Carnaby

ASX Announcement

2 August 2021

RC DRILLING COMMENCES AT THE STRELLEY GOLD PROJECT - PILBARA, WA

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to announce the commencement of a 25 hole, 3,000 m reverse circulation (RC) drilling program at its 100% owned Strelley Gold Project in the Mallina Basin in the Pilbara Region of Western Australia (Figure 1).

The RC drilling will target the open 1.4 km strike of the Bastion intrusion where initial diamond drilling intersected up to **3.2 g/t gold in "Hemi style" intrusion hosted gold mineralisation** (See ASX release 5 May 2021).

The Bastion intrusion has been shallowly tagged by extremely wide spaced and shallow aircore drilling under 10m of sand cover and remains untested and open. The commenced RC drilling will provide the first pass systematic test of the Bastion intrusion for significant Hemi style gold mineralisation along the 1.4km strike identified.

The RC drilling will also target the Stockade and Alcazar prospects where drilling has identified extensive shallow gold mineralisation over greater than 1 km strike.

The Company's Managing Director, Rob Watkins commented:

"Whilst it has taken some time to secure a RC rig in Western Australia, we are now delighted to be underway with a RC drilling program at Strelley. We know the Bastion intrusion has "Hemi style" gold mineralisation up to 3.2 g/t gold in the only two drill holes that have pierced the eastern mineralised contact of the intrusion over a strike length of at least 1.4km. Now the RC drilling will probe the Bastion intrusion to determine the extent and magnitude of the gold mineralisation present. We also look forward to the ongoing drilling and results to come from Greater Duchess Copper Project in Queensland".

Fast Facts

Shares on Issue 117.9M

Market Cap (@ 33.5 cents) $39.5M

Cash $7.0M[1]

[1]As of 30 June 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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Figure 1. Photo of the RC drill rig at the Bastion Prospect, Strelley.

Figure 2. Bastion drill core photo from PLDD0005, 174.4m, 1.1 g/t gold hosted by disseminated sulphides in an intrusion.

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:

Bastion Intrusion Extended to 1.4 km Strike, 28 May 2021

Intrusion Hosted Gold up to 3.2 g/t Intersected at Strelley, 5 May 2021

8,000m Drilling Program Commenced at Strelley, 4 March 2021

Compelling Strelley and Tick Hill Drill Results, 27 January 2021

Key Land Access Agreement Signed at Strelley, 23 December 2020

First Aircore Results Define Anomaly, 14 December 2020

Outstanding Historical Gold Drill Results at Strelley, 22 July 2020

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