

NEW TARGETS IDENTIFIED FROM MALLINA BASIN AEROMAGNETIC SURVEYS AND LAND HOLDINGS INCREASED BY 47% to 394 km²

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to announce the identification of several new “Hemi style” intrusion targets from two new aeromagnetic surveys completed at the Strelley and Mount Grant Projects and from additional land tenure secured at Pardoo.

Carnaby’s landholding in the Mallina Basin has increased by **47% to 394 km²** with the addition of two new exploration license applications at Pardoo and Goldsworthy (Figure 1). The additional ground secured at Pardoo hosts several discrete magnetic anomalies also considered to be potential “Hemi style” intrusion targets (Figure 2).

Results from the recently flown high resolution aeromagnetic surveys has also highlighted wide zones of alteration along major structural corridors at the confluence of the Tabba Tabba and Berghaus Shear Zones which are considered to be prospective for gold mineralisation (Figure 2 & 3).

The Company’s Managing Director, Rob Watkins commented:

“As we look forward to receiving initial drill results from the recently commenced first phase of aircore drilling at Strelley, it is encouraging to have generated a pipeline of new targets from the recently completed aeromagnetic surveys and the additional ground that has been secured. The Mallina Basin is in its infancy in terms of understanding the wider exploration potential outside of De Grey’s Hemi gold discovery. We believe the land package that we have built up, covering approximately 70 km strike of key regional structures within the Mallina Basin is highly prospective and underexplored.”

ASX Announcement

26 October 2020

Fast Facts

Shares on Issue 113M

Market Cap (@ 50 cents) \$56.5M

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 & 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 394 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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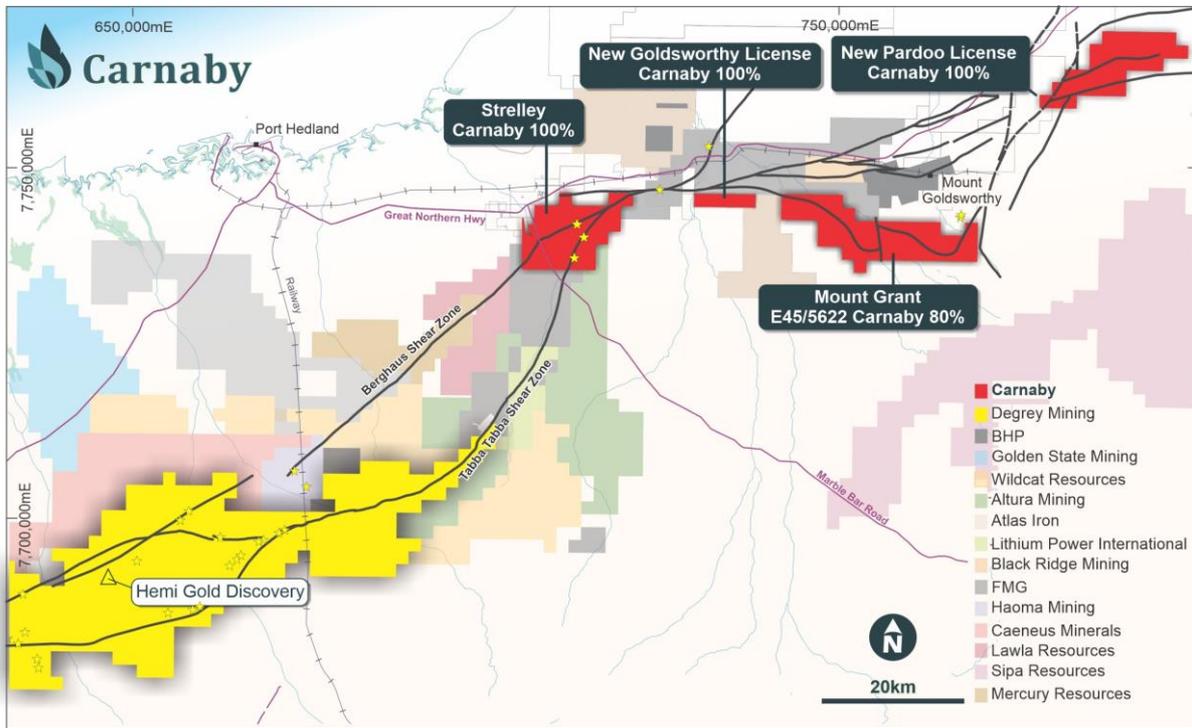


Figure 1 Mallina Basin location map showing location of newly secured tenure

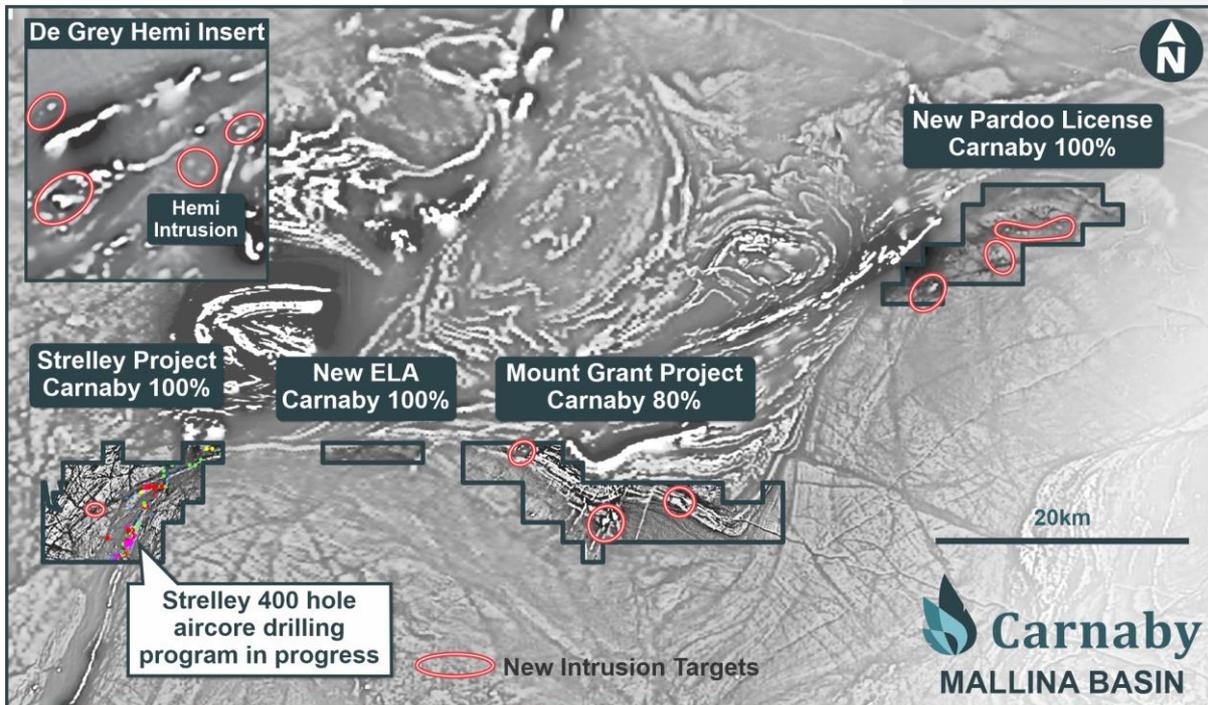


Figure 2 New aeromagnetic surveys at Strelley and Mount Grant and new land holding at Pardoo showing location of "Hemi style" intrusion targets.

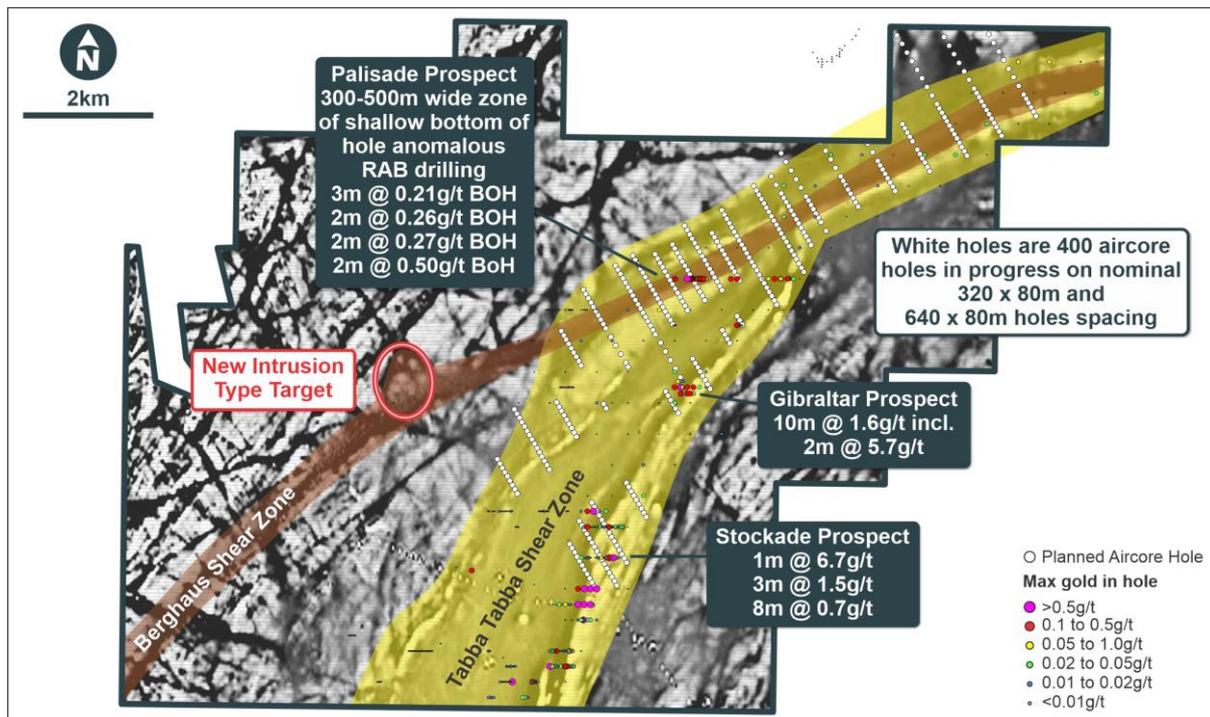


Figure 3: Strelley Project showing new aeromagnetic survey image highlighting major structural corridors along the Tabba Tabba and Berghaus Shear Zones and location of new intrusion type target. Location of the recently commenced 400 hole aircore drilling program is also shown.

Further information regarding the Company can be found on the Company's website

www.carnabyresources.com.au

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