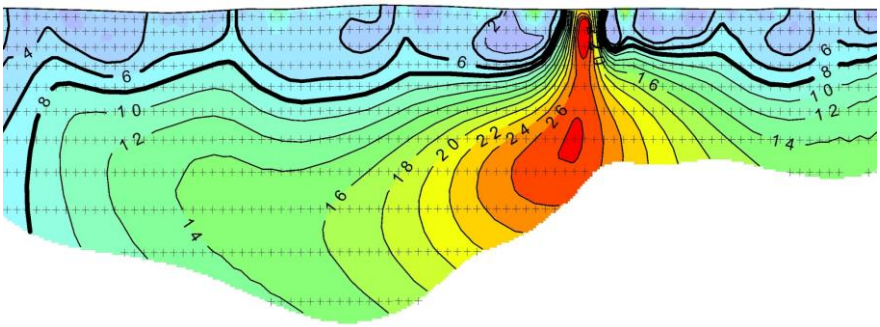
Carnaby

LADY FANNY IP SURVEY LIGHTS UP STRONG CHARGEABILITY TARGETS

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to report further exploration results at its 100% owned Lady Fanny copper gold discovery within the Greater Duchess Copper Gold Project in Mt Isa, Queensland.

Highlights

- **Induced Polarisation (IP) results have been received from the first three lines at Lady Fanny completed on ~200m spaced east-west traverses. Results from a further three IP lines are awaited.**
- **The IP results have recorded several strong undrilled inversion chargeability anomalies of exceptional potential and completely open at depth and along strike (Figure 1, 2, 3 & 4).**
- **Strong near surface IP chargeability inversion anomalies correlate extremely well with outcropping copper mineralisation confirming that the IP is almost certainly identifying the strong copper sulphide mineralisation at surface and at depth.**



- **A major RC drilling program at Lady Fanny is underway to drill out the top 100m depth over a >400m strike and target the new IP anomalies.**
- **Heritage surveys at the Nil Desperandum Prospect were successfully completed yesterday, clearing the way for follow up drilling of the 400m long IP anomaly southwest of the 41m @ 4.1% copper in NLDD044 to commence shortly.**

The Company's Managing Director, Rob Watkins commented:

"The Lady Fanny IP results are extremely encouraging and are suggestive of a much larger copper sulphide bearing system at depth and along strike. The IP at Lady Fanny appears to be working as well as it did at Nil Desperandum which led to the high-grade discovery. This bodes well for the follow up drilling at Lady Fanny which is underway. The strength of the Lady Fanny inversion chargeability anomalies is stronger than in the high-grade discovery IP section at Nil Desperandum. While the strength of the chargeability inversion anomalies cannot be used as a guide for copper grades or widths, the strength of the Lady Fanny IP chargeability anomalies is certainly a positive sign. With this in mind, we are genuinely excited about what lies ahead at Lady Fanny and Nil Desperandum and the broader Greater Duchess Copper Gold Project in the weeks and months ahead."

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ASX Announcement

17 February 2022

Fast Facts

Shares on Issue 143.5M

Market Cap (@ $1.45) $208M

Cash $25.8M[1]

[1]Based on cash of A$5.8 million as at 31 December 2021 and A$20m gross proceeds from recent Placement, see ASX release dated 24 January 2022.

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
- Nil Desperandum and Lady Fanny Iron Oxide Copper Gold discoveries within the Greater Duchess Copper Gold Project, Mt Isa inlier, Queensland.
- Greater Duchess Copper Gold Project, numerous camp scale IOCG deposits over 1,022 km^2 of tenure
- Projects near to De Grey's Hemi gold discovery on 442 km^2 of highly prospective tenure
- 100% ownership of the Tick Hill Gold Project (granted ML's) in Qld, historically one of Australia highest grade and most profitable gold mines producing 511 koz at 22 g/t gold

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GREATER DUCHESS COPPER GOLD PROJECT

LADY FANNY PROSPECT (CARNABY 100%)

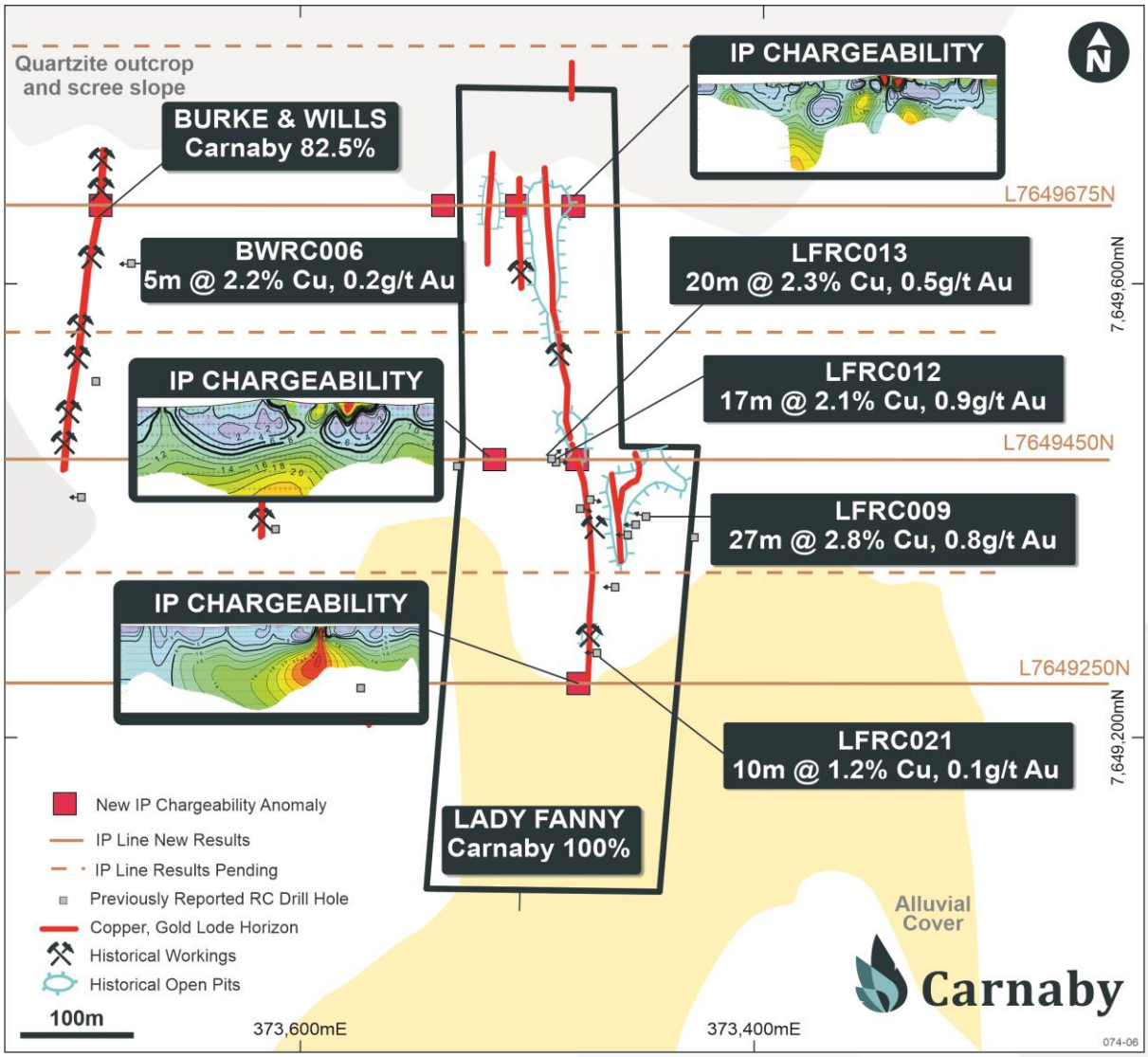

Figure 1. Lady Fanny Plan Showing new IP inversion chargeability anomalies.

Results from the first three lines of IP at Lady Fanny have outlined several strong inversion chargeability anomalies across all three lines (Figure 1, 2, 3 & 4). Data from an additional three infill and extension IP lines have been received and inversion modelling of the data is underway and will be reported shortly. The IP lines were completed over 1.4km long east-west traverses covering the entire Lady Fanny to Burke & Wills lines of workings.

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IP LINE 7649250N

IP line 7649250N is the southern most IP line completed at Lady Fanny (Figure 1). This IP line is south of any previous drilling and is on the edge of where thin alluvial cover masks the southern strike potential of the main Lady Fanny Lodes (Figure 1 & 5).

The results highlight a very strong inversion chargeability anomaly from near surface to approximately 150m below surface. The strength of the IP anomaly is stronger than the IP anomaly generated on the discovery IP line 19000N at Nil Desperandum. The strength of chargeability is governed by many variables and can't be used as a guide to copper grades or widths however it is considered highly encouraging.

No known historical drilling or IP is present south of this IP line for three kilometres to the Nil Desperandum discovery with shallow alluvium cover masking most of the highly prospective corridor in between the two discoveries. Future exploration will no doubt target this gap, especially given the IP results on the southern most known extension at Lady Fanny.

Preparations are underway to drill the chargeability inversion target on IP line L7649250N.

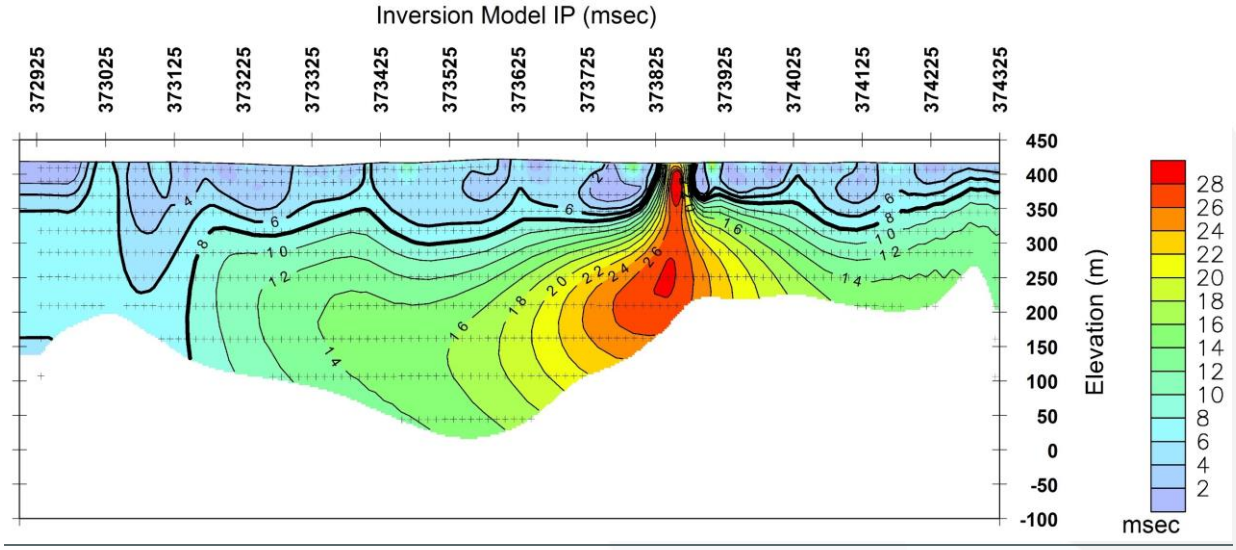

Figure 2. IP line L7649250N chargeability inversion showing location of anomaly.

IP LINE 7649450N

IP line 7649450N was completed over the central Lady Fanny workings area with the line bisecting drill holes LFRC012 and LFRC013, which intersected 17m @ 2.1% copper, 0.9 g/t gold from 74m and 20m @ 2.3% copper, 0.5g/t gold from 30m respectively.

The results from the IP show a very strong shallow chargeability anomaly coincident with the location of the outcropping copper gold mineralisation indicating that the IP is modelling copper sulphide mineralisation as it does at Nil Desperandum 3km to the south.

Further modelling of the IP is in progress to investigate the near surface modelling effects of this very strongly chargeable zone.

Of considerable interest is the presence of a deeper chargeability inversion anomaly at approximately 200m depth and about 150m west of the main near surface chargeability anomaly. This deeper target appears to connect with a similar feature in next IP line 225m to the north. No drilling has yet targeted this new chargeability anomaly.

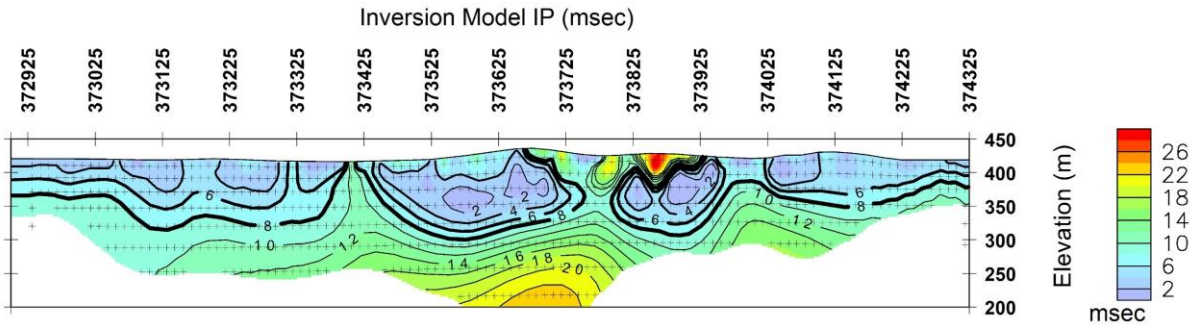

Figure 3. IP line L7649450N chargeability inversion showing location of anomalies.

IP LINE 7649675N

IP line 7649675N was completed over the northern end of the Lady Fanny workings (Figure 1). No drilling at all has yet been completed in this area with the closest drill hole being 200m to the south which interested 20m @ 2.3% copper, 0.5g/t gold in LFRC013.

The results highlight two extremely strong and shallow chargeability anomalies on the edge of the historical workings with maximum modelled inversion chargeability's of 47 and 37 m/sec (Figure 4).

Further modelling of the IP is in progress to investigate the near surface modelling effects of these very strongly chargeable zones.

A deeper chargeability inversion anomaly at 373925E may represent a continuation of the eastern Lady Fanny lode surface IP anomaly and will be drill tested shortly.

Of great interest is the IP inversion chargeability anomaly at about 100m depth at approximately 373700E (Figure 4). This anomaly appears to coincide with a similar magnitude IP chargeability anomaly on the IP line 7649450N, 225m to the south (Figure 1 & 3). It is not yet known whether this new chargeable zone approximately 100m west of the main Lady Fanny line of lode is a new parallel lode horizon and only future drilling will tell.

Soon to be received results from an infill IP line will also verify the connectivity of this new chargeability anomaly immediately west of Lady Fanny.

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The three IP lines across the Burke & Wills line of lode, 400m west of Lady Fanny, in general were fairly subdued in the shallow depths with only a weak chargeability anomaly generated at shallow depths on IP line 7649675N (Figure 4). However, a strong deep chargeability anomaly was generated directly beneath the Burke & Wills lode at approximately 373400E and will be investigated with drilling in the future (Figure 4).

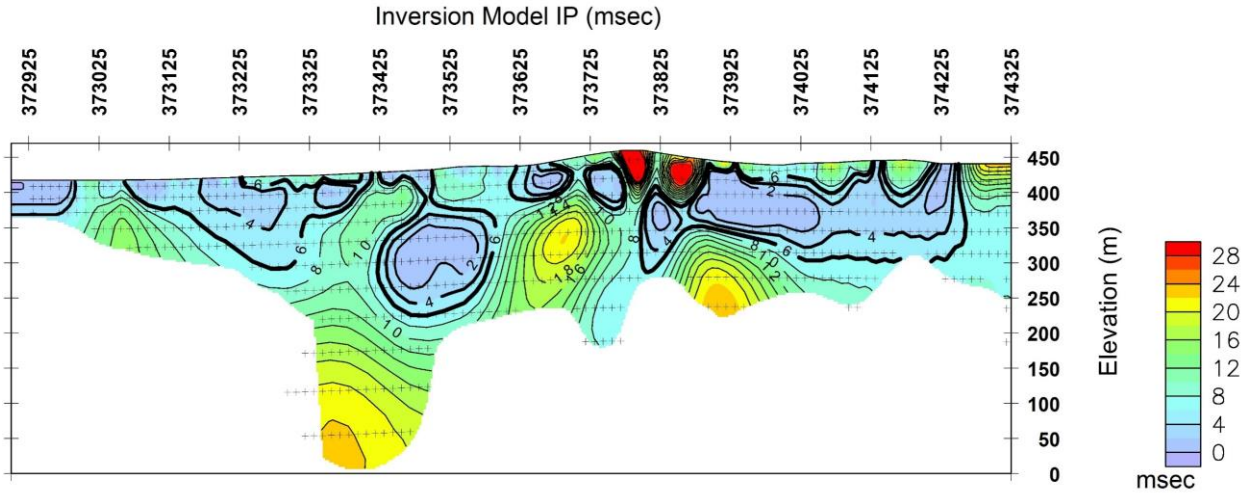

Figure 4. IP line L7649675N chargeability inversion showing location of anomalies.

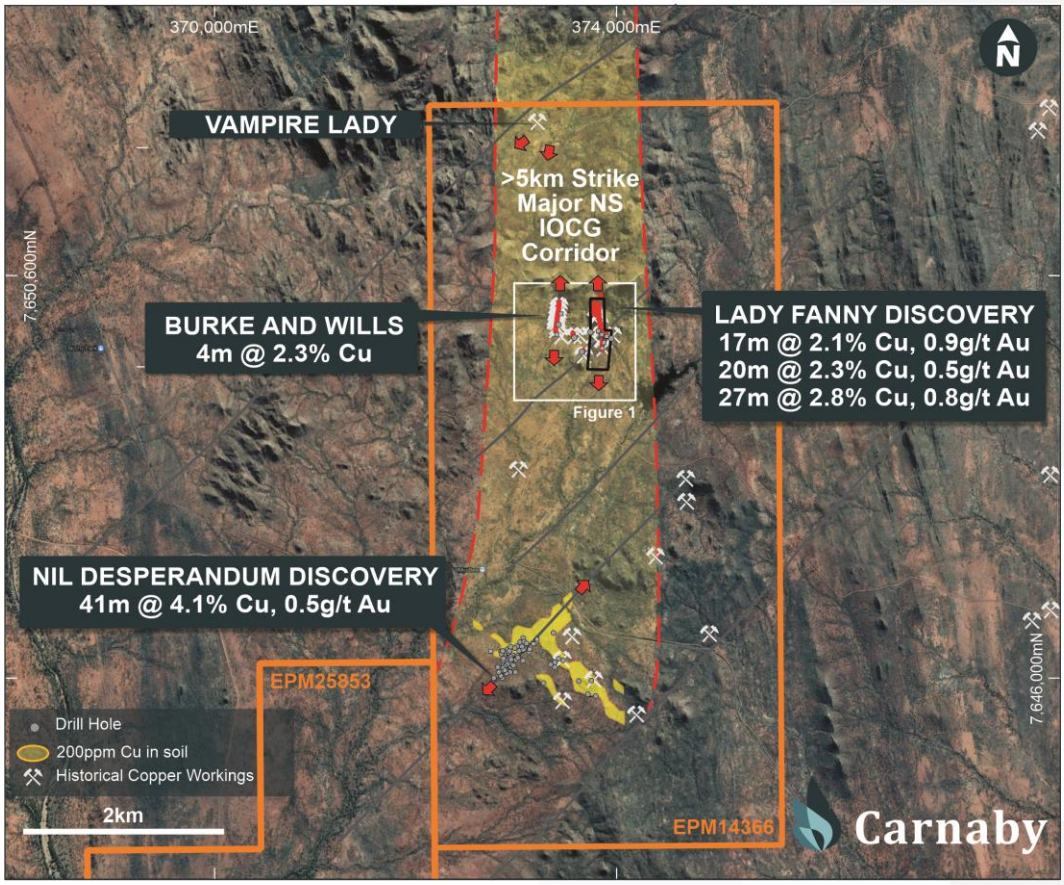

Figure 5. Location Plan of Lady Fanny and Nil Desperandum Discoveries

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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:

Nil Desperandum Continues to Grow, 11 February 2022

Major Discovery Confirmed At Nil Desperandum, 4 February 2022

Lady Fanny Prospect – LFRC008 40m @ 1.0%Cu And 11m @ 1.7%Cu, 17 January 2022

Stunning First Drill Results Lady Fanny – 27m @ 2.8% Copper, 13 January 2022

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 – 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

Significant Intrusion Hosted Gold Discovery 5m @ 8.55gt Gold, 8 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

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. • 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.	• IP Geophysics undertaken using the following equipment: Multi-channel IP receiver (10x Iris Fullwaver or GDD RX32) One GDD TXIV, 20Amp transmitter 20x half-cell non-polarising electrodes Eight kilometres of industry rated IP cable and collection mechanisms Two 64s Garmin handheld GPS Field processing computer
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).	• N/A
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.	• N/A
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.	• N/A

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Criteria	JORC Code explanation	Commentary
	The total length and percentage of the relevant intersections logged.	
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.	• N/A
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.	• The following equipment was employed in the IP geophysics survey; • Multi-channel IP receiver (10x Iris Fullwaver or GDD RX32) • One GDD TXIV, 20Amp transmitter 20x half-cell non-polarising electrodes Eight kilometres of industry rated IP cable and collection mechanisms Two 64s Garmin handheld GPS Field processing computer 6 line, line 1 angled 125°-305°, all other lines angles 035°-215° Lines 19000N and 5300E using 100 m A-spacing for receiver and transmitter, all other lines using 50 m A-spacing on receivers and 100 m on transmitter. Receiver and transmitter points offset. Measurements made in PDP and DPP sense.
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.	• N/A
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.	• IP locations were obtained using a Garmin GPS in UTM MGA94 mode
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.	• N/A

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Criteria	JORC Code explanation	Commentary
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.	• Most IP lines are at right-angles to the main mineralisation.
Sample security	• The measures taken to ensure sample security.	• N/A
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 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 retain 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 work 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 Nil Desperandum and Lady Fanny project areas are 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.

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Criteria	Explanation	Commentary
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.	• N/A
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.	• N/A
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').	• N/A
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.	N/A
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	• As discussed in the announcement

Criteria	Explanation	Commentary
	results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
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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