Carnaby

September 2022 Quarterly Report

The Board of Carnaby Resources Limited (Carnaby or the Company) is pleased to provide the following quarterly update and Appendix 5B.

September 2022 Quarterly Highlights:

GREATER DUCHESS COPPER GOLD PROJECT – MOUNT ISA, QUEENSLAND

Mount Hope Central Prospect

- Exceptional wide and high-grade drill results were reported during the quarter from beneath the shallow historical open pit where a >200m strike of high-grade copper gold mineralisation has been defined and remains open (See ASX release 13 October 2022, 28 September 2022). Standout results include:
  - **MHRC029 101m @ 1.9% copper, 0.3 g/t gold from 90m**
    Including 60m @ 3.1% copper, 0.4 g/t gold from 107m
  - **MHRC045 19m @ 6.4% copper (pXRF) from 158m BOH**
    Including 16m @ 7.6% copper (pXRF) from 161m BOH
  - **MHRC003 30m @ 3.0% copper, 0.4 g/t gold from 60m**
  - **MHRC007 49m @ 1.3% copper, 0.1 g/t gold from 69m**
    Including 19m @ 2.1% copper, 0.2 g/t gold from 72m

Mount Hope North Prospect

- Maiden drilling indicates copper gold mineralisation is hosted in a strongly continuous quartz lode structure which strikes ENE (see ASX release 7 September 2022, 13 October 2022). Standout results from the quarter include:
  - **MHRC025 75m @ 1.7% copper, 0.2 g/t gold from 221m**
    Including 53m @ 1.9% copper, 0.2 g/t gold from 221m
  - **MHDD024 24m @ 1.8% copper, 0.3 g/t gold from 276m**
  - **MHRC038 35m @ 1.1% copper (pXRF) from 105m**
    Including 19m @ 1.5% copper (pXRF) from 109m

Lady Fanny North Prospect

- A continuous and very strong IP chargeability anomaly was delineated for over 1.2 km north of Lady Fanny (see ASX release 18 August 2022). Access and first pass drilling is being planned.

Cash as at 30 September 2022 of $15M (see Corporate section)

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ASX Announcement

28 October 2022

Fast Facts

Shares on Issue 144.6M

Market Cap (@ 90.5 cents) $131M

Cash $15M[1]

[1]As of 30 September 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, Lady Fanny and Mount Hope 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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QUEENSLAND

GREATER DUCHESS COPPER GOLD PROJECT (CARNABY 82.5 -100%)

Exploration at the Greater Duchess Copper Gold Project continued during the quarter, with the focus being the maiden drilling program at the Company's recently acquired Mount Hope Prospects, delivering yet another significant IOCG discovery for the Mount Isa region to further complement the Nil Desperandum and Lady Fanny discoveries (Figure 1).

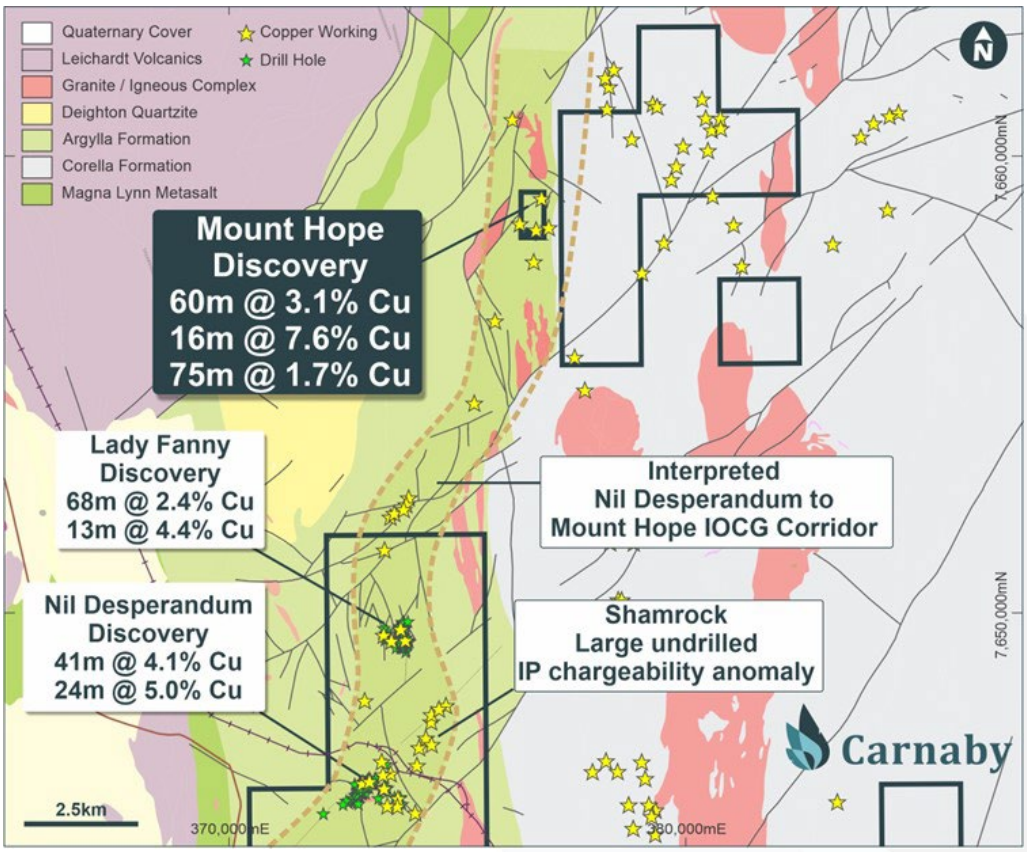

Figure 1. Mount Hope, Nil Desperandum and Lady Fanny IOCG corridor plan.

MOUNT HOPE PROSPECTS (CNB 100%)

During the quarter, the Company commenced its maiden drilling program at the Mount Hope Prospects following the announcement of numerous strong Induced Polarisation (IP) chargeability anomalies, which were generated from seven lines of IP completed at Mount Hope on 100m to 120m traverse spacing (Figure 4) (see ASX release 14 July 2022).

Systematic grid-based drill out of the Mount Hope Central Prospect open pit on a nominal 40m x 40m spacing has initially defined a >200m strike of continuous wide and high-grade copper mineralisation beneath the shallow historical open pit (Figure 2). The drilling to date has defined a steeply dipping quartz copper sulphide (chalcopyrite-chalcocite) vein lode style mineralisation which is strongly structurally controlled by brittle fault networks. Preliminary

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interpretation of the mineralisation is that it appears to be favourably located within an extensive and wide quartz vein host unit emplaced prior to the overprinting copper sulphide mineralisation, utilising the quartz vein as a brittle and favourable host.

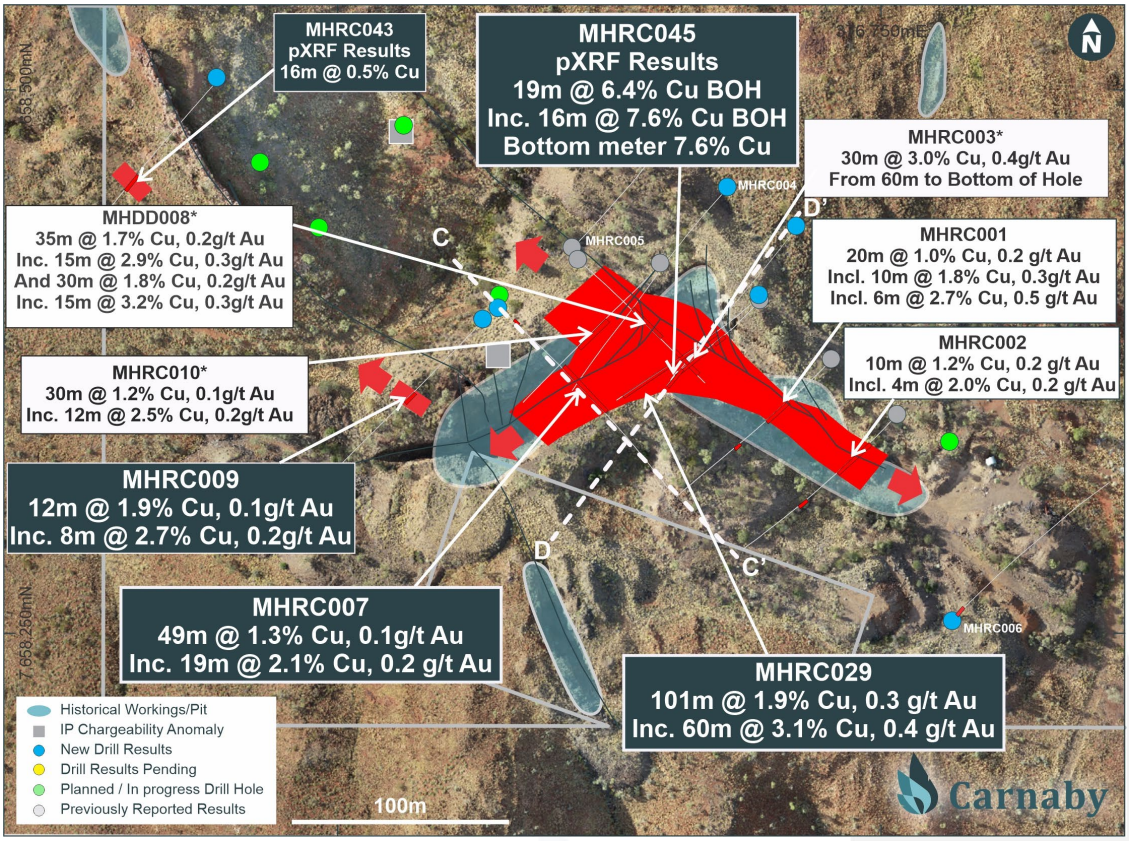

Figure 2. Mount Hope Central Prospect Plan Showing Location of New Drill Results.

Outstanding assay and pXRF results from the Mount Hope Central Prospect announced during and subsequent to the quarter include (see ASX releases 28 September 2022 and 13 October 2022);

- **MHRC029** 6m @ 1.1% copper, 0.03 g/t gold from 60m
  And **101m @ 1.9% Cu, 0.3 g/t Au from 90m**
  Including **60m @ 3.1% Cu, 0.4 g/t Au from 107m**
- **MHRC045*** **19m @ 6.4% copper from 158m to BOH**
  including **16m @ 7.6% copper from 161m to BOH**
- **MHRC003** 5m @ 0.6% copper, 0.1 g/t gold from 40m
  And **30m @ 3.0% copper, 0.4 g/t gold from 60m to BOH**
- **MHRC007** **49m @ 1.3% copper, 0.1 g/t gold from 69m**
  Including **19m @ 2.1% copper, 0.2 g/t gold from 72m**

**pXRF results taken through calico bags.*

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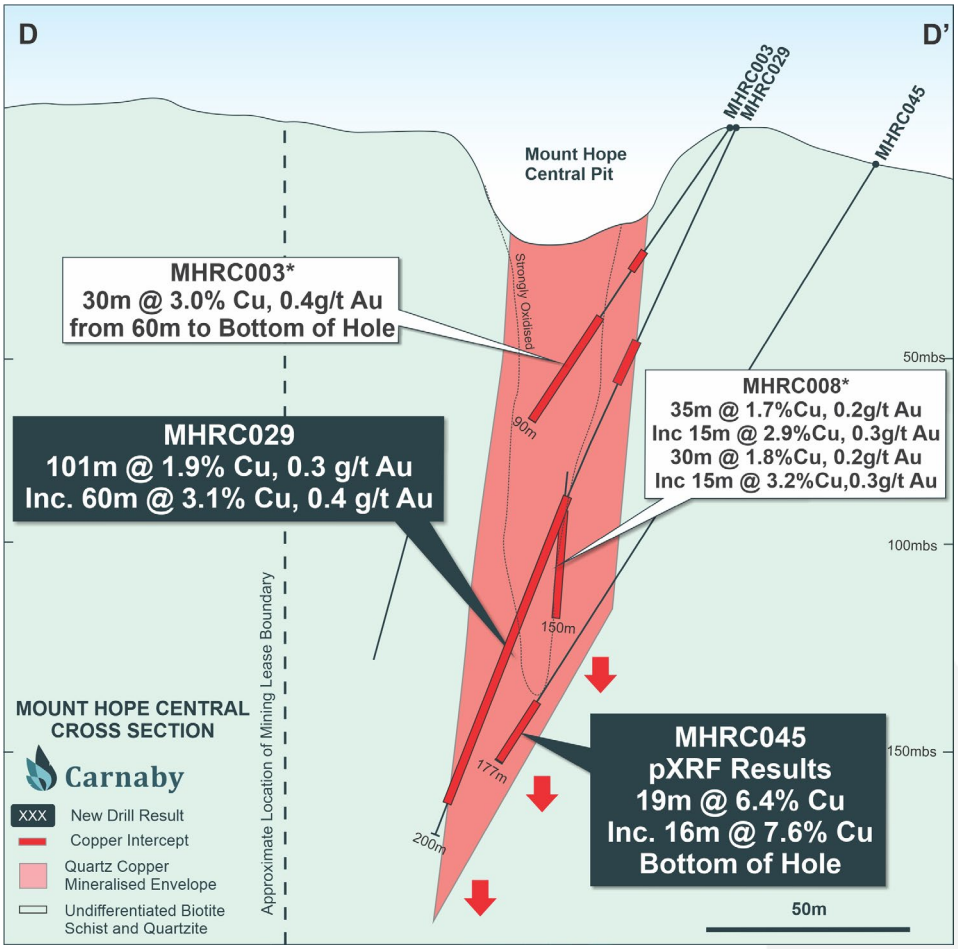

Figure 3. Mount Hope Central Prospect drill cross section showing new drill results.

Initial drilling at the Mount Hope North Prospect open pit also yielded significant results during the quarter (Figure 4). Copper gold mineralisation is hosted in a strongly continuous quartz lode structure which strikes ENE and dips steeply to the south. Evidence of this mineralised vein structure has been mapped at the bottom of the historical Mount Hope North Prospect open pit where a remnant mineralised vein skin on both sides of the pit is evident.

Assay and pXRF results release during and subsequent to the quarter include (see ASX release 7 September 2022 and 13 October 2022);

- **MHRC025** **75m @ 1.7% copper, 0.2 g/t gold from 221m**
  Including **53m @ 1.9% copper, 0.2 g/t gold from 221m**
- **MHDD024*** **24m @ 1.8% copper, 0.3 g/t gold from 276m**
- **MHRC038**** **35m @ 1.1% copper from 105m**
  Including **19m @ 1.5% copper from 109m**

**RC pre-collar results only, diamond core tail results are pending.*

***pXRF results taken through calico bags.*

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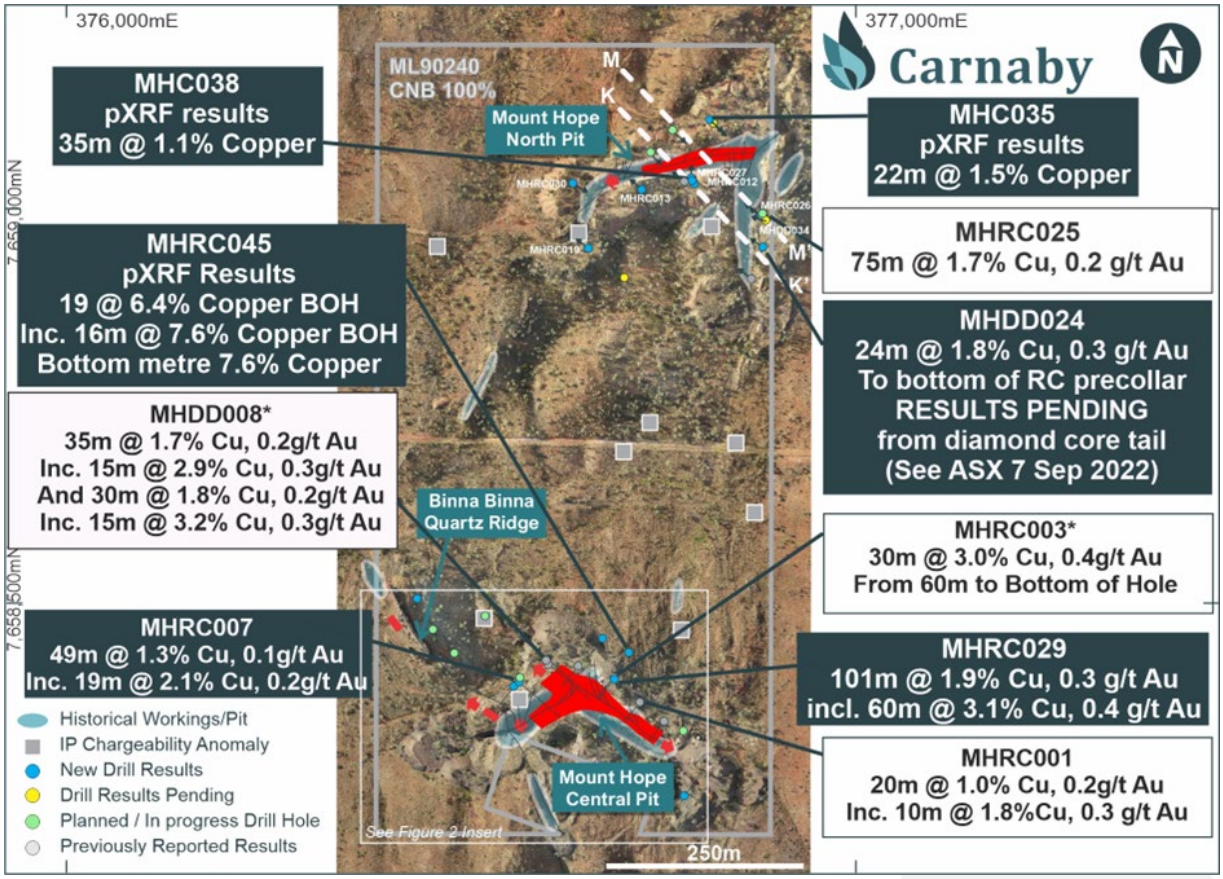

Figure 4. Mount Hope Plan Showing Location of New Drill Results.

NIL DESPERANDUM PROSPECT (CARNABY 82.5%, DCX 17.5%)

Recent drilling at Nil Desperandum has been dually focussed on extending the main breccia shoot down plunge to the southwest and resource definition type drilling of lateral peripheral extensions of the edges of the breccia shoot.

Results were received during the quarter from NLDD114 which intersected **19m @ 0.9% copper, 0.4 g/t gold** from 532.5m and from NLDD112 which intersected **3.6m @ 4.5% copper, 1.1 g/t gold** from 407m (Figure 5) (See ASX releases 18 August 2022 and 7 September 2022). The Nil Desperandum breccia shoot remains open at depth down plunge to the southwest and down dip to the southeast. Downhole EM as well as additional drilling are planned and in progress.

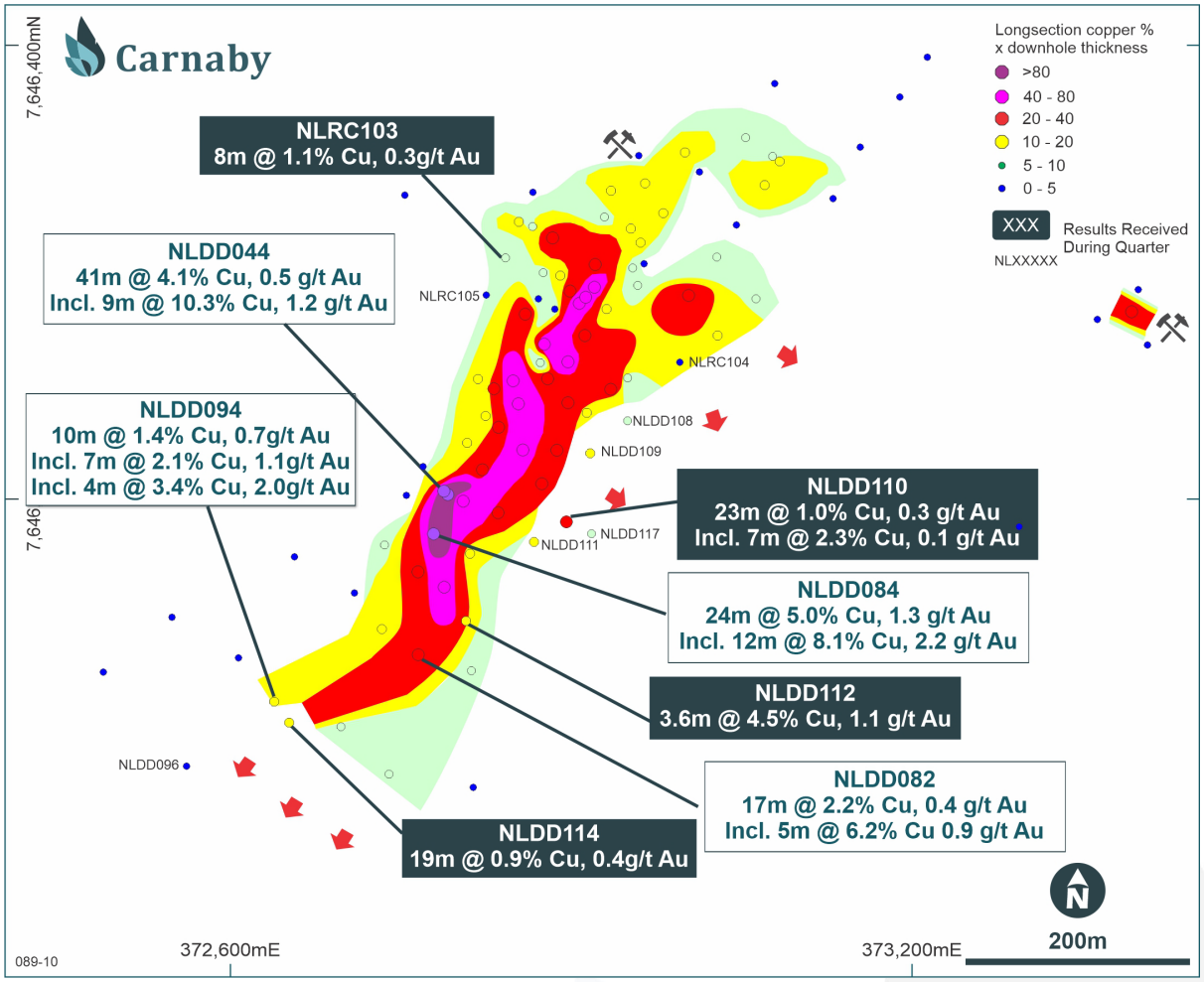

Figure 5. Nil Desperandum pierce point plan projection showing location of drill results release during the quarter.

LADY FANNY PROSPECT (CARNABY 100%)

Limited drilling was completed at Lady Fanny during the quarter due to the priority to drill out the Mount Hope discovery 10 kms to the north.

Lady Fanny continues to show excellent potential for a large, open pittable resource with recent drilling targeting strike and depth extensions guided by strong IP chargeability anomalies which continue to provide an excellent vector to copper sulphide mineralisation.

Results received during the quarter are shown on the long section in Figure 6. Deeper drilling targeting the interpreted north plunge of the main Lady Fanny mineralisation has intersected copper sulphide mineralisation in two diamond holes LFDD111 and LFDD131, however due to hole deviations and the lode mineralisation intersected in LFDD131 and LFDD111 being slightly west of the interpreted position, the core of the strong IP chargeability anomaly remains to be tested (Figure 6). Follow up targeting of this position is being planned with both down hole EM and additional drilling.

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The southern extension of the Lady Fanny corridor, named Lady Fanny South remains sparsely drilled but with strong IP chargeability anomalies suggesting high potential for copper gold mineralisation (Figure 7 & 8). Drilling targeting the strongest IP chargeability line at Lady Fanny South has intersected copper sulphide mineralisation, however the core of the IP anomaly is yet to be adequately tested as shown in the Figure 6 long section below. To date only a single drill section has been completed at Lady Fanny South.

Results have been received from LFDD142 which intersected encouraging broad zones of low-grade halo style disseminated and stringer vein copper sulphide, including 2m @ 1.0% Cu, 0.5 g/t Au from 208m, 5m @ 0.5% Cu, 0.1 g/t Au from 239m and 2m @ 0.4% Cu, 0.06g/t Au from 271m. Results are pending from an additional two RC holes drilled and further drilling is being planned.

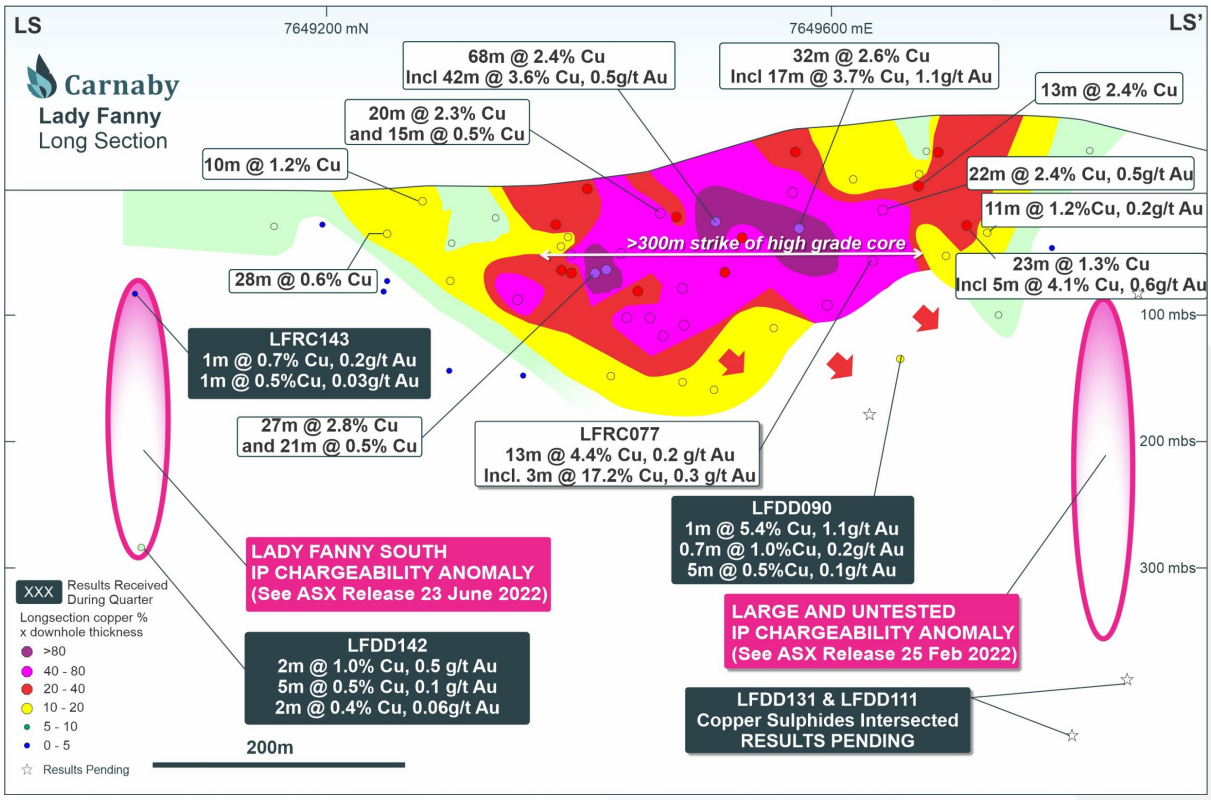

Figure 6. Lady Fanny Long Section Showing Location of Results from the Quarter.

LADY FANNY NORTH & LADY VAMPIRE PROSPECT (CNB 82.5%, DCX 17.5%)

During the quarter four additional lines of IP were completed north of Lady Fanny (Figure 7).

The results have defined strong IP chargeability anomalies on all lines, forming a greater than 1.2km target along strike to the north of Lady Fanny (See ASX Release 18 August 2022).

Heritage surveys over Lady Fanny North have been completed, clearing the way for maiden drilling to take place.

An IP chargeability anomaly was also generated directly beneath the Lady Vampire workings area where previous channel sampling by Carnaby recorded up to 2m @ 4% copper, 0.8 g/t gold and rock chip results up to 18.3% copper, 0.8 g/t gold.

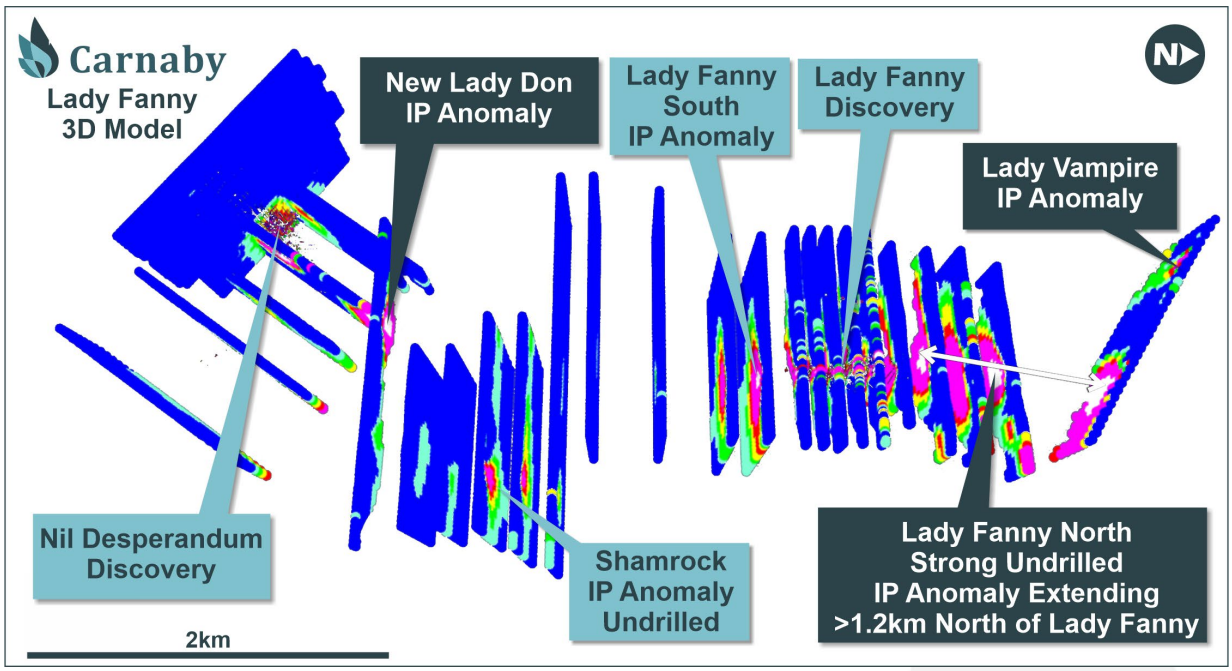

Figure 7. 3D view looking west showing all IP lines from Nil Desperandum to Lady Fanny and the location of new IP anomalies at Lady Fanny North and Lady Don.

SHAMROCK PROSPECT (CNB 82.5%, DCX 17.5%)

Recent IP surveys have defined coherent IP chargeability anomalies at **Shamrock** coincident with shallow historical workings where outcropping copper gold breccia and shear hosted mineralisation is present with up to 2m @ 7.2% copper, 0.5 g/t gold results in channel sampling (See ASX release 14 July 2022). The IP anomaly is continuous across at least four IP sections over a strike length of 800m, with the two central IP section lines 7647450N and 7647650N showing the strongest inversion chargeability anomalies (Figures 7).

A total of 8 RC holes for 1,488m were completed at the end of the quarter in a maiden drilling program. Results from all holes are pending. Details of the drilling will be compiled once results have been received. Encouraging copper sulphide mineralisation was intersected in the drilling and is the likely source of the IP chargeability anomalies.

ST ANDREWS PROSPECT (CNB 82.5%, DCX 17.5%)

An extensive soil sampling program was initiated during the quarter targeting the highly prospective potential southwest strike continuation of the Nil Desperandum trend where little or no previous exploration has historically been completed. Several turn of the century copper

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gold workings are present. A total of 723 soil samples were collected on a nominal 200m x 100m spacing comprising approximately half of the initial planned program. Results are pending for all soil samples collected.

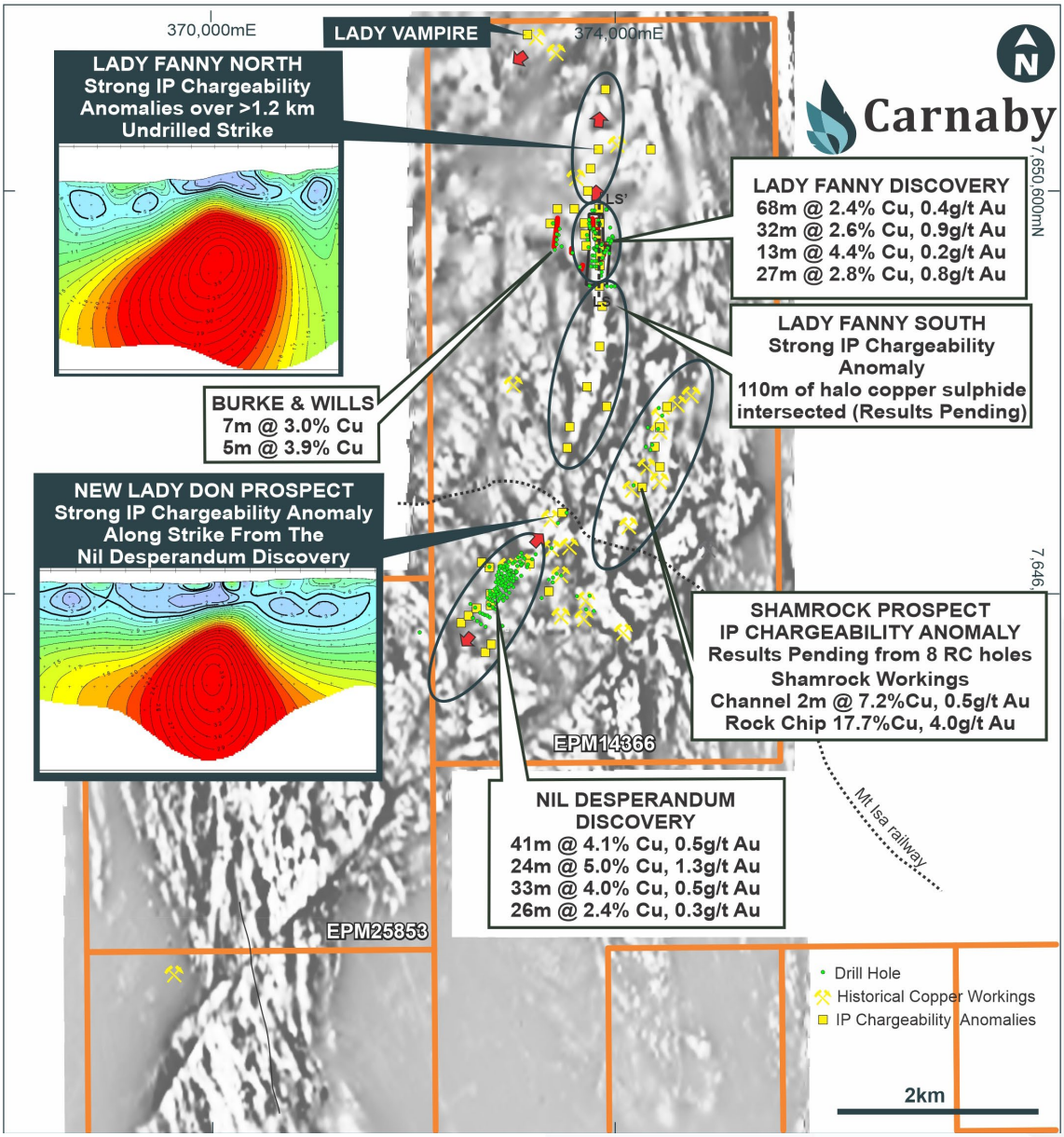

Figure 8. Aeromagnetic Image Showing location of untested IP anomalies at Shamrock, Lady Fanny North and South and Lady Don.

DUCHESS PROSPECT (CNB 82.5%, DCX 17.5%)

During the quarter three RC / diamond holes were completed targeting IP chargeability anomalies beneath the historical Duchess deposit and a new IP chargeability anomaly west of any previous drilling (See ASX release 14 July 2022). Copper sulphide mineralisation was intersected in the drilling and will be detailed once results are received. Down hole EM is currently being completed.

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WESTERN AUSTRALIA

STRELLEY GOLD PROJECT (CARNABY 100%)

No on ground field work was completed in the quarter. Results from two holes drilled in the previous quarter and 1m splits from an earlier program have been received and are being compiled.

BIG HILL LITHIUM & GOLD PROJECT (CARNABY 100%)

No on ground field work was completed in the quarter. Results from shallow RC drilling in the previous quarter have been received and are being compiled.

MALMAC COPPER & GOLD PROJECT (CARNABY 100%)

Soil, rock chip and portable XRF readings were completed at Malmac during the quarter with results pending. A total of 796 soil samples on a nominal 400m x 200m spacing were collected targeting broad copper and gold soil anomalies from previous reconnaissance programs. Details will be presented once all results have been received.

CORPORATE

No further proceeds from a 5% royalty on the Tick Hill Tailing Retreatment Project (see ASX release 3 August 2020) were received during the quarter with cumulative royalties received to date remaining at **$381,000.** The 24-month operational term of the original Tick Hill Tailings Stockpile sale agreement expired on 8 October 2022 without an extension being granted by Carnaby. As such, ownership of the remaining reserves contained within the Tick Hill Tailings facility has reverted to the Company.

Cash and Restricted Cash

As at 30 September 2022, Carnaby held **$15 million** in cash which includes $0.38 million in restricted cash. Restricted cash comprises cash held in term deposits issued in the Company's name which have been used to provide security for the Company's bank guarantee facilities.

Additional ASX Information

- ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter ending 30 September 2022 was $2,718,110.
- ASX Listing Rule 5.3.2: There were no substantive Mining Production and Development activities conducted during the quarter.
- ASX Listing Rule 5.3.5: During the quarter ending 30 September 2022, the Company paid $117,057 to related parties representing Directors' salaries, fees and superannuation.

Please refer to the following Appendix 5B for further information regarding movements in cash during the quarter.

Competent Persons Statement

The information in this document that relates to the Tick Hill Deposit and Tick Hill ROM Stockpile Mineral Resources is based upon information compiled by Mr Paul Tan. Mr Tan is a full-time employee and security holder of the Company and a Member of the AusIMM. Mr Tan consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears. Mr Tan 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).

The information in this document that relates to the Tick Hill Tailings Dam Mineral Resources and all exploration results is based upon information compiled by Mr Robert Watkins. Mr Watkins is a Director and security holder 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).

The information in this document that relates to the Tick Hill Deposit, Tailings Dam and ROM Stockpile Ore Reserves is based upon information compiled by Mr Nigel Spicer. Mr Spicer consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears. Mr Spicer 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

This document contains background information current at the date of this announcement. The announcement is in summary form and does not purport to be all-inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

The announcement is for information purposes only. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sales of shares in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

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Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the fullest extent of the law, the Company, its officers, employees, agents and advisors do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinion, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from the announcement arising out of negligence or otherwise is accepted.

References have been made in this announcement to certain ASX announcements, including references regarding exploration results, mineral resources, production targets and forecast financial information. 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

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estimates of Mineral Resources, Exploration Target(s), Ore Reserves, Production Targets and forecast financial information from Production Targets, 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.

Forward Looking Statements

Some statements in this announcement regarding estimates or future events are forward looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "nominal", "conceptual" and similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licenses, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward looking statements will prove to be correct.

The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to complete the development of the Project, including with respect to any production targets and financial estimates, based on the information contained in this announcement.

Appendix 1 | Carnaby Resources Limited Tenements

Tenement	Location	Ownership
Mount Isa Inlier Copper and Gold Projects		
ML7094	Queensland	100%
ML7096	Queensland	100%
ML7097	Queensland	100%
ML90240	Queensland	100%
EPM9083	Queensland	82.5%
EPM11013	Queensland	82.5%
EPM14366	Queensland	82.5%
EPM14369	Queensland	82.5%
EPM17637	Queensland	82.5%
EPM18223	Queensland	82.5%
EPM18990	Queensland	82.5%
EPM19008	Queensland	82.5%

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Tenement	Location	Ownership
EPM25435	Queensland	82.5%
EPM25439	Queensland	82.5%
EPM25853	Queensland	82.5%
EPM25972	Queensland	82.5%
EPM26651	Queensland	100%
EPM27101	Queensland	100%
EPM 27822	Queensland	100%
Pilbara Gold and Lithium Projects		
E45/5743	Western Australia	100%
E45/4638	Western Australia	100%
E45/5622	Western Australia	80%
E45/5819	Western Australia	100%
E45/5822	Western Australia	100%
E45/4801	Western Australia	100%
Yilgarn Margin Projects		
E69/3509	Western Australia	100%
E69/3510	Western Australia	100%
E69/3702	Western Australia	100%
E38/3289	Western Australia	100%

Mining tenements acquired: Nil.

Mining tenements disposed or relinquished: Nil

Beneficial percentage interests held in farm-in or farm-out agreements: Nil.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil.

APPENDIX TWO

Details regarding the specific information for the new drilling results discussed in this news release are included below in Table 1.

Table 1. Drill Hole Details

LADY FANNY PROSPECT (CNB 100%)

Hole ID	Easting	Northing	RL	Dip	Azimuth	Total Depth (m)	Depth From (m)	Interval (m)	Cu %	Au (g/t)
LFDD142	373999	7649050	409	-55.0	270.0	276.0	208 239 271	**2** 5 2	**1.0** 0.5 0.4	**0.5** 0.1 0.06

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APPENDIX THREE

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.	• The RC drill chips were logged and visual abundances estimated by suitably qualified and experienced geologist. • 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. • Recent RC samples were collected via a cone splitter mounted below the cyclone. A 2-3kg sample was collected from each 1m interval.
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 drilling was completed using NQ sized core after re-entering a 300m deep RC pre-collar.
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. • Drill chips collected in chip trays are considered a reasonable visual representation of the entire sample interval. No significant core loss was observed from the recent diamond holes.
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.	• RC holes have been logged for lithology, weathering, mineralisation, veining, structure and alteration. • Diamond core holes logged for lithology, weathering, mineralisation, veining, structure, alteration and RQD. Holes less than 85 degrees dip were orientated and measurements of the structures and mineralisation taken. All chips have been stored in chip trays on 1m intervals and logged in the field.
Sub-sampling techniques and	• If core, whether cut or sawn and whether quarter, half or all core taken.	• 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.

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Criteria	JORC Code explanation	Commentary
sample preparation	• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• 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. • Core samples are half sawn on one side of the orientation line and core consistently samples on one side. Mineralised core is generally sampled on 1m or less intervals. Where sampled, non-mineralised core is quarter cut and sampled on 2m intervals.
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.	• Company inserted blanks are inserted as the first sample for every hole. A company inserted gold standard and a copper standard are inserted every 50th sample. No standard identification numbers are provided to the lab. • Standards are checked against expected values to ensure they are within tolerance. No issues have been identified.
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.	• All hole locations were obtained using a Trimble SP60 GPS in UTM MGA94. 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.	• Further extensional and infill drilling is required to confirm the orientation and true width of the copper mineralisation intersected.
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	• All holes were considered to intersect the mineralisation at a reasonable angle.

Criteria	JORC Code explanation	Commentary
	introduced a sampling bias, this should be assessed and reported if material.	
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

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, Shamrock and Lady Fanny South Prospects are located on EPM14366 (82.5% interest acquired from Discovex Resources Limited (**Discovex, ASX: DCX**). • 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. • The Mount Hope Mining Lease ML90240 is 100% owned by Carnaby Resources. The exact location of the mining lease boundary is currently being evaluated by the Queensland Department of Minerals as part of a normal process and may therefore be subject to small scale changes.
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 prospects mentioned in this announcement 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.
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	• Included in report Refer to Appendix 2, Table 1.

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Criteria	Explanation	Commentary
	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.	
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.	• No metal equivalent values have been reported
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 are reported are downhole width and true widths are not definitively known. At Lady Fanny and Nil Desperandum drilling intersection angles are generally good and are a good representation of the thickness of the mineralised zones. At Nil Desperandum true thickness is generally about 70% of downhole width.
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.	
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

Criteria	Explanation	Commentary
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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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity

CARNABY RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
62 610 855 064	30 September 2022

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(2,718)	(2,718)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(372)	(372)
	(e) administration and corporate costs	(146)	(146)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	68	68
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (sub-lease of office)	5	5
1.9	**Net cash from / (used in) operating activities**	**(3,163)**	**(3,163)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(79)	(79)
	(c) property, plant and equipment	(85)	(85)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(164)**	**(164)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings *	(12)	(12)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	**Net cash from / (used in) financing activities**	**(12)**	**(12)**

* Represents payment for leases prescribed under the accounting standard AASB16 Leases

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	17,932	17,932
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,163)	(3,163)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(164)	(164)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(12)	(12)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**14,593**	**14,593**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,293	2,132
5.2	Call deposits	13,300	15,800
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)** *Balance excludes Restricted Cash of $377k. Restricted Cash comprises cash held in term deposits in the Company's name which have been used to provide security for the Company's bank guarantee facility.	**14,593***	**17,932**

6.	**Payments to related parties of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	117
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments to related parties represent Directors salaries, fees and superannuation.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,163)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,163)
8.4	Cash and cash equivalents at quarter end (item 4.6)	14,593
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	14,593
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	5

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not Applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not Applicable

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not Applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2022.....

Authorised by: The Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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