading above A$6,000/oz, and with the Study using a headline price of A$5,500/oz. Assuming increased revenue goes straight to the bottom line, a A$500/oz increase potentially adds A$43.5 million to cash flows.

Key Investment Highlights

- High confidence, high grade Mineral Resource containing 120 koz Au @ 4.4g/t Au, including 55 koz @ 30.2 g/t Au.
- Granted Mining Lease M40/362 containing all current Mineral Resources.
- BFS underway with completion targeted in Q3, 2026.
- Conventional free-milling metallurgy with gold recoveries exceeding 97%.
- Potential low-capex development pathway through toll treatment rather than standalone plant construction.
- Located near existing mining and processing infrastructure in the Kalgoorlie region.
- Resource remains open at depth and along strike, with ongoing drilling demonstrating continuity of high-grade mineralisation.
- Well placed to take advantage of the high gold price environment.

Background and Investment Case

Carnavale's focus is on the 80% owned high grade Kookynie Gold Project, a Company discovery, located 200 km north of Kalgoorlie, and 60 km south of Leonora, within the historic Kookynie gold camp. It is part of the world class Eastern Goldfields of Western Australia, in a region well served by several operating mills, and other mining related and transport infrastructure.

The Company's strategy is to contract mine and sell RoM material at the mine gate through an ore sales agreement (with several mills within trucking distance), with an initial open pit, and then underground operation. An ore sales agreement is preferred over a toll treating arrangement, due to consistent and more predictable cashflows, and with responsibility and risk passing to the buyer at the mine gate amongst others. In addition, the grade control standard drilling completed as part of the DFS will give confidence in negotiating any such agreement.

The high margin operation, modelled in the October 2025 Updated Scoping Study, delivered an undiscounted cashflow (on a 100% pre-tax and pre-finance basis) of A$237 million over a five-year life. Estimated production is 93 koz at an average grade of 3.1 g/t Au, which only needs an estimated A$3 million in pre-production capex, and a maximum cash exposure of A$21 million, reached in month 8.

The Company is now finalising the DFS for Kookynie, which is expected to be completed within the next few months, and which will lead into an FID. Delivering a BFS for the project has several advantages (in addition to that mentioned above), including setting a value on the Project for any potential corporate activity and providing access to debt funding. In addition, being permitted should add to the attractiveness as a potential acquisition for any nearby operators who are seeking high grade ounces.

The Company also holds other projects in Western Australia, including at Ora Banda, however with the focus on Kookynie, these will not be discussed further.

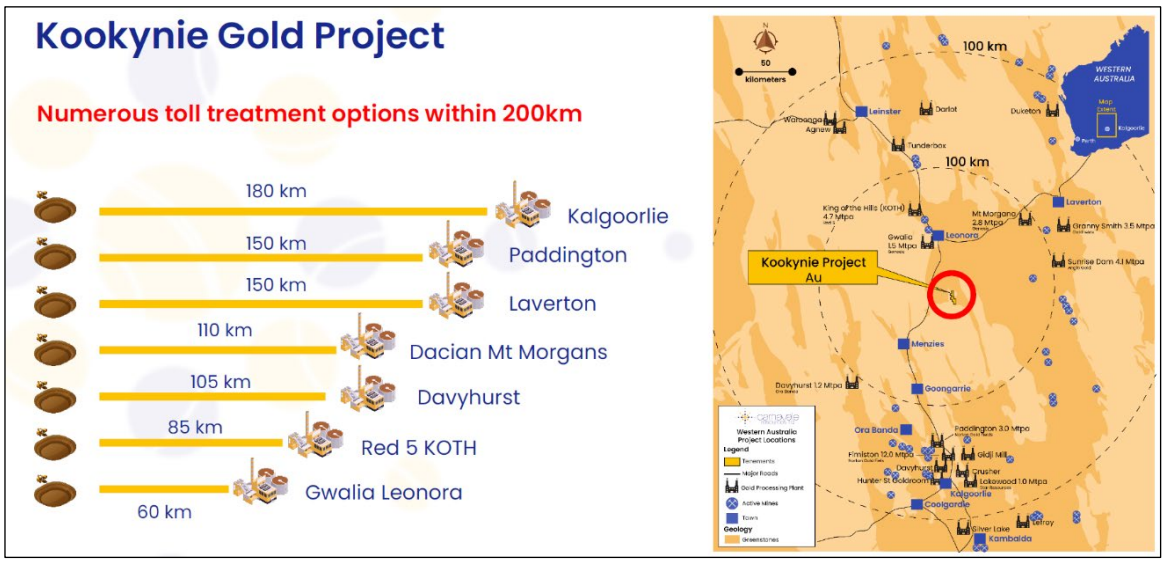


Figure 1: Project location map and nearby mills. Source: Carnavale

High Margin Operation with Significant Upside

Several factors support the potential for a high margin operation, with, as modelled in the Scoping Study, a cashflow margin approaching 50%, with a total operating cost (excluding capex) of A$2,466/oz recovered. These factors include:

- High grade – the mining inventory (including dilution) includes a high grade "bonanza" zone of 60 kt @ 28.3 g/t Au, for 55 koz contained gold within the overall production target of 970 kt @ 3.1 g/t for 93.koz contained gold,

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- Excellent metallurgy – test work to date has indicated free milling mineralisation, with overall recoveries, including by gravity and CIL, of between 97% and 99% (studies have used 97%), and with very low deleterious elements,
- Geometry – the sub-vertical orientation, and average thickness of ~ 4 to.5 m, provides for an ideal underground long hole open stoping ("LHOS") scenario; and,
- Low capex – the planned use of contract mining and toll treating results in a low upfront capex cost from not having to supply a mining fleet, and mill and associated infrastructure.

These factors are being optimised and revised as part of the current BFS.

Significant upside is shown in Figure 2 – (note that this is from the May 2024 aircore drilling release):

- Depth and strike extensions of the known mineralisation at Swiftsure and Tiptoe,
- Potential for definition of mineralisation at other named prospects (Figure 2), with these returning positive results from aircore and limited RC drilling completed to date; and,
- Other potential discoveries, including along the granite contact, which is the main control within the Project area, and other structures that remain to be tested.

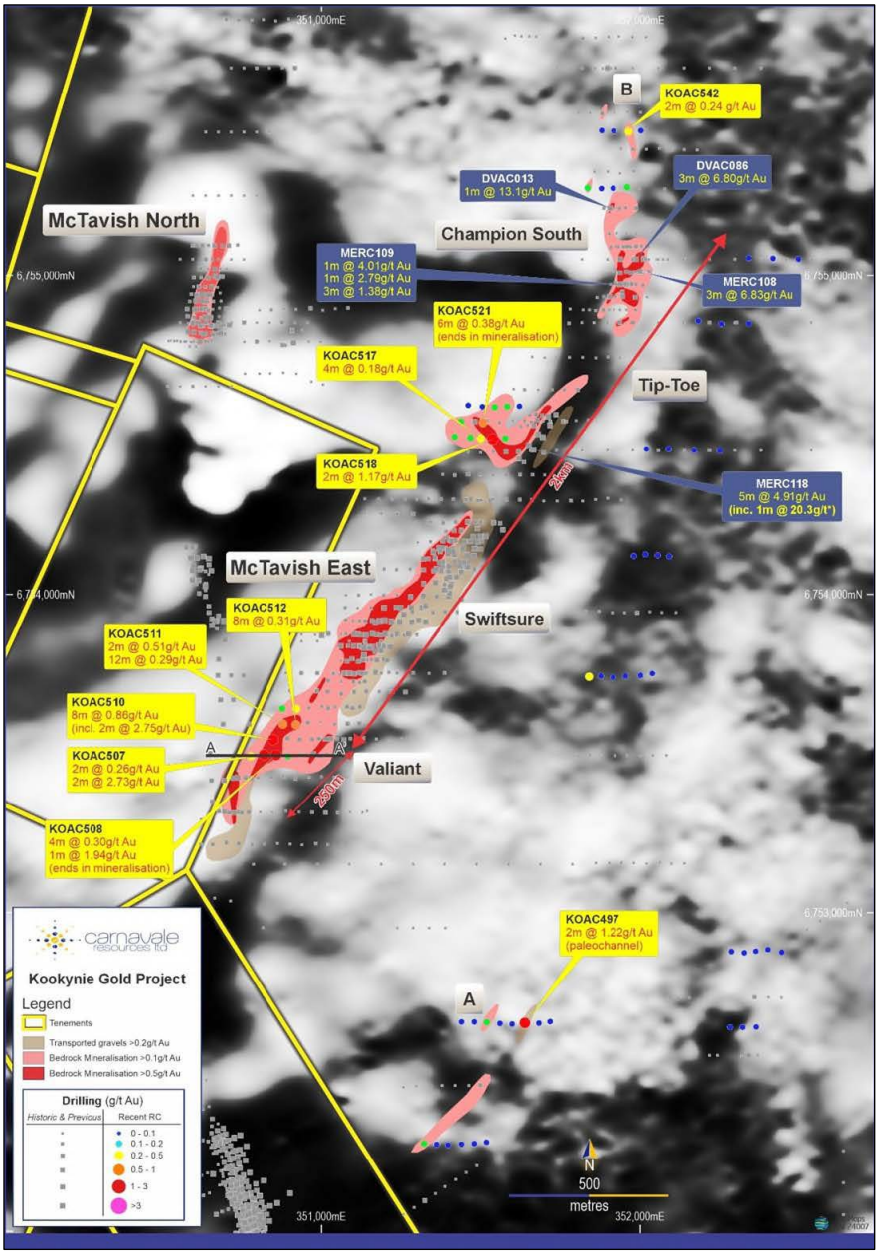

Figure 2: Mineralisation and targets – 2024 aircore drilling. Source: Carnavale

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Peer Comparison

Table 1 presents a list of ASX listed companies currently looking at "small scale" gold operations in the Yilgarn of Western Australia – these are sorted by ascending undiluted market capitalization. These are all advanced, ranging from undertaking development studies, to having previously produced.

What is noted here is the significantly higher overall grade of Kookynie, which forgives many sins, and will also make the Project able to absorb falls in the gold price that may preclude operations at lower grade projects. This could also have the flow-on effect of freeing up mill capacity.

An example of a Company that has previously operated using toll treating (and under a profit share arrangement) is Auric Mining, which, from May 2023 to July 2025, produced 29,557 oz of gold from Jeffrey's Find, with the 50:50 profit share resulting in A$16.5 million being paid to Auric.

Table 2 presents a list of four operations with published development studies. These have been ranked on the relevant company's current EV over the estimated free cash (after up-front capital) from the planned operation. To "compare apples with apples" we have either used company figures where quoted at a gold price of A$5,500/oz, or, in the case of Star Minerals, normalised the free cash flow to that expected with a gold price of A$5,500/oz, which was the price used in Carnavale's 2025 Scoping Study.

In normalising the free cash flow, we have taken the difference between the gold price used in the relevant study and A$5,500/oz, multiplied this by the number of ounces, and subtracted/added this to the estimated surplus cash. An assumption made here is that any change in cash will go directly to the bottom line, which may not happen in reality – as such this should be taken as being indicative.

On this metric, the valuation for Carnavale is ~50% of that for the three others, however this assumes that Carnavale keeps 100% ownership of any operation (the preferred option) and doesn't enter a profit-sharing arrangement. On this basis we consider that the Company is undervalued.

However, we have seen the Australian denominated gold price consistently stay above A$6,000 since October 2025; using this price potentially boosts Carnavale's free cash flow to A$283.5 million, and with it then having a low EV/FCF of 0.11, with this being between 35% and 50% of the other three companies in the comparison.

Company Name	Last Price	MC A$m	Project	Global Resource Tonnes kt	Gold Grade g/t	Gold Ounces	Mining Lease	Treatment Agreement	Stage, agreements
Auric Mining	$0.240	$44.90	Munda	3,715	1.25	149,300	Yes	Yes	Stage 1 starter pit mined at Munda, 8,868 oz recovered. Pre-development studies for Stage 2, planned commencement in Q2/Q3, 2027. Jeffrey's Find produced 112,000 oz, net cash to AWJ of A$16.5 million
Carnavale Resources	$0.092	$37.54	Kookynie	855	4.4	120,000	Yes	No - discussions underway	Finalising DFS, combined underground and open cut operation
Western Gold Resources	$0.120	$35.29	Iron Duke	4,843	1.8	280,271	Yes	Yes - Wiluna Mining	Development, Stage 1 fully approved
High-Tech Metals	$0.250	$26.32	Mt Fisher, Mt Eureka	3,519	2.27	256,824	Yes	Yes - Wiluna Mining	Permitting and development studies underway
Javelin Minerals	$0.080	$21.58	Eureka	5,692	1.3	237,372	Yes	No - discussions underway	Right to Mine agreement with MEGA, MEGA cover capex, and then a 50:50 profit split
Cavalier Resources	$0.250	$21.29	Crawford (Leonora)	3,745	1	120,404	Yes	Yes, and heap leach	Early works
Star Minerals	$0.043	$10.90	Tumblegum	616	2.28	45,155	Yes	Yes - Catalyst Minerals	Commenced production. Right to Mine agreement with MEGA, MEGA cover capex, and then a 50:50 profit split
Norwest Minerals	$0.009	$9.73	Bulgera	23,800	0.65	501,000	Yes	No - heap leach	Development studies progressing

Table 1. Carnavale peers. Source: ASX, public data, Breakaway analysis. Values as of COB, June 19, 2026.

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Company Name	Profit Share	Up-Front Capital A$m	Au Ounces	RoM Grade g/t Au	Operation Term (Months)	Gold Price Used A$/oz	Cash Surplus 100% Basis A$m	Cash surplus - A$5,500/oz Au, Co share A$m	EV/Free Cash	EV/ounce produced A$
Western Gold Resources	100%	$2.70	42,800	2.10	14	$5,500	$97.30	$97.30	0.32	$719
Star Minerals	50%	$1.50	15,900	2.14	18	$3,800	$18.10	$22.57	0.29	$829
Cavalier Resources	100%	$23.11	29,300	0.91	19	$5,500	$63.90	$63.90	0.26	$572
Carnavale Resources	100%	$3.00	93,000	3.10	61	$5,500	$237.00	$237.00	0.14	$349

Table 2. Carnavale peer study metrics comparison. Source: ASX, public data, Breakaway analysis. Values as of COB, June 19, 2026.

Financial Position

The most recent capital raising was A$7.09 million in late 2025, with the Company still having A$5.08 million in cash and no debt as of March 31, 2026, so is well funded to complete the BFS work and some exploration.

The Company spends most of its capital raised (~75%) in the ground, with, over the nine quarters from Q1, CY24 to Q1, CY26 inclusive, A$4.89 million being spent on exploration and evaluation, and A$1.71 million on staff and administration. This gives good “bang for the buck” and is in the best interest of shareholders.

There have been two capital raises since January 1, 2024 (with amounts quoted before costs):

- A placement of 666.67 million shares at A$0.0033/share for A$2.2 million in September 2024; and,
- A combined placement and fully underwritten 1 for 4 rights issue completed in November 2025, which raised $7.09 million, through the issue of 2.03 billion shares at A$0.0035/share.

There was a 15 for 1 consolidation immediately after the November 2025 capital raise.

Share Structure

The Company currently has 408.1 million fully paid ordinary shares, 12.8 million unlisted options, and 1.33 million performance rights on issue. The unlisted options have expiry dates of between 31/10/2028 and 30/11/2028, and a strike price of A$0.09.

The largest shareholder is Troca Enterprises with 10%, with the Lowell Resources Fund holding 5.7%. The top 20 hold ~48%, and the Board 8.1%.

Upcoming activities

Current activities are focused on completion of the DFS, including initial Ore Reserves, metallurgical testwork, finalisation of toll treatment negotiations, and then following a positive FID, finalisation of financing. The ongoing work, as presented in Figure 3, is expected to generate consistent newsflow.

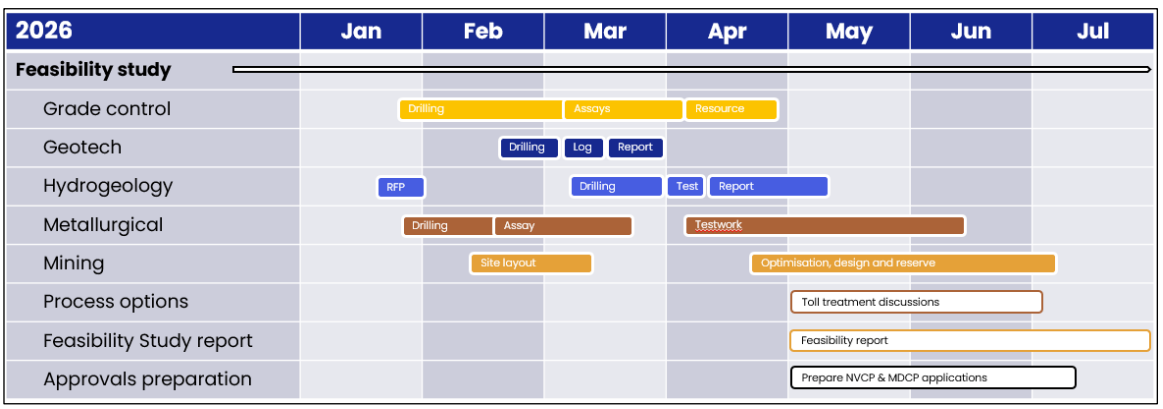

Figure 3. Kookynie evaluation timeline. Source: Carnavale

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SWOT Analysis

Strengths

- Very high-grade mineralisation – this forgives many sins in a resources project.
- Excellent metallurgy – 97% to 99% by industry standard methods, and with negligible deleterious .elements
- Optimal mineralisation morphology for mining.
- High proportion of mineralisation is Measured and Indicated – de-risked resources.
- Development studies show a high margin operation, and the completion of such studies puts a definitive value on the project and should allow for debt funding.
- Potential for a relatively quick startup, by virtue of not having to construct plant etc, and only limited up-front financing requirements.
- In a proven mining region, in a highly ranked global mining jurisdiction.
- Close to infrastructure, skills and services.
- On a recently granted Mining Lease, with Native Title agreements in place.
- Board, management and consultants with the requisite technical and management skills.
- High proportion of money is put into the ground.

Weaknesses

- Single key asset – failure to develop Kookynie will leave Carnavale exposed.
- High strip ratio for the initial open pit – a lot of dirt to be moved, however the economics support this.

Opportunities

- Discovery of additional mineralisation and thus increase in resources.
- If cashflow as estimated in development studies is realised, there will be acquisition and other exploration opportunities.
- With the high-grade project being permitted and with a soon-to-be completed DFS, it should make an attractive acquisition prospect for other developers/operators in the district looking for additional high-grade ounces.

Risks/Threats

- Inability to enter a reasonable toll treating agreement - most mills in the region are “full”, so there may be some challenges in this.
- Cost inflation eroding margins.
- Lack of drilling success, and hence resource expansions, are perennial risks for junior resource companies.
- General stock and metals market risks.

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Location and Tenure

Carnavale owns 80% of the Kookynie Gold Project, centered 200 km north of Kalgoorlie and 60 km south of Leonora (Figure 1).

The Project, which has an overall area of ~23 km^2, includes one Mining Lease ("ML"), two Exploration Licenses ("EL") and one Prospecting License ("PL", Figure 2), all of which are in good standing. It also includes one PL Application (P40/1616), and one Miscellaneous License Application (L40/53) (for road, over Arika's ground – negotiations ongoing).

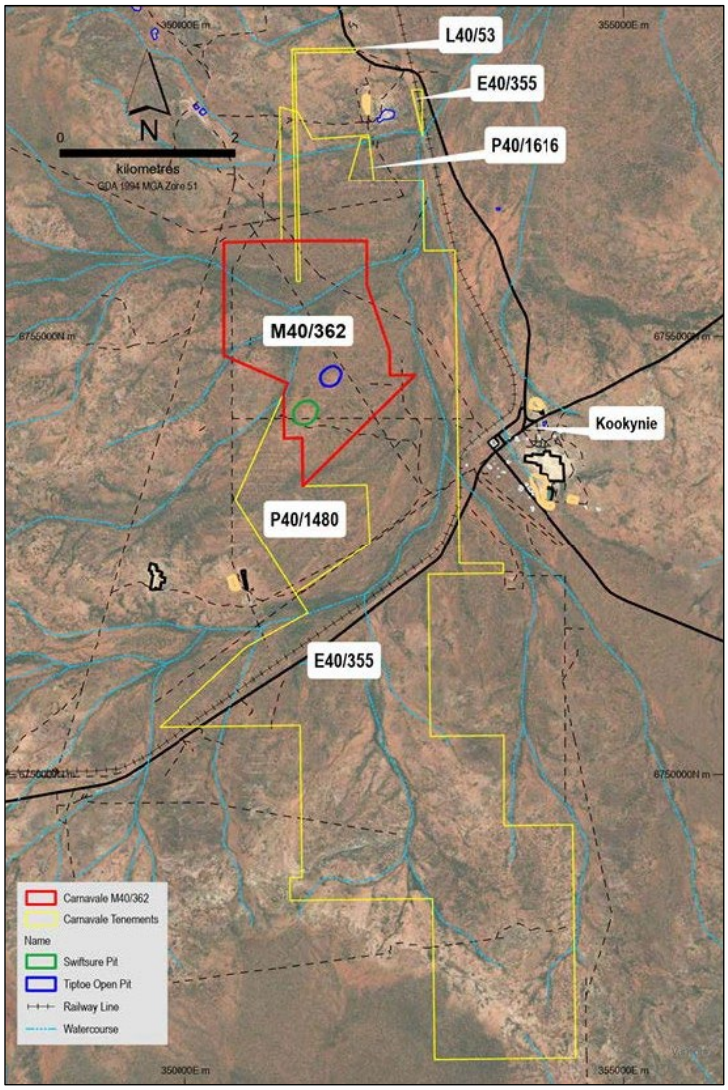

Figure 2. Kookynie tenements. Source: Carnavale

Acquisition

The acquisition of the project included two transactions:

- 80% of E40/355, P40/1380 and P40/1381 from Western Resources (detailed below),
- 100% of P40/1480 from Duane Briggs in September 2020, with the consideration being A$10,000 in cash and 1.5 million Carnavale shares, and,

The Western Resource acquisition was announced as an option agreement on August 4, 2020, with the main terms shown in Table 1. The option was exercised on September 2021 following due diligence, with Carnavale acquiring a 80% JV interest.

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We consider this a relatively low cost, simple acquisition, and more than vindicated given the results of work to date.

Stage	Cash (A$)	Shares Issued (pre 15:1 consolidation)	Recipient	Purpose
Option Entry	100,000	37,500,000	Western Resources	Right to earn 80%
Facilitator Fee	-	1,500,000	Gold Geological Consulting	Transaction fee
Option Exercise	250,000	50,000,000	Western Resources	Acquisition of 80% interest
Total	**350,000**	**89,000,000**	Western Exploration free carried at 20% in an unincorporated JV until completion of a DFS, following which can either contribute or dilute down to an NSR.	

Table 1. Western Resources agreement consideration. Source: Carnavale

Geology and Mineralisation

Regional and Project Geology

Kookynie is located over the Archaean Malcolm (Kookynie) greenstone belt, part of the highly productive Norseman Wiluna greenstone belt of the Keith-Kilkenny Rift ("KKR") of the Eastern Goldfields of Western Australia (Figure 3). The KKR is the most highly gold mineralized tectonic zone within the Eastern Goldfields.

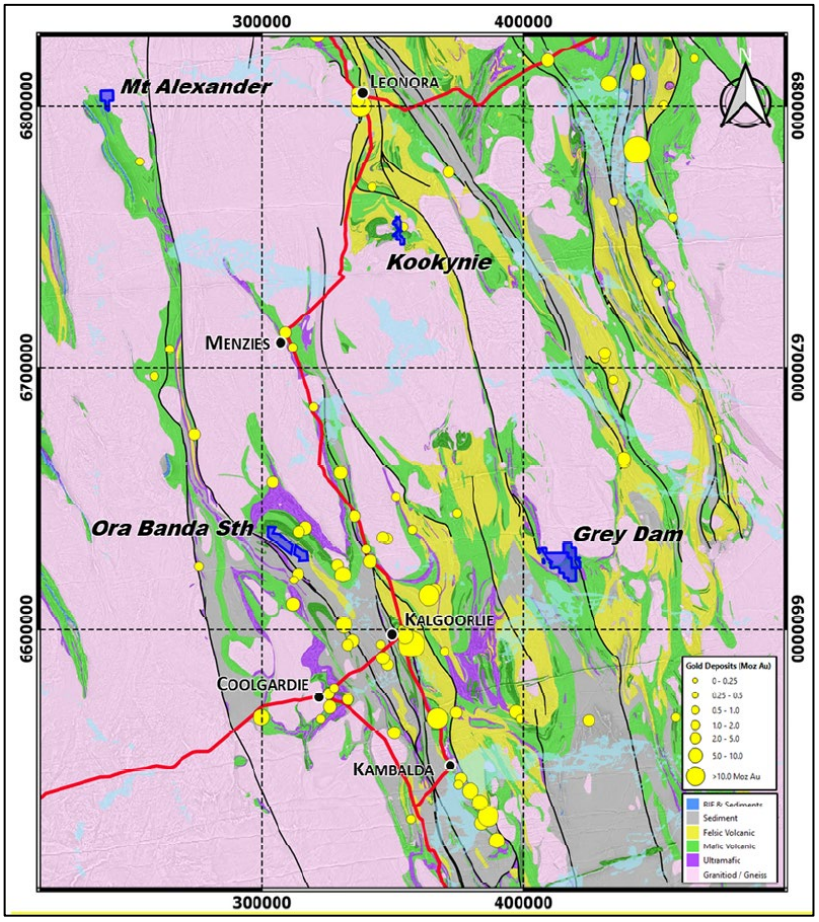

Figure 3: Regional geology. Source: Carnavale. Note that Grey Dam has subsequently been disposed of.

Locally, the geology includes granites, ranging in age from syn-greenstone to post orogenic, and greenstones, including siliciclastic sediments, felsic volcanics, and mafic-ultramafic intrusives and extrusives (including the Niagara Igneous Complex). The greenstones wrap around the northern end of the one of the major granitic complexes, which includes the Mulliberry Granite.

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The area is covered by around 5 m of transported material, and then with oxidation extending to a depth of generally between 50 m and 65 m, with this including a transitional layer of between 5 m (within the pit area) to 30 m thick (elsewhere).

Structure, which is instrumental in controlling mineralisation, largely trends NNW, with major faults including the Emu Fault, some 15 km to the east, which forms the boundary between the Melita Terrane (east) and the Niagara Domain (west, and over which the Project is located). The Kookynie Gold Field largely sits within a sigmoidal dilation zone, with internal structures focusing the mineralising fluids.

Structures are also controlled by contacts between units, including that which hosts the main mineralisation at Kookynie, occurring at the NE-trending contact between granite and dolerite.

Mineralisation

The main mineralised structure, which hosts the McTavish group of deposits, trends NE at the contact between granite and dolerite. The structure has been traced regionally for at least eight kilometres, with potentially economic mineralisation at Swiftsure and Tiptoe being delineated over a strike of 1,100 m, and to a depth of 420 m. Mineralisation is open along strike and at depth (Figures 4 to 7). A key feature is the presence of high-grade shoots – these have a subvertical plunge to ~150 m depth and then plunge steeply to the SW below that (Figure 5).

Mineralisation has been intersected over true widths of between 1 m and 15 m (averaging around 4 m to 5 m), with the high-grade shoots averaging around 2 m to 3 m true width. Mineralisation is hosted within quartz/pyrite veins, with the higher-grade shots also controlled by secondary structures crosscutting the geological contact, and main mineralized structures.

The style of mineralisation is typical of the Kookynie camp, which has historically produced ~650,000 oz of gold, largely from sub-vertical shoots, averaging between 15 g/t and 30 g/t Au.

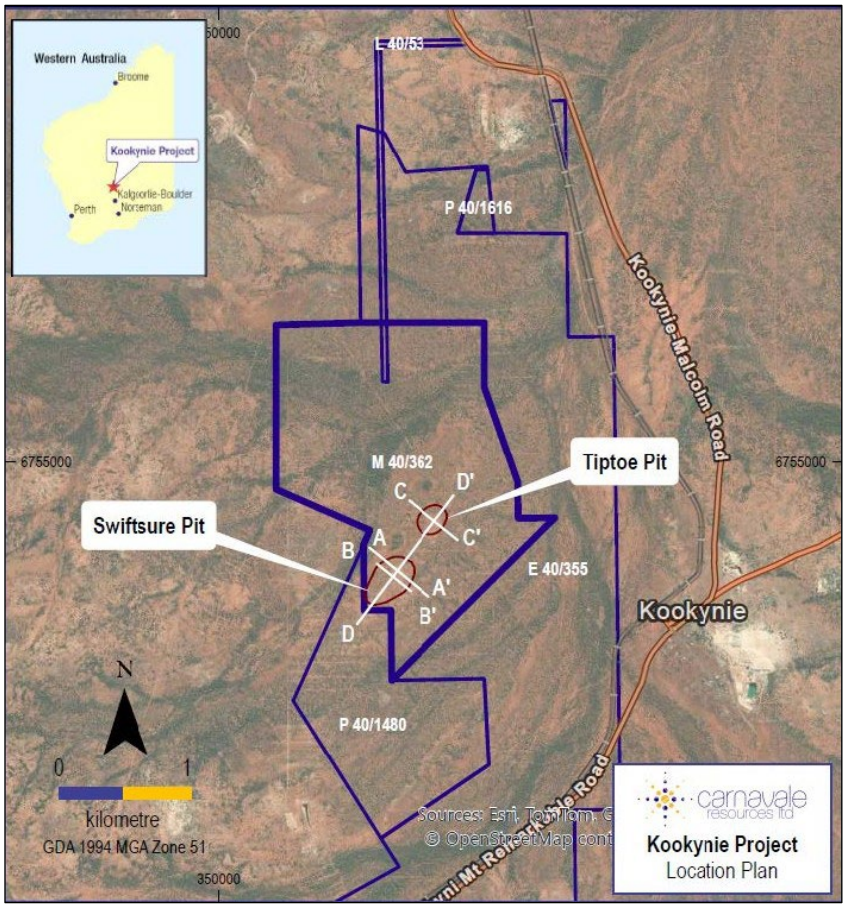

Figure 4: Pits and section lines. Source: Carnavale

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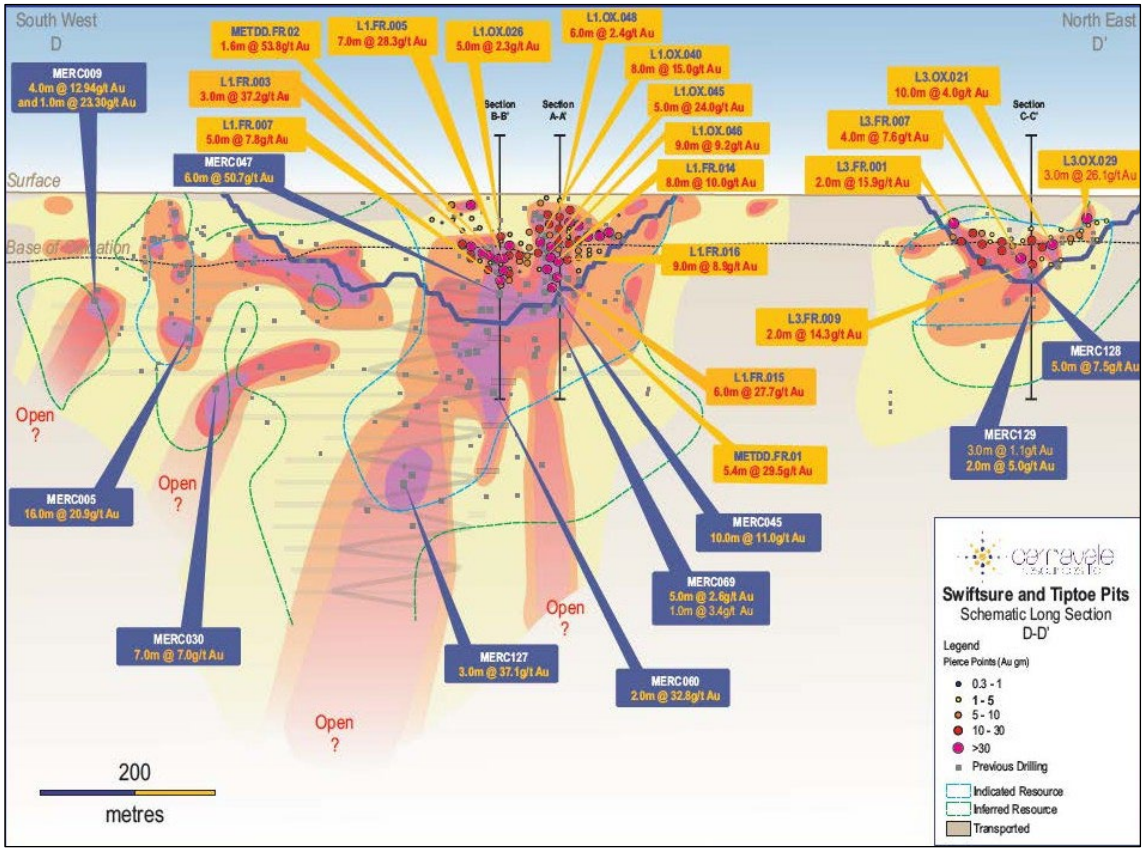

Figure 5: Long section through Swiftsure and Tiptoe, looking NW. Source: Carnavale

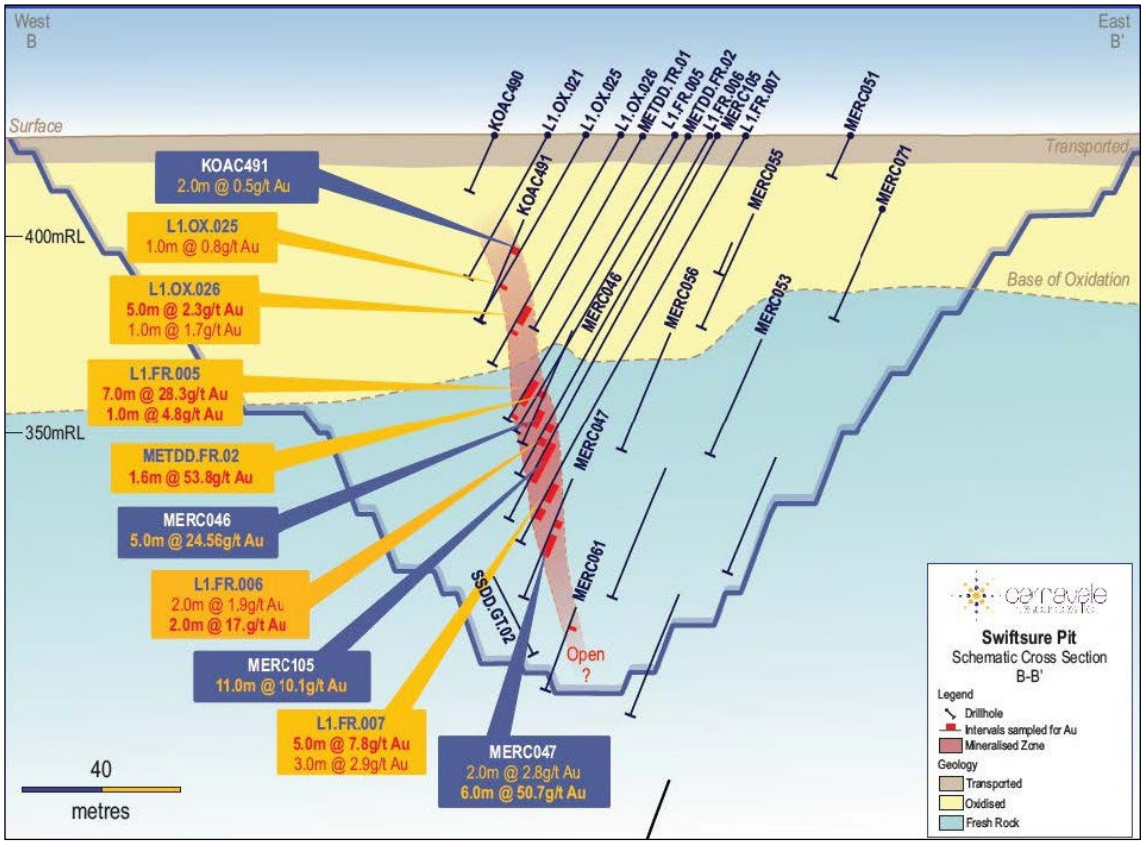

Figure 6: Swiftsure cross-section B-B', looking NE. Source: Carnavale

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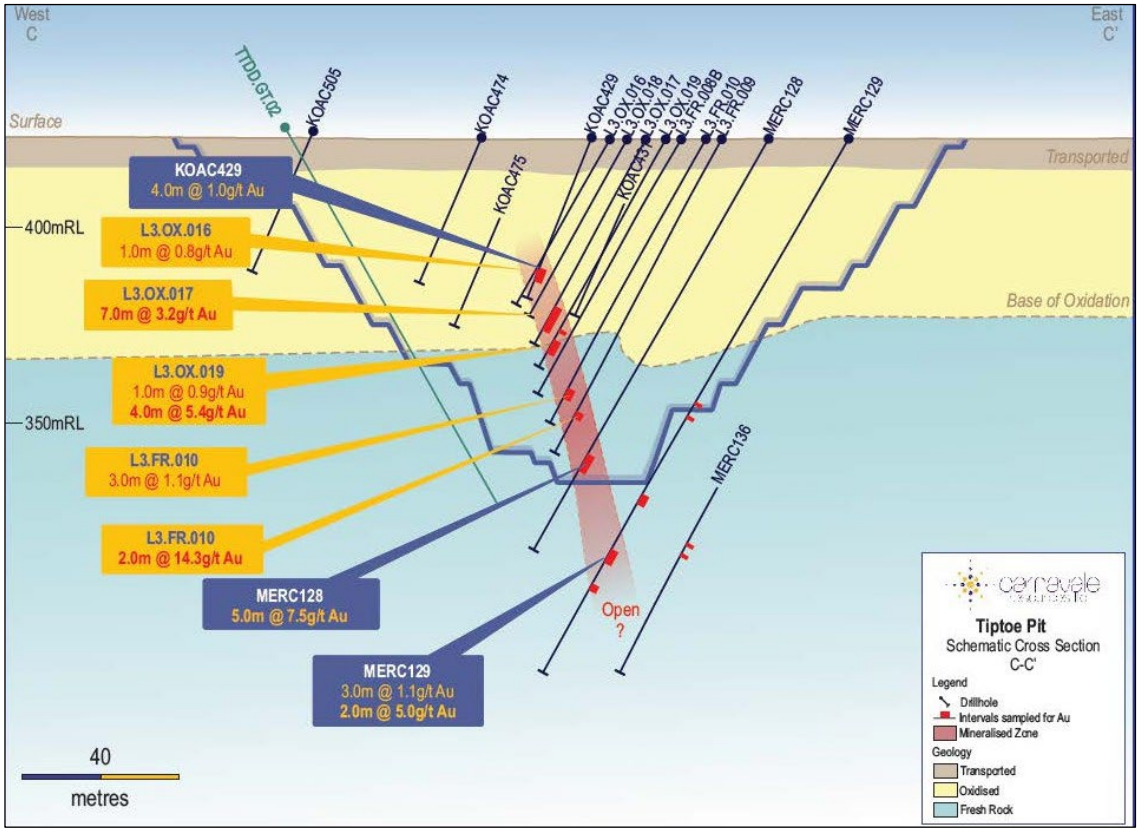

Figure 7:Tiptoe Cross-section C-C', looking NE. Source: Carnavale

Historical Work

Gold was discovered at Kookynie in 1895, which was followed by the main period of mining, which lasted until ~1922. Sporadic small-scale mining then continued up until 1960, with the high-grade gold camp estimated as having a historical production of over 600,000 oz of gold, with this largely from mines currently held by Arika Resources (ASX: ARI).

The largest of these mines was the Cosmopolitan, which produced ~331 koz @ ~15 g/t from 1888 to 1922, with other mines, including the Altona and Champion also producing at high grades.

Modern exploration has been concentrated on the historically mined areas outside of the Project, with more recent work by Metalicity (ASX:MCT, and then Arika) leading to the estimation of an MRE of 1.58 Mt @ 1.6 g/t Au for 81,000 oz contained gold.

The area held by Carnavale has seen little work, largely due to being under cover. Previous work comprised prospecting activities, including aircore, RAB (27 holes for 1,196 m) and limited RC drilling (2 holes, with the deepest being 108 m), undertaken from the late 1990s to early 2000s.

Work by Carnavale

Since acquiring the Project, Carnavale has undertaken considerable work resulting in the discoveries and achieving major milestones:

- Discovered and defined the Swiftsure and Tiptoe deposits, as well as identifying other prospects which now require follow up,
- Built a resource of approximately 120,000 oz Au through an initial MRE and two updates,
- Released the results of two stages of metallurgical test work thus far, with this work ongoing,
- Completed two generations of economic studies, both highlighting a robust project,
- Secured Native Title agreements and a Mining Lease; and,
- Commenced a Bankable Feasibility Study, which is now close to completion.

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Most of the work has been in drilling, with aircore, reverse circulation ("RC") and diamond drilling ("DD") being completed, with initial work including soil sampling over areas where cover has been poorly developed, and a high-resolution drone aeromagnetic survey.

Drilling

The initial drilling included a 139-hole, 6,539 m aircore programme, completed in late 2020/early 2021, targeting features highlighted by the detailed aeromagnetics data. This work discovered the McTavish Trend mineralisation under the shallow cover.

Significant subsequent aircore drilling has been undertaken, with a total of 562 holes for 29,280 m having been completed since late 2020 and mid 2024 over the tenement package.

The aircore drilling has identified the mineralisation, largely along the McTavish East trend, returning up to 16 g/t at what is now Swiftsure, which was the first of the aircore targets to be tested by RC drilling, and with Tiptoe being discovered in the 2024 programme. As shown in Figure 2, this aircore drilling has highlighted other targets, including Champion and Valiant, which now require follow up.

Follow up drilling has been with RC, diamond, and diamond with RC tails, with the most recent work incorporating infill (resource upgrade), metallurgical and hydrogeological drilling, with the results of this latest drilling being incorporated in the latest MRE, which is the basis for the DFS. Measured areas have been drilled largely to a 10 m x 10 m spacing.

Drilling within the vicinity of the resources includes:

- 247 air core (AC) holes for a total of 14,926 m (a subset of the overall air core programmes),
- 276 reverse circulation (RC) holes for a total of 31,601 m,
- 22 RC pre collar with diamond core (DD) holes for a total of 6,479 m (RC 4,670m DD 1808m); and,
- 13 Diamond drill holes (DD) for a total of 1,259m.

Results of drilling at Swiftsure and Tiptoe are shown in figures 5 to 9 – these are largely from the latest programme as reported in April 2026, however selected results of previous drilling are also shown. These however can be considered representative of the drilling at the two deposits.

Some of the better intersections are listed below:

•	Swiftsure	MERC005	16.0 m @ 20.9 g/t Au	335 g.m – discovery hole.
•	Swiftsure	L1.FR.005	7.0 m @ 28.3 g/t Au	198 g.m.
•	Swiftsure	L1.FR.015	6.0 m @ 27.7 g/t Au	166 g.m.
•	Swiftsure	L1.OX.045	5.0 m @ 24.0 g/t Au	120 g.m.
•	Swiftsure	L1.FR.003	3.0 m @ 37.2 g/t Au	112 g.m.
•	Tiptoe	L3.OX.029	3.0 m @ 26.1 g/t Au	78 g.m.
•	Tiptoe	L3.OX.001	2.0 m @ 15.8 g/t Au	32 g.m.

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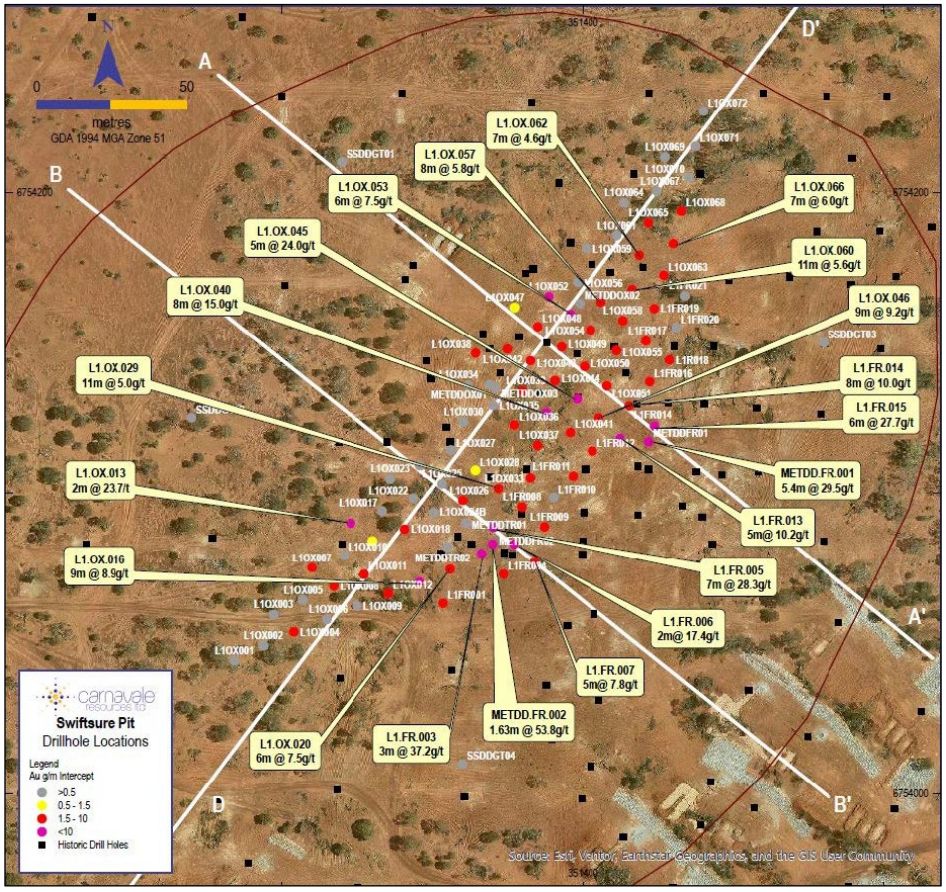

Figure 8. Swiftsure infill drilling. Source: Carnavale

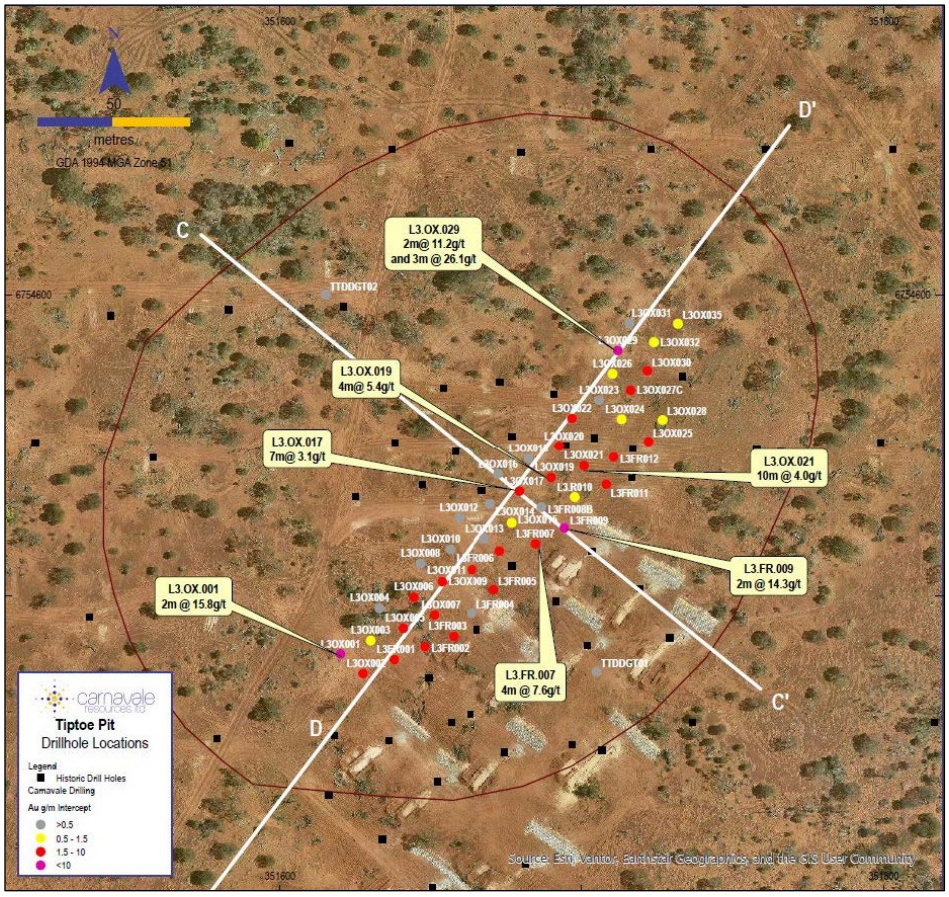

Figure 9. Tiptoe infill drilling. Source: Carnavale

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Mineral Resource Estimates

The Company has completed three MREs, with the initial one in June 2024, and the latest released to the market on May 20, 2026. A summary is presented in Table 2, and the detail of the latest MRE in Table 3.

Table 4 and Figure 10 show the effect of different cutoff grades on tonnage and grade of the latest MRE. These highlight the "ounce dirt" of 56 kt @ 30.2 g/t Au using a 15 g/t Au cutoff (Table 4) – this is the material in the high-grade shoots. However, the material below this cutoff still has a grade of 2.53 g/t Au (799 kt @ 2.53 g/t Au for 65,000 Au) – this itself can be considered as good grade mineralisation for the Eastern Goldfields.

The latest MRE has included significant infill drilling, rather than expansion drilling, to increase the confidence of the resources, with 67% of total resources now in the Measured and Indicated categories, and with the open pit resources (above 320 m RL) including 58% in Measured, and 23% in Indicated.

In all cases cutoff grades of 0.8 g/t have been used for proposed open cut areas, and 1.5 g/t for underground.

Date	Measured	Indicated	Inferred	Total	Notes
13/6/2024	-	222 kt @ 7.7 g/t, 53 koz Au	235 kt @ 4.3 g/t, 32 koz Au	457 kt @ 5.8 g/t, 85 koz Au	Swiftsure only, 0.8 g/t OC, 1.5 g/t UG cutoffs. Used in initial Scoping Study.
17/7/2025	-	426 kt @ 5.6 g/t, 77 koz Au	416 kt @ 3.0 g/t Au, 40 koz Au	842 kt @ 4.3 g/t, 117 koz Au	Swiftsure and Tiptoe, 0.8 g/t OC, 1.5 g/t UG cutoffs. Used In the updated Scoping Study.
26/5/2026	182 kt @ 5.1 g/t, 30 koz Au	278 kt @ 5.6 g/t, 50 koz Au	394 kt @ 3.2 g/t, 40 koz Au	855 kt @ 4.4 g/t, 120 koz	Swiftsure and Tiptoe, 0.8 g/t OC, 1.5 g/t UG cutoffs. Being used in the BFS.

Table 2: Summary of MREs. Source: Carnavale.

Location	CoG g/t	Classification	Volume k m³	k tonnes	Au g/t	Au k oz
O/C	0.8	Measured	75	182	5.1	30
O/C	0.8	Indicated	39	101	3.6	12
O/C	0.8	Inferred	52	126	2.5	10
O/C	**0.8**	**All**	**166**	**409**	**3.9**	**52**
U/G	1.5	Measured	0	0	0	0
U/G	1.5	Indicated	66	177	6.7	38
U/G	1.5	Inferred	100	269	3.5	30
U/G	**1.5**	**All**	**165**	**446**	**4.8**	**68**
Both	-	Measured	75	182	5.1	30
Both	-	Indicated	105	278	5.6	50
Both	-	Inferred	151	394	3.2	40
Total (M, I & I)	-	**All**	**331**	**855**	**4.3**	**120**

Table 3: 2026 Kookynie MRE. Source: Carnavale

Au g/t cutoff	K Tonnes	Au g/t	Au K oz.
0	1,345	3.0	129
0.5	1,148	3.5	129
1	886	4.3	122
1.5	662	5.3	113

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Au g/t cutoff	K Tonnes	Au g/t	Au K oz.
2	487	6.6	103
3	230	11.2	83
4	119	18.4	71
5	108	19.9	69
10	69	26.7	60
15	56	30.2	55

Table 4: Global MRE by cutoff grade. Source: Carnavale

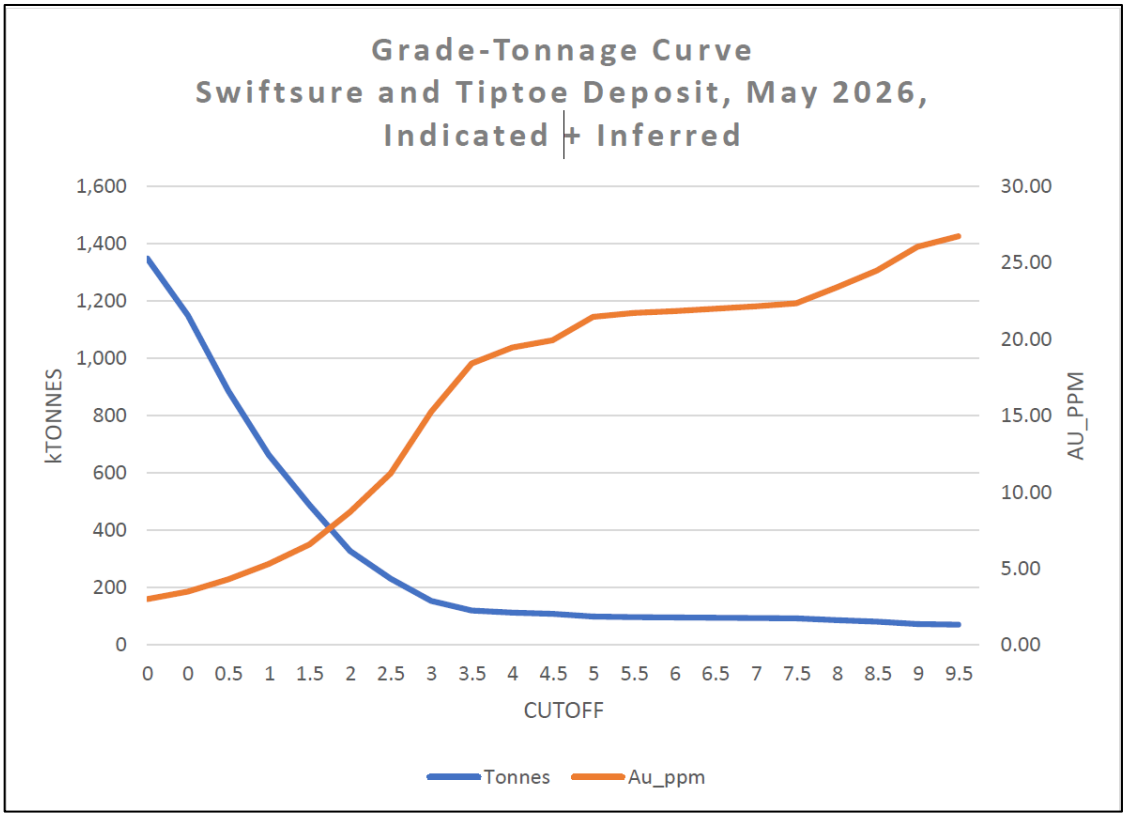

Figure 10. Grade-tonnage curve. Source: Carnavale

Metallurgical Testwork

Metallurgical testwork is still ongoing and is a vital part of the DFS. The Company has previously announced results of two rounds of testwork:

- September 19, 2023 – Initial bottle roll testwork completed on 16 oxide and fresh samples; and,
- August 5, 2024 – Gravity and carbon-in-leach ("CIL") testwork on a composite sample of high-grade mineralisation.

Both reported exceptional results and are summarized below.

Initial Testwork – Swiftsure Various Grades and Oxidation States

This work involved 24-hour cyanide bottle roll tests and was undertaken on 16 RC chip samples of oxide and primary mineralisation from Swiftsure. Grades varied from 2.61 g/t Au through to 229.36 g/t.

This work returned recoveries of 99% for oxide, and between 97% and 99% for primary mineralisation.

Detailed Testwork – Swiftsure High Grade Fresh Mineralisation

This work was undertaken in a 28 kg composite collected from RC chips from the high-grade mineralisation, with a calculated head grade of ~29 g/t Au, and an assayed head grade of 27.6 g/t Au.

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The testwork included:

- Comprehensive assay analysis,
- Gravity concentration via a Knelson concentrator,
- Three cyanide leach tests to study the effect of varying grind size,
- Two cyanide leach tests to study the effect of varying leach conditions; and,
- One CIL test to study the performance of the CIL.

The assaying indicated low deleterious elements and sulphur, with S being 1.40%, As 1.2 ppm, Cu 48.4 ppm and Sb at 0.6 ppm. The gravity flowsheet is shown in Figure 11.

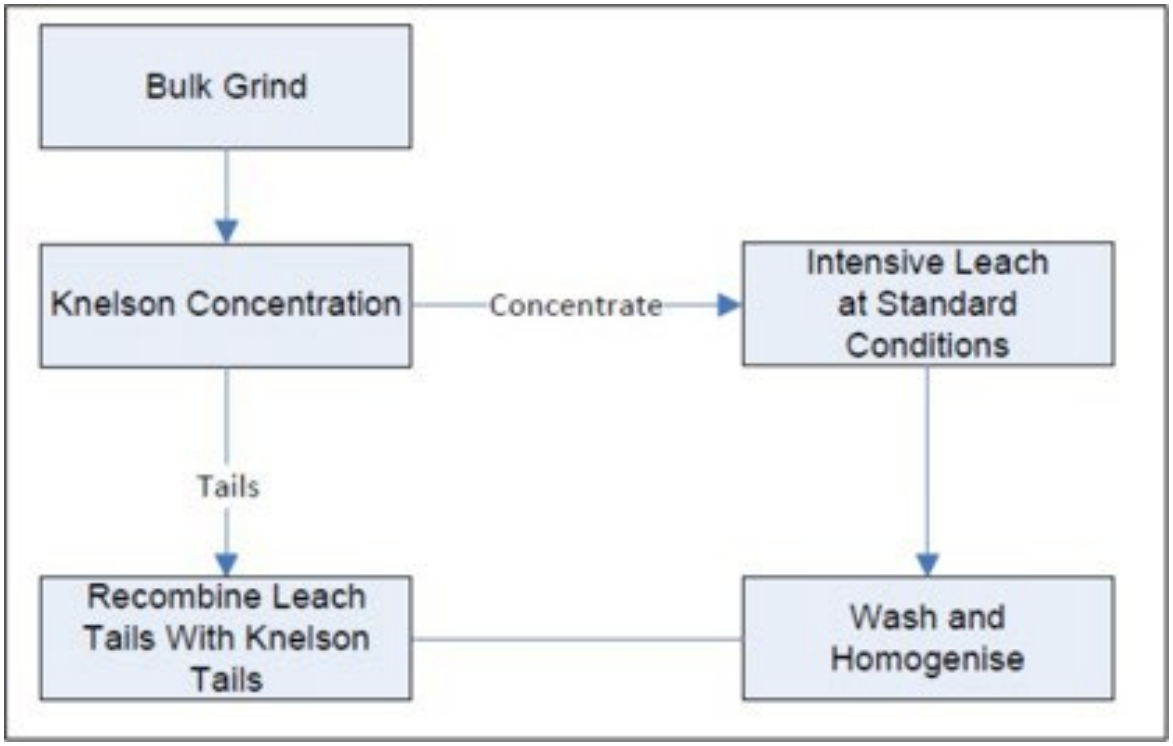

Figure 11. Swiftsure gravity testwork flowsheet. Source: Carnavale

The cyanide tests were undertaken on one kg subsamples of the recombined gravity tails and intensive leach tails (Figure 11).

The gravity test indicated a mass of recovery of 0.56% to the concentrate, with average gravity recoverable gold of 87.1% (25.0 g/t) back calculated from the results of the leach tests. This work also indicated a gravity concentrate grade of 4,511 g/t Au, and a calculated leach feed grade (of the gravity tails) of between 3.35 and 3.91 g/t Au.

The first phase cyanide testwork likewise gave very positive results, with key points including:

- Testwork was done at 75 µm, 106 µm and 150 µm grind sizes,
- Overall recoveries ranged between 98.9% and 99.5%, with the best being the 106 µm material – this was at the 48-hour residence time,
- No lime was required, and cyanide use was low, at ~0.37 kg/tonne,
- Oxygen was maintained at between 15 – 20 ppm through sparging; and,
- Overall, leach kinetics were very good, with overall recoveries (including the gravity recoveries) of between 90.6% and 91.2% after four hours.

This was followed up by test LT04, with reduced oxygen consumption (6 – 10 ppm), and test LT05, with cyanide maintained at 200 ppm (and usage being 0.23 kg/t).

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Both of these tests again returned strong results, with 48-hour recoveries of 99.8% and 99.7% respectively – overall leach kinetics were similar to those in tests LT01 to LT03. Leach kinetics for LT04 and LT05 are shown in Figure 12. Note that the tests have returned greater than 97% recovery at relatively short residence times of 20 hours.

The CIL test likewise returned a high overall recovery of 99.7% Au.

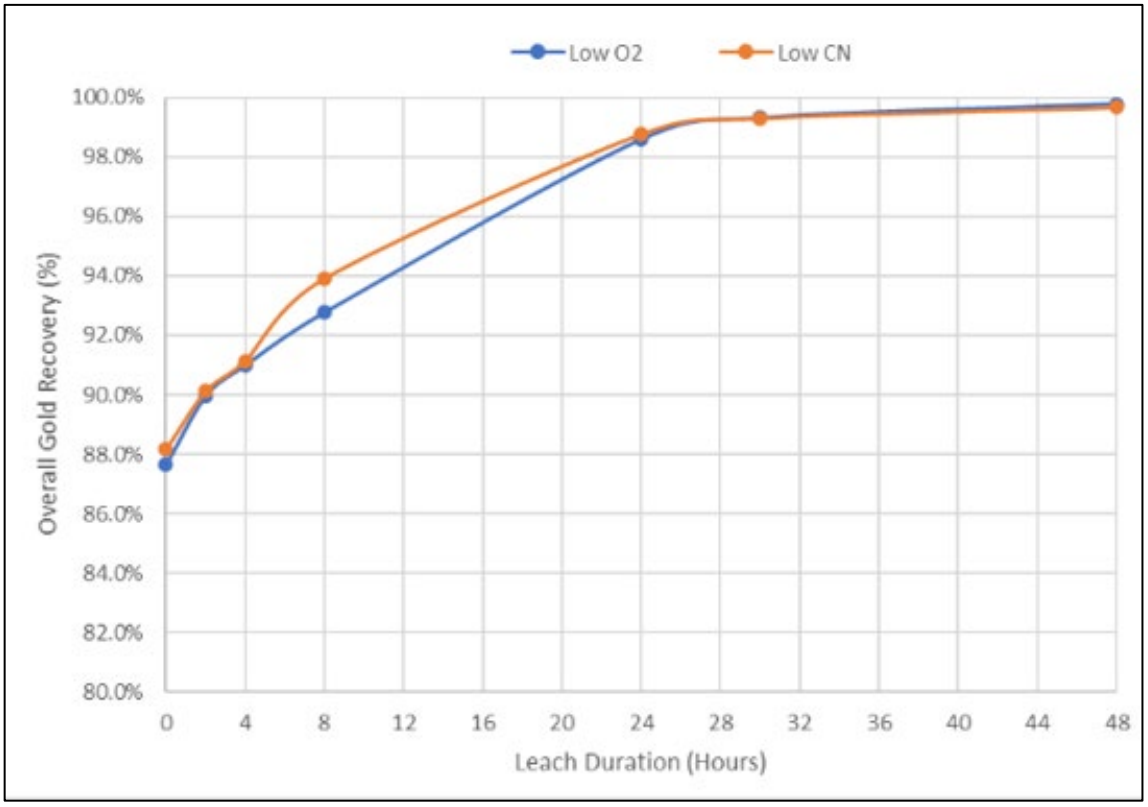

Figure 12. Swiftsure test LT04 and LT05 leach kinetics. Source: Carnavale

Development Studies

To date two scoping studies have been completed for Kookynie – an initial study based on Swiftsure only (June 13, 2024) and an updated study incorporating both Swiftsure and Tiptoe, and using a significantly higher, but realistic gold price (October 2025). As mentioned previously, the Company is now near completion of a DFS, however overall, we would expect that the operations should be broadly similar to those presented in the Updated Scoping Study as discussed below but subject to optimisations including to mining schedules amongst others.

The latest study presented the production of 93 koz of gold over 61 months, with financials shown in Table 5, and the sensitivity to gold price in Table 6. Note all figures are on a 100% basis, and do not consider the JV structure and any potential operational/funding structures. Also the Native Title Agreement was completed after the study, and thus any payments under this agreement are not included.

Work subsequent to the Updated Scoping Study has been largely restricted to that required to take the previous study to DFS level, including infill drilling, metallurgy, environmental, hydrogeology and other factors. The DFS is based on the latest MRE, which is for all intents and purposes, is the same as that used for the Updated Scoping Study – the main difference is in the resource classification, with Measured Resources being included in the latest MRE.

We have not modelled the Project, however a review of the Company's market release, which contains detailed cost information, indicates that the outcomes as presented look reasonable, and that the study has been done to a high standard. The key sensitivities are on the revenue side, including gold price, grade and metallurgical recovery. Given the grade, the project is less sensitive to cost parameters.

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Table 6, in our view, is important, and shows that the project should still produce appreciable cash should the gold price fall significantly from the base case of A$5,500/oz. We have seen recent falls in the Australian gold price from the February 2026 highs of +A$7,000/oz, to the current level of A$5,700/oz, close to the level in October 2025 when the study was completed, and gold was on the way up.

The gold price sensitivity can be used as a proxy for the other revenue side variables, including grade and metallurgical recovery (although the upside on metallurgical recovery is limited, given that it is already close to 100%).

Financial Parameter	Value.
Gold Price (oz)	A$5,500
Discount rate	8%
Gross revenue (net of 2.5% royalty)	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 5: Key project financials. Source: Carnavale

Au price ($/oz)	% Change From Base	Undiscounted Cashflow	NPV_8	Payback (month)
4,000	-27.3%	$101m	$78m	17
4,500	-18.2%	$146m	$115m	16
5,000	-9.1%	$192m	$151m	15
5,500	**0%**	**$237m**	**$188m**	**14**
6,000	9.1%	$283m	$225m	13
6,500	18.2%	$328m	$261m	13

Table 6: Project sensitivity to gold price. Source: Carnavale

The mine plan includes a three-phase operation:

- Initial mining from the Swiftsure open pit – months 1 to 29, with an overall strip ratio of 42:1,
- Underground mining at Swiftsure – underground development from near the base of the Swiftsure pit from months 21 to 28, and then LHOS mining until the end of operations in month 61; and,
- Open cut mining at Tiptoe, from month 44 to the end of operations at month 61.

It is planned to use contract miners and toll treat the ore. As shown earlier in Figure 1, there are several mills in the region, with the Company now undertaking discussions with potential toll treaters.

A long section of the proposed operations is shown in Figure 13, and an integrated schedule is shown in Figure 14.

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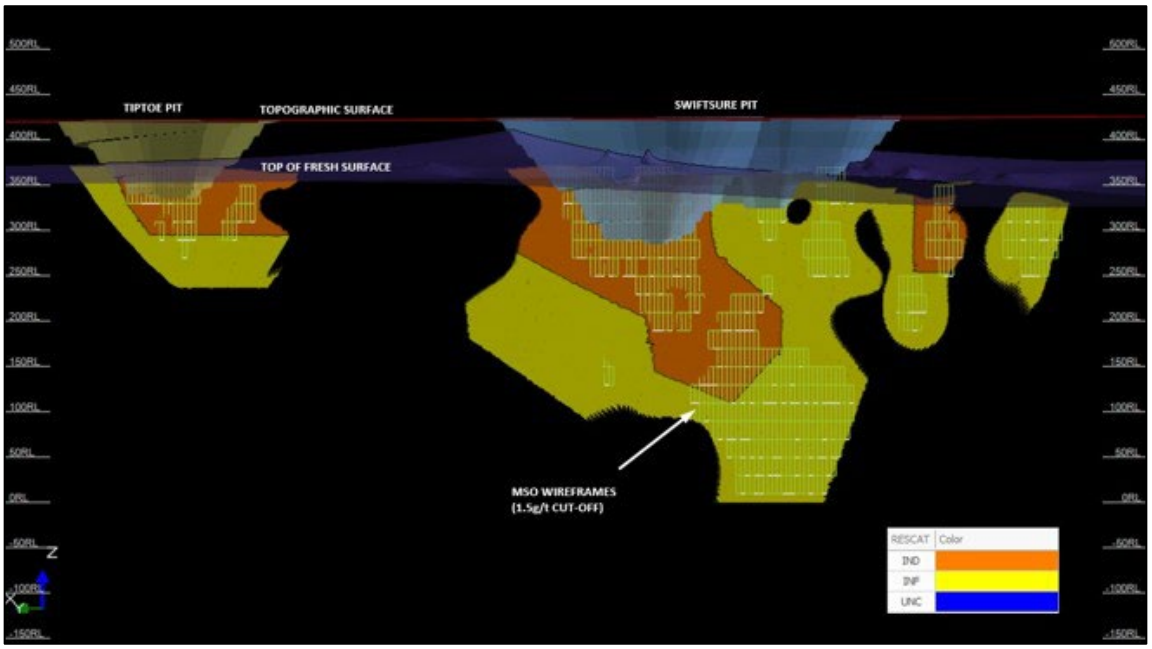

Figure 13. Planned development long section, looking SE. Source: Carnavale

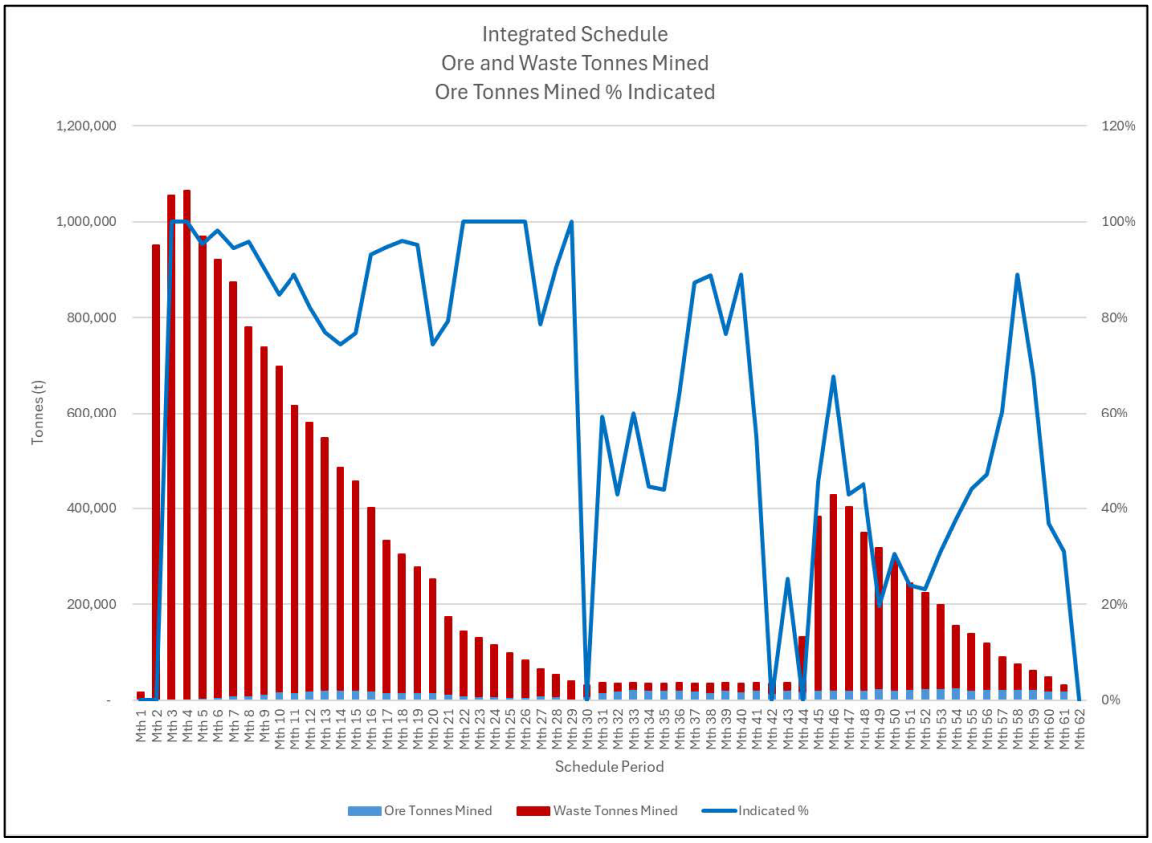

Figure 14. Operation schedule. Source: Carnavale

Table 7 presents key physical parameters of the operation as presented in the October 2025 study.

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Life of Mine physicals summary	Open Pit Design	Pit Design and Underground
Open pit Physicals		
Total Ore tonnes (kt)	379	
Total Ore Grade (g/t)	3.9	
Total Ounces (mined)(koz)	48	
Total Waste Tonnes (kt)	15,945	
Strip Ratio (w:o)	42:1	
Underground Physicals		
Total Ore tonnes (kt)		591
Total Ore Grade (g/t)		2.6
Total Ounces (mined)(koz)		49
Total Development Metres (m)		9,152
Total Vertical Metres (m)		935
Total Waste tonnes (kt)		486
Combined Physicals		
Total Ore Tonnes (kt)		970
Total Ore Grade (g/t)		3.09
Total Ounces Mined (koz)		96
Processing		
Tonnes Processed (kt)	379	970
Recovered Ounces (97% recovery) (koz)	46	93

Table 7: Kookynie mining physicals. Source: Carnavale

Given the size of the operation, and no requirement for on-site processing , infrastructure requirements and hence capital costs will be relatively low – key utility infrastructure will include:

- Power – it is envisaged to use leased diesel generators, with the main uses of power including water pumping and the mine ventilation system,
- Water – It is planned to use pumped water inflows into the mines for site purposes, with this stored in a dam onsite; and,
- Road access – L40/53 has been applied for to provide an access/haul road connecting to the reginal road network.

Costs are presented in the following tables, including overll costs (Table 8), initial open pit capital costs (Table 9), underground equipment capital costs (Table 10) and operating costs (Tables 11 and 12).

We have adapted the overall costs as presented by the company to apply a “per ounce” figure (Table 8) – in this we have split gold produced 50/50 between the open cut and underground operations.

Using a gold price of A$5,500/oz, this gives an overall margin of A$2,661, or 48.4%.

Area	Cost (A$ m)	Ounces	Per Ounce
Open Pit Capital Cost	3.0	46,500	65
Open Pit Operating Cost inc. G/A	86.3	46,500	1,856
Underground Capital Cost	30.4	46,500	654
Underground Operating Cost inc. G/A	66.6	46,500	1,432
Ore Processing and Transport	77.6	93,000	834
Total Cost	**264**	93,000	2,839

Table 8: Kookynie estimated total costs. Source: Carnavale

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Cost Element	Value.
Site offices / change house / ablutions / crib facilities	$250,000
Shipping container & dome-based workshop facility	$300,000
Washdown bay with hydrocarbon separation	$200,000
General site earthworks	$250,000
Explosives and detonator magazines	$200,000
Diesel storage	$250,000
Stores / laydown facility	$150,000
Groundwater storage dam and pumping system	$200,000
Communications infrastructure	$100,000
Site IT Infrastructure	$100,000
Site vehicles	$1,000,000
TOTAL	**$3,000,000**

Table 9: Kookynie estimated open cut initial capital cost. Source: Carnavale

Cost Element	Value.
Primary ventilation fan and associated equipment	$750,000
Secondary ventilation fans	$250,000
Air compressor	$100,000
Dewatering infrastructure ("Travelling Mono" pumps)	$600,000
Electrical infrastructure	$1,000,000
TOTAL	**$2,700,000**

Table 10: Kookynie estimated underground initial capital cost. Source: Carnavale

The estimated open pit operating costs as presented in the Updated Scoping Study use the costs as applied to the open pit optimisation and are presented in Table 11. We have adapted this from the table in the release, adding a column estimating the total mining costs per RoM tonne – this accounts for the 42:1 strip ratio in the presented operations scenario.

This ranges between A$251 and A$320 per RoM tonne but will be weighted towards the lower figure. This still gives an operating margin approaching 50%.

Item	Unit	Input	Per RoM Tonne
Mining Costs			
Load and Haul – Base rate	$/t mined	3.5	143.5
Load and Haul – Base level (pit exit)	mRL	430	430
Load and Haul – Depth increment	$/t/10m	0.03	1.2
Drill and Blast – Oxide	$/t mined	0.271	11.1
Drill and Blast – Transitional	$/t mined	1.2	49.2
Drill and Blast - Fresh	$/t mined	1.6	65.6
Minimum Mining Cost (top of pit, oxide)	**$/t mined**	**3.80**	**159.6**
Maximum Mining Cost (bottom of 110 m deep pit fresh rock)	**$/t mined**	**5.43**	**228.1**
Mining Ore Based Costs			
Road Haulage to Plant	$/t ore	15	15
Ore Re-handle	$/t ore	5	5
Grade Control	$/t ore	2	2
Processing Cost			

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Item	Unit	Input	Per RoM Tonne
Oxide, Transition & Fresh - Free Milling	$/t ore	65	65
General and Admin	$/t ore	5	5
Total Ore Based Cost			
Oxide, Transition & Fresh - Free Milling	$/t ore	92	92
Minimum Total Cost per RoM Tonne			**251.6**
Maximum Total Cost per RoM Tonne			**320.1**
Maximum Cost in grams gold			**1.42**
Maximum Cost in grams gold			**1.81**
Process Au Recovery			
Oxide, Transition & Fresh - Free Milling	%	97%	

Table 11: Kookynie estimated open pit operating costs. Source: Adapted from Carnavale

Item	Unit	Total Costs	Stoping Costs	Transport and Processing Only
Mining Operating Costs	**$/t ore**	**194.5**	**84.5**	**17**
Stoping	$/t ore	50	50	
Lateral Operating Development	$/t ore	110		
Geology	$/t ore	2.5	2.5	
Mine Services	$/t ore	15	15	
Mine Overheads & LV's	$/t ore	2	2	2
Surface Road Haulage to Plant	$/t ore	15	15	15
Processing	**$/t ore**	**65**	**65**	**65**
General & Administration	**$/t ore**	**5**	**5**	**5**
TOTAL OPERATING COST	**$/t ore**	**264.5**	**154.5**	**87**

Table 12: Kookynie estimated underground operating costs. Source: Adapted from Carnavale

Permitting

The grant of the Mining Lease was announced to the market on February 10, 2026, with the Miscellaneous Licence (L40/53) as yet to be granted. The grant of the ML followed on from the signing of the Mining and Heritage Agreement with the Wangkatja Tjungula Aboriginal Corporation ("WTAC"), which was announced on December 19, 2025.

The WTAC represents the Nyalpa Pirniku people, who are the traditional owners of the land on which the Project is located.

Key applications that are currently in the preparation stage include the Native Vegetation Clearing Permit ("NVCP") and Mine Development and Close Plan ("MDCP"). These are being undertaken with the BFS.

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Board and Management

This section has been sourced and adapted from the Company's website on May 30, 2026.

Non-Executive Chairman – Andrew Beckwith, BSc Geology, AusIMM

Mr Beckwith is a successful explorer whose past experience includes senior roles with AngloGold Ashanti, Acacia Resources, Normandy NFM, North Flinders, BP Minerals and Westgold Resources. Mr Beckwith was formerly an Executive Director with ASX listed De Grey Mining Ltd, in which he was pivotal in assembling, and being a key part of the team that discovered the 13.6 Moz Hemi group of deposits.

Managing Director – Humphrey Hale, BSc. Exp. and Mining Geology MAIG

Mr Hale worked at AngloGold Ashanti (AGA) as Exploration Manager at Sunrise Dam Gold Mine. Mr Hale went on to be founding Managing Director at Wolf Minerals Ltd. Subsequently Technical Director for Infinity Lithium Corp. Ltd. Mr Hale has held roles as Director and consultant to several ASX listed and unlisted junior exploration Companies. He joined Carnavale in early July 2020. Mr Hale has direct experience in the acquisition, management and development of exploration opportunities, taking assets from initial exploration to construction.

Non-Executive Director – Ron Gajewski, B. Bus, CPA

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 was formally Executive Chairman of Burey Gold Ltd and Contact Resources, and has held directorships with mining companies listed in both Canada and Australia.

Non-Executive Director – Rhett Brans, MIEAust CPEng

Mr Brans is a civil engineer with more than 40 years of experience in project development of treatment plants and mine developments.

Mr Brans is a Non-Executive Director of AVZ Minerals Ltd. He was previously a Director of Perseus Mining Limited, Tiger Resources Limited, Syrah Resources Limited, RMG Limited and Australian Potash Limited all from ASX, and Monument Mining Limited listed on the TSX Venture Exchange.

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Analyst Verification

I, **Mark Gordon**, as the Senior Analyst, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

Disclosure

Breakaway Research Pty Ltd (AFSL 503622) and its associates or consultants may hold direct and indirect shares in Carnavale Resources. Breakaway Research has also received a commission on the preparation of this research note.

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