Carnaby

ASX Announcement

13 January 2022

STUNNING FIRST DRILL RESULTS AT LADY FANNY PROSPECT - 27m @ 2.8% COPPER, 0.8 g/t GOLD

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to announce stunning drill results from the **100% owned** Lady Fanny Prospect within the Greater Duchess Copper Gold Project in Mt Isa, Queensland.

Highlights

- Exceptional assay results have been received from the first 5 holes drilled at Lady Fanny outlining a broad shallow high grade copper gold deposit. Significant results;
- **LFRC009 – 27m @ 2.8% Cu, 0.8 g/t Au from 61m**
  - **Incl. 9m @ 4.0% Cu, 0.3 g/t Au from 65m**
  - **And Incl. 11m @ 3.3% Cu, 1.6 g/t Au from 77m**
- **LFRC013 – 20m @ 2.3% Cu, 0.5 g/t Au from 30m**
  - **Incl. 6m @ 5.5% Cu, 1.4 g/t Au from 38m**
- **LFRC012 – 17m @ 2.1% Cu, 0.9 g/t Au from 74m**
  - **Incl. 7m @ 4.2% Cu, 2.0 g/t Au from 77m**
- Remarkably, the drilling at Lady Fanny by Carnaby represents the first known recorded drilling within the historical Lady Fanny mining lease area, of which Carnaby owns 100%.
- Outcropping copper gold mineralisation at Lady Fanny has been traced for over 400m strike length (see ASX release 25 October 2021) and these first drill results remain open along strike and at depth.
- Lady Fanny is located only 3 km north of the high-grade Nil Desperandum discovery of 41m @ 4.1% copper, 0.5g/t gold (see ASX release 29 December 2021), both located within a vastly underexplored and rapidly emerging >5 km long major Iron Oxide Copper Gold (IOCG) corridor (Figure 4 & 5).

The Company's Managing Director, Rob Watkins commented:

"These stunning first pass drill results from Lady Fanny just 3 km north of the spectacular Nil Desperandum high grade discovery really demonstrate the untapped potential of the greater than 5km long IOCG corridor that is rapidly emerging within the Greater Duchess Copper Gold Project."

Fast Facts

Shares on Issue 124.1M

Market Cap (@ $1.25) $155M

Cash $5.6M[1]

[1]As of 30 September 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
- Greater Duchess Copper Gold Project, numerous camp scale IOCG deposits over 1,022 km² of tenure
- Projects near to De Grey's Hemi gold discovery on 442 km² 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 producing 511 koz at 22 g/t gold

Registered Office

78 Churchill Avenue Subiaco Western Australia 6008

T: +61 8 9320 2320

www.carnabyresources.com.au

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GREATER DUCHESS COPPER GOLD PROJECT

LADY FANNY PROSPECT (CARNABY 100%)

Results from the first 5 RC holes ever recorded being drilled within the historical Lady Fanny mining lease area, have intersected stunning high-grade copper and high-grade gold results (Figure 1 2, 3 & 4, Table 2). Significant results include;

LFRC009

- **27m @ 2.8% Copper, 0.8 g/t Gold from 61m**

  including 9m @ 4.0% Copper, 0.3 g/t Gold from 65m

  and including 11m @ 3.3% Copper, 1.6 g/t Gold from 77m

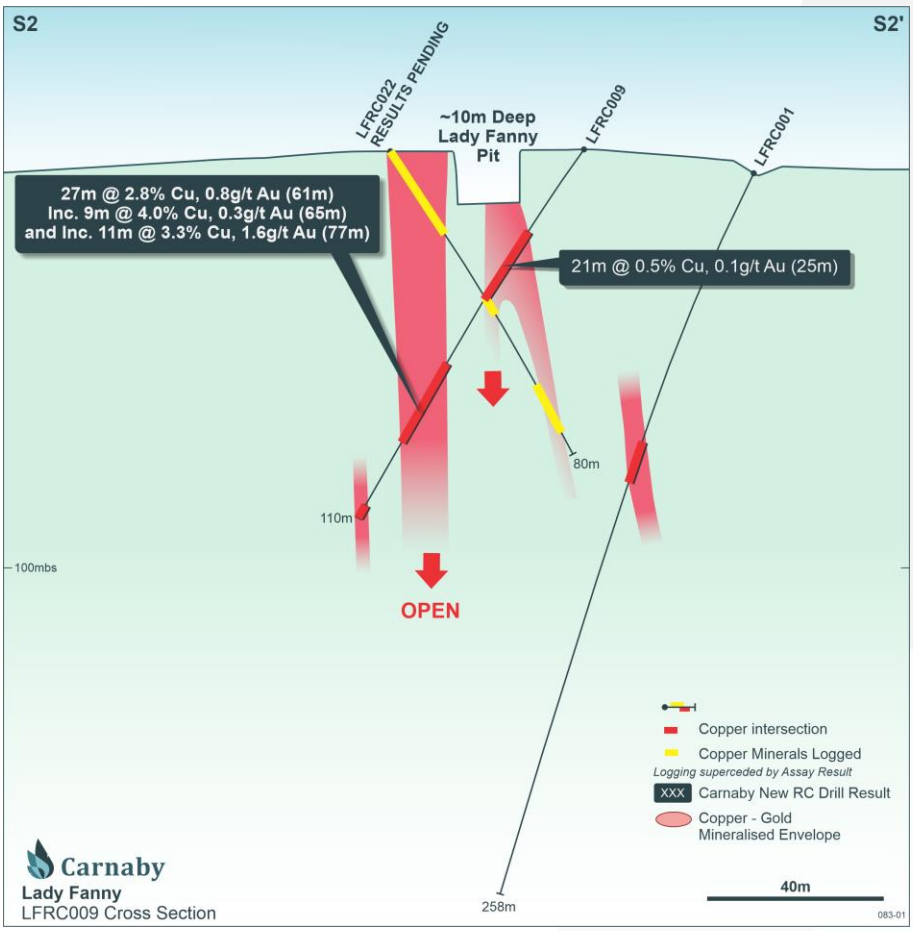

Figure 1. Lady Fanny Drill Section showing new drill result from LFRC009.

LFRC009 was drilled under the ~10m deep Lady Fanny east pit, also intersecting two significant parallel lodes with high-grade copper and gold mineralisation over broad widths (Figure 1) and is completely open at depth and appears to link up directly with the high-grade intercept in LFRC012 (Figure 3).

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LFRC013

- **20m @ 2.3% Copper, 0.5 g/t Gold from 30m**

  Including 6m @ 5.5% Copper, 1.4 g/t Gold from 38m

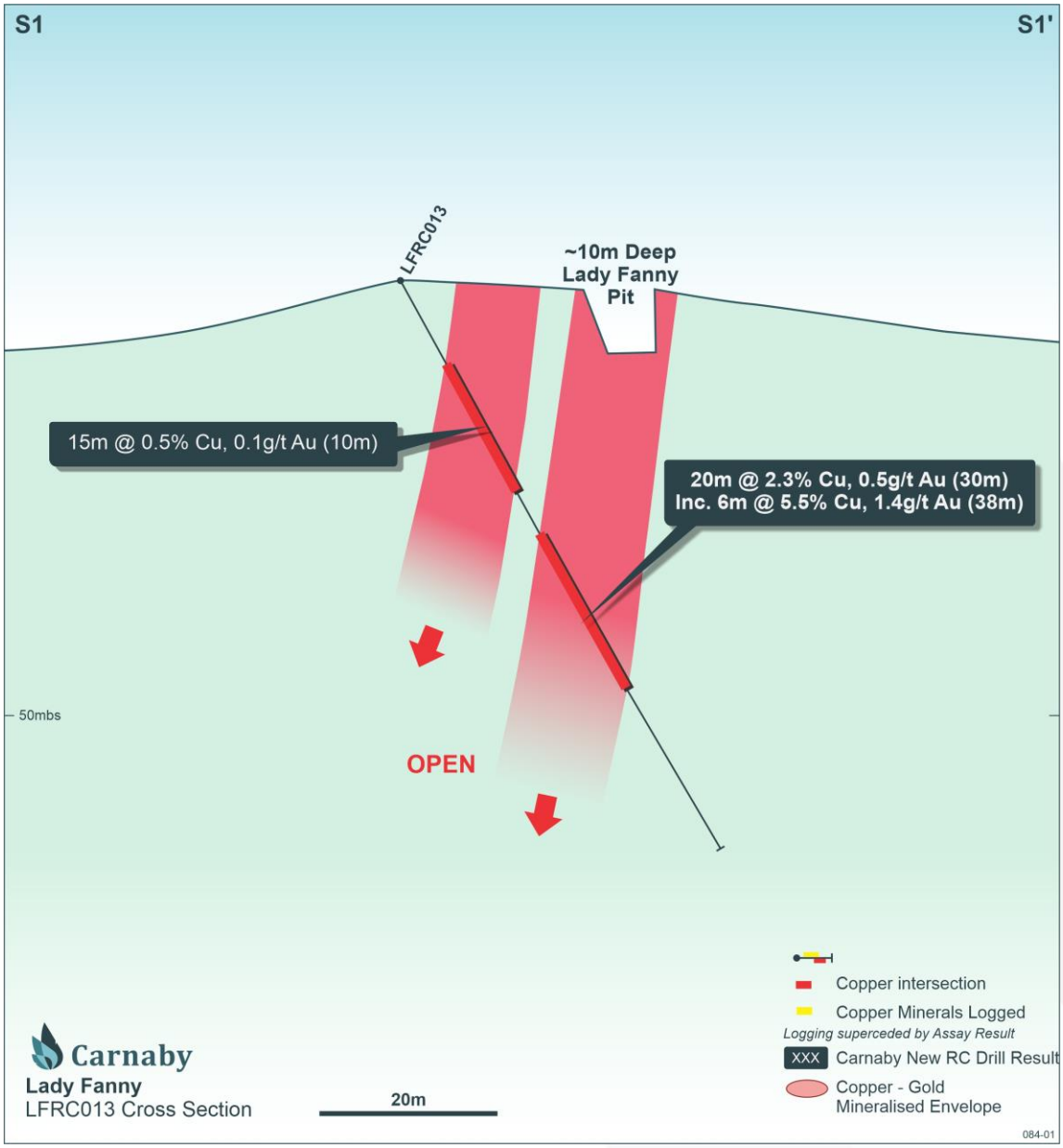

Figure 2. Lady Fanny Drill Section showing new drill result from LFRC013.

LFRC013 was drilled under the ~10m deep Lady Fanny west pit intersecting two significant parallel lodes of broad copper and gold mineralisation (Figure 2). LFRC013 is the northern most hole drilled at Lady Fanny to date and is completely open to the north where extensive undrilled workings and outcropping copper gold mineralisation can be traced for a further 250m before tracking under shallow quartzite outcrop and scree (Figure 3).

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LFRC012

- **17m @ 2.1% Copper, 0.9 g/t Gold from 74m**

  Including 7m @ 4.2% Copper, 2.0 g/t Gold from 77m

LFRC012 was drilled between the high-grade results in LFRC009 to the south and LFRC013 to the north linking broad high-grade copper and gold mineralisation between sections (Figure 3).

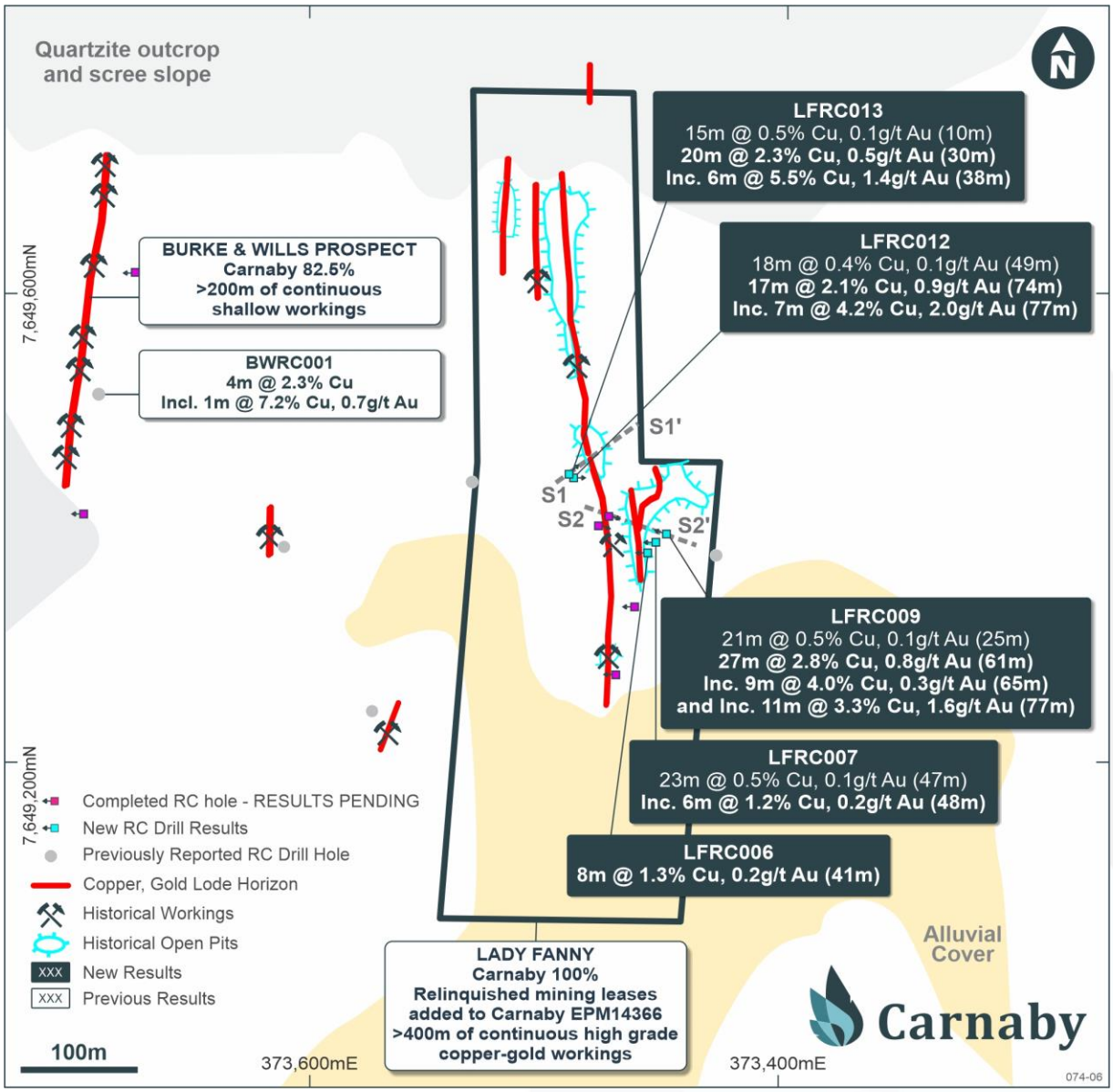

Figure 3. Plan of Lady Fanny Showing location of new RC drill results.

The broad intervals of high-grade copper and high-grade gold mineralisation at Lady Fanny is highly encouraging, clearly demonstrating shallow mineable open pit widths and grade.

Lady Fanny remains completely open and undrilled to the north of the high-grade result in LFRC013 and to the south results from a further four holes drilled are awaited as well as results from two additional RC holes drilled at the Burke & Wills prospect.

The Lady Fanny drill results are located only 3 km north of the high-grade Nil Desperandum discovery of 41m @ 4.1% copper, 0.5g/t gold (see ASX release 29 December 2021), which itself is completely open to the southwest, demonstrating how vastly underexplored the >5km long Iron Oxide Copper Gold (IOCG) corridor is and the potential of this corridor to develop into a major new copper gold district (Figure 4 & 5).

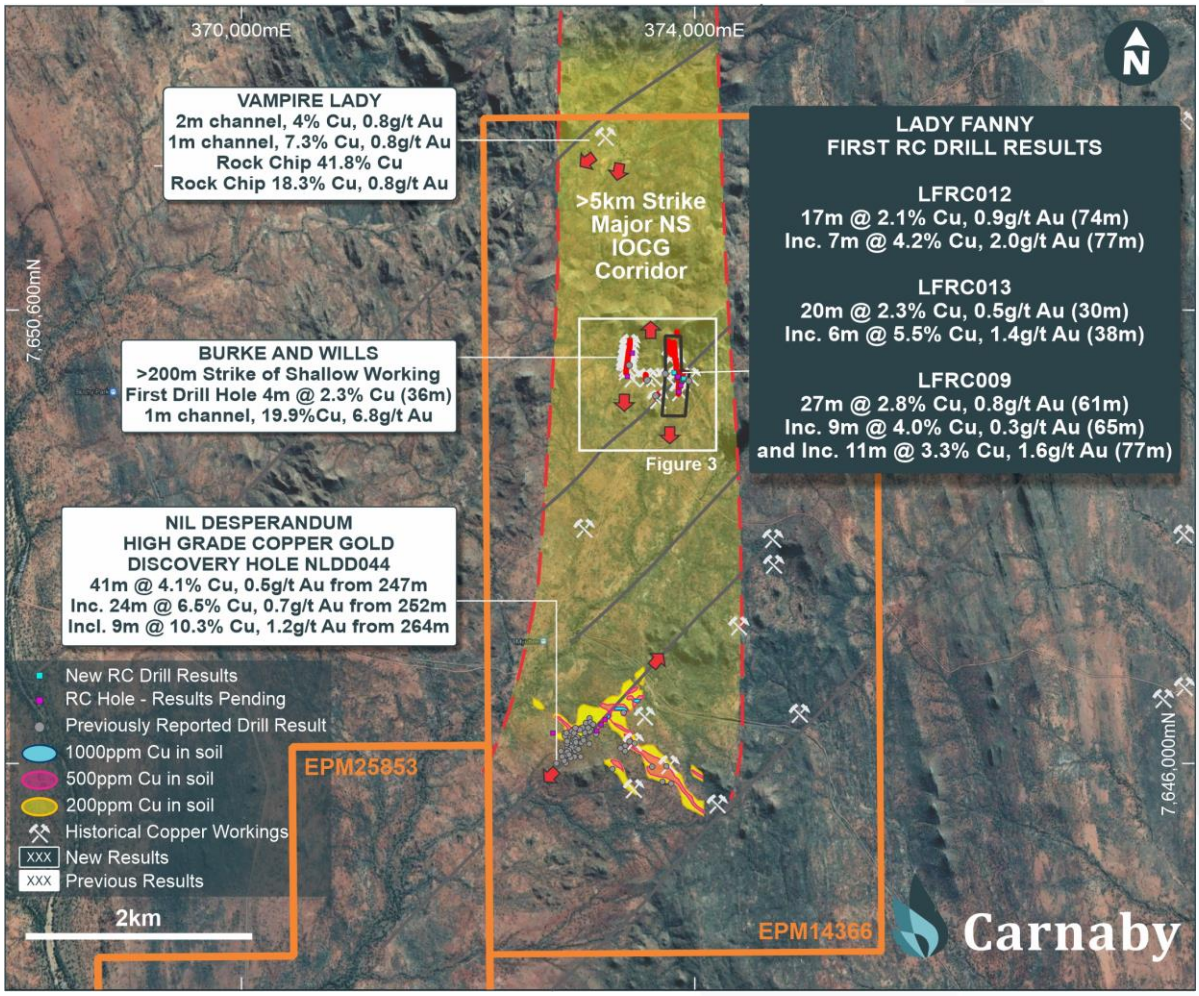

Figure 4. Plan showing location of Lady Fanny and Nil Desperandum IOCG corridor.

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Carnaby plans to complete a major drill out of the >400m strike of the Lady Fanny lodes and explore for additional strike extensions to the north, where the mineralisation tracks under quartzite scree slope cover, and to the south where the outcropping mineralisation tracks under shallow alluvial cover.

Lady Fanny and Burke & Wills prospects will also be targeted with ground Induced Polarisation (IP) surveys to aid with drill targeting in search of large chargeability anomalies that may exist beneath the historical workings.

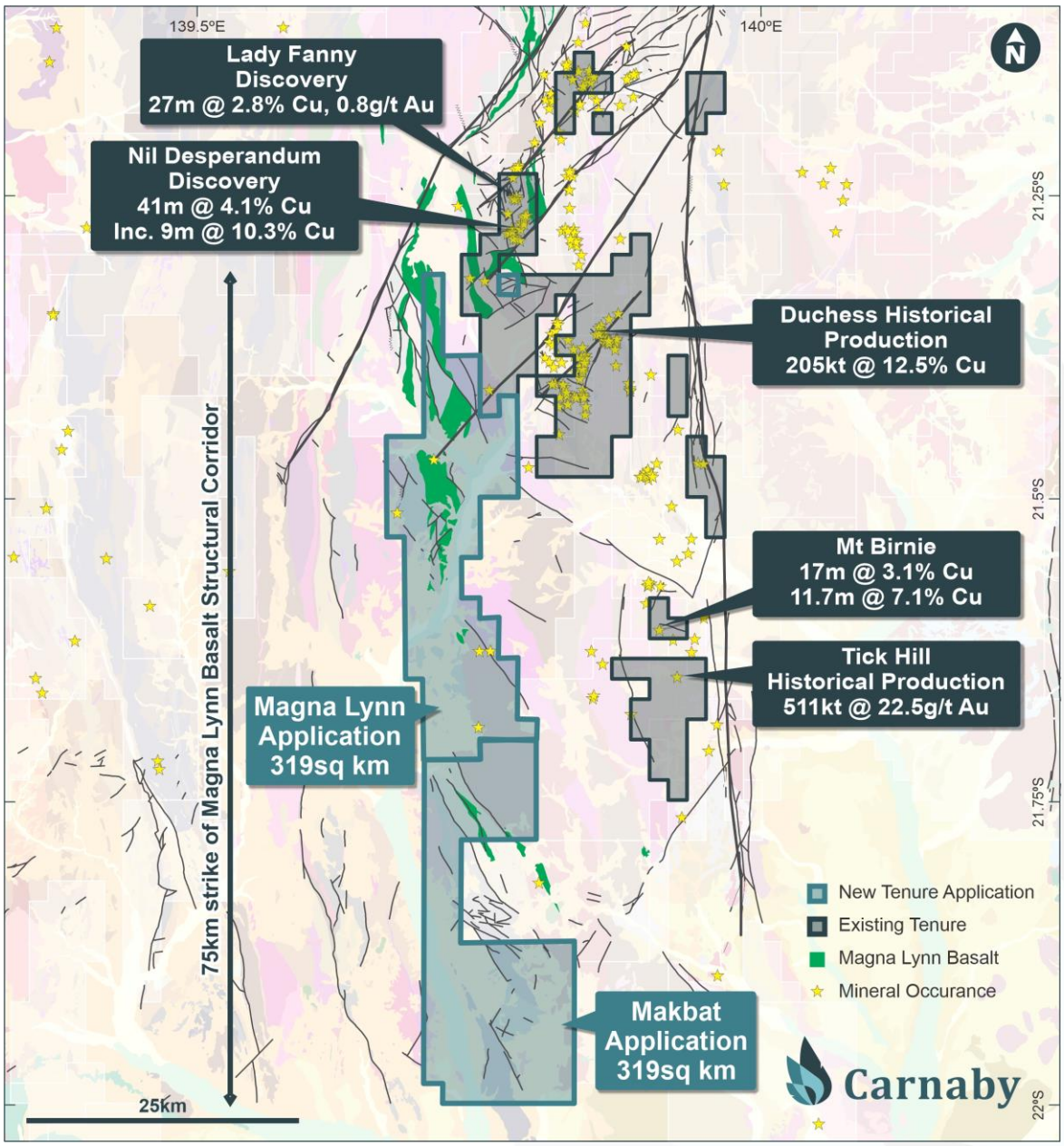

Figure 5. Greater Duchess Copper Gold Project Plan showing location of Lady Fanny and Nil Desperandum discoveries.

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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.

Previously released ASX Material References that relates to announcement include:

Strong Drill Results at Nil Desperandum – 60m @ 0.9% Copper, 10 January 2022

Major Copper Gold Discovery 41m @ 4.1% Cu Inc 9m @ 10.3% Cu, 29 December 2021

CNB: Re-release of ASX Announcement dated 17 December, 21 December 2021

CNB: Re-release of ASX Announcement dated 13 December, 21 December 2021

Exploration Update – Significant Copper Intersected, 13 December 2021

Exploration Update – 10,000m of Drilling Underway, 25 November 2021

Greater Duchess Copper Gold Project Grows, 25 October 2021

Mineralisation Extended Greater Duchess Copper-Gold Project, 16 September 2021

60m @ 1% copper at Greater Duchess, 13 August 2021

Further Broad Zones of Copper Sulphides at Greater Duchess, 22 July 2021

Greater Duchess Copper Project Continues to Grow, 5 July 2021

Outstanding Drill Results at Nil Desperandum, 24 June 2021

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

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APPENDIX ONE

Details regarding the specific information for the drilling discussed in this news release are included below in Table 2.

Table 2. Assay Results from Lady Fanny.

Hole ID	Easting	Northing	Azimuth	Dip	Depth From	Interval	Cu %	Au (g/t)	Comment
LFRC006	373889	7649378	270.12	-54.56	0 27 40 incl 41	4 6 46 **8**	0.5 0.6 0.4 **1.3**	0.1 0.1 0.1 0.2	includes stope void 53-55m
LFRC007	373896	7649387	270.3	-54.94	47 incl 48	23 **6**	0.5 **1.2**	0.1 0.2	
LFRC009	373905	7649394	283.23	-54.88	25 Inc 36 61 incl 65 and incl 77 99	21 10 **27** **9** **11** **11**	0.5 0.9 **2.8** **4.0** **3.3** 0.4	0.1 0.1 **0.8** 0.3 **1.6** 0.05	
LFRC012	373826	7649442	100.67	-55.24	49 incl 49 74 incl 77	18 **4** **17** **7**	0.4 **1.0** **2.1** **4.2**	0.1 0.2 **0.9** **2.0**	
LFRC013	373822	7649445	46.71	-55.47	10 30 incl 38	15 **20** **6**	0.5 **2.3** **5.5**	0.1 **0.5** **1.4**	

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.

APPENDIX Two
JORC Code, 2012 Edition | 'Table 1' Report

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.	• Recent RC samples were collected via a cone splitter mounted below the cyclone. A 2-3kg sample was collected from each 1m interval. • RC, diamond and dump/old working channel samples were pulverised to obtain a 30g charge for aqua regia digest and AAS analysis of Gold. Total Copper analysis was undertaken using a 0.4g/t sample digested by aqua regia acid digest and analysed by ICP or AAS to ore grade detection level. • Sampling from diamond core was from selected geological intervals of varying length, mostly 1m within the mineralisation. Core was half core sampled within the mineralised zones and quarter core sampled over 2m intervals in the non-mineralised intervals.

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Criteria	JORC Code explanation	Commentary
	• 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.	
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).	• All recent RC holes were completed using a 5.5'' face sampling bit. • Diamond core drilling is NQ2.
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 recent RC drilling, no significant recovery issues for samples were observed.
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 • 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. • Drill core has been logged in the field for lithology, weathering, mineralisation, veining, structure and alteration. Core was orientated and structural measurements taken. All core was photographed 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.	• 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	• 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 Nil Desperandum and Lady Fanny. Standard CRM identification was removed prior to submitting to the external lab.

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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• 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.	• Historic production data has been collated from government open file reports. • A Maxgeo SQL database is currently used in house for 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 at 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.	• The recent campaign hole locations were obtained using a Garmin GPS in UTM MGA94. All previous campaign drill holes by Carnaby were surveyed using a Trimble SP60 GNSS GPS in UTM MGA 94. Current RC holes were downhole surveyed by Reflex True North seeking gyro.
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.	• The drill spacing is approximately 40m. The data spacing and distribution is sufficient for first pass exploration of the mineralisation however requires additional drilling to establish a resource.
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.	• Drilling is intersecting the main mineralisation at a good angle which has been verified by structural measurements and outcrop sampling and mapping within the historical open pits.
Sample security	• The measures taken to ensure sample security.	• 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

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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.	• The Lady Fanny Prospect area encompassed by historical expired mining leases have been amalgamated into EPM14366 and is 100% owned by Carnaby. • The Nil Desperandum Prospect is located on EPM14366 (82.5% interest acquired from Discovex). • Discovex retains a 17.5% free carried interest in the project through to a Decision to Mine. • At a Decision to Mine, Carnaby has the first right of refusal to acquire the remaining interest for fair market value.
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 exploration is understood to have been undertaken to an industry accepted standard and will be assessed in further detail as the projects are developed.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Greater Duchess 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.
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.

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Criteria	Explanation	Commentary
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 RC intercepts above nominal 0.2 % Cu lower cutoff have been reported with higher grade internal intercepts also reported. • Metal equivalents have not been used. • At Nil Desperandum, inclusion of up to a maximum of 3m of lower grade mineralisation has been applied to the broader plus 0.2% intercepts.
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 (eg 'down hole length, true width not known').	• All intervals reported are downhole. • Mineralisation at Lady Fanny is steeply dipping and north south striking. Further drilling is required to be able to report true widths. • Further extensional and infill drilling is required to confirm the orientation and true width of the copper mineralisation intersected in NLDD044.
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.