

## December 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 31 December 2019.

### December 2019 Quarterly Highlights:

#### ▪ TICK HILL NEAR MINE EXPLORATION

Significant gold mineralisation was intersected immediately below the Tick Hill open pit and adjacent to existing underground development in un-mined positions, including;

- 3 m @ 9.78 g/t from 80 m including 1 m @ 25.7 g/t gold from 81 m (CBC024).
- NEW RESULT 2 m @ 7.2 g/t from surface including 1 m @ 12.8 g/t from surface from historical ROM pad (THRP007)
- NEW RESULT 6 m @ 1.7 g/t from 1.5 m including 2 m @ 3.0 g/t from historical Tailings Dam (CBC029)
- Drill hole CBD027 intersected an encouraging 10 m wide lodestone unit at Tick Hill North in the same stratigraphic position as Tick Hill. No significant assays were received.

#### ▪ TICK HILL MINERAL RESOURCE GROWS TO 65,000 OUNCES

- Unmined, in situ, high grade Indicated and Inferred Mineral Resource for Tick Hill reported at a 0.5 g/t Au cut-off of;

Indicated: 91,000 t @ 5.15 g/t gold for 15,000 ounces

Inferred: 117,000 t @ 7.50 g/t gold for 28,100 ounces

Total: 208,000 t @ 6.47 g/t gold for 43,200 ounces

- This is in an addition to the existing Tailings Dam stockpile Indicated Mineral Resource of;

Tailings Dam: 630,000 t @ 1.08 g/t gold for 21,800 ounces

- Total Tick Hill combined Mineral Resources;

Total Resources: 838,000 t @ 2.41 g/t gold for 65,000 ounces

- Scoping studies to commence on the combined Mineral Resource at a time of record Australian dollar gold prices of ~A\$2,300/oz.

#### ▪ MOUNT BIRNIE DRILLING

- NEW RESULT and off hole conductor identified in MBD009, broad new zone of copper mineralisation of 95 m @ 0.24% Cu from 59m
- Subsequent to the end of the quarter, the Company recommenced a limited drilling campaign at the Mount Birnie project, results pending.
- Cash (incl. restricted cash) at 31 December 2019 was \$2.4 million.

#### Fast Facts

Shares on Issue 96M

Market Cap (@ 7.2 cents) \$6.9M

Cash \$2.4M<sup>1</sup>

<sup>1</sup>As of 31 December 2019 and inclusive of Restricted Cash

#### 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

During the quarter the Company completed its maiden drilling campaign at the Tick Hill Gold Project intersecting further high grade gold results up to 3 m @ 9.78 g/t gold beneath the Tick Hill open pit (see ASX release 26 November 2019).

The drilling completed at Tick Hill in the second half of 2019 culminated in the compilation and estimation of an unmined, high grade Indicated and Inferred Mineral Resource at Tick Hill of 280 kt @ 6.47 g/t gold for 43 koz which grows the total Mineral Resource at Tick Hill to 838 kt @ 2.41 g/t for 65 koz (see ASX release 29 January 2020).

The search for the extension and or repetition of Tick Hill continues with the last hole drilled in the program intersecting an encouraging 10 m wide Lodestone unit at Tick Hill North where further drilling is being planned.

At Mount Birnie located 4 km NW of Tick Hill, potentially in the same IOCG corridor as Tick Hill (see Figure 1), a new broad zone of copper mineralisation and off hole conductor was intersected and defined in MBD009.

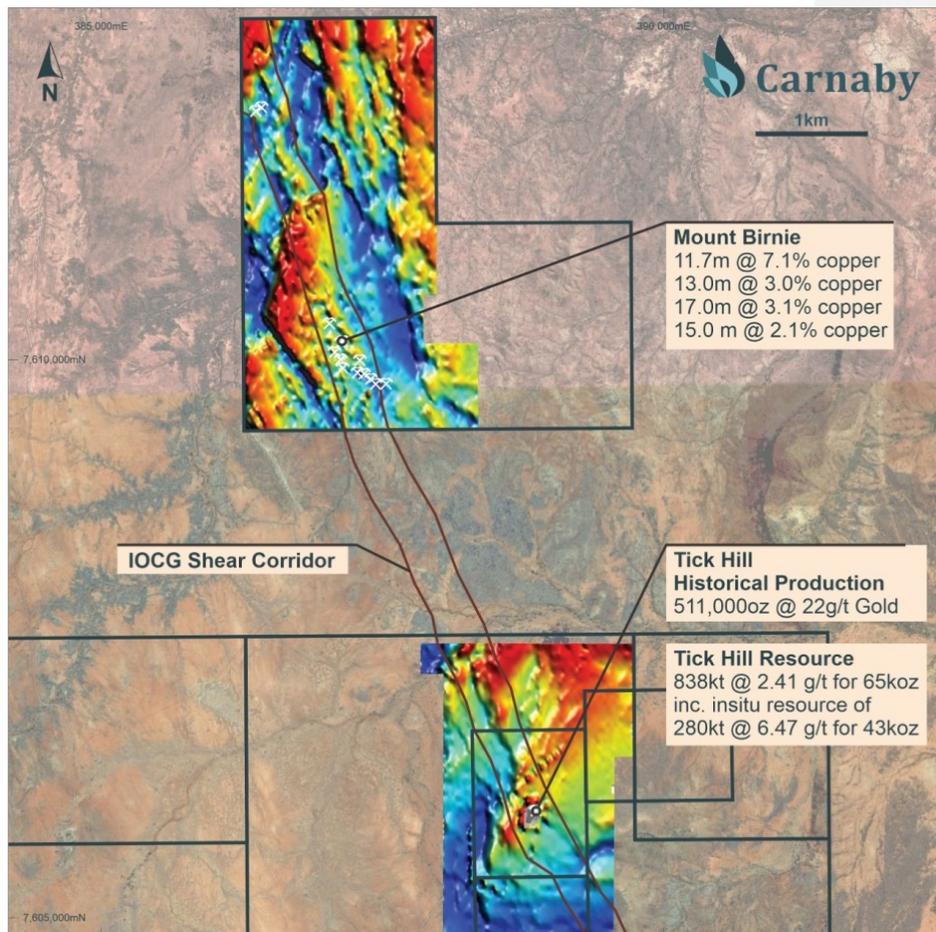


Figure 1 | Tick Hill SAM TFEM showing location of Tick Hill and Mount Birnie.

## **TICK HILL RESOURCE GROWS TO 65,000 OZS (100% OWNED)**

As announced on 29 January 2020, the drilling completed in 2H2019 has culminated in the compilation and estimation of a high grade gold Mineral Resource at Tick Hill.

Due to the prevailing low gold price environment (~\$U350/oz) at the time of historical mining at Tick Hill in the early 1990's, a majority of the Hangingwall lode and some sections of the Main Lode were not mined, especially the southern strike extent of the Main Lode directly underneath the open pit (Figure 2).

Total unmined, in situ, high grade Indicated and Inferred Mineral Resource for Tick Hill reported at a 0.5 g/t Au cut-off is:

Indicated:	<b>91,000 t @ 5.15 g/t gold for 15,000 ounces</b>
Inferred:	<b>117,000 t @ 7.50 g/t gold for 28,100 ounces</b>
<b>Total:</b>	<b><u>208,000 t @ 6.47 g/t gold for 43,200 ounces</u></b>

This is in an addition to the existing Tailings Dam stockpile Indicated Mineral Resource which has previously been the subject to a positive detailed scoping study at significantly lower gold prices:

Tailings Dam:	<b>630,000 t @ 1.08 g/t gold for 21,800 ounces</b>
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Scoping level studies will commence immediately on a combined Mineral Resource for the Tick Hill Gold Project at a time of record Australian dollar gold prices of ~**A\$2,300 oz**:

<b>Total Resource:</b>	<b><u>838,000 t @ 2.41 g/t gold for 65,000 ounces</u></b>
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The high grade in situ Mineral Resource is located beneath the 70 m deep Tick Hill open pit which produced 180,000 oz @ 18.1 g/t gold and adjacent to 135 m of underground development that produced a further 331,000 oz @ 26 g/t gold.

The Tick Hill orebody was an exceptional gold deposit that historically produced a large positive reconciliation during mining and processing.

Scoping level studies will evaluate the potential for economic extraction from an open pit cutback and / or re-establishment of the underground infrastructure. Preliminary discussions regarding low cost processing options will concurrently be evaluated.

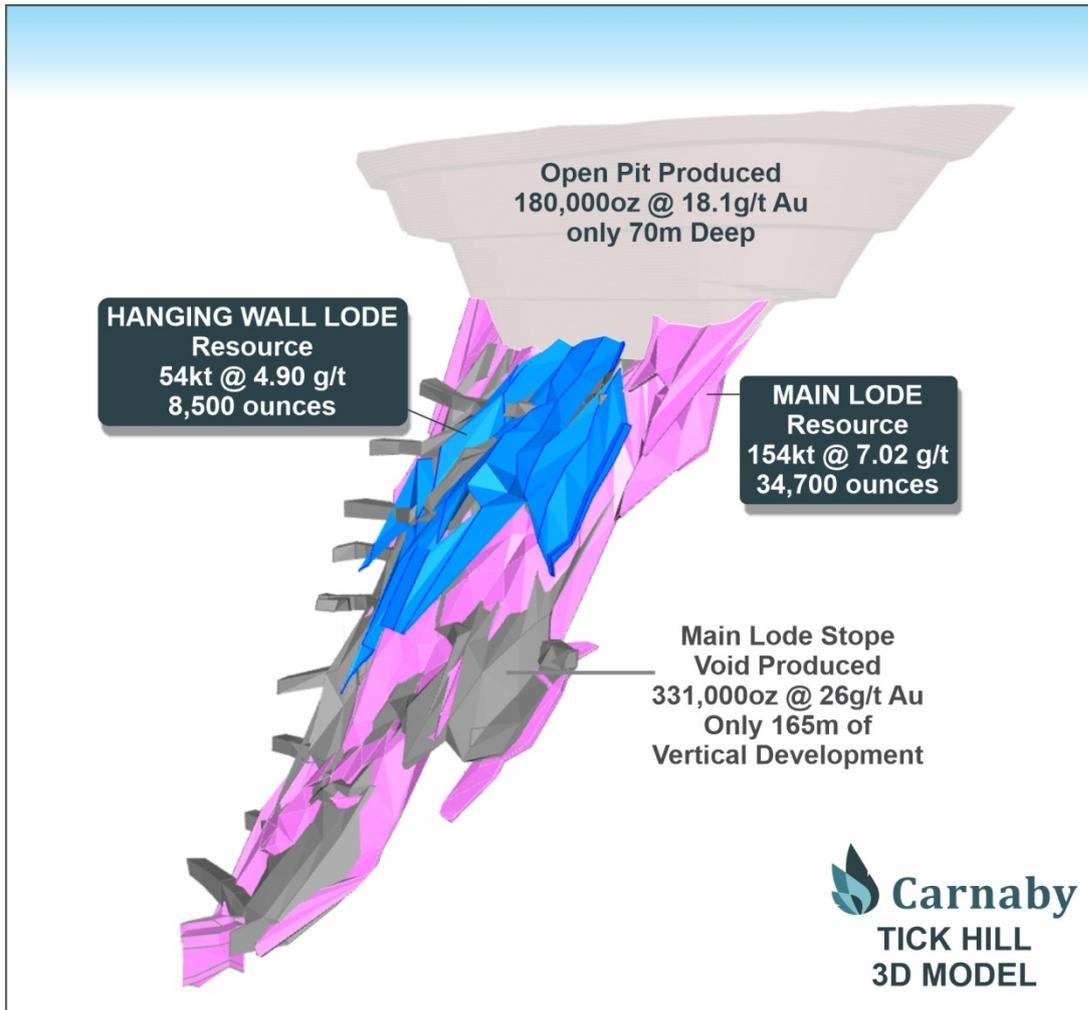


Figure 2: Tick Hill 3D view of resource wireframes and stoped areas looking northeast.

## TICK HILL NEAR MINE RESOURCE DEFINITION (100% OWNED)

Additional shallow RC drilling was completed targeting the Main Lode area below the historical Tick Hill open pit. Drill results approximating true widths included:

CBC024      1 m @ 25.7 g/t gold within 3 m @ 9.78 g/t gold from 80 m.

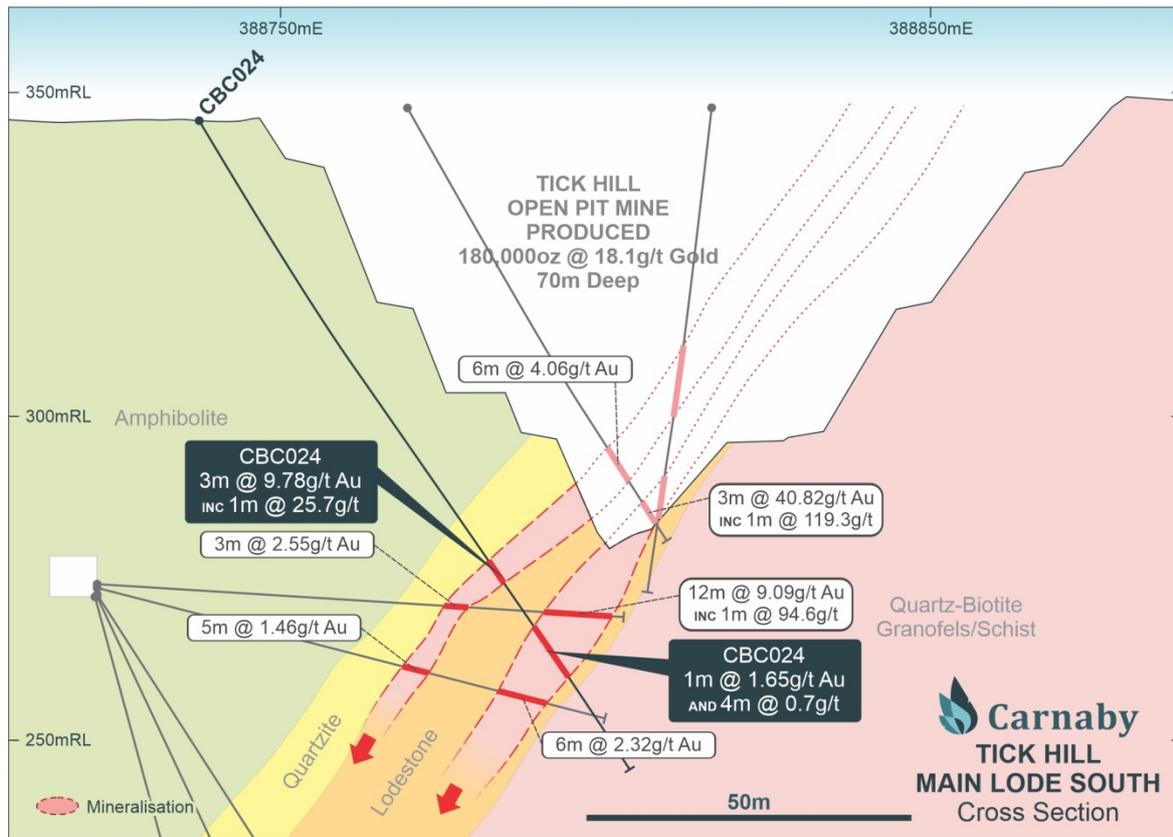
CBD023      1 m @ 4.8 g/t within 3 m @ 2.9 g/t gold from 88 m.

These results have confirmed the unmined lode positions below the open pit and adjacent to existing underground development and also confirmed that several historical drill results remain in place below the open pit allowing them to be used in resource estimate;

U8701      14 m @ 7.47 g/t gold including 5 m @ 18.7 g/t gold

TH002D      4 m @ 6.18 g/t gold

U8402      5 m @ 1.46 g/t gold and 6 m @ 2.32 g/t gold.



**Figure 3: Tick Hill Main Lode RC drilling results cross section.**

Additional shallow resource definition drilling was completed on historical waste dump, ROM pad and tailings dam areas. New results not previously announced include;

THRP007	2 m @ 7.15 g/t gold from surface including 1 m @ 12.8 g/t gold from surface
THRP008	1 m @ 1.24 g/t gold from surface
THRP006	1 m @ 1.58 g/t gold from surface
CBC028	6 m @ 1.40 g/t gold from 1.5 m including 3 m @ 2.31 g/t gold from 4 m
CBC029	6 m @ 1.72 g/t gold from 1.5 m including 2 m @ 3.00 g/t gold from 3.5 m
CBC030	7 m @ 1.25 g/t gold from 2 m
THWD007	6 m @ 0.64 g/t gold from 3 m including 2 m @ 1.1 g/t gold from 6 m
THWD009	1 m @ 2.58 g/t gold from 1 m and 1 m @ 1.0 g/t gold from 9 m

None of the above results have yet been included in the updated Tick Hill Resource and are expected to add incremental ounces to the growing resource base.

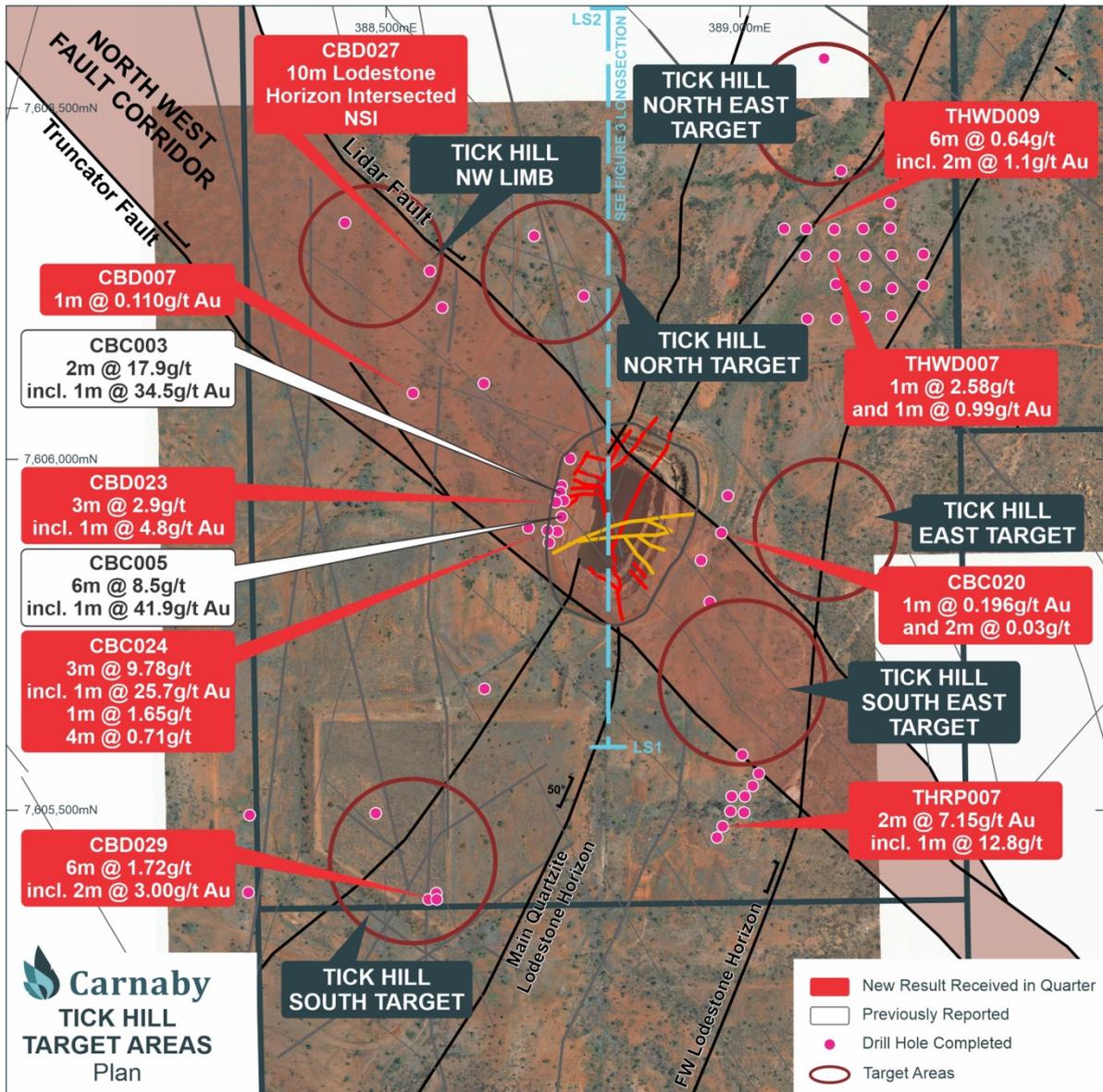


Figure 4: Tick Hill Near Mine plan showing location of results.

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

Drilling targeting the potential fault offset / repetition of the Tick Hill orebody within the near mine area was undertaken during the quarter. Wide spaced step out exploration drilling has to date intersected gold anomalism and host rocks consistent with the expected tenor of gold anomalism on the edge of a Tick Hill type orebody (see ASX release 26 November 2019). New insights from the completed drilling highlight the Tick Hill North target as a potential repetition site of the Tick Hill orebody which is truncated at only 235 m below surface.

## TICK HILL NORTH TARGET

The newly identified North West Fault Corridor is flanked by 2 major NW faults that bound the southern and northern edges of the Tick Hill deposit (Figure 4 & 6). The Truncator Fault abruptly terminates the Tick Hill orebody at only 235 m below surface, whilst the Lidar Fault abruptly terminates the northern end of the deposit. Steeply dipping EW faults that bound the Tick Hill orebody are interpreted to have propagated off these faults.

Drill hole CBD007 targeting the North West Fault Corridor plunge intersected encouraging alteration and structure with an anomalous result of 1 m @ 0.11 g/t gold. The Tick Hill North target area immediately below the Lidar Fault represents a potential repetition site of Tick Hill where steeply dipping EW faulting is propagating off the Truncator fault.

The last hole drilled in the 2019 program CBD027 intersected a highly encouraging 10m wide zone of extremely altered Lodestone (Figure 5) in the same stratigraphic position and 250 m north of where the Tick Hill orebody is truncated (Figure 6). Hole CBD027 hole trace lifted during drilling and intersected the target horizon significantly higher than planned. While no significant gold results were received from CBD027, the presence of a thick Lodestone unit (host rock of the Tick Hill orebody) is considered to be significant.

Drill spacing at Tick Hill North in the target area below the Lidar Fault remains sparsely tested with the closest hole being 150 m away which is far greater than the average strike length of the Tick Hill orebody which averages only 80 m strike. Tick Hill style gold mineralisation is characterised by an extremely limited dispersion halo of only a few meters and therefore can be easily missed by even closed spaced drilling.

Detailed structural and lithological analysis and an updated 3D geological model utilising the new drilling information will be completed this quarter prior to undertaking further drilling.



Figure 5: Comparison of Tick Hill Ore Lodestone and Lodestone intersected in CBD027.

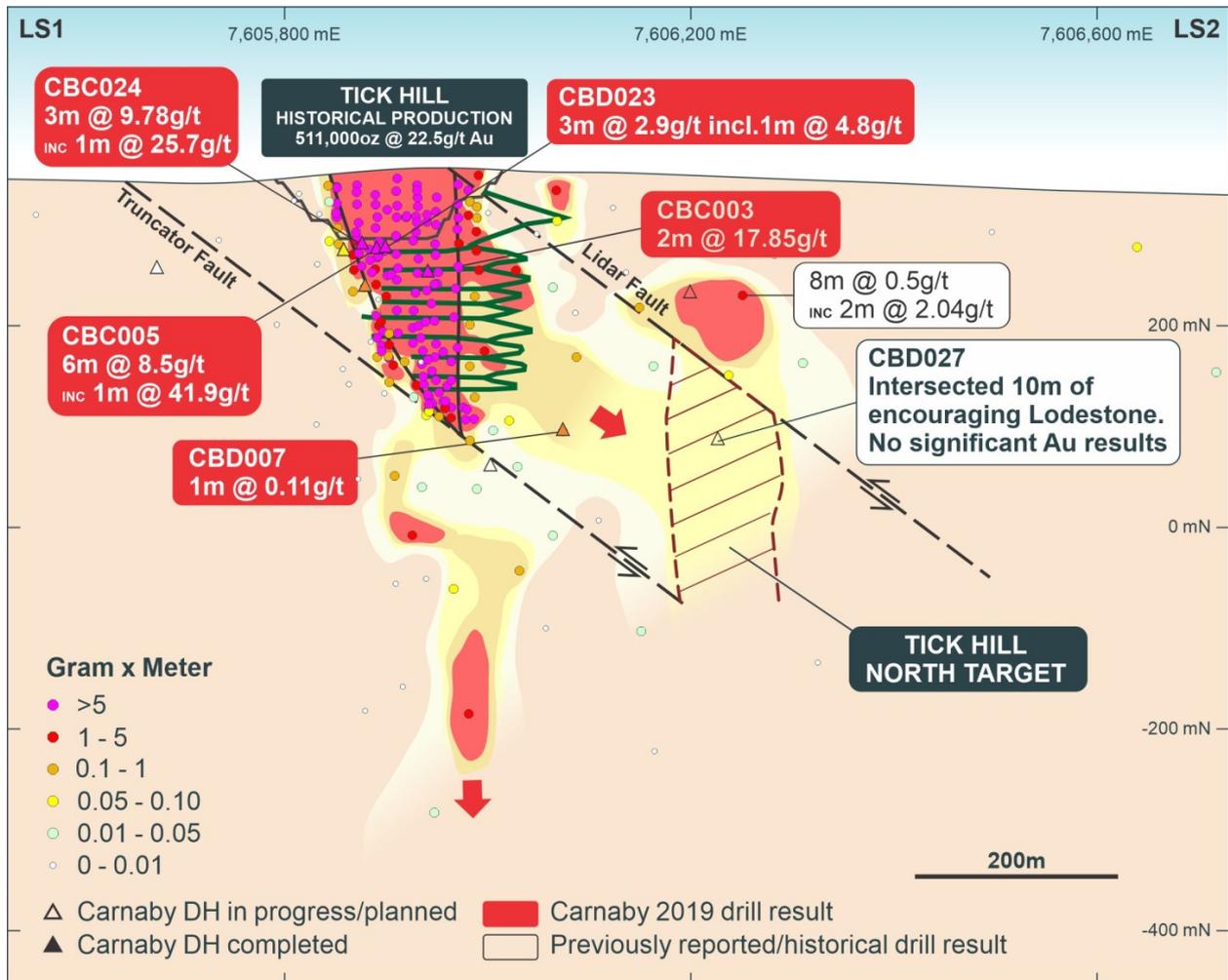


Figure 6: Tick Hill long section showing location of results and Tick Hill North target.

## MOUNT BIRNIE (82.5% OWNED)

Mount Birnie located 4 km NW of Tick Hill is interpreted to be in the same NW IOCG corridor as Tick Hill (Figure 1).

A new broad zone of shallow copper mineralisation was intersected in the hangingwall to the main Mount Birnie workings lode. Results from this hole are;

MBD009 95 m @ 0.24% Cu, 0.03 g/t Au from 59 m including 5 m @ 0.88% Cu from 64 m including 1 m @ 2.03% Cu and including 4 m @ 0.82% Cu from 145m and 1 m @ 0.5% Cu from 320 m and 1 m @ 0.8% Cu from 282 m.

Downhole EM was completed on MBD009 identifying an off hole conductor located approximately 60 m to the northeast and 150 m north of the Mount Birnie workings.

A small program of Fixed Loop EM was also completed, highlighting a subtle anomaly SW of Mount Birnie.

Subsequent to the end of the quarter, the Company re-commenced a limited drilling campaign at the Mount Birnie project, and commenced systematic soil sampling of the Mount Birnie NW corridor, results pending.

Mount Birnie is considered to be highly prospective and appears to be part of a larger IOCG type deposit that remains completely open down plunge and along strike (Figure 7).

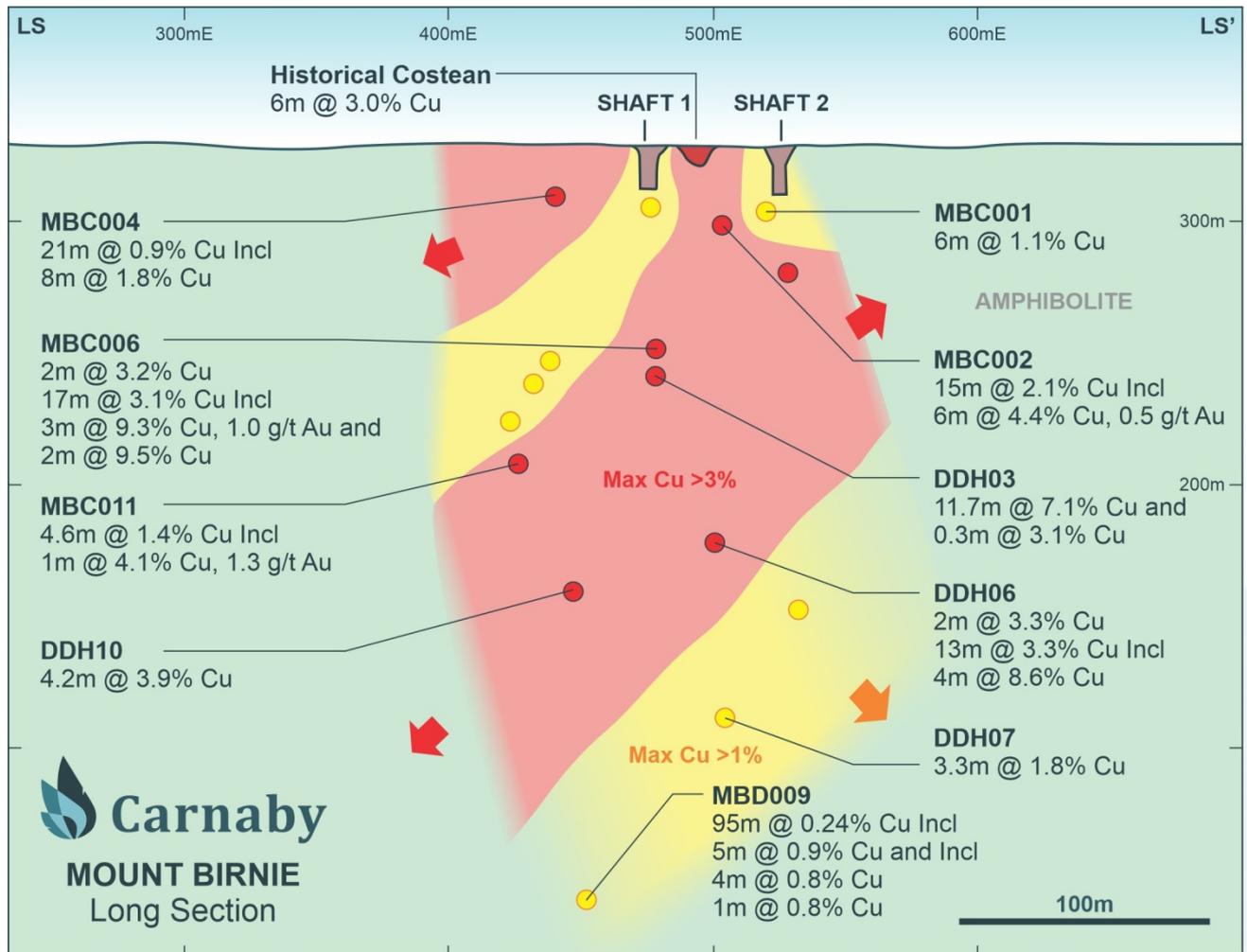


Figure 7: Mount Birnie long section showing location of drill results.

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

Newly identified regional targets including Mount Question, 4 km SE of Tick Hill have been identified as high priority targets for follow up exploration and will form part of a broader regional exploration program at the Tick Hill Project in 2020.

## **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. 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 H12020.

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

Following a strategic review of Carnaby's Scandinavian projects, the Company has relinquished all exploration permits in Norway and a further two permits in Sweden. 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 (see ASX release 12 February 2018). Please refer to the Appendix 2 for further details regarding relinquished exploration permits.

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

## **CORPORATE**

### **Cash and Restricted Cash**

At 31 December 2019, Carnaby held \$2.0 million in cash and a further \$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 was established during the quarter.

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 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.

**Disclaimer**

References have been made in this announcement to certain ASX announcements, including references regarding exploration results and mineral resources. 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.

**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</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> </ul>

Criteria	JORC Code explanation	Commentary
	<p>tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</p>	<ul style="list-style-type: none"> <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 in nature. Core (or costean, channel, etc.) photography.</li> </ul> <p>The total length and percentage of the relevant intersections logged.</p>	<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 and alteration.</li> <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</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</li> </ul>

Criteria	JORC Code explanation	Commentary
	(e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	<p>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.</p> <ul style="list-style-type: none"> <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 locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</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 identified in the field and showed a &lt;10m distance shift from plotted coordinates – which is considered appropriate for the reporting of these results.</li> <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> <li>A Champ Gyro (True North Seeking Gyro) will be acquired for the remainder of the drill programme.</li> </ul>
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</li> </ul>	<ul style="list-style-type: none"> <li>Historical drill samples were controlled by</li> </ul>

Criteria	JORC Code explanation	Commentary
	security.	<p>Longreach personal at the time.</p> <ul style="list-style-type: none"> <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> <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>	<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, 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</li> <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>
Acknowledgment and appraisal of exploration by other parties.	<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</li> </ul>

Criteria	Explanation	Commentary
Geology	<ul style="list-style-type: none"> <li>• Deposit type, geological setting and style of mineralisation.</li> </ul>	<p>drilling in 1967.</p> <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 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.</li> <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>
Drill hole Information	<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 Appendix 3.</li> </ul>
Data aggregation methods	<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</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>

Criteria	Explanation	Commentary
	<p>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.</p> <ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	
Relationship between mineralisation widths and intercept lengths	<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>
Diagrams	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>See the body of the announcement.</li> </ul>
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 Projects

Tenement	Location	Structure
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:**

Norway: Skuterud 1, 2, 3, 4, 3B, 5, 6, 7, 8 & Goshawk 01, 02, 04, 05, 08 / Sweden: Tunaberg nr 201 & Gladhammar nr 201

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 3 | Drill Results

### Tick Hill & Mount Birnie

Location Target	Hole ID	Easting	Northing	Azimuth	Dip	Depth From (m)	Interval (m)	Au (g/t)	Cu (%)	Comments
Tick Hill North	CBC025	388783.6	7606233.7	110	60			NSI		
Tick Hill	CBC028	388574.1	7605369.9	0	90	1.5 Inc 4	<b>6</b> <b>3</b>	<b>1.40</b> <b>2.31</b>		Tailings Dam
Tick Hill	CBC029	388560.6	7605371.3	0	90	1.5 3.5	<b>6</b> <b>2</b>	<b>1.72</b> <b>3.00</b>		Tailings Dam
Tick Hill	CBC030	388573.6	7605380.1	0	90	2	<b>7</b>	<b>1.25</b>		Tailings Dam
Tick Hill	CBD009	388647.3	7606115.2	191	68			NSI		
Tick Hill East	CBD013	388943.8	7605852.9	171	57			NSI		
Tick Hill North	CBD027	388571.5	7606264.4	107	62			NSI		10m Lodestone
Tick Hill	THRP001	389005.9	7605499.3	0	90			NSI		ROM pad
Tick Hill	THRP002	388986.1	7605500.7	0	90			NSI		ROM pad
Tick Hill	THRP003	388987.2	7605521	0	90			NSI		ROM pad
Tick Hill	THRP004	389006.7	7605520.5	0	90	0	1	0.82		ROM pad
Tick Hill	THRP005	389016.9	7605536.5	0	90			NSI		ROM pad
Tick Hill	THRP006	389025.9	7605554.3	0	90		1	1.58		ROM pad
Tick Hill	THRP007	388975.7	7605479	0	90	0 Inc 0	<b>2</b> <b>1</b>	<b>7.15</b> <b>12.8</b>		ROM pad
Tick Hill	THRP008	388966.9	7605463.3	0	90	0	1	1.24		ROM pad
Tick Hill	THWD011	389172.4	7606293.5	0	90			NSI		Waste Dump
Tick Hill	THWD012	389213.6	7606292.3	0	90			NSI		Waste Dump
Tick Hill	THWD013	389253.6	7606292.4	0	90			NSI		Waste Dump
Tick Hill	THWD014	389128.9	7606331.1	0	90			NSI		Waste Dump
Tick Hill	THWD015	389171.7	7606332.7	0	90	0	1	1.17		Waste Dump
Tick Hill	THWD016	389211.7	7606333.8	0	90	5	1	0.85		no recovery 6-10m
Tick Hill	THWD017	389211.5	7606373.8	0	90	11	1	0.84		BOH

Mount Birnie	MBD009	386992	7610250	141	68	59	95	0.03	0.24			
						Inc 64						
						Inc				5	0.09	0.88
						And				1	0.27	2.03
						Inc				4	0.07	0.82
						145				1	0.02	0.80
						282				1	0.01	0.50
320												



## 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")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(639)	(1,248)
(b) development	-	-
(c) production	-	-
(d) staff costs	(164)	(336)
(e) administration and corporate costs	(49)	(141)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	28
1.5 Interest and other costs of finance paid	(3)	(3)
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>(845)</b>	<b>(1,700)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(9)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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>-</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 (transfers to Restricted Cash*)	(373)	(373)
	<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>		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(373)</b>	<b>(373)</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	3,169	4,033
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(845)	(1,700)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(9)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(373)	(373)
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>1,951</b>	<b>1,951</b>

<b>5. 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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	509	919
5.2 Call deposits	1,442	2,250
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>1,951**</b>	<b>3,169</b>
<i>** Balance excludes Restricted Cash. Refer Item 3.9 above for further details.</i>		

**6. Payments to directors of the entity and their associates**

	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	87
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. Payments to related entities of the entity and their associates**

	<b>Current quarter \$A'000</b>
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

**8. Financing facilities available**

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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	450
9.2 Development	-
9.3 Production	-
9.4 Staff costs	160
9.5 Administration and corporate costs	40
9.6 Other – capital raising costs	-
<b>9.7 Total estimated cash outflows</b>	<b>650</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	<p><b>Norway:</b></p> <p>Skuterud: 1, 2, 3, 4</p> <p>Skuterud: 3B, 5, 6, 7, 8</p> <p>Goshawk: 01, 02, 04, 05, 08</p> <p><b>Sweden:</b></p> <p>Tunaberg: nr 201</p> <p>Gladhammar: nr 201</p>	<p>Relinquished</p> <p>Relinquished</p> <p>Relinquished</p> <p>Relinquished</p> <p>Relinquished</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>	<p>0%</p> <p>0%</p> <p>0%</p> <p>0%</p> <p>0%</p>
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: 31 January 2020

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.