

## September 2019 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 30 September 2019.

### September 2019 Quarterly Highlights:

- **TICK HILL: maiden drilling campaign commenced, intersecting significant gold mineralisation immediately below the Tick Hill open pit and adjacent to existing underground development (see ASX release 1 October 2019);**

#### MAIN LODE SOUTH

- **CBC005: 1 m @ 41.9 g/t Au from 98 m within 6 m @ 8.5 g/t Au from 94 m, confirming adjacent historical Main Lode South drill results, which include: 1 m @ 207.1 g/t Au within 2 m @ 104 g/t Au, 1 m @ 94.6 g/t Au within 12 m @ 9.1 g/t Au, 3 m @ 16.9 g/t Au within 7 m @ 7.6 g/t Au in a continuation of the Main Lode south and above historical underground development.**

#### HANGINGWALL LODE

- **CBC003: 1 m @ 34.5 g/t Au from 99 m within 2 m @ 17.85 g/t Au from 99 m, confirming adjacent historical Hangingwall Lode drill results which include: 2 m @ 15.4 g/t Au, 1.5 m @ 70.5 g/t Au, 1 m @ 92.0 g/t Au and 2 m @ 10.1 g/t Au in a continuous narrow high grade lode located immediately above the Main Lode.**

#### TICK HILL NEAR MINE EXPLORATION

- **Exploration drilling targeting the potential faulted offset location and/or repetition of the Tick Hill deposit is ongoing. An exploration update will be released in the next few weeks.**
- **MOUNT BIRNIE: located 4 km north of Tick Hill, drilling intersected significant Iron Oxide Copper Gold ('IOCG') mineralisation. Significant results included (see ASX release 1 August 2019);**
  - **MBC002: 6 m @ 4.4% Cu, 0.5 g/t Au from 33 m within 15 m @ 2.1% Cu from 24 m;**
  - **MBC006: 2 m @ 3.2% Cu from 53 m, 3 m @ 9.3% Cu, 1.0 g/t Au from 76 m and 2 m @ 9.5% Cu from 99 m within 17 m @ 3.1% Cu from 84 m;**
  - **MBC004: 8 m @ 1.8 % Cu, within 21 m @ 0.9% Cu from 13 m.**
  - **New result MBC011; 1 m @ 4.1% Cu, 1.3 g/t Au within 6 m @ 1.4% Cu, 0.3 g/t Au from 134 m**
- **Strong cash position at 30 September 2019 of \$3.2 million.**

#### Fast Facts

Shares on Issue 96M

Market Cap (@ 9.3 cents) \$8.9M

Cash \$3.2M<sup>1</sup>

<sup>1</sup>As of 30 September 2019

#### Board and Management

Peter Bowler, Non-Exec Chairman

Rob Watkins, Managing Director

Justin Tremain, 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
- 323 km<sup>2</sup> surrounding exploration package containing numerous gold and copper targets
- Tight capital structure and strong cash position

#### Registered Office

78 Churchill Avenue

Subiaco, Western Australia 6008

T: +61 8 9320 2320

[www.carnabyresources.com.au](http://www.carnabyresources.com.au)

## TICK HILL PROJECT (100% OWNED)

During the quarter the Company commenced its maiden drilling campaigns at the Tick Hill Gold Mine and Mt Birnie Copper Project. A total of 23 holes for 4,996 m of drilling had been completed at quarters end.

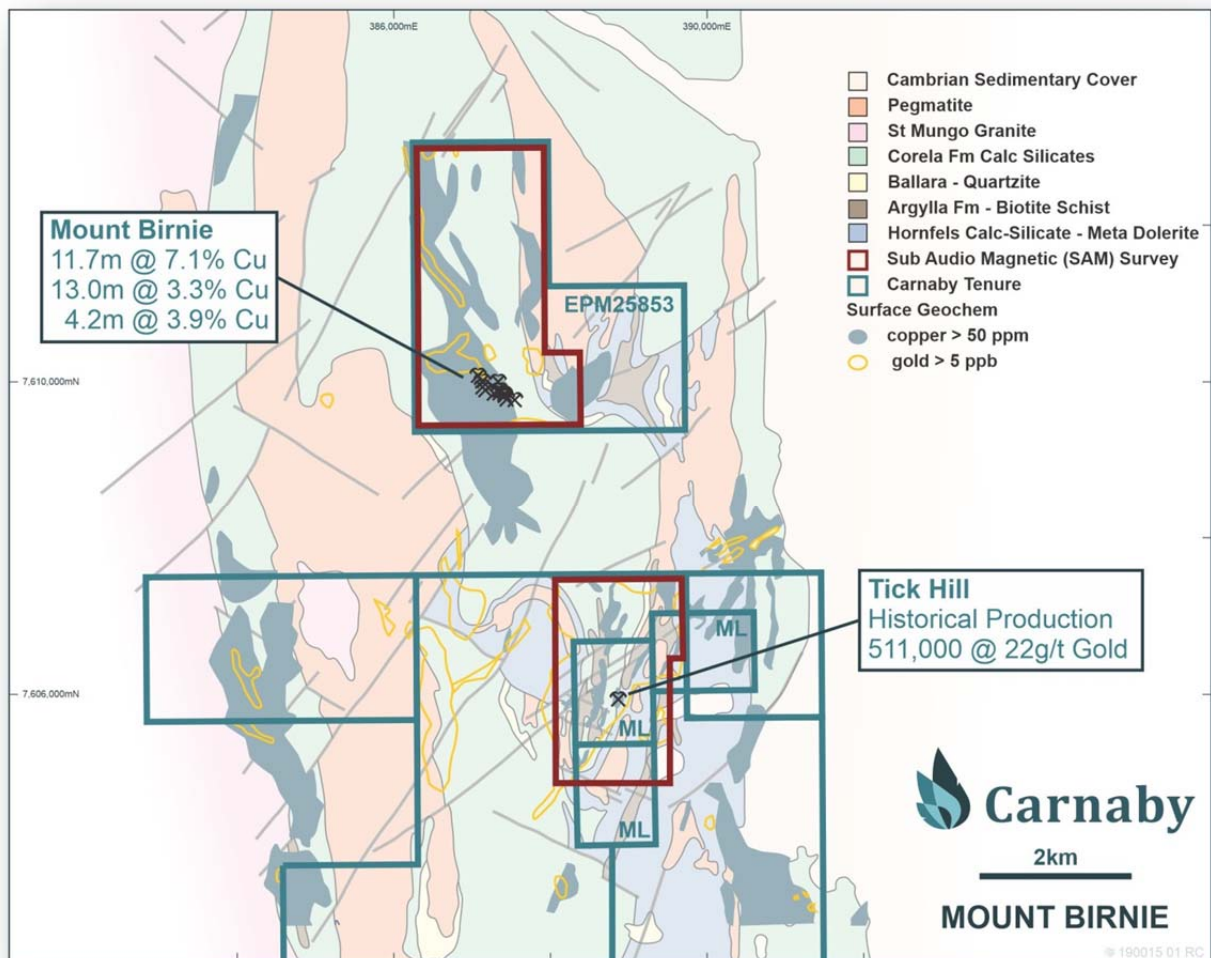


Figure 1 | Tick Hill regional geology plan showing location of Mount Birnie and Tick Hill.

## TICK HILL MINE (100% OWNED)

Initial drilling was predominantly focussed on identifying un-mined sections of the Tick Hill orebody. The new and historical drill results are highly encouraging and will form the basis of a resource estimate for the Tick Hill Main Lode South and Hangingwall Lode un-mined sections of the Tick Hill orebody. Drilling will also be completed on the existing tailings dam resource and the undrilled waste dump and ROM areas to determine if additional resources

are present. Results from the initial drilling program are outlined below (see ASX Release 1 October 2019).

### Main Lode South

The immediate southern extension of the Tick Hill Main Lode below the open pit has not been mined historically from underground even though underground development is in close proximity (Figure 2).

Results with up to **1 m @ 41.9 g/t gold** from 98 m within **6 m @ 8.5 g/t gold** from 94 m intersected in CBC005 have confirmed the Tick Hill Main Lode South area has not been previously been mined. Importantly this result has confirmed that adjacent historical drill results from Tick Hill Main Lode South are also un-mined and include;

- U8401            1 m @ 94.6 g/t within 12 m @ 9.1 g/t gold
- U8503            3 m @ 16.9 g/t within 7 m @ 7.6 g/t gold
- TH047RD        1 m @ 207.8 g/t within 2 m @ 104.1 g/t gold
- U8703            1 m @ 16.8 g/t within 23 m @ 2.1 g/t gold

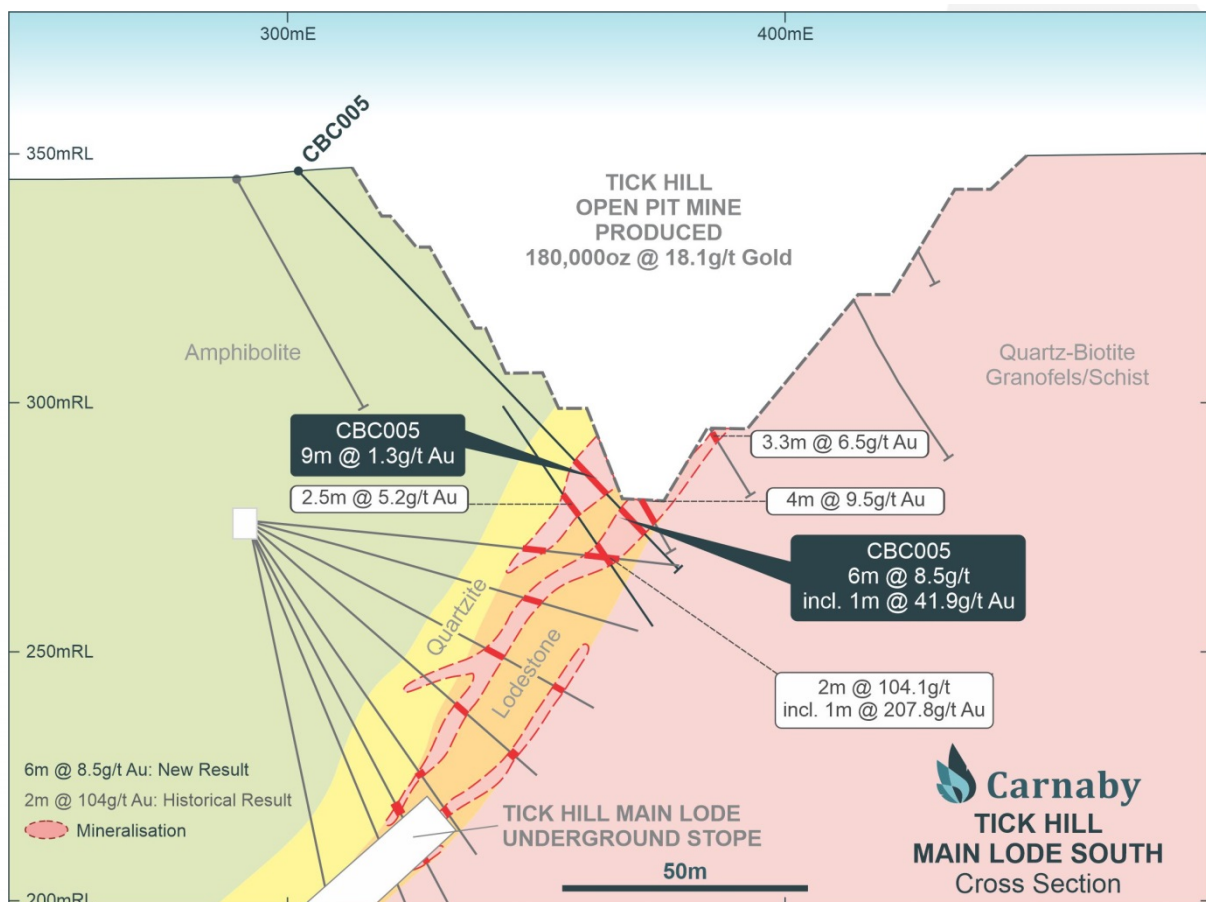


Figure 2: Tick Hill Main Lode South RC drilling results section.

## Hangingwall Lode

The Tick Hill Hangingwall Lode is an ancillary lode, sub-parallel to the Main Lode that was mined out in the early 1990's producing a bulk of the 511,000 ounces @ 22 g/t gold production at Tick Hill. The Hangingwall Lode is located approximately 5 m to 15 m away from the Main Lode stoped areas (Figure 3).

Drill hole CBC003 was drilled to test the southern position of the Hangingwall Lode and intersected **1 m @ 34.5 g/t gold** from 99 m within **2 m @ 17.9 g/t gold** from 99 m. The result has confirmed the presence of un-mined high-grade gold mineralisation associated with the Hangingwall Lode. Adjacent historical un-mined drill results from the Hangingwall Lode include;

U9001	2 m @ 15.4 g/t gold
U9005	1 m @ 92.0 g/t gold
TH007RD	1.5 m @ 70.5 g/t gold
TH085RD	2 m @ 10.1 g/t gold

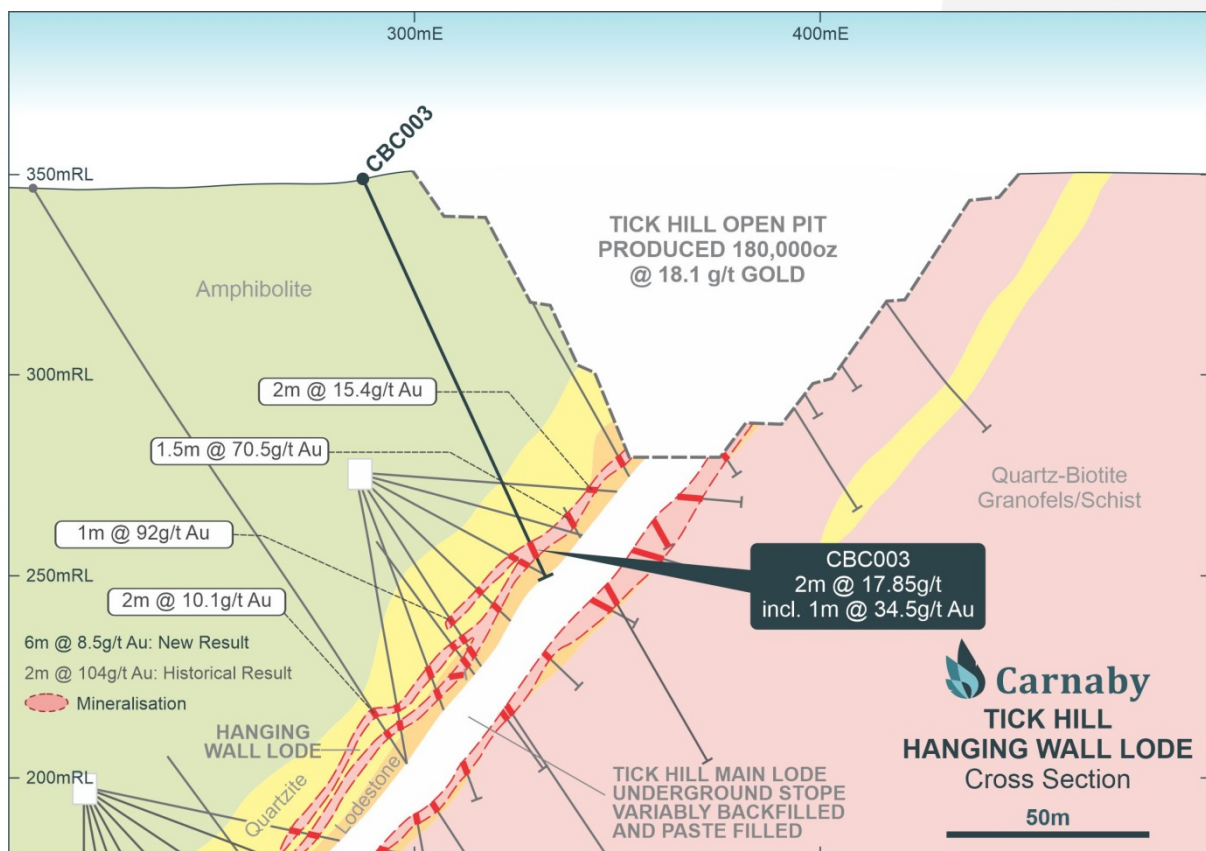


Figure 3: Tick Hill Hangingwall Lode drill results section.

Location	Hole ID	Easting	Northing	RI	Azimuth	Dip	Depth From	Interval	Au (g/t)	Comments
Tick Hill	CBC001	388758	7606002	347	128.1	-50.6				Hit stope, hole abandoned
Tick Hill	CBC002	388749	7605964	348	107.2	-53.1				Hit stope, hole abandoned
Tick Hill	CBC003	388746	7605953	347	104.9	-66.1	99 Inc 99	<b>2</b> <b>1</b>	<b>17.9</b> <b>34.5</b>	Hangingwall Lode
Tick Hill	CBC005	388748	7605918	347	115.8	-48.6	80 94 Inc 98	9 <b>6</b> <b>1</b>	1.33 <b>8.5</b> <b>41.9</b>	Main Lode South
Tick Hill	CBC006	388738	7605893	346	117.1	-50.8	80	<b>1</b>	2.1	
Tick Hill	CBC008	388702	7605900	345	108.8	-58.7			NSI	
Tick Hill	CBD001	388308	7605492	350	111.1	-60.2			NSI	

**Table 1: Tick Hill drill results.**

## **TICK HILL NEAR MINE (100% OWNED)**

Following completion of first-pass drilling focused on identifying un-mined sections of the Tick Hill orebody, ongoing drilling has stepped out to test high priority targets generated from extensive technical work that has been completed over the last 6 months (Figure 4).

Detailed structural analysis has highlighted what is believed to be an important NW trending structural corridor that bounds and truncates the Tick Hill orebody (Figure 4). The intersection of the NW structural corridor with favourable stratigraphic and structural positions is considered to be a high priority target.

The potential offset location of the Tick Hill orebody, which appears to be faulted off or into a NW fault at only 235 m below surface, is being tested by the current continuing drill program at Tick Hill Deeps. This drilling has just commenced with RC pre-collars completed and diamond tails in progress.

An exploration update will be provided in the next few weeks.

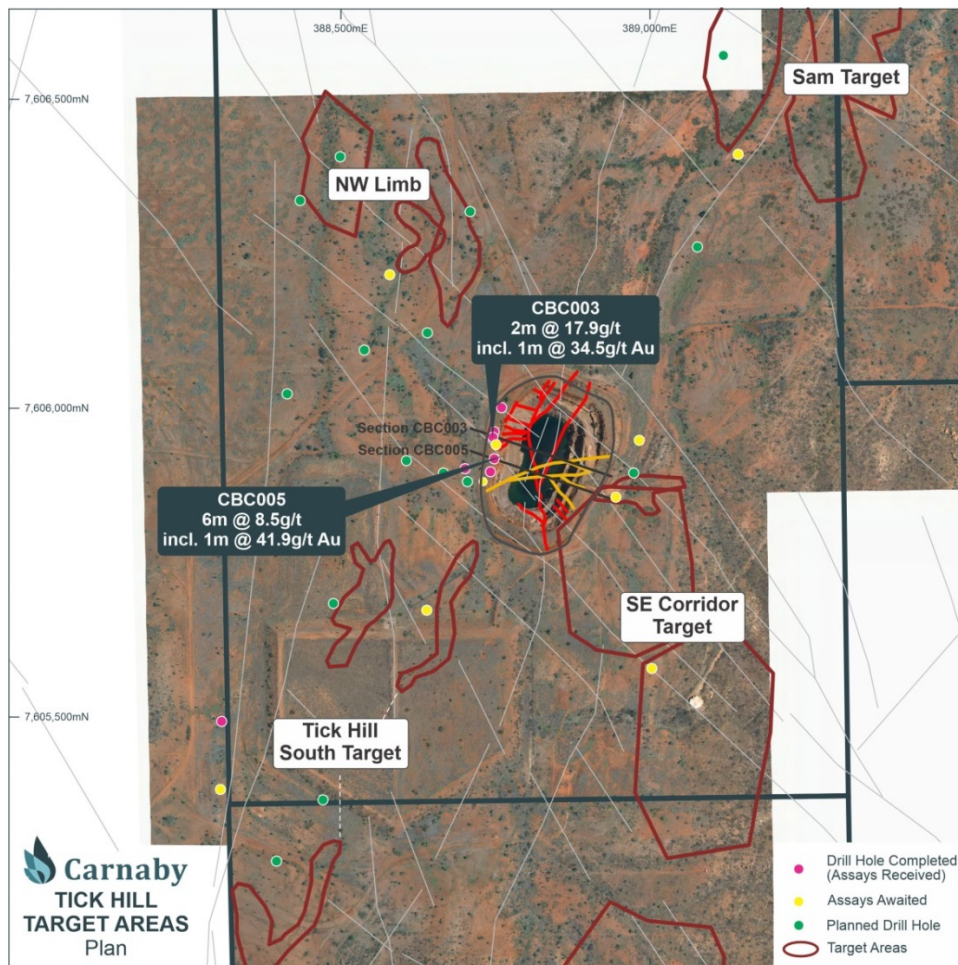


Figure 4: Tick Hill Near Mine plan showing location of drill holes and targets.

## MOUNT BIRNIE (82.5% OWNED)

During the quarter the Company completed its maiden drilling campaign of 9 holes for 1,336 m at the Mt Birnie project. Results from the initial drilling program have been received and are reported below (See ASX release 1 August 2019).

The initial drilling has targeted the Mount Birnie workings area where 50 year old historical diamond drill results had reported up to **11.7 m @ 7.1% copper** in DDH06 (see ASX release 11 June 2019). These results have been supported by the results from the new drilling where MBC006 intersected two zones of very high grade copper-gold mineralisation of **3 m @ 9.3% copper and 1.0 g/t gold** and **2 m @ 9.5% copper** within a broader envelope that assayed **17 m @ 3.1% copper from 84 m**. MBC006 was drilled as a scissor hole across DDH06 confirming not only the grade but also the significant width of the mineralisation (Figure 7).

Three very shallow holes were drilled up dip of the historical drilling, immediately below the surface workings. All holes intersected a broad and continuous steeply dipping lode. The first hole, MBC001, intersected **6 m @ 1.1% copper from 28 m** and remains open to the east (Figure 8). The second hole, MBC002, intersected **6 m @ 4.4% copper** and **0.5 g/t gold within 15 m @ 2.1% copper from 24 m** (Figure 5 & 6).

A step out hole to the west intersected shallow copper-gold mineralisation in a sub parallel lode position to the main Mount Birnie lode and suggests potential for multiple lodges to be developed. A result of **8 m @ 1.8% copper from 20 m within 21 m @ 0.9% copper from 13 m** including in MBC004 remains open to the west (Figure 5).

Results from the remaining three holes in the program include MBC011 which intersected a broad mineralised interval which included higher grade sections of **1 m @ 4.1% copper, 1.3 g/t gold within 6 m @ 1.4% copper from 134 m**.

The mineralisation style at Mount Birnie is characterised by high grade core zones of semi massive chalcopyrite in a calcite dominant gangue, surrounded by a broad halo of disseminated chalcopyrite and appears to be structurally focussed into shear zones. This mineralisation and associated calc silicate and magnetite alteration is identical to some of the larger IOCG deposits in the Mt Isa district such as Mount Elliot, Osborne and Ernest Henry.

Follow up exploration along the highly prospective 4 km long Mount Birnie IOCG corridor is being scheduled.

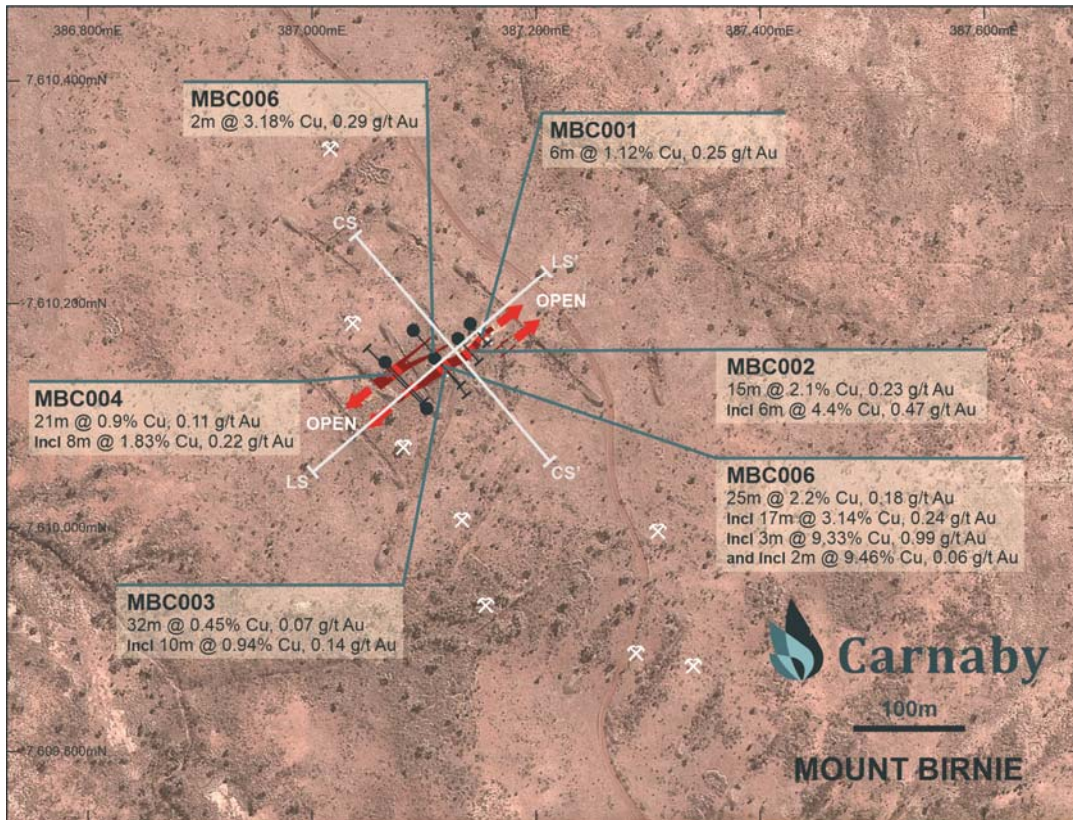


Figure 5: Mount Birnie plan showing new drill results.

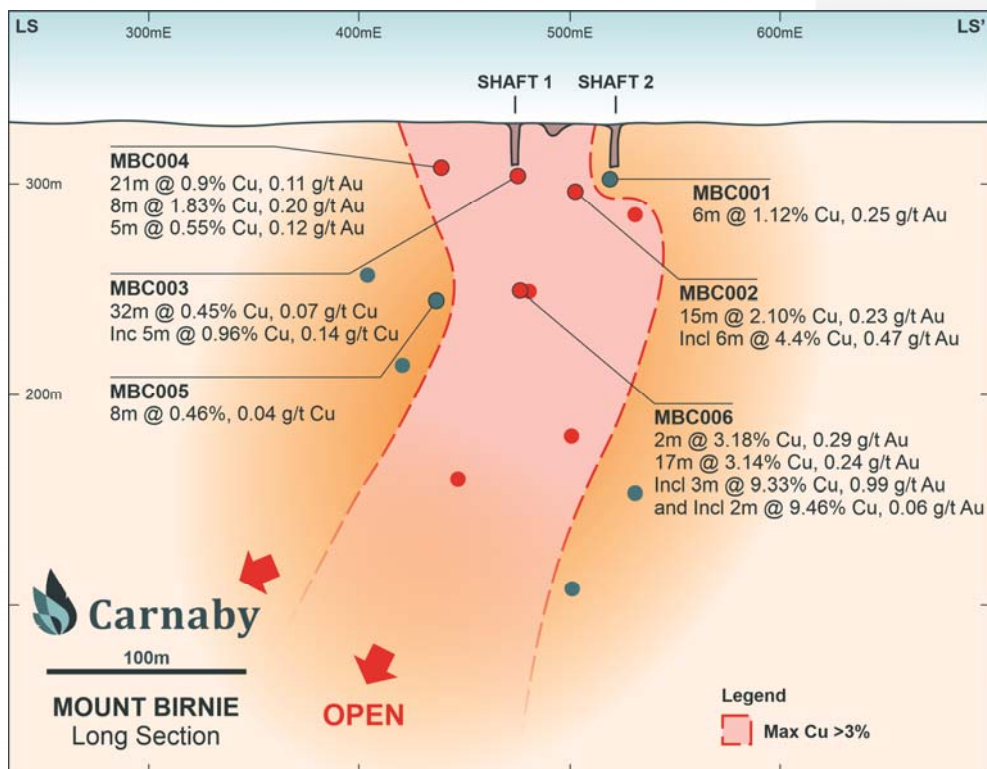


Figure 6: Mount Birnie long section showing location of new drill results.



Location	Hole ID	Easting	Northing	Elevation	Azimuth	Dip	Depth From	Interval	Cu (%)	Au (g/t)
Mount Birnie	MBC001	387141	7610182	328	140.1	-57.1	28	6	1.12	0.25
Mount Birnie	MBC002	387130	7610168	329	137.2	-59.3	24 Inc 33	15 6	2.1 4.41	0.23 0.47
Mount Birnie	MBC003	387109	7610151	328	137	-61.1	12 Inc 25	32 5	0.45 0.96	0.07 0.15
Mount Birnie	MBC004	387065	7610147	330	137	-60.2	13 Inc 20	21 8	0.9 1.83	0.11 0.2
Mount Birnie	MBC005	387102	7610106	329	317	-60.2	69 91	5 8	0.55 0.46	0.12 0.04
Mount Birnie	MBC006	387090	7610176	327	137	-60.4	53	2	3.18	0.29
							76	25	2.2	0.18
							Inc 84	17	3.14	0.24
							Inc 88	3	9.33	0.99
Mount Birnie	MBC011	387115	7610072	326	317	-60.4	97	1	1.3	0.03
							112	1	1.3	0.12
							134	6	1.4	0.28
							Inc 134	1	4.1	1.25

Table 2: Mount Birnie drill results.

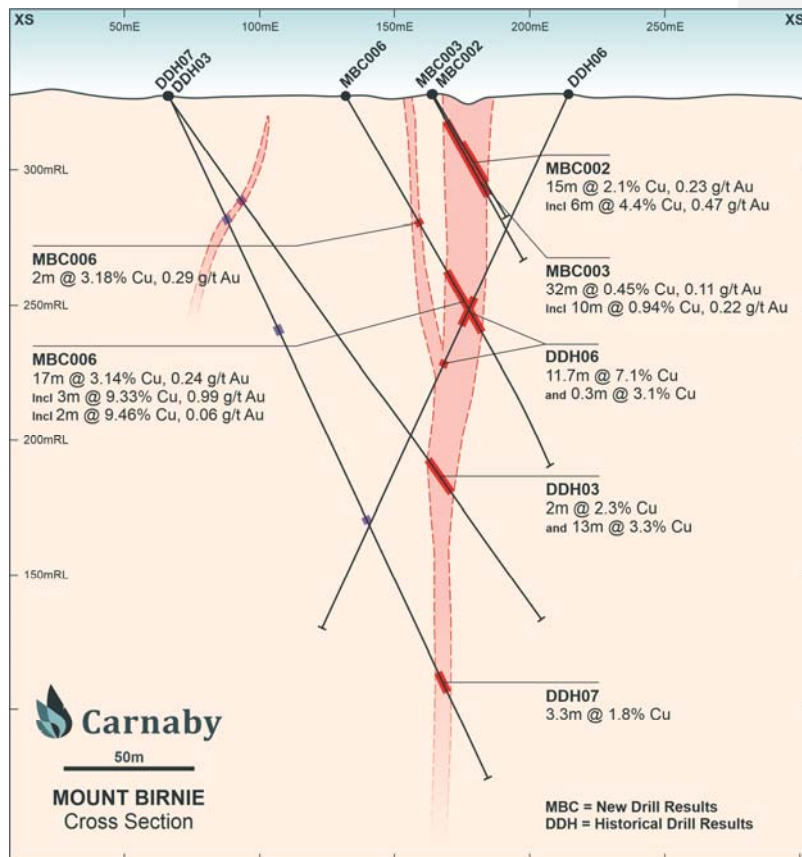


Figure 7: Mount Birnie cross section showing new and historical drill results.

## TICK HILL REGIONAL (82.5% – 100% OWNED)

Ongoing technical evaluation and target generation of the regional tenements is being advanced as a result of the detailed geological research at Tick Hill. Tick Hill is part of the 50 km IOCG corridor of deposits that exist within the extensive 323 km<sup>2</sup> land package. These newly generated regional targets will become the focus of early stage soil sampling and mapping programs prior to drilling.

## WESTERN AUSTRALIA GOLD EXPLORATION (100% OWNED)

The Malmac and Throssel projects cover 972 km<sup>2</sup> of exploration tenements and applications in Western Australia (refer Figure 9). The package is prospective for orogenic gold, sedimentary exhalative (SEDEX) and volcanogenic massive sulphide (VHMS) base metals deposits, and nickel and platinum group elements (PGE's).

First pass exploration programs of surface geochemical sampling and mapping will be completed in 2020.

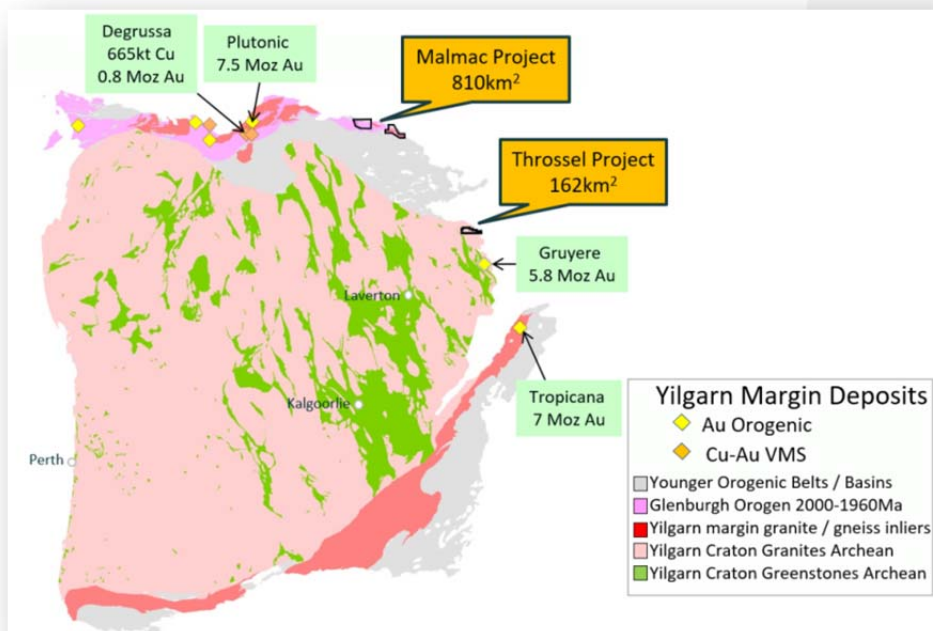


Figure 8 | Malmac and Throssel Prospects

## **SCANDINAVIAN NICKEL & COBALT (100% OWNED)**

Carnaby holds the rights to 100% of the following four cobalt prospective projects in Norway and Sweden:

- Skuterud Cobalt Project in Norway; and
- Lainejaur Nickel-Cobalt Project contains a JORC resources of 460,000 t @ 2.2 % nickel, 0.7% copper and 0.15% cobalt and the Gladhammar & Tunaberg Cobalt Projects in Sweden.

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

## **CORPORATE**

### **Board and management changes**

Mr Neil Inwood resigned as a Non-Executive Director of the Company during the quarter. The Company views the remaining Board composition is of an appropriate size given the exploration stage of the Company's assets. Additionally, Mrs Elisangela Dias De Lira O'Brien resigned as Company Secretary and has been succeeded by Mr Ben Larkin.

### **Cash**

At 30 September 2019, Carnaby held \$3.2 million in cash. Refer to the following Appendix 5B for information regarding movements in cash during the quarter.

### **Competent Persons Statement**

The information in this report that relates to exploration results and/or the Tick Hill Project Gold Mineral Resource is based upon information and supporting documentation 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 report 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.

### **Notes regarding reporting of Exploration Results in this announcement**

For full details of exploration results refer to ASX announcements on 1 August 2019 and 1 October 2019. Carnaby 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 or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements. The Company confirms that the information in the announcement relating to exploration results is based upon, and fairly represents the information and supporting documentation prepared by the named Competent Persons.

## Appendix 1 | 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"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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 report however reasonable to assume it was from an industry standard</li> <li>Historical drill holes are understood to have been undertaken by diamond drilling.</li> <li>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 50g charge for aqua regia digest and AAS analysis of Gold. For total Copper analysis a 0.4g/t sample was digested by 4 acid digest and analysed by ICP or AAS.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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.).</li> </ul>	<ul style="list-style-type: none"> <li>Records indicated that historic diamond core samples were taken at St Mungo – hole diameter of BQ and NQ size were identified on site.</li> <li>All recent RC holes were completed using a 5.5" face sampling bit.</li> <li>A diamond tail was recently completed for 1 RC hole after switching the rig over to diamond mode (results pending). Core drilled was HQ size.</li> <li>Recent core was orientated using Boart Longyear True Core.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Historic core recovery data was not recorded</li> <li>For recent RC drilling, no significant recovery issues for samples were observed.</li> <li>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.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative</li> </ul>	<ul style="list-style-type: none"> <li>Historical drill holes were logged geologically.</li> <li>Recent hand samples were given a geological description</li> <li>Recent RC holes have been logged for lithology, weathering, mineralisation, veining</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>in nature. Core (or costean, channel, etc.) photography.</p> <p>The total length and percentage of the relevant intersections logged.</p>	<p>and alteration.</p> <ul style="list-style-type: none"> <li>All chips have been stored in chip trays on 1m intervals and logged in the field.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>One recent HQ diamond tail has been completed and is yet to be logged. Core has been orientated and following geological and geotechnical logging, will be sawn and half core taken for analysis.</li> <li>All RC samples are 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.</li> <li>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.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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</li> <li>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.</li> <li>Results of the standards and blanks were checked against the CRM reference sheets to check they were within tolerance.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Results have been collated from original company reports</li> <li>Construction of a Maxgeo SQL database is currently in progress to house all historic and new records. Recent results have been reported directly from lab reports and sample sheets collated in excel.</li> <li>Results reported below the detection limit have been stored in the database as half the detection limit – e.g. &lt;0.001ppm stored as 0.0005ppm</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other</li> </ul>	<ul style="list-style-type: none"> <li>Sample locations were obtained using a Garmin GPS in UTM MGA94 mode</li> <li>Multiple historical drill hole collars were</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>locations used in Mineral Resource estimation.</p> <ul style="list-style-type: none"> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<p>identified in the field and showed a &lt;10m distance shift from plotted coordinates – which is considered appropriate for the reporting of these results.</p> <ul style="list-style-type: none"> <li>• Historic down-hole surveys were not measured by Longreach</li> <li>• Current RC holes 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).</li> </ul> <p>• A Champ Gyro (True North Seeking Gyro) will be acquired for the remainder of the drill programme.</p>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Historical drill hole collars were drilled 30- to 100- metres apart.</li> <li>• Recent RC has provided infill to an approximate 40m drill spacing.</li> <li>• Recent RC non-mineralised zones were composited to 5m with mineralised intervals sampled at 1m. Of the reported intervals in Table 1, MBC003 contains 2, 5m composite samples from 15-25m. The remaining results are all calculated from 1m samples.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Most holes are at right-angles to the main mineralisation. Drilling appears to have been completed at good angle to the mineralisation.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>• Historical drill samples were controlled by Longreach personal at the time.</li> <li>• Sample security not recorded in historical reports.</li> <li>• Recent RC drilling has had all samples immediately taken following drilling and submitted for assay by supervising Carnaby geology personnel.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>• Not conducted</li> </ul>

## 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"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• The Queensland projects comprise the Tick Hill Mine Project Region (105.5km<sup>2</sup>) and the Regional Leases (217.3km<sup>2</sup>). The projects comprise of three Mining Leases at Tick Hill (3.9km<sup>2</sup> - 100% interest acquired from Diatreme and Superior – ML's 7094, 7096 and 7097), twelve surrounding and regional tenements (293.3km<sup>2</sup> - 82.5% interest to be acquired from Syndicated – EPM's 9083, 11013, 14366, 14369,</li> </ul>

Criteria	Explanation	Commentary
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<p>17637, 18980, 19008, 25435, 25439, 25853, 25972,); and two additional tenements held by Carnaby associated entities (25.6km<sup>2</sup> – 100% beneficial interest held by a wholly owned subsidiary of Carnaby – EMP26651 and 27101). The historical drill results are from EPM 25853</p> <ul style="list-style-type: none"> <li>Beneficial interest in the Western Australian tenements (969.3km<sup>2</sup>) is held by Carnaby through wholly owned subsidiary of Carnaby (E69/3510, E69/3509 and E38/3289).</li> <li>The Tick Hill ML's are subject to a royalty on gold production, to a 3<sup>rd</sup> party, using the following formula: Production Royalty = Percent Royalty Rate 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.</li> <li>The 3<sup>rd</sup> party royalty holder for Tick Hill ML's has the right to purchase any copper ore or concentrates on commercial terms.</li> </ul>
<p>Acknowledgment and appraisal of exploration by other parties.</p>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<p>Geology</p>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The Malmac Project in Western Australia is within the Palaeoproterocic Earahedy basin abutting the</li> </ul>

Criteria	Explanation	Commentary
		<p>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.</p> <ul style="list-style-type: none"> <li>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.</li> </ul>
<p>Drill hole Information</p>	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> </ul> <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>	<ul style="list-style-type: none"> <li>Included in report. Refer to the report and Table 1.</li> </ul>
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intercepts above 0.5 % Cu have been reported</li> <li>Metal equivalents have not been used.</li> </ul>
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
<p>Diagrams</p>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of</li> </ul>	<ul style="list-style-type: none"> <li>See the body of the announcement.</li> </ul>



Criteria	Explanation	Commentary
	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.	
Balanced reporting	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The exploration results should be considered indicative of mineralisation styles in the region.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>As discussed in the announcement</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Planned exploration works are detailed in the announcement.</li> </ul>

## Appendix 2 | Carnaby Resources Limited Tenements

### Australian Projects

Tenement	Location	Structure
<b>Tick Hill Gold and Copper Project</b>		
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%
<b>Malmac Gold and Base Metals Project</b>		
E69/3509	Western Australia	100%
E69/3510	Western Australia	100%
E69/3702	Western Australia	100%
<b>Throssel Gold Project</b>		
E38/3289	Western Australia	100%

#### Scandinavian Cobalt Projects

Tenement	Location	Structure
Skuterud 1, 2, 3, 4	Norway	100%
Tunaberg nr 201	Sweden	100%
Gladhammar nr 201	Sweden	100%
Goshawk 1,2,4,5, 8	Norway	100%
Skuterud 3a, 5, 6, 7, 8	Norway	100%
Tunaberg nr 202	Sweden	100%
Gladhammar nr 202, 203, 204, 205	Sweden	100%
Gladhammar nr 206	Sweden	100%
Lainejaur nr 20	Sweden	100%

**Mining tenements acquired:** Nil.

**Mining tenements disposed or relinquished:** E08/2848

**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 and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

CARNABY RESOURCES LIMITED

### ABN

62 610 855 064

### Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(609)	(609)
(b) development	-	-
(c) production	-	-
(d) staff costs	(172)	(172)
(e) administration and corporate costs	(92)	(92)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(855)</b>	<b>(855)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(9)	(9)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – joint venture payments	-	-
	– option payments	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(9)</b>	<b>(9)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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 (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,033	4,033
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(855)	(855)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,169</b>	<b>3,169</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	919	1,033
5.2 Call deposits	2,250	3,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,169</b>	<b>4,033</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	97
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of salaries, fees and superannuation.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	700
9.2 Development	-
9.3 Production	-
9.4 Staff costs	190
9.5 Administration and corporate costs	60
9.6 Other – capital raising costs	-
<b>9.7 Total estimated cash outflows</b>	<b>950</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter %</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E08/2848 Western Australia	Relinquished	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

### 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.

Sign here:



Date: 30 October 2019

Print name: Ben Larkin  
Company Secretary

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.