

CARNABY COMMENCES DRILLING IN THE MALLINA BASIN, PILBARA, WA

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to announce the commencement of a 400 hole, 8,500 m aircore drilling program at its 100% owned Strelley project in the Mallina Basin, Pilbara of Western Australia (Figure 1 & 2).

The initial aircore drilling program will be completed on a nominal 320 x 80 m spacing across several priority targets including the Palisade target where a 300-500m wide bottom of hole gold anomaly is open in all directions (Figure 3 & 4).

Results from the Aircore drilling will be prioritised and will be immediately followed up by a second drill rig which will initiate a 3,500 m RC program, for deeper drill testing of the high priority targets starting in mid-November 2020.

Carnaby has also locked in a 3rd RC / Diamond drill rig to commence diamond drilling targeting the highly prospective Tick Hill North offset target in Qld coupled with an RC program targeting the direct extension of the Tick Hill main lode into the northern wall of the historical open pit. The Tick Hill drilling is expected to commence in mid-November 2020.

The Company's Managing Director, Rob Watkins commented:

"We look forward with high anticipation to completing the maiden Carnaby drilling programs at Strelley in the Mallina Basin of the Pilbara and homing in on the extension of high grade Tick Hill gold deposit in Queensland, both of which have the potential to produce company transforming results"

ASX Announcement

16 October 2020

Fast Facts

Shares on Issue 113M

Market Cap (@ 42.5 cents) \$48.2M

Cash \$8.9M¹

¹As of 30 June 2020 plus \$1.25M received first cash instalment for Tick Hill Tailings Stockpile Sale and \$1.5M cash received as a result of Tick Hill permit approval (excludes remaining ~\$3.25M cash receipts from Tailings Sale & NSR Royalty Agreement, refer ASX release 3 August 2020), Tranche 1 Placement proceeds of \$2.65M (Refer ASX release 9 September 2020) and \$2M SPP proceeds.

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 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 254 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
- 323 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: Photo of first Aircore drill hole at the Palisade prospect in the Mallina Basin, Pilbara, WA.

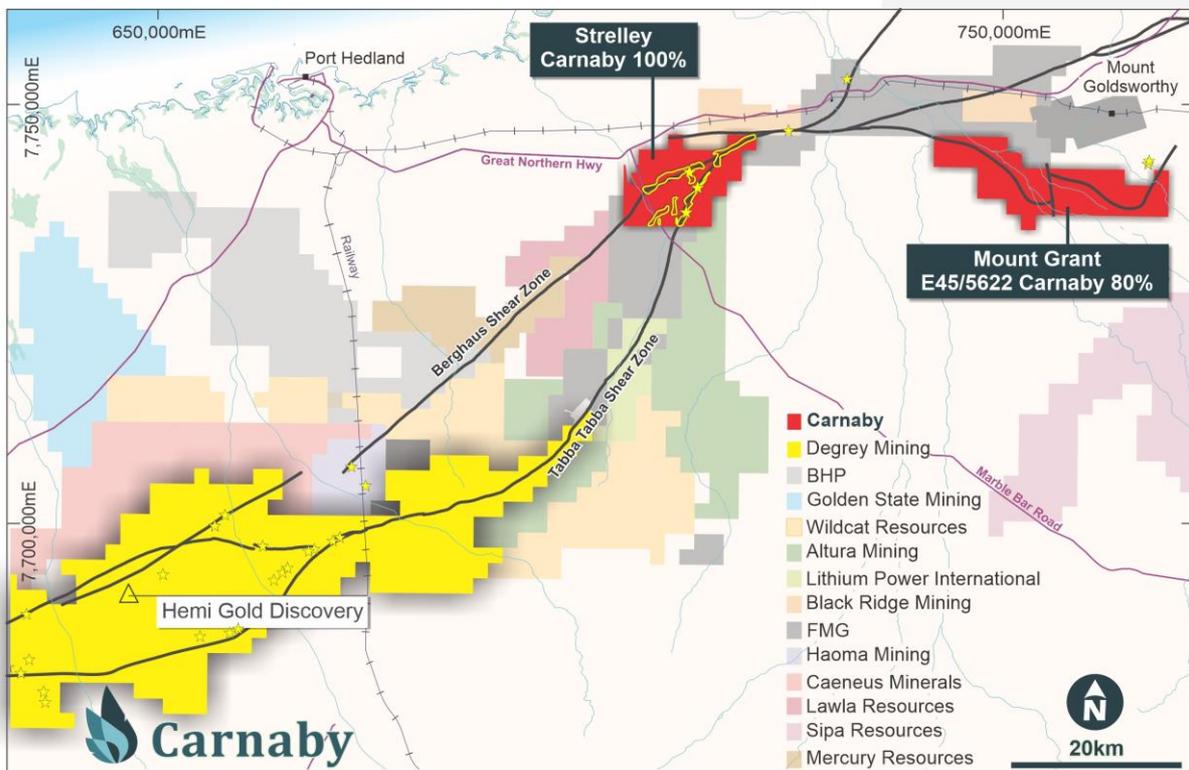


Figure 2: Carnaby's Strelley and Mount Grant projects, Mallina Basin, Pilbara, WA.

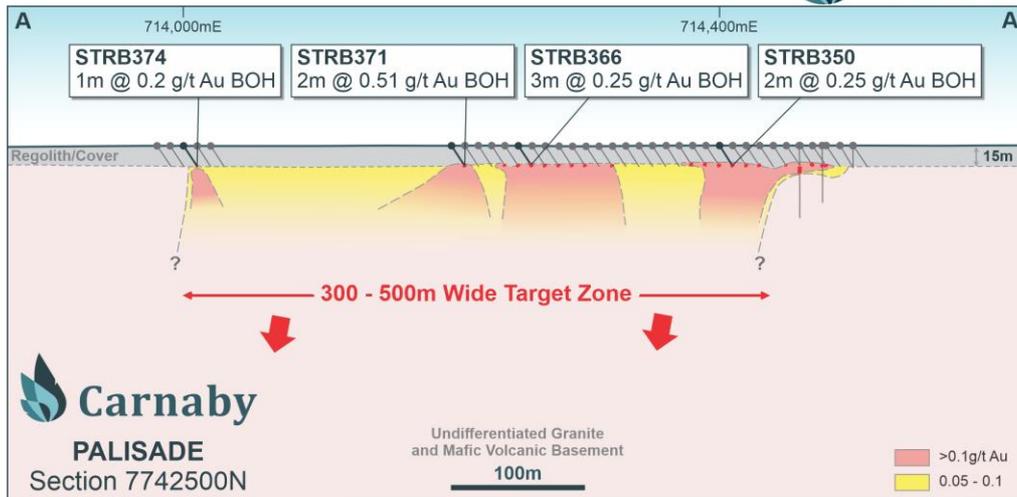


Figure 3: Palisade 300 – 500m wide historical RAB drilling gold anomaly

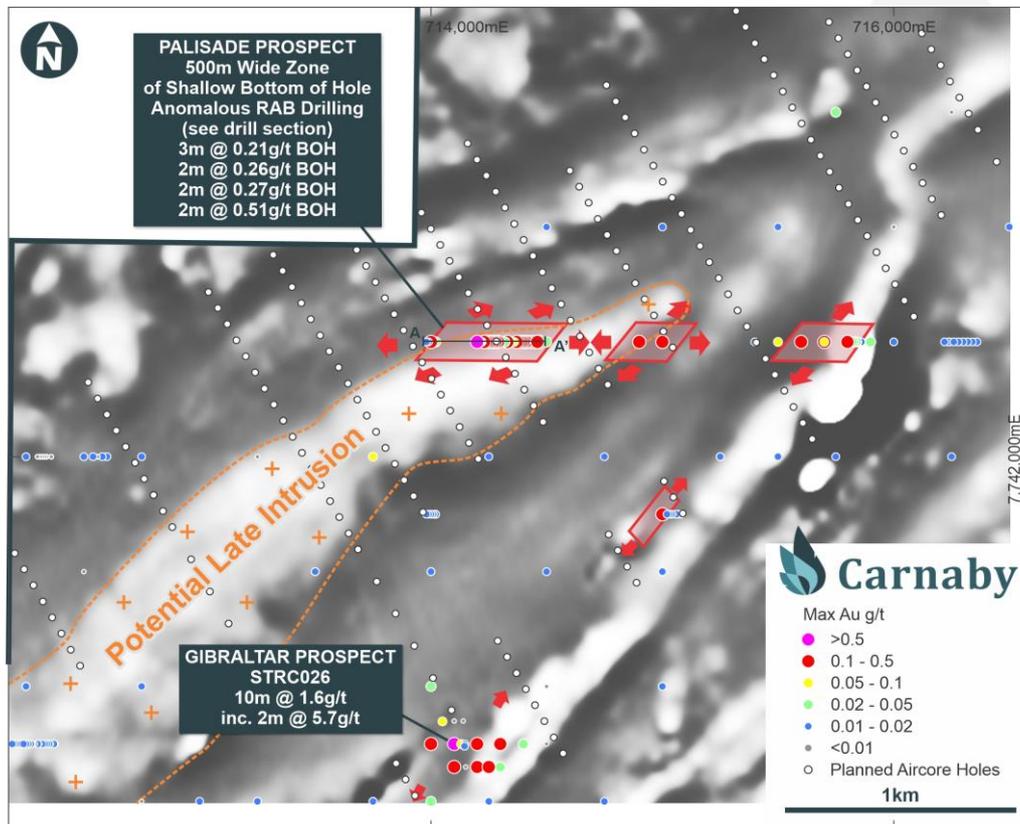


Figure 4: Palisade and Gibraltar prospects showing location of planned drilling.

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

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