

March 2020 Quarterly Report

The Board of Carnaby Resources Limited ("Carnaby" or the "Company") is pleased to provide the following commentary and Appendix 5B for the quarter ended 31 March 2020.

March 2020 Quarterly Highlights:

■ TICK HILL SCOPING STUDY COMPLETED

- 12 month mining and toll treatment operation processing a Mineral Resource production target of 348,000 t @ 2.47 g/t to recover approximately 25,000 oz of gold at an All-In Sustaining Cost ('AISC') of A\$1,247 per oz.
- LOM net pre-tax cash flows within a range of \$17M - \$35M, with Base Case project LOM pre-tax net cash flows of approximately \$26.3M at an assumed gold price of A\$2,300 per oz.
- Re-processing of the high grade East Paddock tailings stockpile of 285,000 t @ 1.42 g/t for 13,000 oz to provide a low risk project start up resulting in negligible pre-production capital requirement and immediate cash flow.
- An optimised open pit cutback contains a Mineral Resource production target of 63,000 t @ 7.24 g/t gold for 14,600 oz.

■ TICK HILL PRE FEASIBILITY STUDY (PFS) COMMENCED

- Targeting completion by the end of May 2020.
- Assuming a positive outcome from the PFS, the Company is targeting first gold production towards the end of 2020.

■ MINING AND TOLL TREATMENT

- Submissions to government authorities to amend the mining and rehabilitation plan on the granted Mining Leases underway. Approvals are expected within 3 to 6 months.
 - Discussions with experienced mining contractors advancing and site visit completed.
 - Suitable operating processing facilities have been identified in the Mt Isa / Cloncurry district and advanced discussions regarding toll treatment are underway.
- An exploration licence application has been lodged covering 39 km² in the Pilbara, approximately 70 km northeast of the very significant De Grey Mining Ltd Hemi gold discovery.
- Salaries and director fees have been reduced by 20 – 50% while the Company assesses the impact of the COVID-19 pandemic over the next 6 months.
- Cash (incl. restricted cash) at 31 March 2020 was \$1.8 million.

Fast Facts

Shares on Issue 96M

Market Cap (@ 7 cents) \$6.7M

Cash \$1.8M¹

¹As of 31 March 2020 and inclusive of Restricted Cash

Board and Management

Peter Bowler, Non-Exec Chairman

Rob Watkins, Managing Director

Greg Barrett, Non-Exec Director

Paul Payne, Non-Exec Director

Ben Larkin, Company Secretary

Company Highlights

- Proven and highly credentialled management team
- 100% ownership of the Tick Hill Gold Project (granted ML's) in Qld, historically one of Australia highest grade and most profitable gold mines
- Past production of 511 koz at 22 g/t gold
- Indicated and Inferred Mineral Resource of 838,000 t @ 2.41 g/t gold for 65,000 ounces (ASX announcement 29 January 2020)
- 323 km² surrounding exploration package containing numerous gold and copper targets
- Tight capital structure and strong cash position

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TICK HILL PROJECT

Exploration programs completed in the March quarter were scaled back as a result of the COVID-19 pandemic and onset of the wet season in NW Queensland (January to April).

The Company has focussed on the near term potential to develop the Tick Hill Gold Project completing a Scoping Study which demonstrated robust economics as announced on the 16 March 2020 and summarised in the sections below. Pre-Feasibility studies have commenced and are anticipated to be completed in the June Quarter. Carnaby is targeting first gold production from Tick Hill towards the end of 2020.

Carnaby remains highly excited about the exploration upside at Tick Hill especially the Tick Hill North target and plans to advance the technical target generation by completing re-logging of diamond core and 3D geological modelling prior to further drilling.

At Mount Birnie located 4 km NW of Tick Hill, potentially in the same IOCG corridor as Tick Hill, systematic soil BLEG sampling and limited drilling completed in the March quarter has identified a larger mineralised Iron Oxide Copper Gold system and new targets have been generated. Initial resource estimations for Mount Birnie will be completed in 2020 as part of a broader scoping evaluation of the future economic viability of the numerous copper deposits within Carnaby's Tick Hill and Duchess project areas.

TICK HILL SCOPING STUDY RESULTS (100% OWNED)

As announced on 16 March 2020, the results from the Tick Hill Gold Project Scoping Study contemplates a mining and toll treatment operation over a 12 month period, processing a Mineral Resource production target of 348,000 t @ 2.47 g/t to recover approximately 25,000 ounces of gold at an All-In Sustaining Cost ('AISC') of A\$1,247 per ounce.

LOM net pre-tax cash flows within a range of \$17M - \$35M, with Base Case project LOM pre-tax net cash flows of approximately \$26.3M at an assumed gold price of A\$2,300 per ounce.

Re-processing of the high grade East Paddock tailings stockpile of 285,000 t @ 1.42 g/t for 13,000 ounces provides a low risk project start up resulting in negligible pre-production capital requirement and immediate cash flow (Figure 1).

An optimised Open Pit cutback of the Tick Hill open pit contains a Mineral Resource production target of 63,000 t @ 7.24 g/t gold for 14,600 ounces.

The open pit Mineral Resource production target includes newly identified high grade gold mineralisation in the lower north wall of the open pit with results up to 5.5 m @ 30.1 g/t gold BOH and 5.5 m @ 20.3 g/t gold BOH which has enhanced the economics of the study (Figures 2 & 4).

The Company is progressing discussions regarding a potential alliance profit sharing agreement for toll treatment processing and contract mining with various third parties.

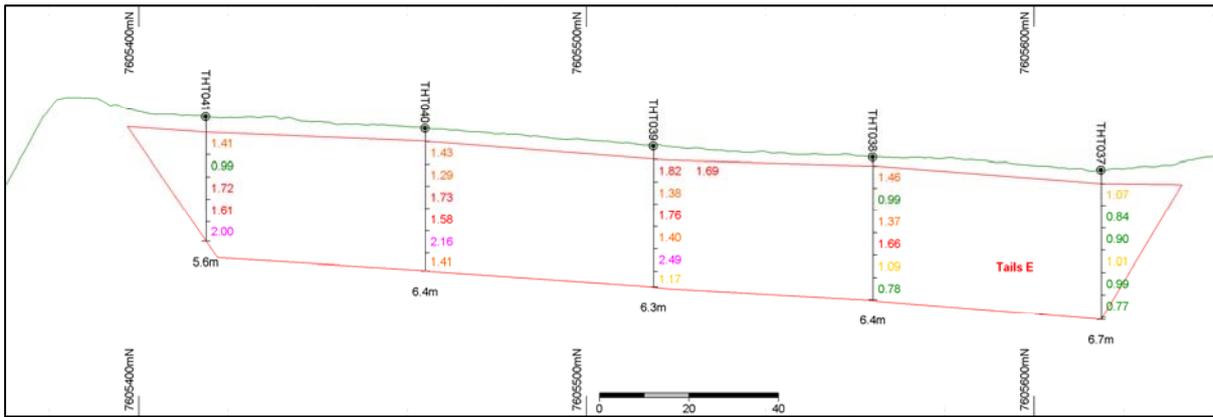


Figure 1: Tick Hill East Paddock Tailings Dam Cross Section showing gold results.

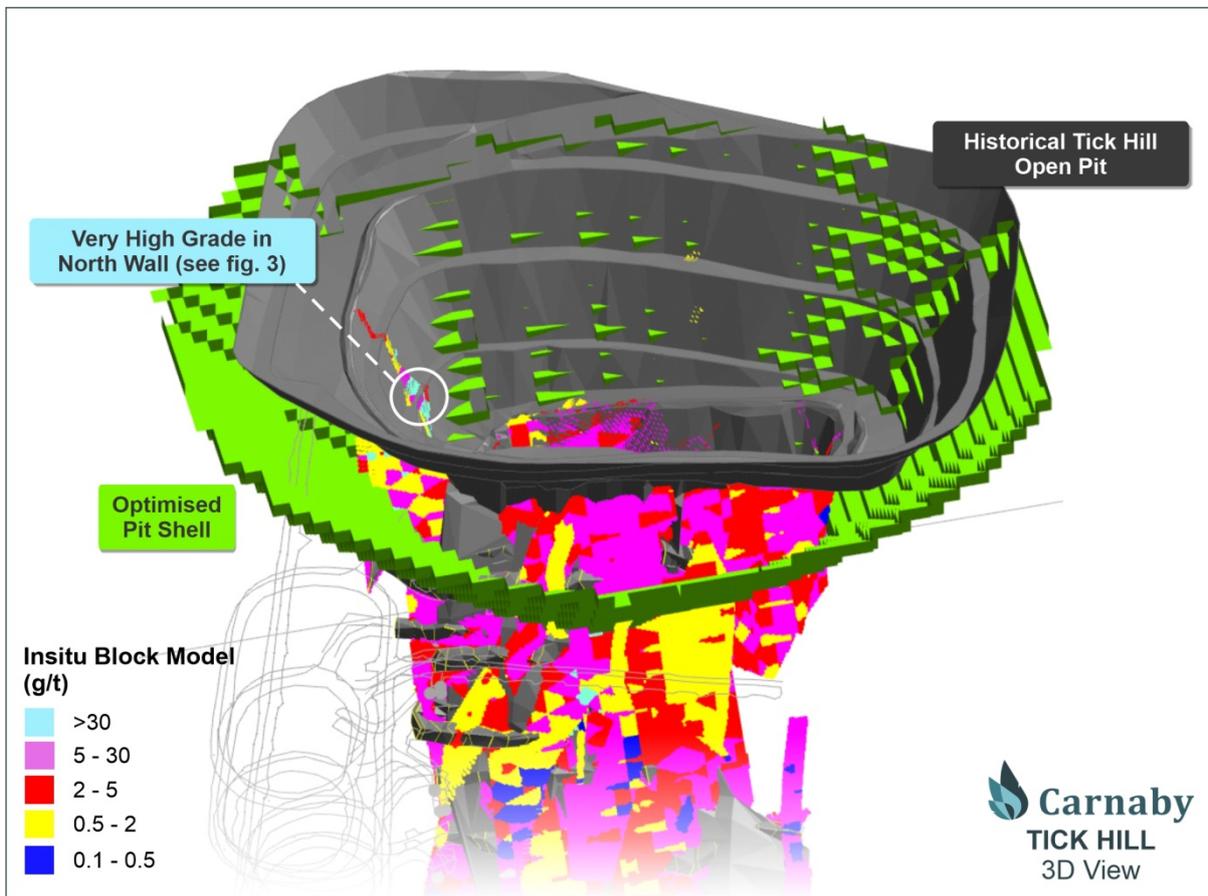


Figure 2: Tick Hill 3D view of optimised open pit cutback facing east.

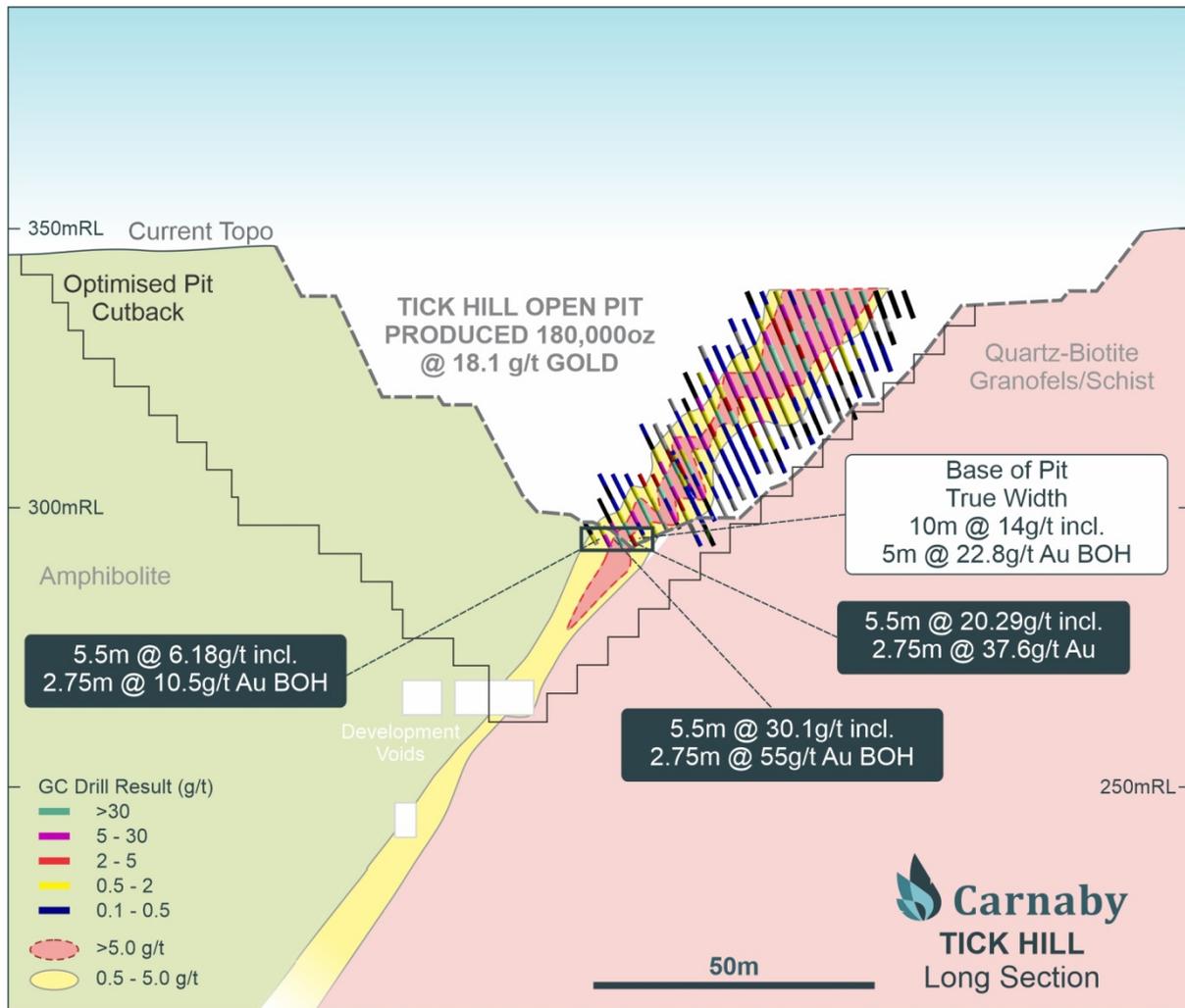


Figure 3: Tick Hill Cross Section Showing Location of historic grade control results at the base of the north wall of the open pit.

Tick Hill	Diluted and Recovered Indicated			Diluted and Recovered Inferred			Diluted and Recovered Total			cut-off g/t
	tonnes	g/t	ounces	tonnes	g/t	ounces	tonnes	g/t	ounces	
Tick Hill Open Pit	44,000	7.29	10,200	19,000	7.11	4,400	63,000	7.24	14,600	1.05
Tick Hill East Paddock Tailings	285,000	1.42	13,000				285,000	1.42	13,000	
Mineral Resource production target	329,000	2.19	23,200	19,000	7.11	4,400	348,000	2.47	27,600	

Table 1: Mineral Resource production target for the Tick Hill Scoping Study¹.

¹ Refer ASX Announcement 16 March 2020

TICK HILL PRE-FEASIBILITY STUDY (100% OWNED)

The Tick Hill Gold Project Pre-Feasibility Study (PFS) remains on track to be completed by the end of May 2020. Technical studies in progress are;

- Engineering design and cost optimisation work to confirm that the open pit cut back is a more profitable option than re-establishing underground access to extract the Mineral Resource production target;
- Additional metallurgical test work relating to the tailings including grind size, residence time and oxygen injection. Samples have been collected from recent drilling and have been dispatched for analysis;
- Geotechnical review being completed by WK Geotechnical consultants;
- Detailed ground water studies; and
- Updating of mining and rehabilitation plan for submission to government authorities.

NEXT STEPS AND TIMELINE TO PRODUCTION

The Tick Hill Scoping Study has successfully outlined a potentially robust project of an open pit cutback of the Tick Hill open pit and re-processing of high grade tailings.

Assuming a positive outcome of the PFS, Carnaby is targeting first gold production towards the end of 2020.

Key milestones in order to achieve gold production are;

- Completing the current PFS by the end of May 2020;
- Submissions to government authorities to amend the mining and rehabilitation plan on the granted Mining Leases. Initial discussions are in progress and lodgements are being prepared. Timeline to receive approvals is estimated to be between 3 and 6 months;
- Forming an alliance and profit sharing agreement with experienced mining contractors. Advanced discussions are in progress and site visit completed; and
- Execute a toll treatment agreement at a third party processing facility. Suitable operating processing facilities have been identified in the Mt Isa / Cloncurry district and advanced discussions are underway.

TICK HILL NEAR MINE EXPLORATION (100% OWNED)

No exploration field work was completed in the March quarter as a result of the COVID-19 pandemic and the onset of the wet season in NW Queensland.

The Tick Hill North target remains highly encouraging where the last hole drilled in December 2019 intersected an intensely altered 10 m wide Lodestone unit representative of the host rock of the Tick Hill orebody (Figure 4).

Future planned exploration programs include target generation from detailed re-logging of historical diamond core and 3D geological modelling prior to further drilling.

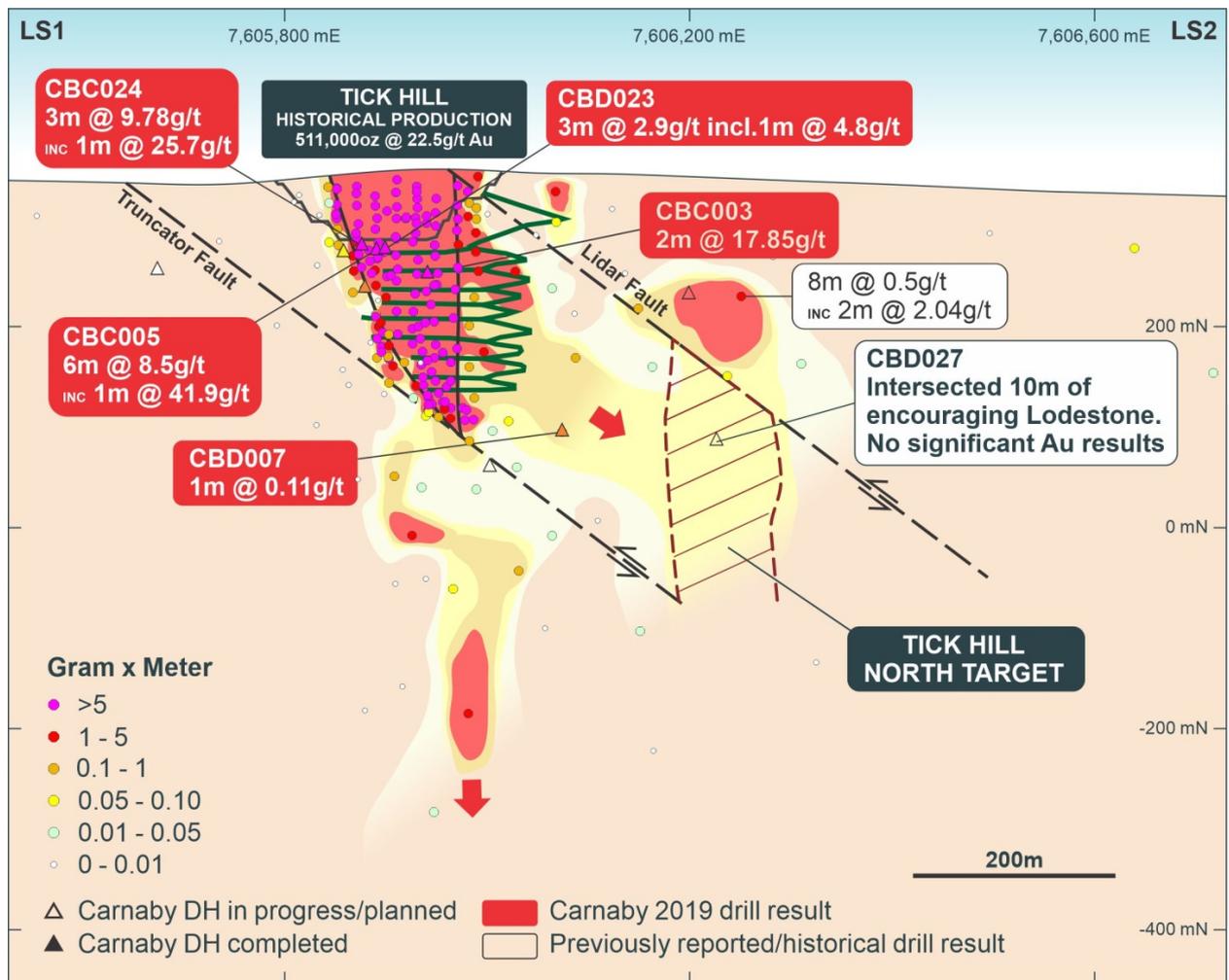


Figure 4: Tick Hill long section showing location of results and Tick Hill North target.

MOUNT BIRNIE (82.5% OWNED)

Mount Birnie is located 4 km NW of Tick Hill and is interpreted to be part of the same NW IOCG corridor as Tick Hill.

In the March quarter systematic soil BLEG sampling was completed along the Mount Birnie corridor on 100 m x 100 m spacing totalling 343 samples. The results highlighted a large coherent soil copper-gold anomaly footprint at Mount Birnie 500-1,000 m wide and approximately 1,500 m long (Figure 5 & 6). A new copper-gold anomaly under shallow cover was also highlighted a further 1km along strike to the NNW.

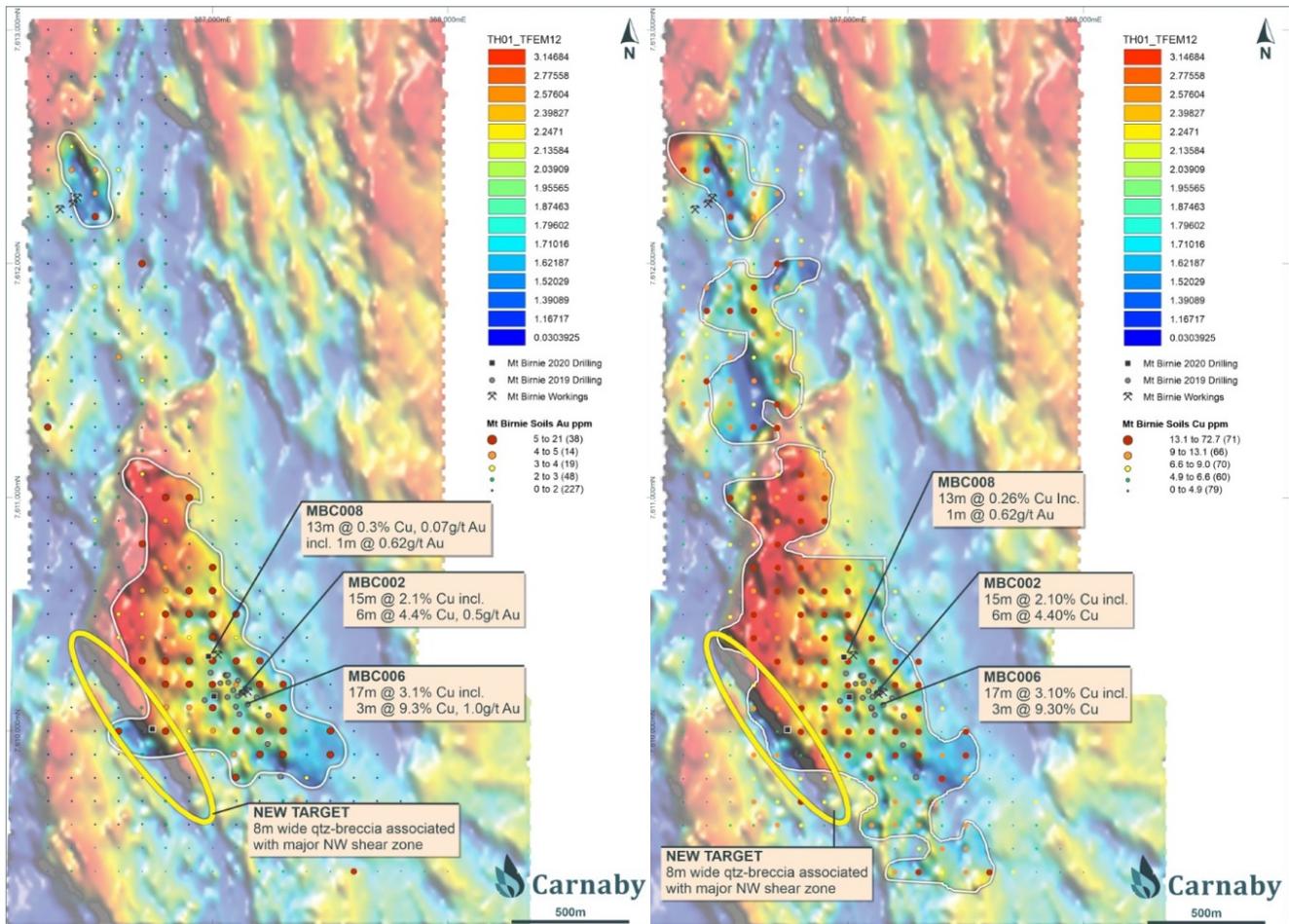
A small program of 3 exploration RC holes was completed at Mount Birnie targeting satellite extensions of the deposit. Results up to 13 m @ 0.3% Cu, 0.07 g/t gold from 68 m including 1 m @ 0.62 g/t gold was intersected in MBC008 approximately 150 m north of the main deposit.

A further exploration RC hole was drilled approximately 300 m SW of the main deposit area to test a subtle FLTEM anomaly associated with a major NW structure evident in the SAM TFEM data (Figure 6). An 8m wide quartz-breccia vein was discovered in a drainage channel at this location and costean sampling across the vein returned anomalous copper and gold up to 2 m @ 0.13 g/t gold and 1,055 ppm copper. The drill hole MBC012 intersected a strongly altered shear zone on a major lithological contact with associated disseminated and laminated pyrite and chalcopyrite mineralisation returning anomalous copper up to 1 m @ 0.13% copper from 31m. This new target remains essentially untested over a 1 km strike and is almost completely masked by overlying cover associated with the drainage in that area.

Additional work completed in the quarter included petrophysical testing of mineralised core from Mount Birnie. The results highlighted high chargeability associated with the mineralisation suggesting IP is the preferred method of further exploration. Very low EM conductivity results indicate EM is not detecting the Mount Birnie style copper gold mineralisation.

Mount Birnie is a high grade copper gold system that has excellent potential to grow with additional geophysics and drilling.

First pass resource estimations will be completed in 2020 as part of a broader scope to evaluate the future economic viability of the numerous copper deposits within Carnaby Tick Hill and Duchess project areas.



Figures 5 & 6: Mount Birnie SAM TFEM overlaid with BLEGG soil gold and copper results.

WESTERN AUSTRALIA GOLD EXPLORATION (100% OWNED)

An exploration licence application has been lodged covering 39 km² in the Pilbara, approximately 70 km northeast of the very significant De Grey Mining Ltd Hemi gold discovery. The exploration license application area is located adjacent to the Tabba Tabba Shear Zone and is considered to be prospective for Hemi style gold mineralisation.

No field work was completed on the Malmac project and restricted access caused by the COVID-19 pandemic has meant that planned first pass surface geochemical and mapping programs have been deferred.

SCANDINAVIAN NICKEL & COBALT (100% OWNED)

Carnaby has retained permits related the Lainejaur Nickel-Cobalt Project, which contains a JORC resource of 460,000 t @ 2.2 % nickel, 0.7% copper and 0.15% cobalt.

Divestment of the remaining Scandinavian projects is being sought to allow Carnaby to focus on its Australian assets.

CORPORATE

Board Changes

Mr Greg Barrett has been appointed as a non-executive director of the Company and Mr Justin Tremain resigned as a non-executive director of the Company effective 12 March 2020.

Cost Reduction Initiatives

As a result of nation-wide work and travel restrictions and with the safety and health of our employees in mind, Carnaby has temporarily suspended all regional field exploration activities and materially reduced salary and overhead costs accordingly;

- 50% reduction in Non – Executive Director fees; and
- 20-40% reduction in all other staff salaries.

It is anticipated that the implemented changes will be in effect for a minimum of 6 months and will be subject to review in light of the ongoing impact from the COVID-19 pandemic.

Cash and Restricted Cash

At 31 March 2020, Carnaby held \$1.8 million in cash which includes \$0.4 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 facility.

The bank guarantee facility allows the Company to issue bank guarantees in satisfaction of its Queensland state government environmental surety obligations. Without the establishment of this facility, the Company would be required to meet its surety obligations via deposit of cash directly to the Queensland state government.

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

Competent Persons Statement

The information in this document that relates to the Tick Deposit 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 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). 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.

The information in this document that relates to the Tailings Dam Mineral Resources 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 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). 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.

The information in this document that relates to the Lainejaur Project Nickel, Copper & Cobalt Mineral Resources is based upon information compiled by Mr Paul Payne, an employee of Payne Geological Services Pty Ltd, and a Director and security holder of the Company. Mr Payne is a Fellow of the AusIMM and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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). Mr Payne consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

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.

This announcement does not constitute investment advice and has been prepared without considering the recipients investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

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 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 | Drill Results

Target	Hole ID	Easting	Northing	RI	Azimuth	Dip	Depth From (m)	Interval (m)	Au (g/t)	Cu (%)	Comments
Mt Birnie	MBC007	387006	7610148	322	135	-54.6	67	10	0.02	0.106	
							Inc 76	1	0.103	0.289	
Mt Birnie	MBC008	386983	7610319	368	110	-58.2	68	13	0.065	0.259	
							Inc 68	1	0.615	0.146	
Mt Birnie	MBC012	386742	7610007	308	183	-55.3	31	1	0.004	0.129	Exploration Hole - highest Cu
							36	1	0.009	0.02	Exploration Hole - highest Au

Appendix 2 | 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	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma 	<ul style="list-style-type: none"> Sampling from diamond core was from selected geological intervals of varying length. Core has half core sampled. No record of sample preparation or assay technique was provided in the historical

Criteria	JORC Code explanation	Commentary
	<p>sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</p> <ul style="list-style-type: none"> • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<p>report however reasonable to assume it was from an industry standard</p> <ul style="list-style-type: none"> • Historical drill holes are understood to have been undertaken by diamond drilling. • Recent RC samples were collected via a Jones splitter mounted below the cyclone. A 2-3kg sample was collected from each 1m interval. Samples were pulverised to obtain a 30g charge for aqua regia digest and AAS analysis of Gold and Copper. • Exploration soil samples collected for Bulk Leach of Extractable Gold (BLEG) were taken from the B soil horizon (0.3m below surface) with a 0.5kg sample of the - 2mm sieve fraction collected for analysis at ALS in Perth.
Drilling techniques	<ul style="list-style-type: none"> • Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> • Records indicated that historic diamond core samples were taken at St Mungo – hole diameter of BQ and NQ size were identified on site. • All recent RC holes were completed using a 5.5" face sampling bit. • A diamond tail was completed at Mt Birnie in 2019 for one RC hole after switching the rig over to diamond mode. Core drilled was HQ size and was orientated using Boart Longyear True Core.
Drill sample recovery	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Historic core recovery data was not recorded • For recent RC drilling, no significant recovery issues for samples were observed. • For the recent diamond hole both drilled and recovered lengths per run were recorded. No loss of core was observed with the ground being extremely competent.
Logging	<ul style="list-style-type: none"> • 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. <p>The total length and percentage of the relevant intersections logged.</p>	<ul style="list-style-type: none"> • Historical drill holes were logged geologically. • Recent hand samples were given a geological description • Recent RC holes have been logged for lithology, weathering, mineralisation, veining and alteration. • All chips have been stored in chip trays on 1m intervals and logged in the field.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Remaining historical core has been observed at site and half core or whole core sampling was most likely completed, although historical reports do not specifically note the method. • One HQ diamond tail completed in 2019 was orientated following geological and geotechnical logging before being half cut

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	<p>and sampled for analysis.</p> <ul style="list-style-type: none"> All RC samples were riffle 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 riffle split sample is taken for analysis. For non-mineralised zones a 5m composite is collected and the individual 1m riffle split samples over the same interval retained for later analysis if positive results are returned.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> It is unknown what QAQC procedures were used by the previous workers. It is reasonable to assume that they used industry acceptable procedures for that time. The historical results have been recorded to 2 decimal places for copper and therefore are likely to have been assayed at an industry standard laboratory The recent RC programme has used ore grade standards for both gold and copper. Blanks are inserted by Carnaby staff every 150 samples and standards (CRMs) are inserted every 50 samples. The selection of standards used are within the gold and copper ranges known at Mt Birnie. Standard CRM identification was removed prior to submitting to the external lab. Results of the standards and blanks were checked against the CRM reference sheets to check they were within tolerance.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Results have been collated from original company reports A Maxgeo Webshed SQL database is currently used use to house all historic and new records. Results were imported directly from the lab reports into Webshed. Results reported below the detection limit have been stored in the database as half the detection limit – e.g. <0.001ppm stored as 0.0005ppm
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Historic drill holes and recent holes at Mt Birnie obtained collar locations using a high accuracy Trimble SP60 GNSS receiver in UTM MGA94 zone 54. Soil sample and rock chip sample locations were obtained using a Garmin GPS in UTM MGA94 zone 54. Historic down-hole surveys were not measured by Longreach Current RC holes at Mt Birnie were downhole surveyed by Boart Longyear True Shot. Where magnetic zones were encountered, the azimuth has been averaged between the preceding and next surveys. Dip information has been retained at each survey station (every 50m). A Champ Gyro (True North Seeking Gyro)

Criteria	JORC Code explanation	Commentary
		was used for all holes completed by Carnaby Resources at Tick Hill.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Historical Mt Birnie drill hole collars were drilled 30 to 100 metres apart. Recent RC has provided infill to an approximate 40m drill spacing. Recent RC non-mineralised zones were composited to 5m with mineralised intervals sampled at 1m.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Most holes are at right-angles to the main mineralisation. Drilling appears to have been completed at good angle to the mineralisation.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Historical drill samples were controlled by Longreach personal at the time. Sample security not recorded in historical reports. Recent RC drilling has had all samples immediately taken following drilling and submitted for assay by supervising Carnaby geology personnel.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Queensland projects comprise the Tick Hill Mine Project Region (105.5km²) and the Regional Leases (217.3km²). The projects comprise of three Mining Leases at Tick Hill (3.9km² - 100% interest acquired from Diatrene and Superior – ML's 7094, 7096 and 7097), twelve surrounding and regional tenements (293.3km² - 82.5% interest acquired from Syndicated – EPM's 9083, 11013, 14366, 14369, 17637, 18980, 19008, 25435, 25439, 25853, 25972); and two additional tenements held by Carnaby associated entities (25.6km² – 100% beneficial interest held by a wholly owned subsidiary of Carnaby – EMP26651 and 27101). The historical drill results are from EPM 25853 Beneficial interest in the Western Australian tenements (969.3km²) is held by Carnaby through wholly owned subsidiary of Carnaby (E69/3510, E69/3509 and E38/3289). The Tick Hill ML's are subject to a royalty on gold production, to a 3rd party, using the following formula: Production Royalty = Percent Royalty Rate

Criteria	Explanation	Commentary
		<p>X Recovered Gold / 100. The Percent Royalty Rate (below \$5M in total royalty) = (Annual Recovered Grade (g/t) / 5) – 1. The Percent Royalty Rate (above \$5M in total royalty) = (Annual Recovered Grade (g/t) / 10) – 0.5. For gold produced from the tailings dam, the Percentage Royalty Rate will be 10% for gold recovered above 1g/t Au.</p> <ul style="list-style-type: none"> The 3rd party royalty holder for Tick Hill ML's has the right to purchase any copper ore or concentrates on commercial terms.
<p>Acknowledgment and appraisal of exploration by other parties.</p>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> 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 is understood to have been undertaken to an industry accepted standard and will be assessed in further detail as the projects are developed. Longreach Minerals Pty Ltd completed the diamond drilling in 1967.
<p>Geology</p>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Tick Hill 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. The Malmac Project in Western Australia is within the Palaeoproterocic Earahedy basin abutting the northern part of the Yilgarn Craton. All projects are perspective for orogenic gold while the Malmac Project is also considered perspective for base metal mineralisation. The Throssel Project in Western Australia is positioned within the Archaean granite greenstone terrane of the Eastern Goldfields which forms part of the Yilgarn Craton.
<p>Drill hole Information</p>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill 	<ul style="list-style-type: none"> Included in report. Refer to the report and Appendix 1.

Criteria	Explanation	Commentary
	<p>holes:</p> <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. <p>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.</p>	
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Significant intercepts above 0.1 % Cu have been reported • Metal equivalents have not been used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The reported intercepts are interpreted to have intersected the mineralisation from between 90degrees to 45 degrees; and may not necessarily represent the true thickness of the mineralised zones. • The results related to rock chip samples and character samples of specific styles of mineralisation in an area. They may not be representative of broader mineralisation.
Diagrams	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • See the body of the announcement.
Balanced reporting	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The exploration results should be considered indicative of mineralisation styles in the region.

Criteria	Explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> As discussed in the announcement
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Planned exploration works are detailed in the announcement.

Appendix 3 | Carnaby Resources Limited Tenements

Australian Projects

Tenement	Location	Structure
Tick Hill Gold and Copper Project		
ML7094	Queensland	100%
ML7096	Queensland	100%
ML7097	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%
EPM25435	Queensland	82.5%
EPM25439	Queensland	82.5%
EPM25853	Queensland	82.5%
EPM25972	Queensland	82.5%
EPM26651	Queensland	100%

EPM27101	Queensland	100%
Malmac Gold and Base Metals Project		
E69/3509	Western Australia	100%
E69/3510	Western Australia	100%
E69/3702	Western Australia	100%
Throssel Gold Project		
E38/3289	Western Australia	100%
Sister's Well Gold Project		
E45/5614	Western Australia	100%

Scandinavian Projects

Tenement	Location	Structure
Tunaberg nr 202	Sweden	100%
Gladhammar nr 202, 203, 204, 205, 206	Sweden	100%
Lainejaur nr 20	Sweden	100%

Mining tenements acquired: E45/5614 (Application).

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 5B

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

Name of entity

CARNABY RESOURCES LIMITED

ABN

62 610 855 064

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(376)	(1,624)
(b) development	-	-
(c) production	-	-
(d) staff costs	(172)	(508)
(e) administration and corporate costs	(53)	(194)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	34
1.5 Interest and other costs of finance paid	-	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(595)	(2,295)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(9)
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	-	(9)

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	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (transfers to Restricted Cash) <i>* Restricted Cash comprises cash held in term deposits in the Company's name which have been used to provide security for the Company's recently established bank guarantee facility.</i>	-	(373)*
3.10	Net cash from / (used in) financing activities	-	(373)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,951	4,033
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(595)	(2,295)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(373)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,356	1,356

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	256	509
5.2	Call deposits	1,100	1,442
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)	1,356**	1,951**
	<i>** Balance excludes Restricted Cash. Refer Item 3.9 above for further details.</i>		

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	89
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.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>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.</i>		
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)	(595) ^{***}
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(595)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,356
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,356
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.28
<p>*** The cash outflows for this quarter included payments of \$322,000 for drilling.</p> <p>Exploration activities have been significantly curtailed as a result of the COVID-19 pandemic and the Company has also undertaken a range of cost reduction initiatives, including reducing non-executive director fees by 50% and individual staff salaries by a range of 20% - 40% for the next 6 months. These measures will reduce salaries, director fees and superannuation expenditure by approximately \$60,000 per quarter.</p> <p>The Company also expects to be the beneficiary of several recently announced COVID-19 State and Federal stimulus programs over the coming quarters.</p> <p>Accordingly, the Company expects cash outflows in coming quarters to reduce significantly.</p>	

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

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

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

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: 29 April 2020.....

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.