Carnaby

ASX Announcement

27 January 2021

EXPLORATION UPDATE COMPELLING STRELLEY AND TICK HILL DRILL RESULTS

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to provide an exploration update for the 100% owned Strelley and Tick Hill gold projects in the Mallina Basin, Pilbara, WA and Mt Isa, Qld regions.

Highlights - Strelley Project, Pilbara, Western Australia

- At **Stockade** shallow aircore and reverse circulation (**RC**) drill results have identified a >1 km long gold mineralised corridor on broad ~200m spaced drilling open to the north. Results include;
  - PLAC0032 **2m @ 2.15 g/t gold** inc **1 m @ 3.85 g/t** from 7m
  - PLRC0003 **7m @ 0.68 g/t gold** inc **2m @ 1.6 g/t** from 20m
  - PLRC0004 **6m @ 0.63 g/t gold** from 89m
- At **Palisade** shallow and wide spaced aircore drilling has defined a 4 km long gold anomaly along the Berghaus Shear Zone. Results include;
  - PLAC0261 **3m @ 0.33 g/t gold** inc **1 m @ 0.65 g/t** from 17m
  - PLAC0292 **1m @ 0.45 g/t gold** from 16 m
  - PLAC0302 **1m @ 1.08 g/t gold** from 42 m

Highlights - Tick Hill Project, Mt Isa Queensland

- At **Tick Hill**, RC drilling into the northern wall of the pit Wall has confirmed the high grade extension of the Tick Hill Main lode. Results include;
  - CBC037 **1m @ 12.45 g/t gold** from 82m
  - CBC038 **1m @ 7.95 g/t gold** from 92m
  - CBC033 **3m @ 2.30 g/t gold** from 85m

The Company's Managing Director, Rob Watkins commented:

"The drilling at Strelley has discovered several extensive gold mineralised corridors on very broad spaced and shallow drilling. Follow up drilling will begin in February. At Tick Hill, confirmation of the extension of the Main High Grade lode into the north wall of the open pit has further de-risked the open pit cutback, with a decision to mine or divest one step closer."

Fast Facts

Shares on Issue 117.8M

Market Cap (@ 35 cents) $41.2M

Cash $9.1M[1]

[1]As of 30 October 2020 plus $500,000 received from Tailings Dam sale proceeds

Board and Management

Peter Bowler, Non-Exec Chairman

Rob Watkins, Managing Director

Greg Barrett, Non-Exec Director & Company Secretary

Paul Payne, Non-Exec Director

Company Highlights

- Proven and highly credentialed management team
- Tight capital structure and strong cash position
- Commenced exploration at the Mallina Basin in the Pilbara of WA
- Projects near to De Grey's Hemi gold discovery on 394 km^2 of highly prospective tenure
- 100% ownership of the Tick Hill Gold Project (granted ML's) in Qld, historically one of Australia highest grade and most profitable gold mines
- Past production of 511 koz at 22 g/t gold
- Indicated and Inferred Mineral Resource of 845,000 t @ 2.47 g/t gold for 67,100 ounces[2]
- Proven and Probable Ore Reserves of 459,900 t @ 1.89 g/t gold for 28,000 ounces[2]
- 323 km^2 surrounding exploration package containing numerous gold and copper targets

[2]Refer ASX release 5 June 2020, to be adjusted following Tailings Sale & NSR Royalty Agreement, refer ASX release 3 August 2020

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STRELLEY PROJECT (Carnaby 100%)

First pass aircore and RC drilling programs were completed at Strelley in December 2020. The aim of the first pass drill programs was to scope out the Tabba Tabba and Berghaus Shear Zone structural pathways for evidence of broad mineralised trends beneath the shallow sand cover (Figure 1).

The average depth of holes across the aircore program was 30 m with transported cover averaging approximately 15m. The majority of the aircore drilling was completed at 80 m hole spacing and 320 to 640m traverses. At this extremely wide hole spacing and shallow hole depth, the aircore drilling program was designed to target secondary gold anomalism and define broad geochemical trends for future follow up infill drilling.

The drilling has successfully identified two main corridors of gold mineralisation at Stockade / Gibraltar and at Palisade, both of which are over 4 km in strike and sparsely drilled (Figure 2). Followed up drilling programs are planned to commence in February 2021.

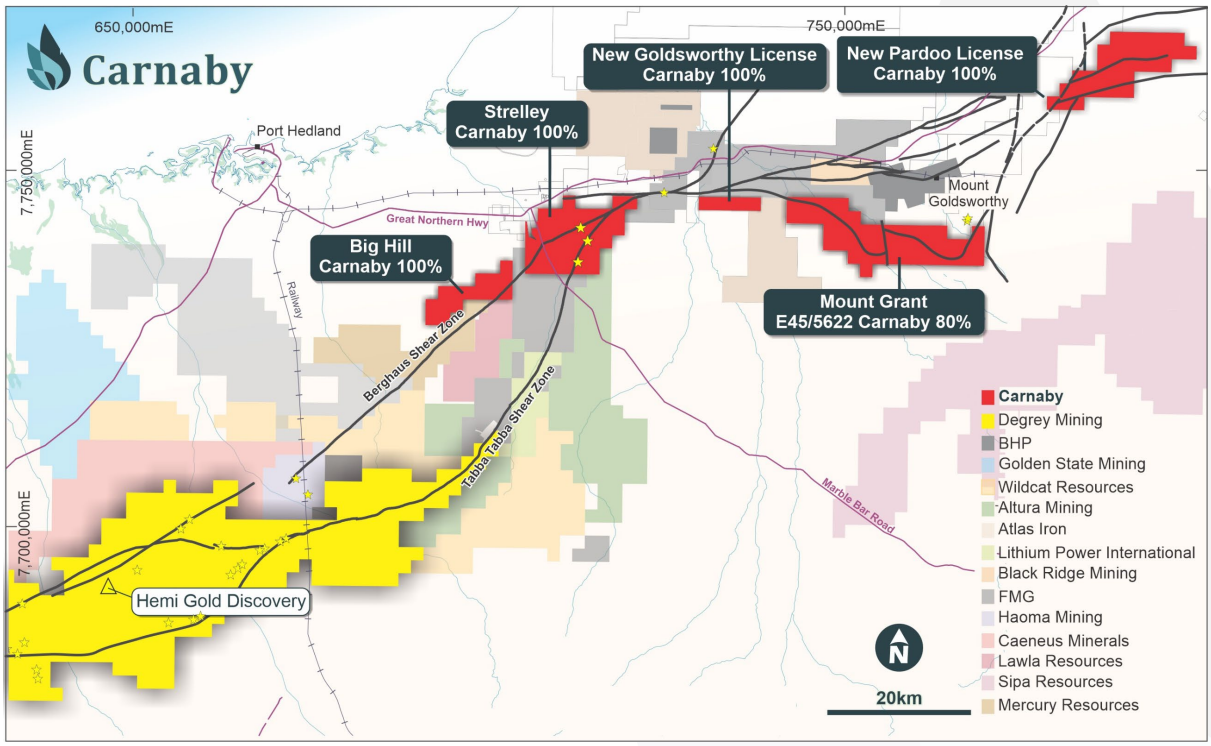

Figure 1. Carnaby Mallina Basin tenements showing location of the Strelley project.

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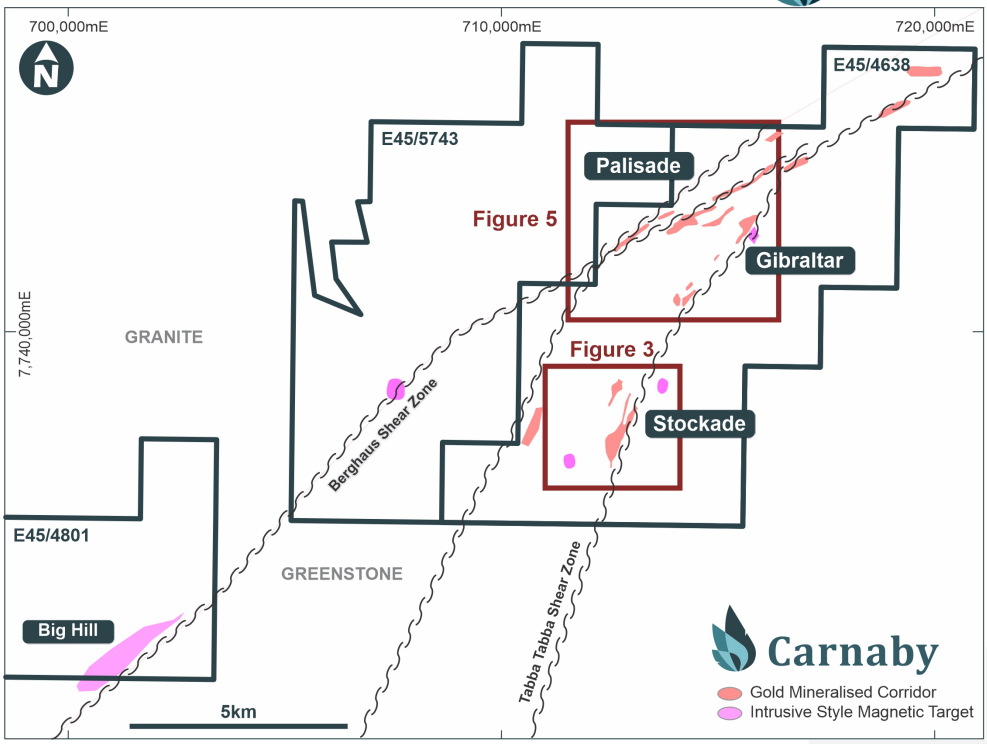

Figure 2. Strelley project location map showing location gold mineralised corridors and intrusion style magnetic targets.

Stockade Prospect

Wide spaced and shallow aircore and RC drilling has identified a greater than 1 km long gold mineralised corridor at Stockade which requires immediate follow up drilling. The corridor is open to the north from a new aircore result of **2m @ 2.15 g/t gold from 6m including 1m @ 3.85 g/t gold from 7m in PLAC0032** (Figure 3 A-A' & Figure 4).

Significant results from the drilling at Stockade include;

- PLAC0032 **2m @ 2.15 g/t gold inc 1 m @ 3.85 g/t from 7m**
- PLAC0003 **1m @ 0.32 g/t gold from 18m Bottom of hole (BOH)**
- PLRC0003 1m @ 2.35 g/t gold from 7 m,
  3m @ 0.37 g/t gold from 14m,
  7m @ 0.68 g/t gold inc 2m @ 1.6 g/t from 20m,
  2m @ 0.25g/t gold from 35m and
  2m @ 0.67 g/t gold from 48m inc 1 m @ 1.14 g/t from 48m
- PLRC0004 5m @ 0.13 g/t gold from 2m and
  6m @ 0.63 g/t gold from 89m inc 1m @ 2.1 g/t from 90m
- PLRC0005 8m @ 0.13 g/t gold from 115m and
  15m @ 0.17 g/t gold from 135m BOH
  Inc 1m @ 0.46 g/t from 149m BOH

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The drilling completed to date is on very broad spacing averaging approximately 200 m drill line traverses and 80 m hole spacing.

Gold mineralisation is hosted within a strongly altered and sheared quartzite and schist unit surrounded by mafic rocks. A single small outcropping hill in the central part of the anomaly represents the only known outcrop of basement in the entire Strelley project area.

Three RC holes drilled on the central outcropping hill drill section intersected broad zones of gold mineralisation in steeply dipping shears with results up to **7m @ 0.68 g/t gold inc 2m @ 1.6 g/t gold** from 20 m in PLRC0003 and **6 m @ 0.63 g/t gold** from 89 m in PLRC0004 (Figure 3 B-B' & Figure 5).

A shallow aircore traverse drilled 200 m north of the outcropping hill RC drill section on a wide spaced 80m hole spacing has intersected a continuation of the mineralised trend in PLAC0032 which recorded **2m @ 2.15 g/t gold from 6m including 1m @ 3.85 g/t gold from 7m in PLAC0032** and remains open to the north (Figure 3 A-A' & Figure 4).

A shallow aircore drill traverse on 80m hole spacing has intersected the southern continuation of the mineralised corridor with a result of **1 m @ 0.32 g/t gold from 18m BOH in PLAC0003** (Figure 3 C-C' & Figure 6). The nearest drilling along strike to PLAC0003 is 320m to the north and 200m to the south where historical RC drilling intersected 1 m @ 6.65 g/t gold and 8 m @ 0.69 g/t gold.

In addition to the main Stockade mineralised corridor, a second parallel trend is emerging approximately 1km to the northwest (Figure 3). A single RC hole PLRC0005 intersected a broad gold mineralised zone which appears to be increasing in gold grade down hole with results of 8m @ 0.13 g/t gold from 115m and **15 m @ 0.17 g/t gold from 135m including 1 m @ 0.46 g/t gold from 149m BOH**. This hole will be extended with RC or diamond tail.

Several other high priority targets exist in the Stockade area including untested intrusion style magnetic anomalies and other geochemical trends identified in shallow historical drilling (Figure 2 & 3). **The signing of the special lease land access agreement as announced on the 23 December 2020 (See ASX Release) has allowed these targets to now be fully tested in the upcoming drilling programs. Drilling can now commence for the first time on the southern extension of the Stockade gold mineralised corridor.**

The drilling at Stockade has clearly identified broad gold mineralised corridors over greater than 1 km strike on wide spaced and shallow drilling and is a high priority target for follow up drilling commencing in February 2021.

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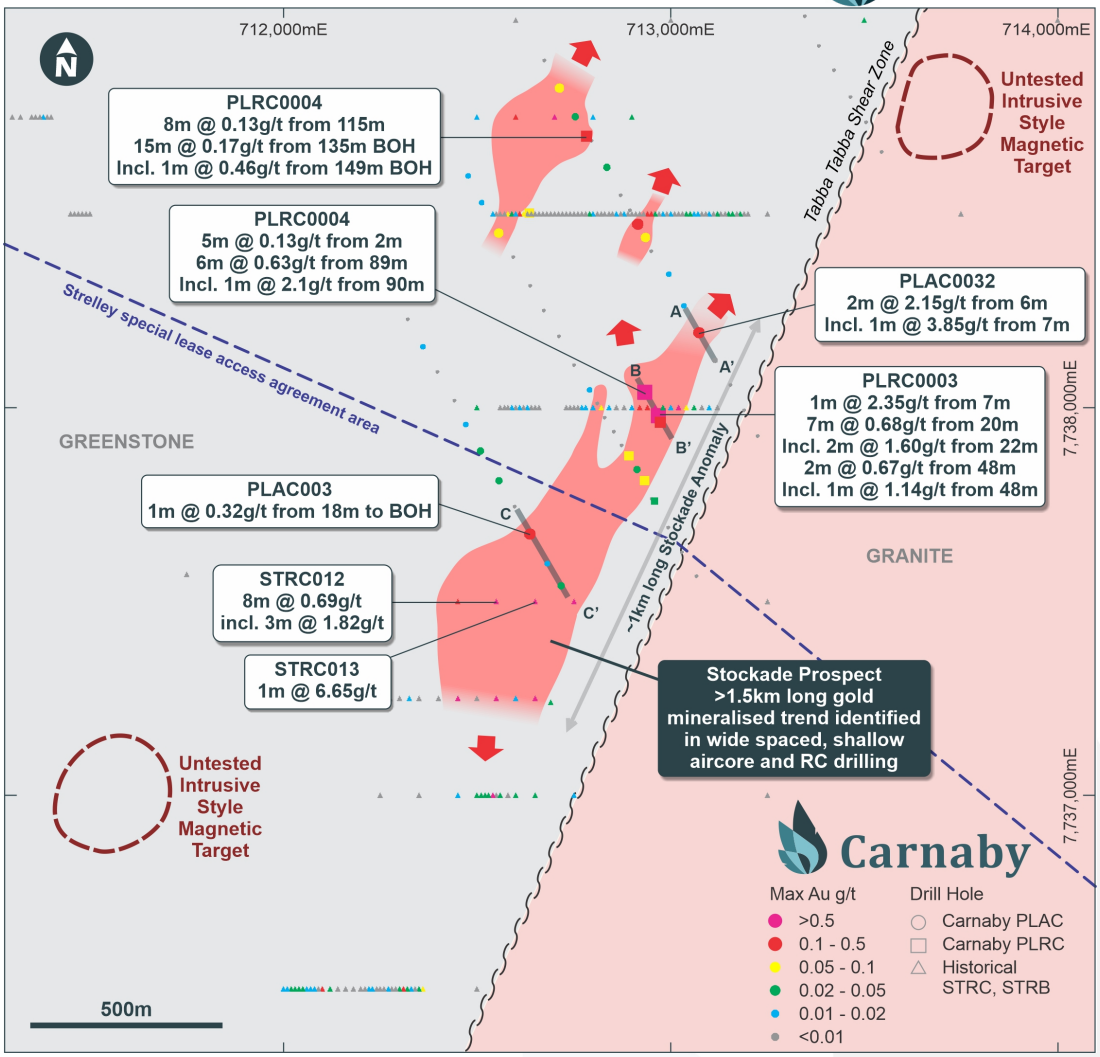

Figure 3. Stockade location map showing drill results, gold mineralised corridors and intrusion style magnetic targets.

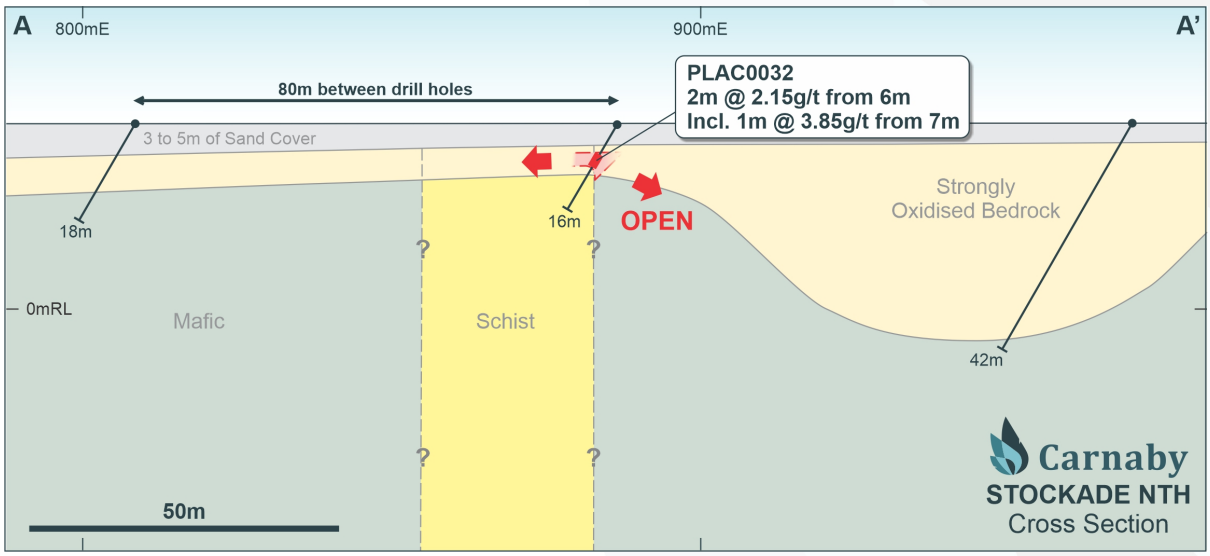

Figure 4. Stockade Drill Section A-A'.

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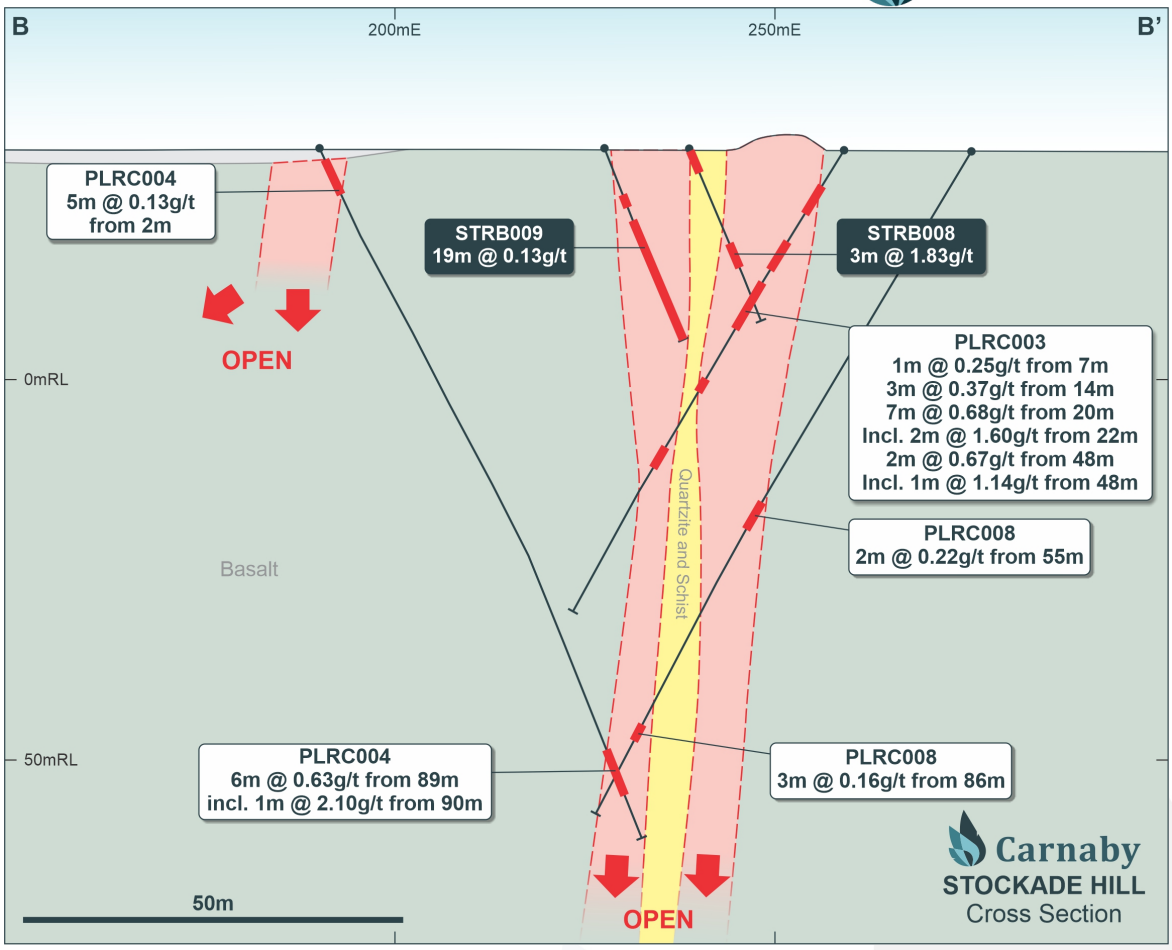

Figure 5. Stockade Hill Drill Section B-B'.

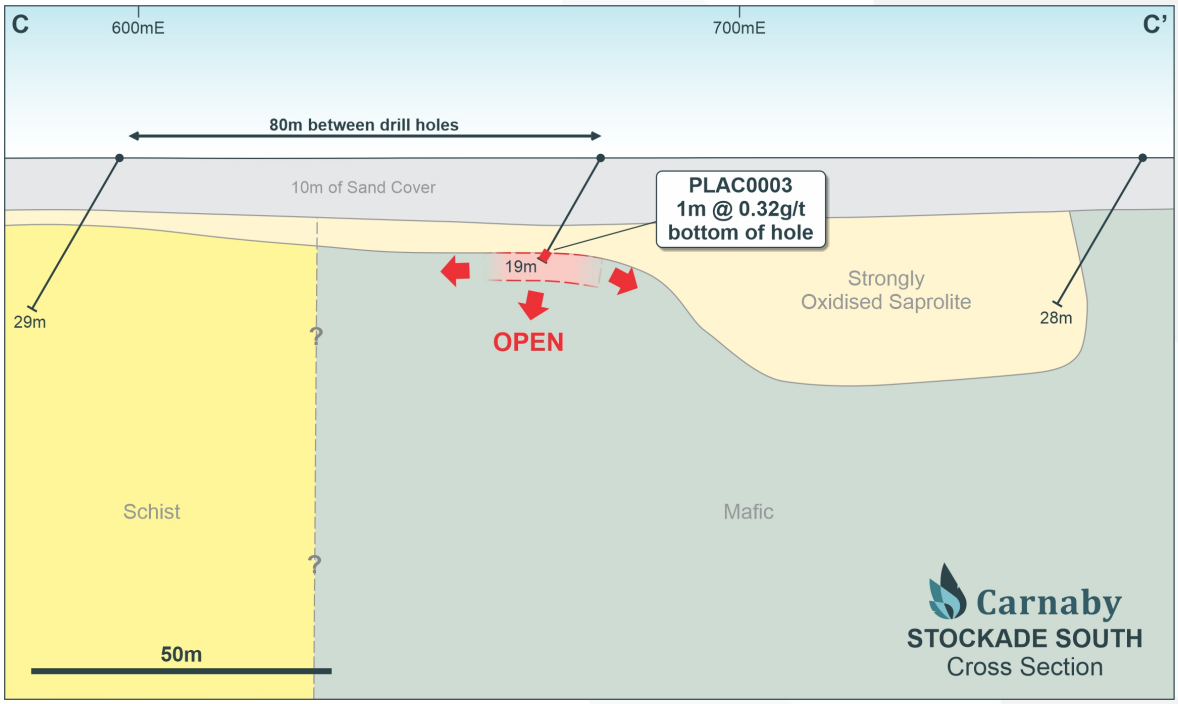

Figure 6. Stockade Drill Section C-C'.

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Palisade Prospect

At the Palisade prospect shallow and wide spaced aircore drilling has defined a **4 km long gold anomaly** along the interpreted northeast extension of the Berghaus Shear Zone into the Tabba Tabba Greenstone belt (Figure 7).

A new greater than 1.2 km long eastern extension of Palisade has been discovered in wide spaced and shallow aircore drilling on 640 m x 80 m spacing. Significant results include:

- PLAC0261 **3m @ 0.33 g/t gold inc 1 m @ 0.65 g/t from 17m**
- PLAC0292 **1m @ 0.45 g/t gold from 16 m**
- PLAC0302 **1m @ 1.08 g/t gold from 42 m**
- PLAC0201 **2m @ 0.29 g/t gold inc 1m @ 0.45 g/t from 14m**

At the western extension of Palisade a new bedrock hosted gold anomaly has been intersected on wide spaced and shallow aircore drilling on 640 m x 80 m hole spacing. Results include 1m @ 0.088 g/t gold from 31m to bottom of hole in PLAC0148 (Figure 7).

In the central Palisade area a 1 km long and up to 300m wide zone of anomalous gold is hosted in a flat secondary calcrete horizon at the interface between cover and basement rocks. First pass RC drilling directly under the calcrete gold anomaly has not yet determined the source of the gold anomaly, which may have re-mobilised laterally from a primary source.

The Palisade prospect is a highly prospective and high priority target discovered in extremely wide spaced and shallow drilling. Follow up drilling in search of the source of the 4 km long Palisade gold anomaly will form part of a phase two drilling program to commence in February 2021.

Gibraltar Prospect

The Gibraltar prospect is located on the eastern edge of the Tabba Tabba Greenstone and is hosted in sheared mafic rocks where historical RC drill results up to **10m @ 1.6 g/t gold including 2 m @ 5.7 g/t gold has been intersected.**

Limited follow up RC drilling intersected 2m @ 0.36 g/t gold from 145m including 1 m @ 0.58 g/t gold from 145m in PLRC0002 close to the bottom of hole at 150m, indicating that gold grades may be increasing towards the bottom of the hole (Figure 7). PLRC0002 will be extended with a diamond core tail in order to better understand the style and orientation of gold mineralisation at Strelley where the basement rocks are completely masked by shallow sand cover except for a single small, 20m long outcrop of quartzite at Stockade.

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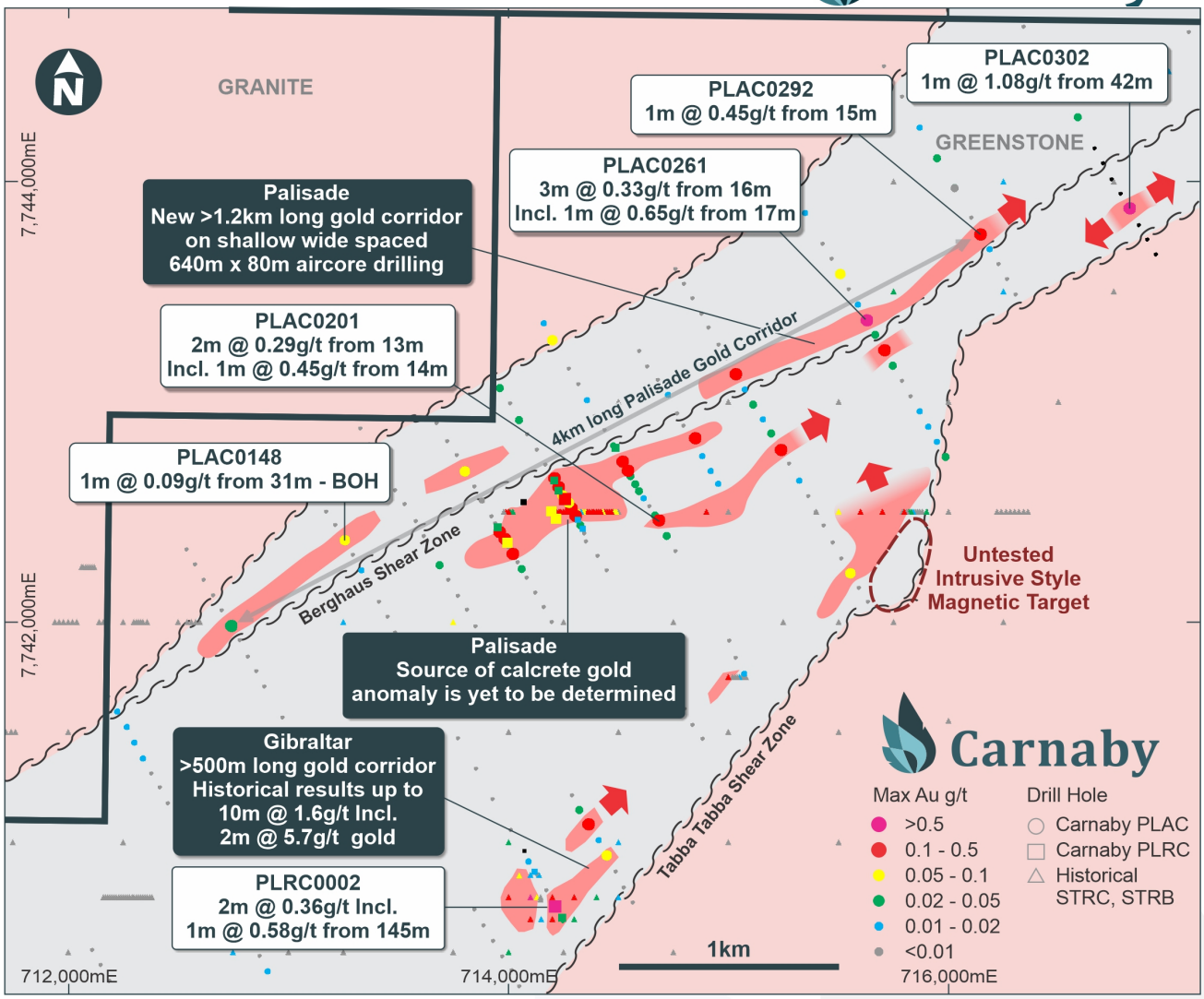

Figure 7. Palisade and Gibraltar location plan showing new drill results.

TICK HILL PROJECT (Carnaby 100%)

New high grade RC drill results have confirmed that the Tick Hill Main Lode extends 20m into the north wall of the historical open pit that produced 180,000oz @ 18.1 g/t from a 70m deep open pit (Figure 8).

The drilling intersected high grade gold mineralisation hosted in laminated lode including;

- CBC037 **1m @ 12.45 g/t gold** from 82m
- CBC038 **1m @ 7.95 g/t gold** from 92m
- CBC033 **3m @ 2.30 g/t gold** from 85m

Drilling closer to the historical north pit wall edge, where higher gold grades and wider zones of gold mineralisation are present in historical grade control results, was not possible due to restricted available drill platforms. Importantly the results have confirmed that the high-grade

gold mineralisation in historical grade control results does continue 20m into the north pit wall.

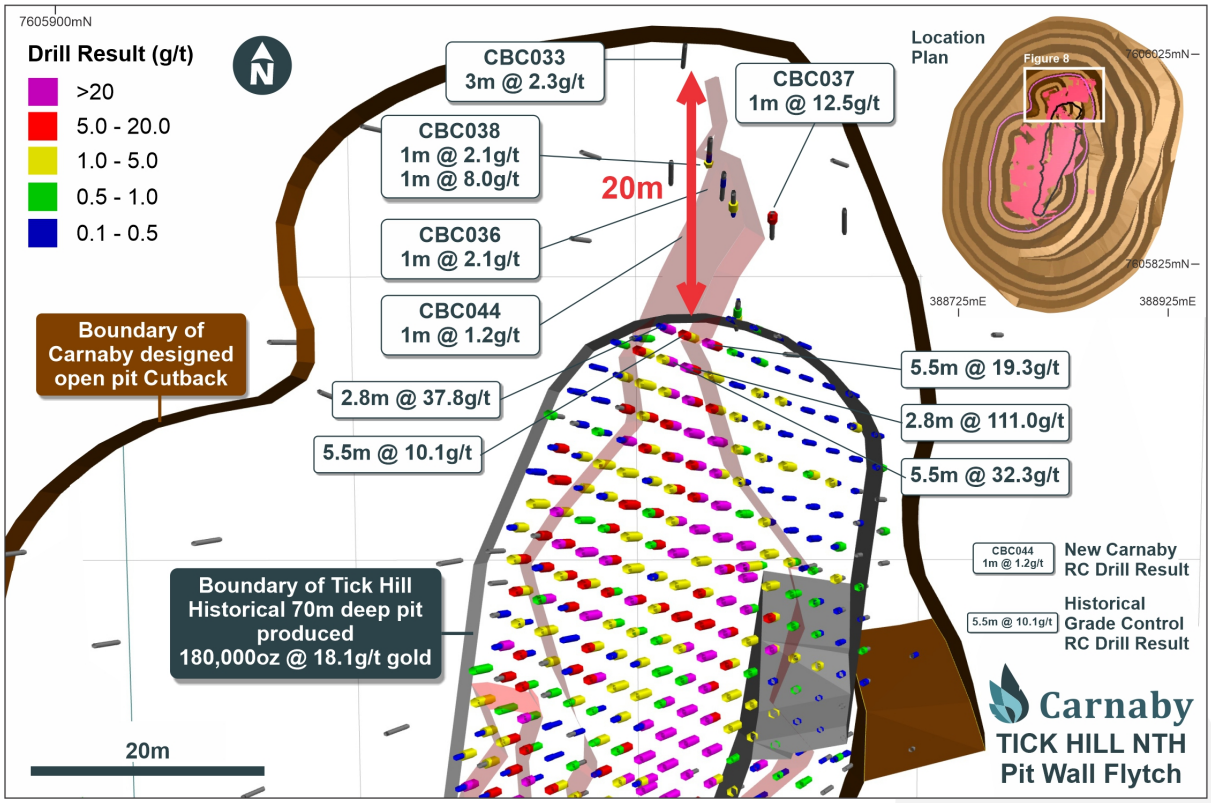

Figure 8. Tick Hill North Pit Wall Drill Results on horizontal Flitch section.

The North pit wall extension forms part of the mineral inventory for the Tick Hill open pit cutback and the results released today have further de-risked the open pit cutback project. The Tick Hill open pit cutback is forecast to produce **63,300t @ 6.1 g/t for 12,500oz** generating pre-tax cashflows of **~$15M at AISC of A$1,190/oz**[1]. Carnaby is actively pursuing development options for the Tick Hill open pit cutback and is completing additional permitting requirements. A decision to mine and / or agreement to divest part or all of the open pit cutback project is continuing to be evaluated and discussed with 3rd parties.

A single diamond drill hole was completed at Tick Hill deeps in December 2020. Processing and analysis of the core is continuing with results only received from a small section of core with no significant results received to date.

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CORPORATE

Carnaby remains in a strong financial position with cash of $9.1M[2], less December quarter expenditure, available to internally fund ongoing exploration programs. Funds from the sale of the Tick Hill Tailings project continue to be accumulated with $3.25 M cash received to date and **a further $0.75M to be received on 4 March 2021** due to full-scale production from the Tailings officially commencing on 19 January 2021. Carnaby will also start receiving proceeds from a **5% royalty** on all the tailings processed from Tick Hill, which is forecast to be approximately **$2M**.

[1]Refer to ASX release 5 June 2020 for full details regarding the Tick Hill PFS

[2]Refer to ASX release 30 December 2020

Further information regarding the Company can be found on the Company's website www.carnabyresources.com.au

For further information please contact:
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+61 8 9320 2320

Competent Person Statement

The information in this document that relates to exploration results is based upon information compiled by Mr Robert Watkins. Mr Watkins is a Director of the Company and a Member of the AUSIMM. Mr Watkins consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears. Mr Watkins has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code).

Disclaimer

References may have been made in this announcement to certain ASX announcements, including references regarding exploration results, mineral resources and ore reserves. For full details, refer to said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and the mentioned announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Exploration Target(s) or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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Table 1. Strelley Aircore & RC Drill Results

Location	Hole ID	Easting	Northing	Azimuth	Dip	Depth From	Interval	Au (g/t)	Comments
STOCKADE	PLAC0003	712636	7737675	330	-60	18	**1**	**0.32**	**Bottom of Hole**
STOCKADE	PLAC0025	712555	7738450	0	-90	49	1	0.05	
STOCKADE	PLAC0032	713072	7738194	330	-60	6 incl 7	**2** **1**	**2.15** **3.85**	
STOCKADE	PLAC0036	712914	7738474	330	-60	10	1	0.15	
STOCKADE	PLAC0041	712712	7738825	330	-60	32	1	0.08	
GIBRALTAR	PLAC0096	714446	7740939	330	-60	11	1	0.07	
GIBRALTAR	PLAC0098	714364	7741083	330	-60	10	1	0.12	
PALLISADE	PLAC0148	713256	7742369	330	60	31	**1**	**0.09**	**Bottom of Hole**
PALLISADE	PLAC0201	714684	7742460	330	-60	13	**2**	**0.29**	
PALLISADE	PLAC0205	714519	7742730	330	-60	15	**2**	**0.25**	
PALLISADE	PLAC0213	714200	7743278	330	-60	14	2	0.05	
PALLISADE	PLAC0229	715553	7742220	330	-60	33	1	0.07	
PALLISADE	PLAC0237	715238	7742780	330	-60	13	2	0.14	
PALLISADE	PLAC0259	715715	7743237	330	-60	12	3	0.11	
PALLISADE	PLAC0261	715632	7743380	330	-60	16 incl 17	**3** **1**	**0.33** **0.65**	
PALLISADE	PLAC0264	715509	7743588	330	-60	15	1	0.05	
PALLISADE	PLAC0292	716145	7743761	330	-60	16	**1**	**0.45**	
PALLISADE	PLAC0302	716822	7743878	330	-60	42	**1**	**1.08**	
PALLISADE	PLAC0309	716424	7744561	330	-60	19	1	0.07	
PALLISADE	PLAC0358	719038	7745158	330	-60	24	1	0.1	
PALLISADE	PLAC0395	714306	7742481	330	-60	13	2	0.16	
PALLISADE	PLAC0396	714275	7742540	330	-60	14	1	0.27	
PALLISADE	PLAC0400	714540	7742690	330	-60	13	**2**	**0.25**	
STOCKADE	PLAC0404	712934	7738439	330	-60	5	1	0.05	
GIBRALTAR	PLRC0002	714213	7740708	328	-59	145 incl 145	**2** **1**	**0.36** **0.58**	
STOCKADE	PLRC0003	712968	7737980	326	-59	7 14	**1** 3	**2.35** 0.37	
						20 incl 22	**7** **2**	**0.68** **1.60**	
						35	2	0.25	
						48 incl 48	**2** **1**	**0.67** **1.14**	
STOCKADE	PLRC0004	712937	7738040	146	-61	2	5	0.13	
						89 incl 90	**6** **1**	**0.63** **2.10**	
						91 incl 94	4 1	0.29 0.43	

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Location	Hole ID	Easting	Northing	Azimuth	Dip	Depth From	Interval	Au (g/t)	Comments
STOCKADE	PLRC0005	712783	7738701	330	-66	115	8	0.13	
						135 incl 149	15 **1**	0.17 **0.46**	**Bottom of Hole**
STOCKADE	PLRC0008	712973	7737963	328	-59	55	2	0.22	
						86	3	0.16	
PALLISADE	PLRC0010	714258	7742559	151	-60	14	1	0.10	
STOCKADE	PLRC0017	712932	7737812	334	-58	25	3	0.16	
PALLISADE	PLRC0020	713996	7742360	329	-58	14	1	0.15	
STOCKADE	PLRC0021	712634	7738502	271	-60	91	2	0.12	
STOCKADE	PLRC0022	714458	7740929	332	-59	25	1	0.17	

Strelley aircore significant intercepts were calculated using a lower cutoff of 0.05g/t and no internal dilution. Strelley RC significant intercepts were calculated using a lower cutoff of 0.10g/t and a maximum of 3m of internal dilution.

Table 2. Tick Hill RC Drill Results

Location	Hole ID	Easting	Northing	Azimuth	Dip	Depth From	Interval	Au (g/t)	Comments
TICK HILL	CBC033	388843	7606044	196.7	-54.5	85	3	**2.30**	
TICK HILL	CBC035	388844	7606042	187.8	-46.5	72	1	**1.39**	
TICK HILL	CBC035	388844	7606042	187.8	-46.5	76	2	0.55	
TICK HILL	CBC035	388844	7606042	187.8	-46.5	88 incl 89	**2** **1**	**1.55** **2.41**	
TICK HILL	CBC036	388845	7606046	57.0	-48.9	78	1	**2.06**	
TICK HILL	CBC036	388845	7606046	57.0	-48.9	92	1	**1.21**	
TICK HILL	CBC037	388845	7606044	186.2	-46.1	82	1	**12.45**	
TICK HILL	CBC038	388846	7606045	196.1	-48.5	82	1	**2.12**	
TICK HILL	CBC038	388846	7606045	196.1	-48.5	92	1	**7.95**	
TICK HILL	CBC043	388844	7606016	0.0	-90.0	0	8	0.70	composite
TICK HILL	CBC044	388842	7606042	188.4	-47.6	76	1	0.56	
TICK HILL	CBC044	388842	7606042	188.4	-47.6	82	1	**1.24**	

Tick Hill significant intercepts were calculated using a lower cutoff of 0.5g/t and a maximum of 1m of internal dilution.

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Section 1. Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• Strelley Aircore samples were collected using a cyclone with a 1-2kg scoop sub-sample taken from either individual metre intervals or over composite intervals of 2-10m. Where the composite result exceeded 50ppb, the individual 1m samples composing the composite were scoop sampled and submitted for analysis. • Strelley RC samples were collected via an adjustable cone splitter mounted below the cyclone. A 2-3kg sample was collected from each 1m interval. The remainder of the sample for each 1m interval was collected in a green plastic bag. Composite samples were collected from the green bags using a spear tube over a 5m interval. Where the composite result exceeded 50ppb, the 1m cone split samples comprising the interval were collected for analysis. • Samples from aircore and RC were pulverised to obtain a 25g charge for aqua regia digest and ICP-MS analysis of Gold at trace level. The end of hole sample of every air core hole at Strelley was analysed for full-suite multi-elements using aqua regia digest and a ICP-MS finish at trace level in addition to gold. All 1m resampling of composite intervals at Strelley were pulverised to obtain a 50g charge and analysed using Fire Assay with an AAS finish at Ore Grade detection levels. • Recent Tick Hill RC samples were collected via an adjustable cone splitter mounted below the cyclone. A 2-3kg sample was collected from each 1m interval. Samples were pulverised to obtain a 25g charge for aqua regia digest and ICP-MS analysis of Gold at ore grade level. • NQ sized half or quarter cut core samples from the diamond hole at Tick Hill are being analysed for trace level Gold using a 25g aqua regia digest and ICP-MS finish and trace level Copper, Cobalt and Silver using the same digest with an ICP-MS finish.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Aircore drilling total 372 holes for 11,127m drilled by Bostech drilling. • RC drilling total 37 holes for 1080m drilled by Ranger Drilling.

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Criteria	JORC Code explanation	Commentary
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• For the diamond drilling both drilled and recovered metres were recorded for each drill run. • RC samples were dry and with high recoveries. The cone splitter was set to achieve an approximate 2-3 kg of sub sample for every metre drilled. • Aircore samples were recovered dry and with consistent high sample recovery observed in the field.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	• Logging was completed by geologists and is at a level sufficient to generate maps, plans and sections found in company reports. • All core and chips from the recent programme were logged with Maxgeo Logchief software and uploaded to the Maxgeo database. • Tick Hill core and RC chips were photographed.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• NQ drill core was half cut with core from the non-marked side of the orientation line taken for analysis. The majority of intervals of half cut core were 1m. Where the core interval exceeded 1.6m, the core was quarter cut. The majority of quarter cut intervals were 2m in length. • For RC samples, all individual samples were collected using a cone splitter mounted beneath the cyclone to collect a 2-3kg sample. RC composite samples >1m were sampled using a 50mm spear/tube from inside the bulk green bag sample. The sample collect was dry. • The sample size collected is considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• RC drill samples from the Tick Hill Pit were analysed at ALS using a 25g aqua regia digest and an ICP-MS finish for ore grade level gold level. A blank sample was inserted at the start of each hole and 2 different Carnaby selected standards were used, alternating at every 25th sample. Diamond core at Tick Hill was analysed at ALS using a 25g aqua regia digest and an ICM-MS finish for trace level gold, silver, copper and cobalt. • Air core and RC samples from Strelley were analysed at ALS in Perth using a 25g aqua regia digest and an ICP-MS finish for trace level gold. Carnaby selected standards of various levels were inserted at approximately every 50th sample. 1m resamples of composite samples exceeding 50ppb were sent to ALS Perth for analysis using a 50g charge and fire assay with an AAS finish at ore grade detection levels. Carnaby selected standards were inserted at ever 20th sample.

Criteria	JORC Code explanation	Commentary
		• Acceptable levels of accuracy and precision have been established.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• At the prospect scale the quality of the Strelley data is currently considered acceptable for exploration purposes. Further investigation and validation will be undertaken as work programs progress.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Grid systems used for Strelley was MGA94/50. • Grid Systems used for Tick Hill was MGA94/54.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Reconnaissance aircore and RAB drilling was completed at 640m x 80m spacing, closed up to 320m x 40 m at Palisade.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The southern half of the project containing the Tabba Tabba Shear strikes approximately NNE and is considered to be well tested with EW drill and soil sample lines. In the northern half of the project where the Tabba Tabba Shear bends to a NE orientation coincident with a NE fault, the orientation of the historical soil sampling and drill traverses is considered to be at a non optimal orientation. • New drill lines at Strelley have been orientated perpendicular to the interpreted strike of the major shear zones to reduce any potential sampling bias of the zones being reported.
Sample security	• The measures taken to ensure sample security.	• Drill samples for Strelley were dispatched by Carnaby staff directly to the transport company depot in Port Hedland for transport to ALS labs in Perth. • Drill samples from Tick Hill were taken directly to the Mt Isa ALS sample preparation facility by Carnaby Staff.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No external audits or reviews have been undertaken of the recent sampling techniques and data.

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Section 2. Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section).

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• ELA45/5614 is an exploration licence application owned 100% by Carnaby Resources Ltd. • E45/4638 is a granted exploration license which is being transferred from Lithium Power WA Holdings Pty Ltd (LPWA) to Carnaby Resources Ltd as part of an agreement whereby LPWA's parent, Lithium Power International Ltd retains certain mineral rights relating to Lithium minerals. Carnaby own 100% of the gold rights on the tenement. Heritage survey and plan of works have been completed on the tenement.
Acknowledgment and appraisal of exploration by other parties.	• Acknowledgment and appraisal of exploration by other parties.	• Shaw River Manganese Limited completed the original gold exploration on the tenement delineating several gold anomalies in soils and drilling.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Strelley project is located in the northern part of the Archean Pilbara Craton. The tenement is located within the Mallina basin group greenstone and intrusives on the district scale Tabba Tabba Shear zone which hosts significant gold mineralisation to the SW within De Greys Mining Ltd's tenure. The recent discovery of the intrusion related Hemi gold discovery by De Grey Mining Ltd has generated significant new interest in the Mallina Basin. Within the Strelley project late intrusive rocks equivalent in age to the Hemi gold discovery are present. Gold mineralisation intersected in the Strelley project to date is associated with silicification and quartz veining.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Included in report. Refer to the report and Table 1.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Strelley aircore significant intercepts were calculated using a lower cutoff of 0.05g/t and no internal dilution. Strelley RC significant intercepts were calculated using a lower cutoff of 0.10g/t and a maximum of 3m of internal dilution. • Tick Hill significant intercepts were calculated using a lower cutoff of 0.5g/t and a maximum of 1m of internal dilution. • Higher grade intercepts have been separately reported where applicable. • Metal equivalents have not been used.

Criteria	Explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• All drill intercepts have been reported as downhole lengths and not enough information is present to know the true widths of these intersections.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• See the body of the announcement.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• The exploration results should be considered indicative of mineralisation styles in the region.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• As discussed in the announcement
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Planned exploration works are in the process of being prepared.

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