Carnaby

ASX Announcement

24 June 2021

OUTSTANDING DRILL RESULTS AT NIL DESPERANDUM

30m @ 1.8% Copper within 56m @ 1.2% Copper

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to provide an exploration update for the Greater Duchess Copper Gold Project in Mount Isa, Queensland.

Highlights – Greater Duchess Copper Project, Mount Isa, Queensland

- Broad zones of copper-gold mineralisation have been intersected at Nil Desperandum extending over 300m and completely open at depth from a result of **30m @ 1.8% copper within 56m @ 1.2% copper in NLRC017.**
- RC drill results from first 3 RC drill holes include;
  - NLRC001 5m @ 0.6% copper from 146m
    and **15m @ 1.5% copper** from 211m
    including **11m @ 2.0% copper**, 0.3 g/t gold from 215m
    including **4m @ 4.3% copper, 0.6 g/t gold** from 222m
  - NLRC002 8m @ 0.6% copper from 33m
    and 9m @ 0.4% copper from 51m
    and **52m @ 0.7% copper from 73m**
    including **6m @ 2.5% copper from 73m**
  - **NLRC017** **4m @ 1.6% copper from 174m**
    and 8m @ 0.4% copper from 190m
    and **56m @ 1.1% copper** from 221m
    including **30m @ 1.8% copper,** 0.3 g/t gold from 242m
    and including **9m @ 3.1% copper,** 0.4 g/t gold from 268m
    including **3m @ 8.1% copper, 0.9 g/t gold** from 268m

The Company's Managing Director, Rob Watkins commented:

"These outstanding results from the first three RC holes indicate that we are in a large mineralised Iron Oxide Copper Gold system at Nil Desperandum which appears to be getting bigger and higher grade at depth. We eagerly await more drill results and look forward to additional RC and diamond drilling starting within the next two weeks."

Fast Facts

Shares on Issue 117.9M

Market Cap (@ 30 cents) $35.4M

Cash $8.0M[1]

[1]As of 31 March 2021

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
- Projects near to De Grey's Hemi gold discovery on 442 km^2 of highly prospective tenure
- Greater Duchess Copper Gold Project, numerous camp scale IOCG deposits over 323 km^2 of 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]

[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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NIL DESPERANDUM PROSPECT

The first three priority drill holes at Nil Desperandum have returned outstanding assay results over broad zones of copper gold mineralisation and have extended the southwest extent of the main zone to over 300m (Figure 1, 2, 3 & 5).

The standout result in NLRC017 of **30m @ 1.8% copper** from 242m within **56m @ 1.2% copper** from 221m including **9m @ 3.1% copper** from 268m including **3m @ 8.1% copper** from 268m is completely open at depth and includes the highest individual meter recorded copper grade from all drilling previously completed in the area of **11.2% copper** (Figure 1, 2 & 3).

Results from the adjacent drill hole NLRC001 also recorded broad zones of copper-gold mineralisation of **11m @ 2.0% copper**, 0.3 g/t gold from 211m including **4m @ 4.3% copper, 0.6g/t gold** from 222m (Figure 1, 2 & 3).

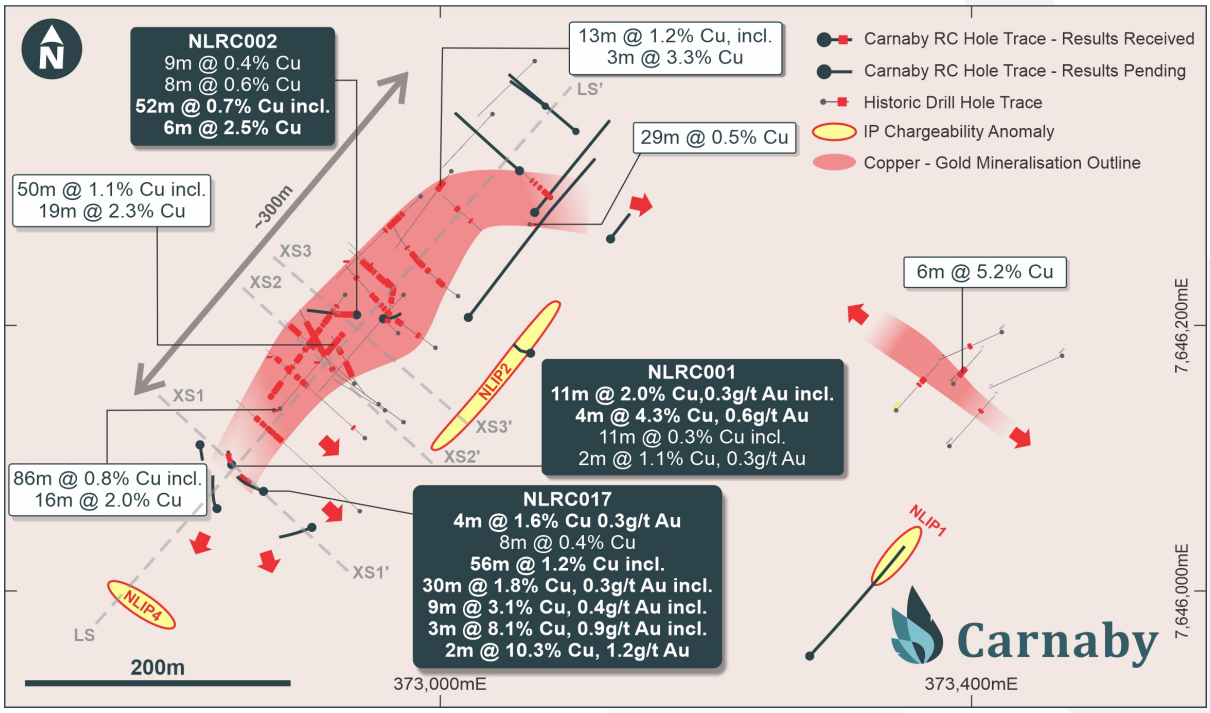

Figure 1. Nil Desperandum Plan Showing Location of New RC Drill Results.

Follow up drilling targeting extensions to the main zone mineralisation has been completed with results pending and further step out drilling is planned (Figure 2). Drill hole NLRC024 collared 45m south-east of NLRC017 has intersected broad zones of mostly disseminated pyrite and chalcopyrite from 232m to end of hole at 300m. The hole is interpreted to have ended in the hangingwall before reaching the main high grade lode mineralisation. NLRC024 will be extended with a diamond core tail to target the main lode position (Figure 3). A universal RC / diamond rig has been contracted and will commence drilling at Nil Desperandum within the next two weeks.

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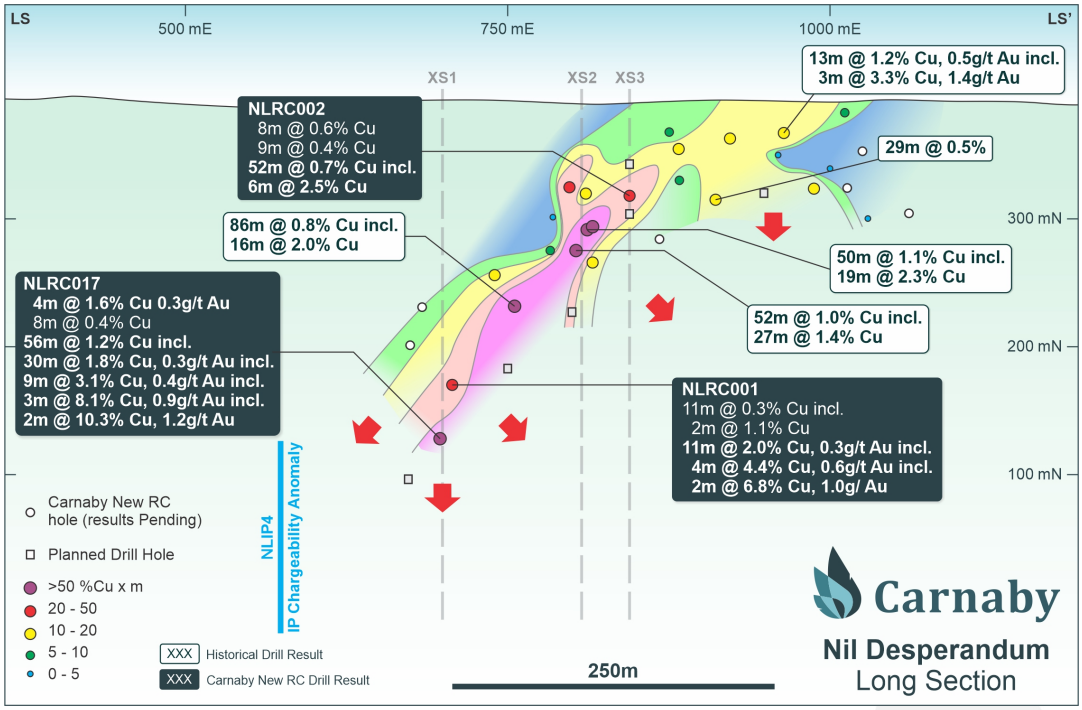

Figure 2. Nil Desperandum Long Section showing location of New RC Drill Results.

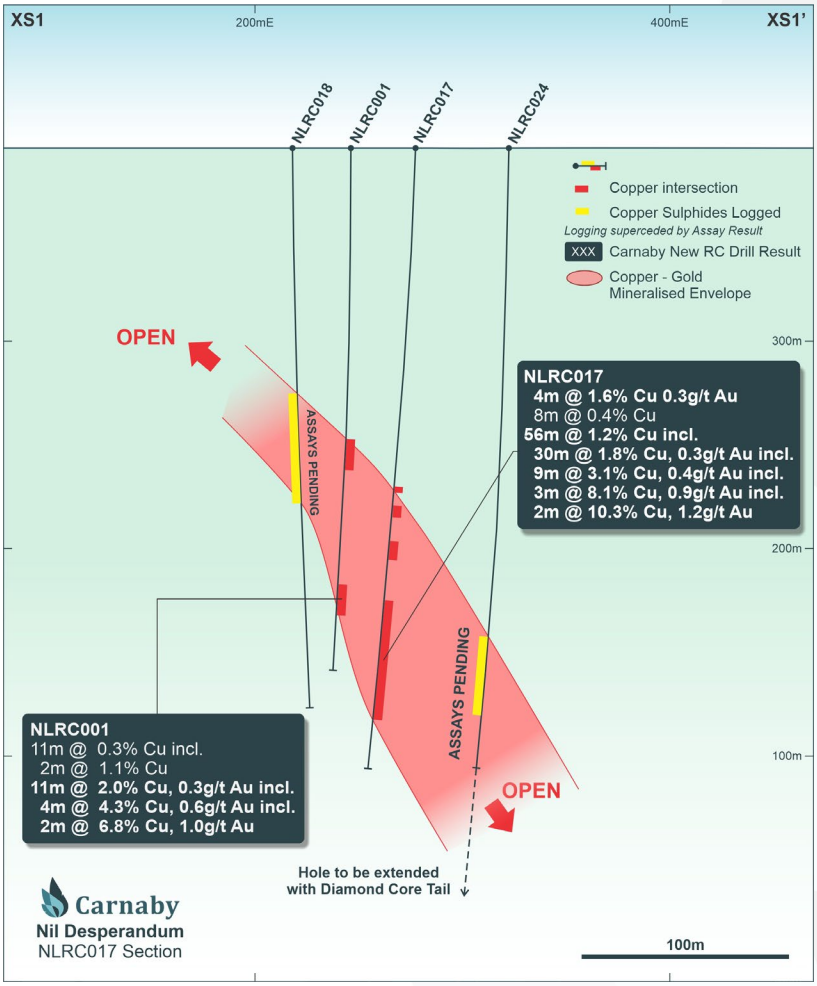

Figure 3. Nil Desperandum Cross Section XS1 Showing New RC Drill Results.

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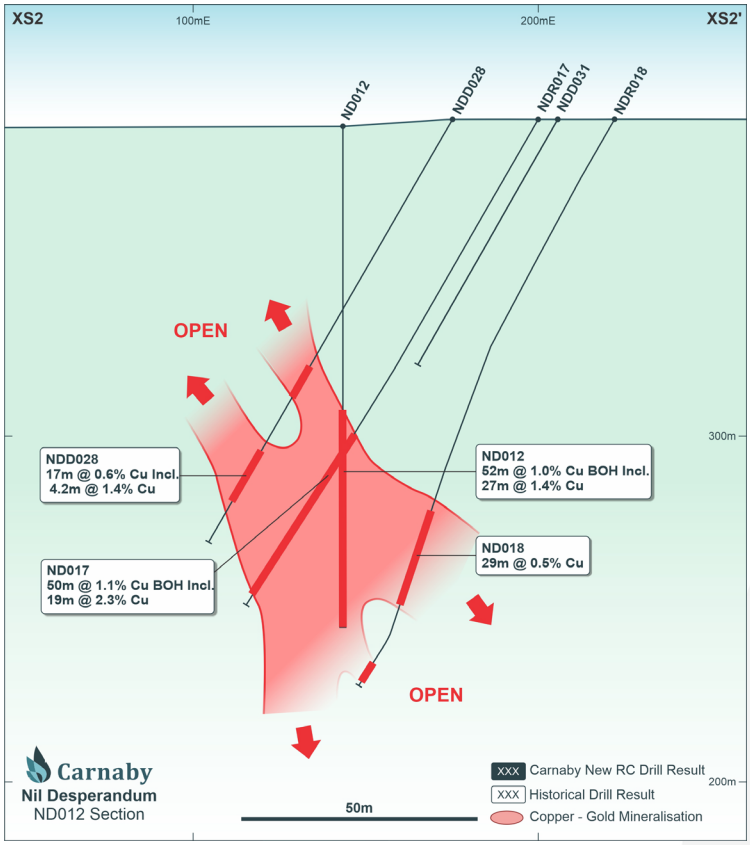

Figure 4. Nil Desperandum Cross Section XS2 Showing Historical RC Drill Results.

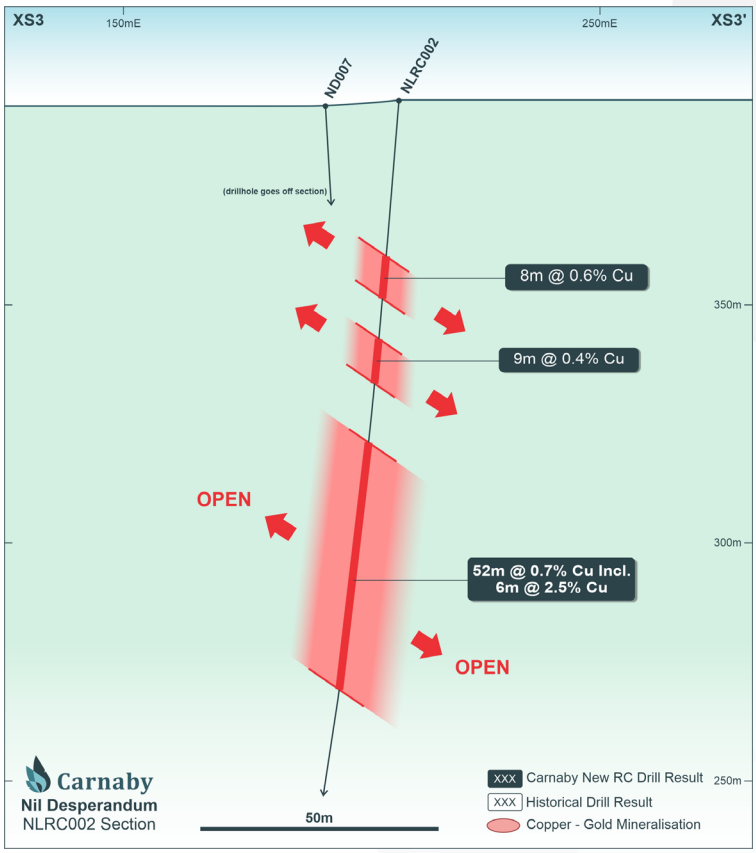

Figure 5. Nil Desperandum Cross Section XS3 Showing new NLRC002 Drill Results.

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Drill results have also been received for NLRC002 which intersected broad zones of disseminated and vein copper sulphides hosted in a biotite schist. Results from NLRC002 include 8m @ 0.6% copper from 33m and 9m @ 0.4% copper from 51m and **52m @ 0.7% copper** from 73m **including 6m @ 2.5% copper from 73m** (Figure 1, 2 & 5). NLRC002 was drilled in the up-plunge position to the main broad high grade zone intersected in historical hole ND012 of **52m @ 1.1% copper** from 93m to bottom of hole including **27m @ 1.4% copper** (Figure 2 & 4).

The broad zones of copper mineralisation intersected in NLRC002 are open east and west and require additional drilling to test the quantum of copper gold mineralisation in this up plunge section of Nil Desperandum.

The completed RC drilling has also targeted the shallow extension of the main zone mineralisation where the mineralised zone appears to bend around into a southeast striking orientation and join up with the Central Workings trend (Figure 1). Results from these holes are awaited.

RC drilling also targeted IP chargeability anomalies generated from the recent ground geophysical survey. A strong chargeability anomaly (NLIP2) immediately east of the main zone was drilled on section intersecting copper sulphide mineralisation at the approximate position of the IP anomaly suggesting that the IP chargeability is being caused by copper sulphide mineralisation. Results are awaited.

Likewise, the IP chargeability anomaly NLIP4 is located in the interpreted down plunge location of the main lode mineralisation and is yet to be drilled (Figure 1 & 2).

The IP anomalies are considered to represent vectors to copper sulphide mineralisation and are assisting with ongoing drill hole planning to determine the extent of the rapidly emerging and growing Nil Desperandum copper gold deposit.

Carnaby has completed 3,735 metres of RC drilling at Nil Desperandum in 18 holes in the first phase of drilling. Only partial results have been received from the three holes reported today. Results are awaited from all other holes drilled and a phase two follow up RC and diamond drilling program will commence within the next two weeks.

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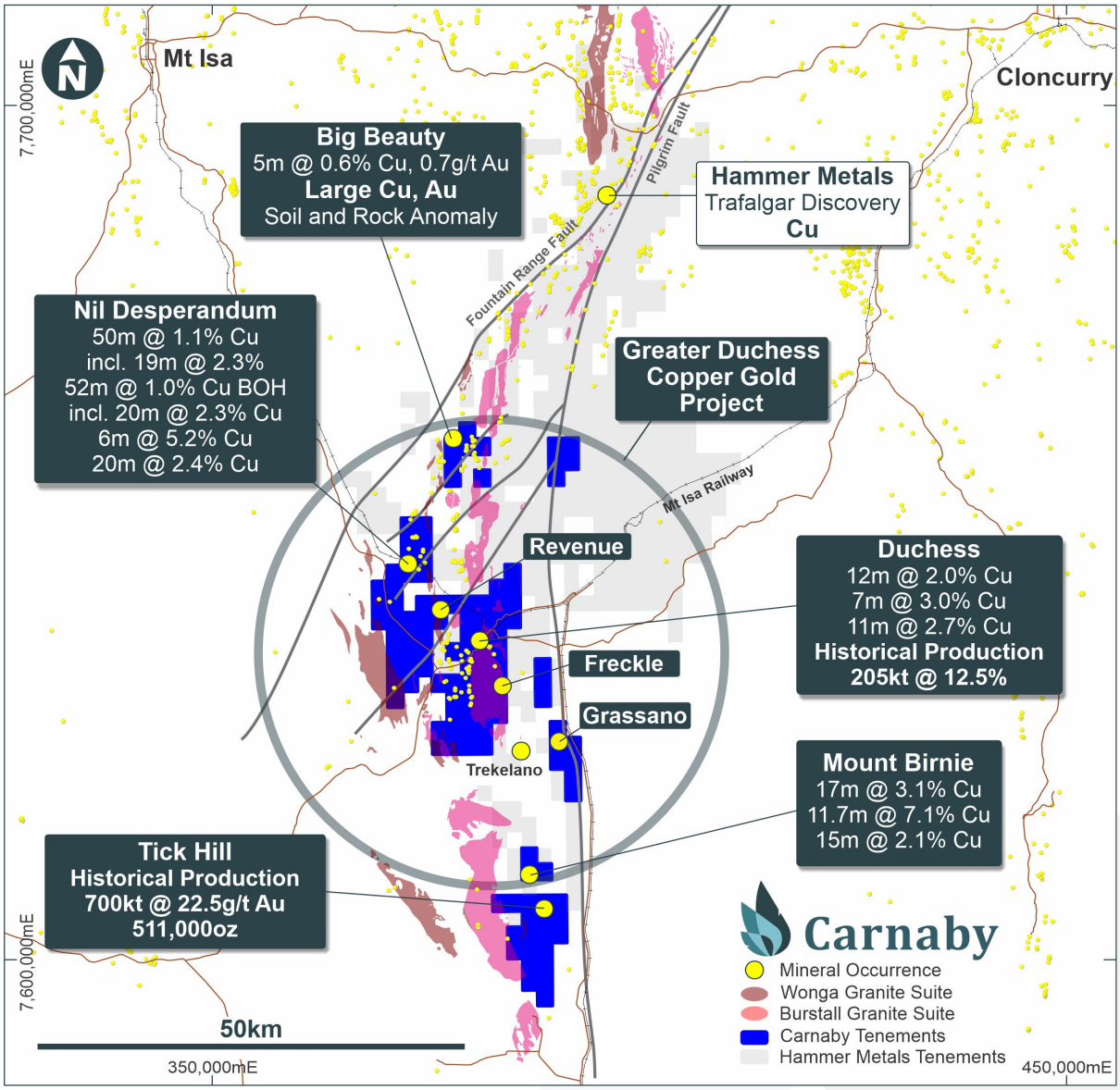

Figure 6. Greater Duchess Copper Gold project location map.

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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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.

Previously released ASX Material References that relates to announcement include:

Quality Results At Mt Birnie, Sulphides Hit Nil Desperandum, 10 June 2021

Nil Desperandum Strong IP Conductors, 7 May 2021

Greater Duchess Copper Gold Project Update, 17 February 2021

Spectacular Historical Drill Results – 11m @ 7.1% Cu, 11 June 2019

Tick Hill Key Target Area Update, 16 May 2019

Acquisition of Tick Hill Gold Project, Past Production 511koz @ 22.5g/t Gold, New Board Appointments, 12 March 2019

Table 1. Nil Desperandum Reverse Circulation (RC) Drill Results

Hole ID	Easting	Northing	Azimuth	Dip	Depth From	Interval	Cu %	Au (g/t)
NLRC001	372843	7646095	257	-89	146 211 215 222 224	5 15 **11** **4** **2**	0.6 1.5 **2.0** **4.3** **6.8**	0.2 0.2 0.3 **0.6** **1.0**
NLRC002	372937	7646208	273	-85	33 51 73 inc 73	8 9 **52** **6**	0.6 0.4 **0.7** **2.5**	0.1 0.1 0.03 0.2
NLRC017	372867	7646075	282	-89	174 190 221 inc 242 inc 268 inc 268 inc 269	**4** 8 **56** **30** **9** **3** **2**	**1.6** 0.4 **1.2** **1.8** **3.1** **8.1** **10.3**	0.3 0.1 0.2 0.3 0.4 **0.9** **1.2**

Intercepts are nominally reported at lower cutoff of 0.2 % copper and include some lower grade mineralisation. Higher grade internal intervals are reported at a lower cutoff of 0.5% copper. All intervals are downhole widths and no top cut applied.

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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 (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.	• Sampling from diamond core was from selected geological intervals of varying length. Core has half core sampled. No record of sample preparation or assay technique was provided in the historical report however reasonable to assume it was from an industry standard • Historical drill holes are understood to have been undertaken by diamond drilling. • Recent RC samples were collected via a cone splitter mounted below the cyclone. A 2-3kg sample was collected from each 1m interval. Samples were pulverised to obtain a 30g charge for aqua regia digest and AAS analysis of Gold. For total Copper analysis a 0.4g/t sample was digested by aqua regia acid digest and analysed by ICP or AAS.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).	• Records indicated that historic diamond core samples were taken at St Mungo – hole diameter of BQ and NQ size were identified on site. • All recent RC holes were completed using a 5.5'' face sampling bit. • A diamond tail was recently completed for 1 RC hole after switching the rig over to diamond mode (results pending). Core drilled was HQ size. • Recent core was orientated using Boart Longyear True Core.
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.	• Historic core recovery data was not recorded • For recent RC drilling, no significant recovery issues for samples were observed. • For the recent diamond hole both drilled and recovered lengths per run were recorded. No loss of core was observed with the ground being extremely competent.
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.	• Historical drill holes were logged geologically. • Recent hand samples were given a geological description • Recent RC holes have been logged for lithology, weathering, mineralisation, veining, structure and alteration. • All chips have been stored in chip trays on 1m intervals and logged in the field.
Sub-sampling techniques and	• If core, whether cut or sawn and whether quarter, half or all core taken.	• Remaining historical core has been observed at site and half core or whole core sampling was most likely completed, although historical reports do not specifically note the method.

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Criteria	JORC Code explanation	Commentary
sample preparation	• 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.	• One recent HQ diamond tail has been completed and is yet to be logged. Core has been orientated and following geological and geotechnical logging, will be sawn and half core taken for analysis. • All RC samples are cone split at the cyclone to create a 1m sample of 2-3kg. The remaining sample is retained in a plastic bag at the drill site. • For mineralised zones, the 1m cone split sample is taken for analysis. For non-mineralised zones a 5m composite spear sample is collected and the individual 1m cone split samples over the same interval retained for later analysis if positive results are returned.
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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• It is unknown what QAQC procedures were used by the previous workers. It is reasonable to assume that they used industry acceptable procedures for that time. • The historical results have been recorded to 2 decimal places for copper and therefore are likely to have been assayed at an industry standard laboratory • The recent RC programme has used ore grade standards for both gold and copper. Blanks are inserted by Carnaby staff at the start of every hole and standards (CRMs) are inserted every 50 samples. The selection of standards used are within the gold and copper ranges known at Mt Birnie. Standard CRM identification was removed prior to submitting to the external lab. • Results of the standards and blanks were checked against the CRM reference sheets to check they were within tolerance.
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.	• Results have been collated from original company reports • Construction of a Maxgeo SQL database is currently in progress to house all historic and new records. Recent results have been reported directly from lab reports and sample sheets collated in excel. • Results reported below the detection limit have been stored in the database as half the detection limit – eg <0.001ppm stored as 0.0005ppm
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.	• Recent hole locations were obtained using a Trimble SP60 GNSS GPS and Garmin GPS in UTM MGA94 mode • At Mt Birnie historical drill hole collars were identified in the field and surveyed with a Trimble SP60 GNSS GPS. • Historic down-hole surveys were not measured by Longreach • Current RC holes were downhole surveyed by Reflex True North seeking gyro. In older RC campaigns where a single shot survey camera was used, the azimuth has been averaged between the preceding and next surveys through magnetic ground. Dip information has been retained at each survey station (every 50m).
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.	• Historical drill hole collars were drilled 30- to 100- metres apart. • Recent RC has provided infill to an approximate 25m drill spacing. • Recent RC non-mineralised zones were composited to 5m with mineralised intervals sampled at 1m.
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.	• Most holes are at right-angles to the main mineralisation. Drilling appears to have been completed at good angle to the mineralisation.

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Criteria	JORC Code explanation	Commentary
	• 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.	
Sample security	• The measures taken to ensure sample security.	• Historical drill samples were controlled by Longreach personal at the time. • Sample security not recorded in historical reports. • Recent RC drilling has had all samples immediately taken following drilling and submitted for assay by supervising Carnaby geology personnel.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Not conducted

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.	• The Queensland projects comprise the Tick Hill Mine Project Region (105.5km^2) and the Regional Leases (217.3km^2). The projects comprise of three Mining Leases at Tick Hill (3.9km^2 - 100% interest acquired from Diatreme and Superior – ML's 7094, 7096 and 7097), twelve surrounding and regional tenements (293.3km^2 - 82.5% interest acquired from Discovex – EPM's 9083, 11013, 14366, 14369, 17637, 18980, 19008, 25435, 25439, 25853, 25972,); and two additional tenements held by Carnaby associated entities (25.6km^2 – 100% beneficial interest held by a wholly owned subsidiary of Carnaby – EMP26651 and 27101). The historical drill results are from EPM 25853 • Beneficial interest in the Western Australian tenements (969.3km^2) is held by Carnaby through wholly owned subsidiary of Carnaby (E69/3510, E69/3509 and E38/3289). • The Tick Hill ML's are subject to a royalty on gold production, to a 3rd party, using the following formula: Production Royalty = Percent Royalty Rate X Recovered Gold / 100. The Percent Royalty Rate (below $5M in total royalty) = (Annual Recovered Grade (g/t) / 5) – 1. The Percent Royalty Rate (above $5M in total royalty) = (Annual Recovered Grade (g/t) / 10) – 0.5. For gold produced from the tailings dam, the Percentage Royalty Rate will be 10% for gold recovered above 1g/t Au. • The 3rd party royalty holder for Tick Hill ML's has the right to purchase any copper ore or concentrates on commercial terms.
Acknowledgment and appraisal of exploration by other parties.	• Acknowledgment and appraisal of exploration by other parties.	• There has been exploration work conducted over the Queensland project regions for over a century by previous explorers. The project comes with significant geoscientific information which covers the tenements and general region, including: a compiled database of 6658 drill hole (exploration and near-mine), 60,300 drilling assays and over 50,000 soils and stream sediment geochemistry results. This previous is understood to have been undertaken to an industry accepted standard and will be assessed in further detail as the projects are developed. Longreach Minerals Pty Ltd completed the diamond drilling in 1967.

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Criteria	Explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	• The Tick Hill project area is located in the Mary Kathleen domain of the eastern Fold Belt, Mount Isa Inlier. The Eastern Fold Belt is well known for copper, gold and copper-gold deposits; generally considered variants of IOCG deposits. The region hosts several long-lived mines and numerous historical workings. Deposits are structurally controlled, forming proximal to district-scale structures which are observable in mapped geology and geophysical images. Local controls on the distribution of mineralisation at the prospect scale can be more variable and is understood to be dependent on lithological domains present at the local-scale, and orientation with respect to structures and the stress-field during D3/D4 deformation, associated with mineralisation. • Consolidation of the ground position around the mining centres of Tick Hill and Duchess and planned structural geology analysis enables Carnaby to effectively explore the area for gold and copper-gold deposits. • The Malmac Project in Western Australia is within the Paleoproterozoic Earaheedy basin abutting the northern part of the Yilgarn Craton. All projects are perspective for orogenic gold while the Malmac Project is also considered perspective for base metal mineralisation. • The Throssel Project in Western Australia is positioned within the Archaean granite greenstone terrane of the Eastern Goldfields which forms part of the Yilgarn Craton.
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 (eg 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.	• Significant intercepts above nominal 0.2 % Cu lower cutoff have been reported with higher grade internal intercepts reported above a 0.5% Cu lower cutoff • Metal equivalents have not been used. • Inclusion of up to a maximum of 6m of lower grade mineralisation has been applied to the broader plus 0.2% intercepts.
Relationship between mineralisation	• 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.	• The reported intercepts are interpreted to have intersected the mineralisation from between 90degrees to 45 degrees; and may not necessarily represent the true thickness of the mineralised zones.

Criteria	Explanation	Commentary
widths and intercept lengths	• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The results related to rock chip samples and a character samples of specific styles of mineralisation in an area. They may not be representative of broader mineralisation.
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 detailed in the announcement.

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