Carnaby

ASX Announcement

8 September 2021

SIGNIFICANT INTRUSION HOSTED GOLD DISCOVERY

5m @ 8.55 g/t GOLD

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to provide an exploration update for the 100% owned Strelley Gold Project in the Mallina Basin, Pilbara, WA.

Highlights – Strelley Gold Project, Pilbara, Western Australia

- Composite drill results from the first RC hole at the **Bastion Prospect** are the most significant results over the entire **Strelley Gold Project** to date;
  - **PLRC0043** **5m @ 8.55 g/t gold** from 95m
    and 5m @ 0.50 g/t gold from 130m to BOH
- **The Bastion Prospect is wide open and undrilled for over 1km north-east of drill hole PLRC0043** and wide open to the South West where results from a further 9 RC holes drilled 320m to 1km from PLRC0043 are awaited **– all pending holes intersected the intrusion.**
- **Carnaby has planned immediate additional RC drilling** and has locked in a RC drill rig to commence a major drill out in October.
- Results from an extensive soil sampling program over the Bastion and Big Hill areas are eagerly awaited to see if any detectable surface expression of the underlying gold mineralisation is present.
- **At the Stockade and Alcazar Prospects results from a further 9 RC holes drilled are awaited, both areas intersecting intrusions.**

The Company's Managing Director, Rob Watkins commented:

"The discovery of high grade "Hemi style" intrusion hosted gold mineralisation is a **major breakthrough**. This is the most significant drill intercept to date over the entire Strelley Project and in particular the Bastion Prospect which is untested over 2 km of potential strike below thin sand cover. The implications of this discovery for the wider region are equally exciting, especially the additional key projects pegged and acquired over the last 12 months which cover 442 km^2 of mostly unexplored terrain. We look forward with great anticipation to receiving more results and **commencing a major drill out at Bastion**."

Fast Facts

Shares on Issue 117.9M

Market Cap (@ 34.5 cents) $40.7M

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

Registered Office

78 Churchill Avenue Subiaco Western Australia 6008

T: +61 8 9320 2320

www.carnabyresources.com.au

For personal use only

For personal use only

STRELLEY GOLD PROJECT (Carnaby 100%)

Bastion Prospect

High grade intrusion hosted "Hemi Style" gold mineralisation has been discovered in the first RC drill hole by Carnaby targeting below a recent aircore hole (PLAC0702) that tagged the Bastion intrusion in the last meter of the hole (See ASX release 28 May 2021).

A composite result of **5m @ 8.55 g/t gold** from 95m and **5m @ 0.5 g/t gold** from 130m **to bottom of hole** was recorded in **PLRC0043** (Figure 1 & 2). Individual 1m intervals are being collected and analysed to confirm the grade and distribution of gold mineralisation within the composite interval.

The high grade gold mineralisation is coincident with a strongly sulphidic and altered intrusion representing the north east extension of the Bastion intrusion.

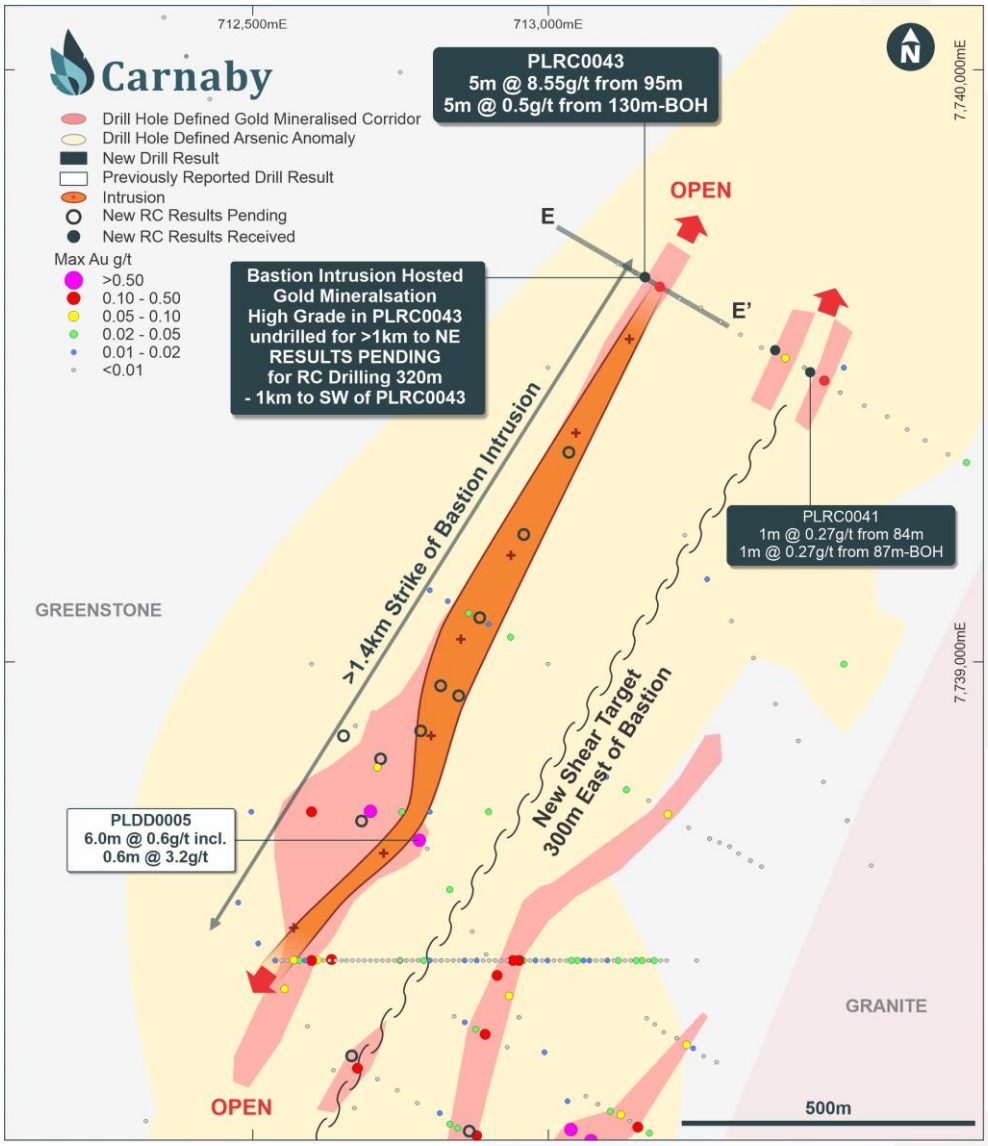

Figure 1. Plan of Bastion Prospect showing new RC drill results and Bastion intrusion.

For personal use only

The gold mineralisation intersected in PLRC0043 remains completely open and undrilled to the NE for over 1 km (Figure 1 & 3).

To the SE of PLRC0043, 9 new RC holes have been completed between 320m and 1km from PLRC0043 with results pending from all holes. All 9 RC holes intersected wide intervals of intrusion with variable amounts of alteration and sulphides. The Bastion intrusion appears to narrow to the NE potentially forming a strong structural focus for gold mineralisation.

The Bastion intrusion has been defined by drilling over a > 1.4km strike and is completely open to the northeast (Figure 1). Intrusion hosted "Hemi style" gold mineralisation was discovered on the eastern contact of the intrusion in PLDD005 which intersected 6m @ 0.6 g/t gold including 0.6m @ 3.2 g/t gold (See ASX release 5 May 2021).

Importantly the eastern mineralised contact of the Bastion intrusion, prior to the new RC drilling program, had only been intersected in 2 holes over the 1.4 km strike identified, both of which intersected gold mineralisation.

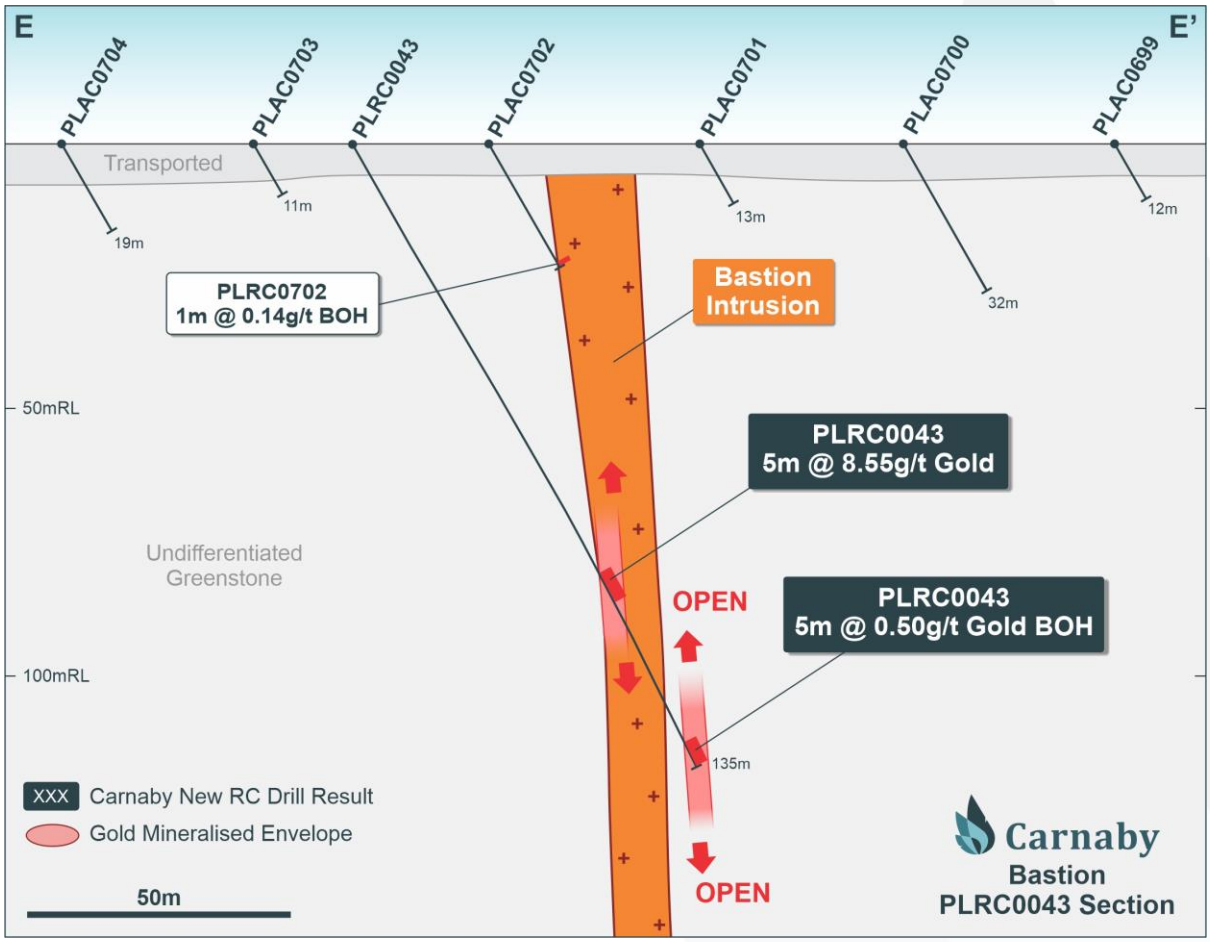

Figure 2. Bastion Prospect Cross Section Showing New RC Drill Results.

The Bastion Prospect sits under approximately 10m of cover sequence sands masking the underlying bedrock geology and gold mineralisation. The sand cover combined with a generally stripped weathering profile in the bedrock results in aircore drilling only able to effectively tag the target horizon at wide spaced intervals and does not provide a test through

the intrusion contact. The high grade gold results in PLRC0043 are a good example of why the magnitude of results in the previous shallow aircore drilling is no indication of underlying potential.

Extensive soil sampling programs have just been completed over the Bastion trend and Big Hill target. Samples are being assayed using the Ultrafine method at Labwest to test whether any detectable surface expression of the bedrock mineralisation exists through the ~10m of sand cover that blankets the area. Results are awaited.

While a majority of the RC drill results from Bastion, Stockade and Alcazar are yet to be received, the high grade Hemi style" gold mineralisation intersected in PLRC0043 is a game changer for the Strelley project and a major follow up RC drilling program is being planned to drill out the Bastion Intrusion target. An RC drill rig has been locked in to commence in October.

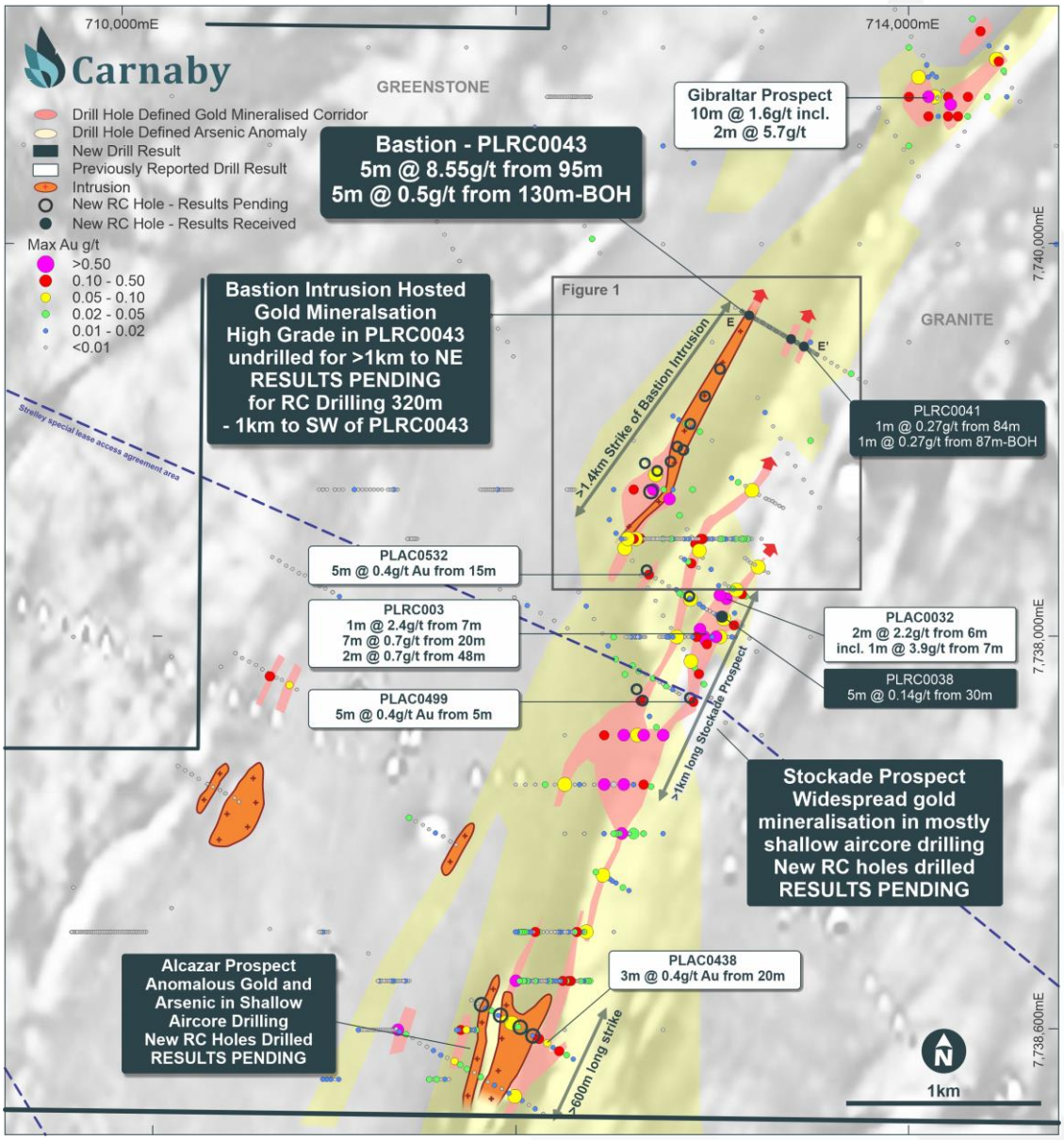

Figure 3. Bastion, Stockade & Alcazar Prospect map on aeromagnetics.

For personal use only

For personal use only

Stockade & NE Shear Prospects

A total of 8 RC holes were drilled targeting the > 2km long zone of anomalous gold mineralisation mostly defined by wide spaced shallow aircore drilling that has only provided a partial test of the bedrock potential.

Results have been received from 3 RC holes, all intersecting anomalous gold results. Two holes drilled at the NE Shear Target intersected intense shearing and alteration associated with a major fault zone. Anomalous results up to 1m @ 0.27 g/t gold from 84m and 1m @ 0.27g/t gold from 87m to bottom of hole are encouraging. Theses two RC holes represent the only test to date across across the NE Shear Prospect which has a target horizon of > 2 km in strike and therefore remains highly prospective and underexplored (Figure 1 & 3).

Results are awaited for 5 other RC holes completed (Figure 3).

Alcazar Prospect

The Alcazar Prospect is located 2 km southwest of the Stockade Prospect along the same sheared mafic greenstone corridor (Figure 3 & 4).

Recent wide spaced, shallow aircore drilling by Carnaby intersected anomalous gold associated with a newly identified intrusion (See ASX release 28 May 2021).

Four RC holes were drilled on a single traverse intersecting a very large, 250m wide intrusion and intensely deformed and altered greenstone. Results are awaited from all 4 holes.

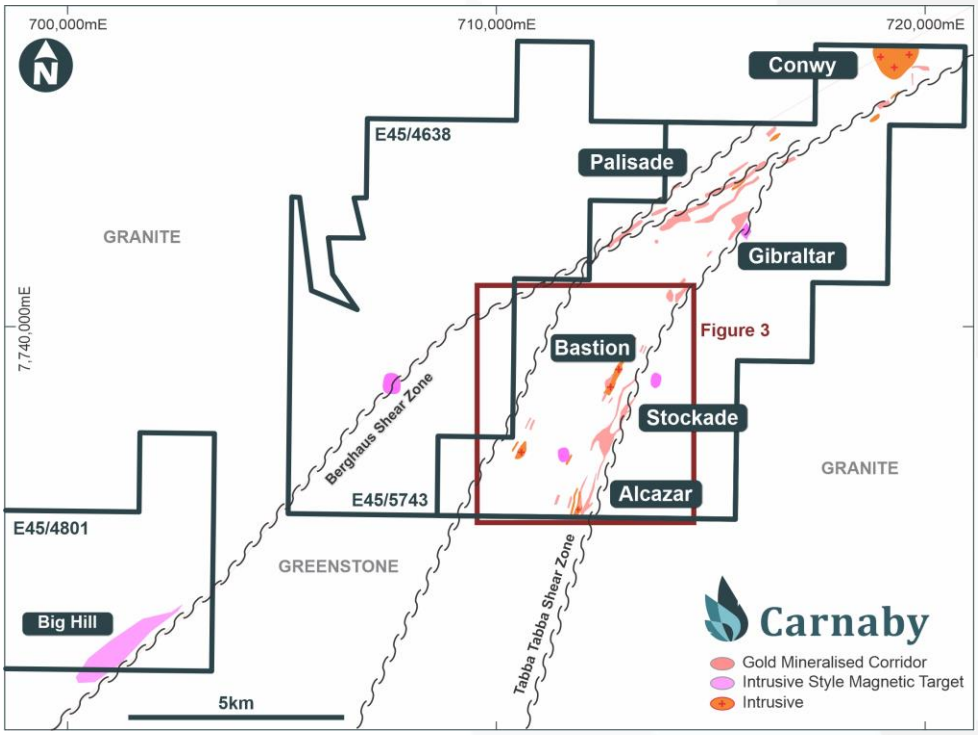

Figure 4. Strelley project location map showing location of gold mineralised corridors, intrusion style magnetic targets and recently identified intrusions.

For personal use only

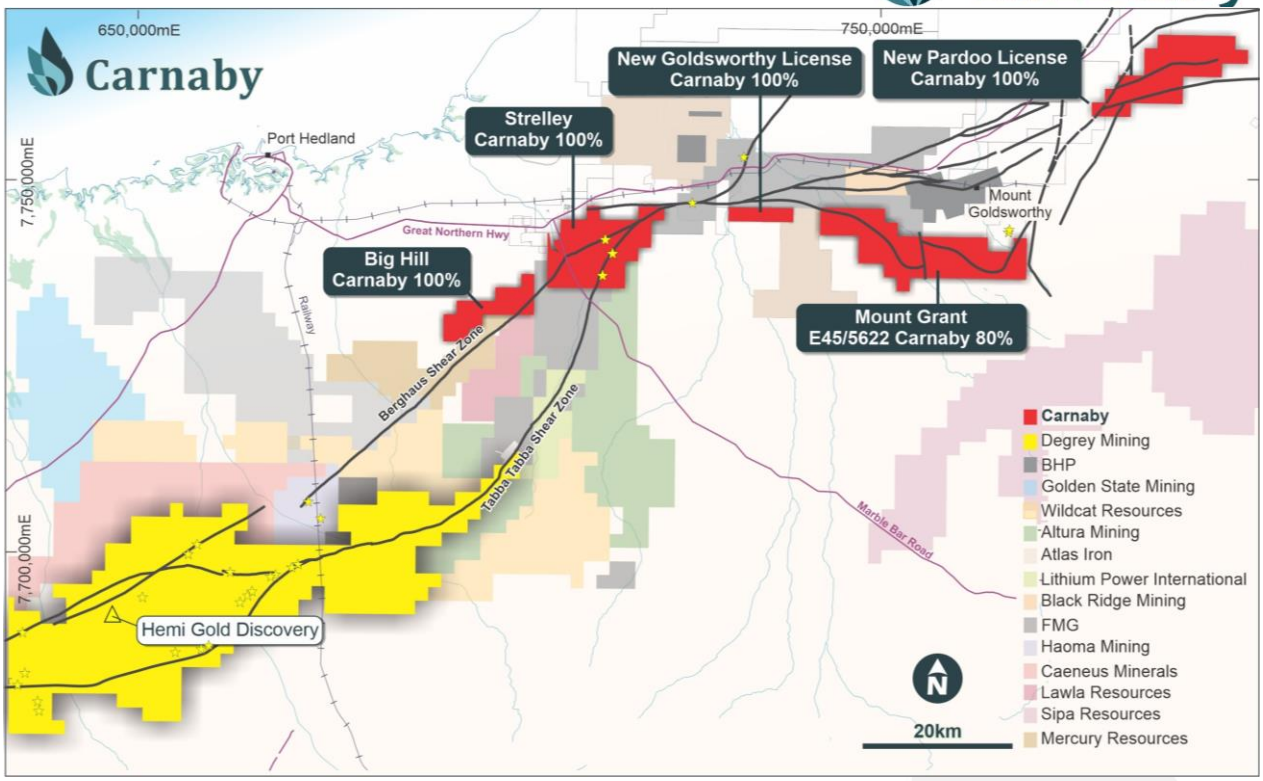

Figure 5. Carnaby Mallina Basin tenements showing location of the Strelley project and regional tenements covering 442 km².

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

For further information please contact:
Robert Watkins, Managing Director
+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.

For personal use only

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

Table 1. Strelley RC Drill Results

Prospect	Hole ID	Easting	Northing	Azimuth	Dip	Depth From	Interval	Au (g/t)	Comments
Bastion	PLRC0038	713046	7738094	122.4	-61.3	30	5	0.14	5m Composite
Bastion	PLRC0043	713165	7739649	120.4	-61.2	95 130	**5** **5**	**8.55** **0.50**	5m Composite 5m Composite BOH
Bastion	PLRC0041	713444	7739489	120.5	-60.2	84 87	1 1	0.27 0.27	 BOH
Bastion	PLRC0042	713384	7739525	122.3	-61.2	130	5	0.17	5m Composite

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.	• 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. • Strelley Diamond samples were collected from half cut core with the left side of the orientation line sampled. 1m sample intervals were taken with smaller intervals also taken within the mineralised zones. • Samples from aircore and RC (5m composites) 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 an ICP-MS finish at trace level in addition to gold. All 1m resampling of composite intervals at Strelley were

For personal use only

Criteria	JORC Code explanation	Commentary
	submarine nodules) may warrant disclosure of detailed information.	pulverised to obtain a 50g charge and analysed using Fire Assay with an AAS finish at Ore Grade detection levels. • Diamond core at Strelley was pulverised to obtain a 30g charge and analysed using fire assay with an AAS finish to a detection limit of 0.01ppm Au.
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 was undertaken by Bostech Drilling using a 3.5" aircore blade bit. A hammer bit was used in selected bottom of holes and to penetrate occasional resistive units in the weathered horizon. • RC drilling was undertaken by Ranger drilling and Mt Magnet using a 5.5" face sampling bit. • Diamond Drilling was undertaken by Seismic Drilling Services. Coring from surface was conducted using a HQ bit in the weathered zone before reducing to NQ2 size in fresh rock. Two holes were completed as NQ2 diamond tails from the bottom of existing RC holes.
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. Core recoveries of around 97% were recorded. • 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.	• Historical logging was completed by geologists and is at a level sufficient to generate maps, plans and sections found in company reports. • All recent core and chips were logged with Maxgeo Logchief software and uploaded to the company hosted Maxgeo database. Logging recorded lithology, structure, veining, alteration, mineralisation and weathering. All core was orientated and structural measurements recorded. Core is photographed after mark up and prior to cutting.
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.	• HQ & NQ2 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. • 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. • Aircore samples are scoop sampled from the ground shortly after leaving the cyclone. Samples collected are in the 1-2kg range. • 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	• 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 and blanks at the start or every hole. 1m resamples of composite samples exceeding 50ppb will be sent to ALS Perth for analysis using a 50g

For personal use only

Criteria	JORC Code explanation	Commentary
	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.	charge and fire assay with an AAS finish at ore grade detection levels. • Diamond samples from Strelley were analysed at ALS in Perth using a 30g fire assay with an AAS finish to a detection limit of 0.01ppm Au. Carnaby selected standards were inserted at every 50th sample. • 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.
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. Minimum infill aircore hole spacing on some lines is 20m. RC drilling hole spacing on drill lines is typically around 100m.
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 aircore and RC 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. • Measurements of orientated core at Strelley has determined the key structural orientations which will assist with future planning of drill holes.
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.
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.

For personal use only

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 surveys 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 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. Diamond core significant mineralised envelopes were calculated using a 0.1g/t lower cutoff and included internal dilution.

For personal use only

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.

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.	• 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

For personal use only

Criteria	JORC Code explanation	Commentary
	• 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.	cone split samples comprising the interval were collected for analysis. • Strelley Diamond samples were collected from half cut core with the left side of the orientation line sampled. 1m sample intervals were taken with smaller intervals also taken within the mineralised zones. • Samples from aircore and RC (5m composites) 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 an 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. • Diamond core at Strelley was pulverised to obtain a 30g charge and analysed using fire assay with an AAS finish to a detection limit of 0.01ppm Au.
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 was undertaken by Bostech Drilling using a 3.5" aircore blade bit. A hammer bit was used in selected bottom of holes and to penetrate occasional resistive units in the weathered horizon. • RC drilling was undertaken by Ranger drilling and Mt Magnet using a 5.5" face sampling bit. • Diamond Drilling was undertaken by Seismic Drilling Services. Coring from surface was conducted using a HQ bit in the weathered zone before reducing to NQ2 size in fresh rock. Two holes were completed as NQ2 diamond tails from the bottom of existing RC holes.
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. Core recoveries of around 97% were recorded. • 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.	• Historical logging was completed by geologists and is at a level sufficient to generate maps, plans and sections found in company reports. • All recent core and chips were logged with Maxgeo Logchief software and uploaded to the company hosted Maxgeo database. Logging recorded lithology, structure, veining, alteration, mineralisation and weathering. All core was orientated and structural measurements recorded. Core is photographed after mark up and prior to cutting.
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.	• HQ & NQ2 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. • 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. • Aircore samples are scoop sampled from the ground shortly after leaving the cyclone. Samples collected are in the 1-2kg range. • The sample size collected is considered appropriate to the grain size of the material being sampled.

For personal use only

Criteria	JORC Code explanation	Commentary
	• 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.	
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.	• 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 and blanks at the start or every hole. 1m resamples of composite samples exceeding 50ppb will be sent to ALS Perth for analysis using a 50g charge and fire assay with an AAS finish at ore grade detection levels. • Diamond samples from Strelley were analysed at ALS in Perth using a 30g fire assay with an AAS finish to a detection limit of 0.01ppm Au. Carnaby selected standards were inserted at every 50th sample. • 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.
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. Minimum infill aircore hole spacing on some lines is 20m. RC drilling hole spacing on drill lines is typically around 100m.
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 aircore and RC 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. • Measurements of orientated core at Strelley has determined the key structural orientations which will assist with future planning of drill holes.

For personal use only

Criteria	JORC Code explanation	Commentary
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.
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.

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 surveys 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.	• Strelley aircore 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. Diamond core significant mineralised

Criteria	Explanation	Commentary
	• 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.	envelopes were calculated using a 0.1g/t lower cutoff and included internal dilution.
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.

For personal use only