

8,000 M DRILLING PROGRAM COMMENCED AT STRELLEY

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to announce the start of an 8,000 m diamond, aircore and reverse circulation (**RC**) drilling program at the 100% owned Strelley Gold Project, Mallina Basin, Pilbara region of Western Australia.

Highlights

- Diamond drilling has commenced at the **Stockade Prospect** where wide spaced aircore and shallow RC drilling by Carnaby at the end of 2020 intersected up to **3.9 g/t gold over a 1 km strike** and also identified a second parallel trend where up to **0.5 g/t bottom of hole** was intersected (see ASX release 27 January 2021)
- For the first time Carnaby is drilling within the Strelley Special Lease area where numerous high priority targets have been defined including the southern extension of the **Stockade target**.
- Drilling will also target the broader Tabba Tabba Shear Zone including the **Gibraltar prospect** where anomalous gold was intersected in RC drilling up to 0.6 g/t gold and the source of a **4 km long gold anomaly** defined at the **Palisade prospect** in late 2020 (Figure 4).
- The initial targeted diamond drilling aims to define the orientation and style of the gold mineralisation in order to optimise the drill orientation of the aircore and RC drilling programs which will follow.

The Company's Managing Director, Rob Watkins, commented:

"We are very excited about the commencement of our second phase of drilling at Strelley. Our first phase of extremely wide spaced framework drilling completed in late 2020, was about scoping out the Tabba Tabba and Berghaus Shear Zone regions to define the broad mineralised pathways and areas of highest geological potential, which we successfully did. This second phase of drilling is now all about focussing in on these high priority target areas to really probe for high grade lode development potential within the broader mineralised trends."

ASX Announcement

4 March 2021

Fast Facts

Shares on Issue 117.8M

Market Cap (@ 24 cents) \$28.3M

Cash \$8.3M¹

¹As of 31 December 2020

Board and Management

Peter Bowler, Non-Exec Chairman

Rob Watkins, Managing Director

Greg Barrett, Non-Exec Director & Company Secretary

Paul Payne, Non-Exec Director

Company Highlights

- Proven and highly credentialed management team
- Tight capital structure and strong cash position
- Commenced exploration at the Mallina Basin in the Pilbara of WA
- Projects near to De Grey's Hemi gold discovery on 442 km² of highly prospective tenure
- 100% ownership of the Tick Hill Gold Project (granted ML's) in Qld, historically one of Australia highest grade and most profitable gold mines
- Past production of 511 koz at 22 g/t gold
- Indicated and Inferred Mineral Resource of 845,000 t @ 2.47 g/t gold for 67,100 ounces²
- Proven and Probable Ore Reserves of 459,900 t @ 1.89 g/t gold for 28,000 ounces²
- 384 km² surrounding exploration package containing numerous gold and copper targets

²Refer ASX release 5 June 2020, to be adjusted following Tailings Sale & NSR Royalty Agreement, refer ASX release 3 August 2020

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Figure 1. Diamond drilling has commenced at the Stockade prospect.

Stockade Prospect

A standout target is the Stockade Prospect where diamond drilling has just commenced (Figure 1) targeting the greater than 1 km long gold mineralised corridor where shallow aircore results of up to **2m @ 2.2 g/t gold from 6m including 1m @ 3.9 g/t gold from 7m in PLAC0032** have been intersected and are completely open (Figure 2 A-A' & Figure 3).

Diamond drilling will also be completed on a second mineralised trend defined approximately 1km to the northwest where a single RC hole PLRC0005 intersected a broad gold mineralised zone which appears to be increasing in gold grade down hole with results of **0.5 g/t gold bottom of hole (Figure 2)**. This hole will be extended with a diamond tail.

The drilling completed at Stockade in the first phase of drilling in late 2020 was on very broad spacing averaging approximately 200 m drill line traverses and 80 m hole spacing. At completion of the current diamond drilling program a comprehensive infill aircore and RC drilling program will be completed along the Stockade mineralised corridor.

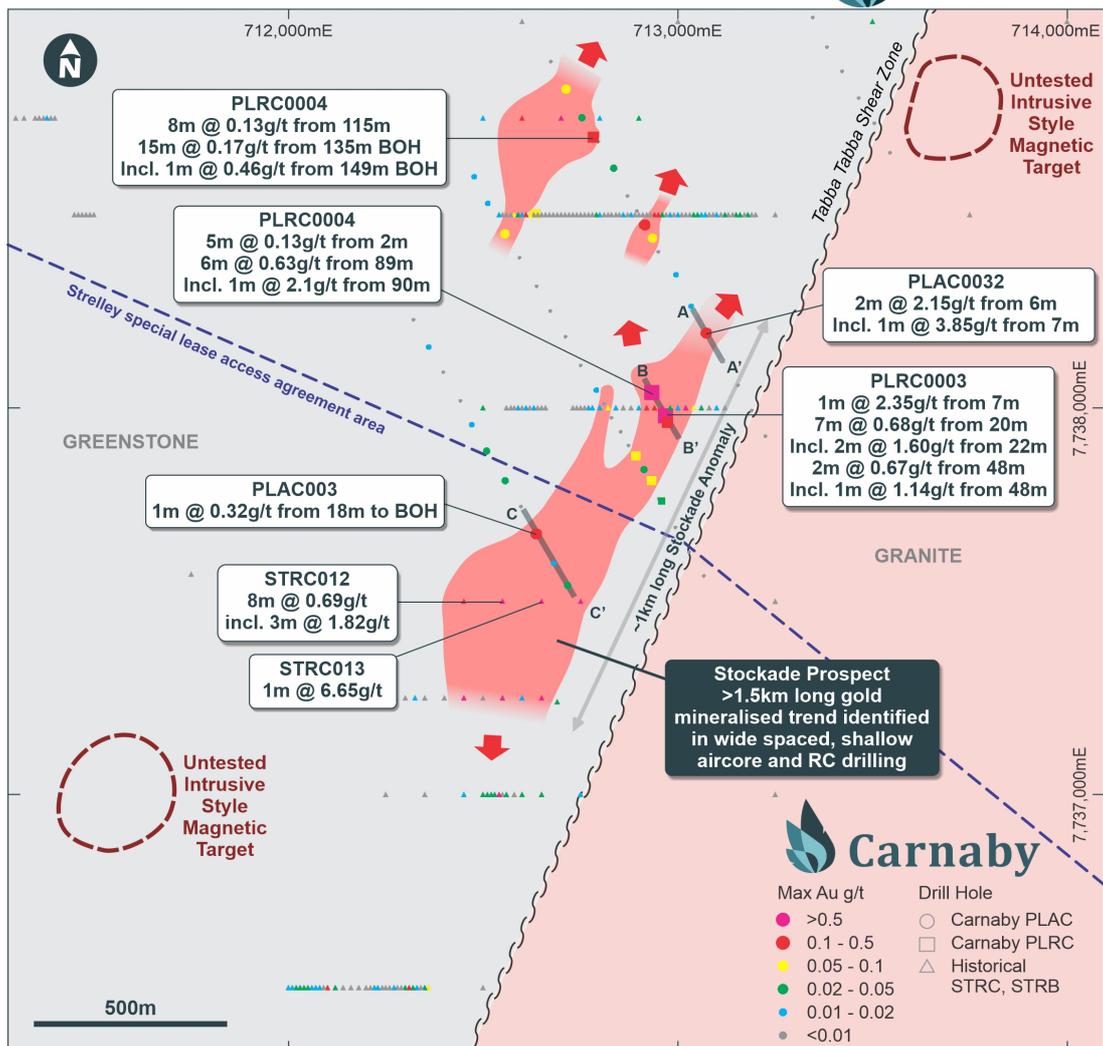


Figure 2. Stockade location map showing drill results, gold mineralised corridors and intrusion style magnetic targets.

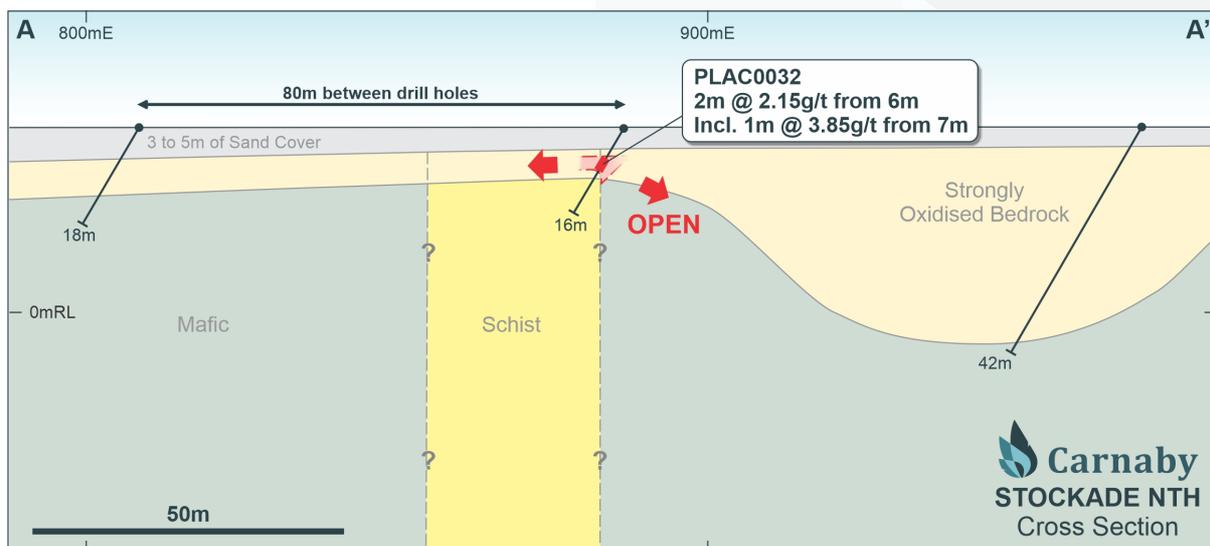


Figure 3. Stockade Drill Section A-A'.

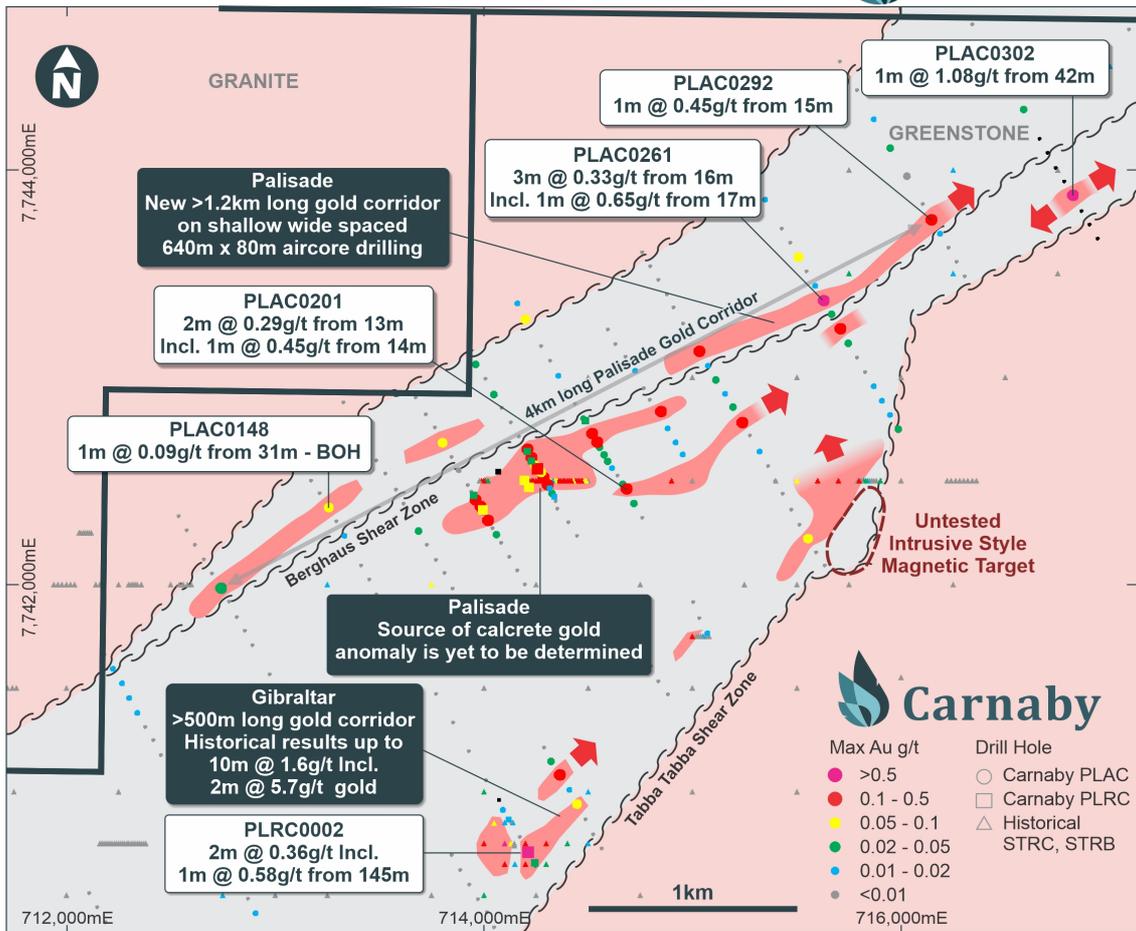


Figure 4. Palisade and Gibraltar location plan showing drill results.

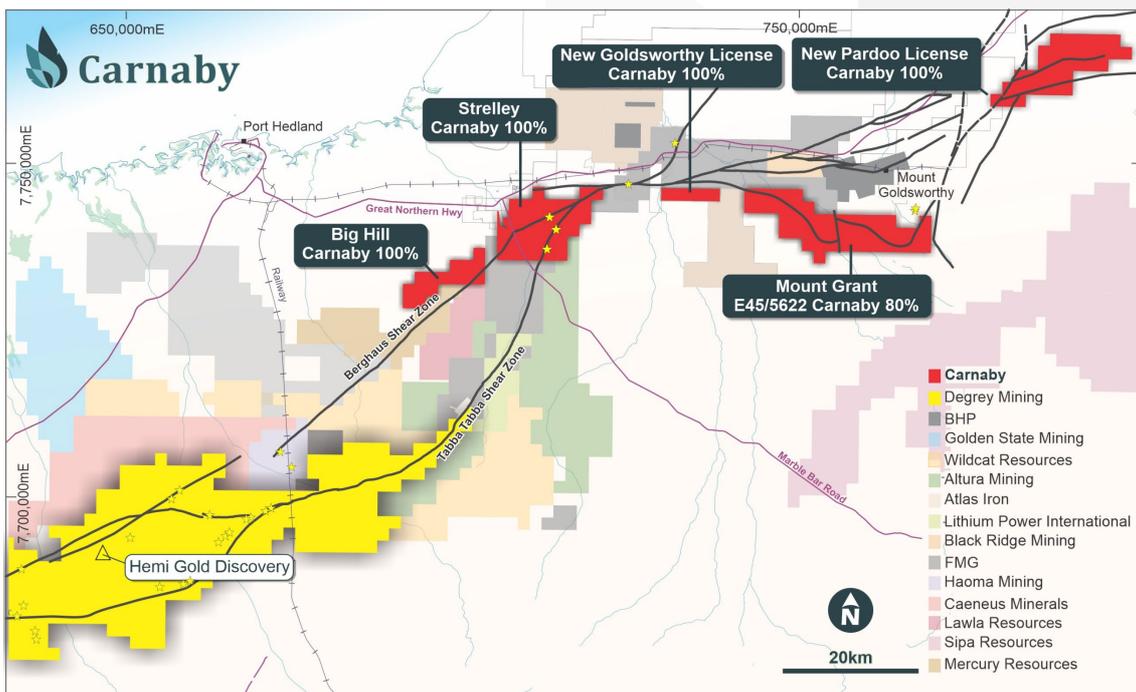


Figure 5. Carnaby Mallina Basin tenements showing location of the Strelley project.

Further information regarding the Company can be found on the Company's website www.carnabyresources.com.au

**For further information please contact:
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Competent Person Statement

The information in this document that relates to exploration results and Exploration Targets is based upon information compiled by Mr Robert Watkins. Mr Watkins is a Director of the Company and a Member of the AUSIMM. Mr Watkins consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears. Mr Watkins has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code).

Previously released ASX Material References that relates to announcement include:

Compelling Strelley and Tick Hill Drill Results, 27 January 2021

Key Land Access Agreement Signed at Strelley, 23 December 2020

First Aircore Results Define Anomaly, 14 December 2020

Outstanding Historical Gold Drill Results at Strelley, 22 July 2020

Disclaimer

References may have been made in this announcement to certain ASX announcements, including references regarding exploration results, mineral resources and ore reserves. For full details, refer to said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and the mentioned announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Exploration Target(s) or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.