Carnaby

ASX Announcement

16 August 2021

MINERALISATION EXTENDED GREATER DUCHESS COPPER-GOLD PROJECT – NIL DESPERANDUM

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to provide an exploration update for the Greater Duchess Copper-Gold Project in Mount Isa, Queensland.

Highlights – Greater Duchess Copper-Gold Project, Mount Isa, Queensland

- **Nil Desperandum** Drill results received, include;
  - NLRC039 **15m @ 1.0% copper** from 10m
  - NLDD031 **4m @ 1.4% copper** from 269m
    and **48.2m @ 0.6% copper** from 281m
    including **11.1m @ 1.4% copper** from 294m
  - NLRC028 **62m @ 0.5% copper** from 179m
    including **16m @ 1.0% copper** from 181m
    including **7m @ 2.4% copper**, 0.3 g/t gold from 161m
  - NLRC032 **8m @ 1.0% copper** from 226m
- Nil Desperandum large new copper soil anomaly extension to the NE with soil results up to **0.34 % copper** coincident with **strong untested IP chargeability anomaly**.

The Company's Managing Director, Rob Watkins commented:

"The new drill results at Nil Desperandum continue to demonstrate the robust continuity of the main zone all the way to surface with a result of 15m @ 1.0% copper and at depth to the southwest where the deepest drill hole to date has intersected 48.2m @ 0.6% copper, which is completely open and potentially only tested the lower grade section of the plunging shoot. Likewise, the major extension of the Nil Desperandum surface soil anomaly to the NE which is coincident with an IP chargeability anomaly is a compelling high priority new target. Additional drilling is planned to keep extending the main zone and target the northeast extension."

Fast Facts

Shares on Issue 117.9M

Market Cap (@ 38 cents) $44.9M

Cash $7.0M[1]

[1]As of 30 June 2021

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
- Projects near to De Grey's Hemi gold discovery on 442 km² of highly prospective tenure
- Greater Duchess Copper Gold Project, numerous camp scale IOCG deposits over 323 km² of 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 ounces[2]
- Proven and Probable Ore Reserves of 459,900 t @ 1.89 g/t gold for 28,000 ounces[2]

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

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NIL DESPERANDUM PROSPECT

New results have been received from the second phase of drilling completed at Nil Desperandum.

The results have confirmed the up-dip projection of the main plunging shoot with near surface results up to **15m @ 1.0% copper from 10m in NLRC039** (Figure 1).

The down-plunge extent of the southwest plunging lode remains completely open at depth with a new result in diamond hole **NLDD0031** of **48.2m @ 0.6% copper** from 281m including **11.1m @ 1.4% copper** from 294m (Figure 1). NLDD031 is interpreted to have intersected the lode at a similar down-plunge position to NLDD024 which intersected 53m @ 0.5% copper. The higher-grade plunge of NLRC017 which intersected 87m @ 0.9% copper including 30m @ 1.8% copper is interpreted to project immediately west of the result in NLDD031 and in line with the NLIP4 IP chargeability which is yet to be drilled. Further drilling is planned to target this area.

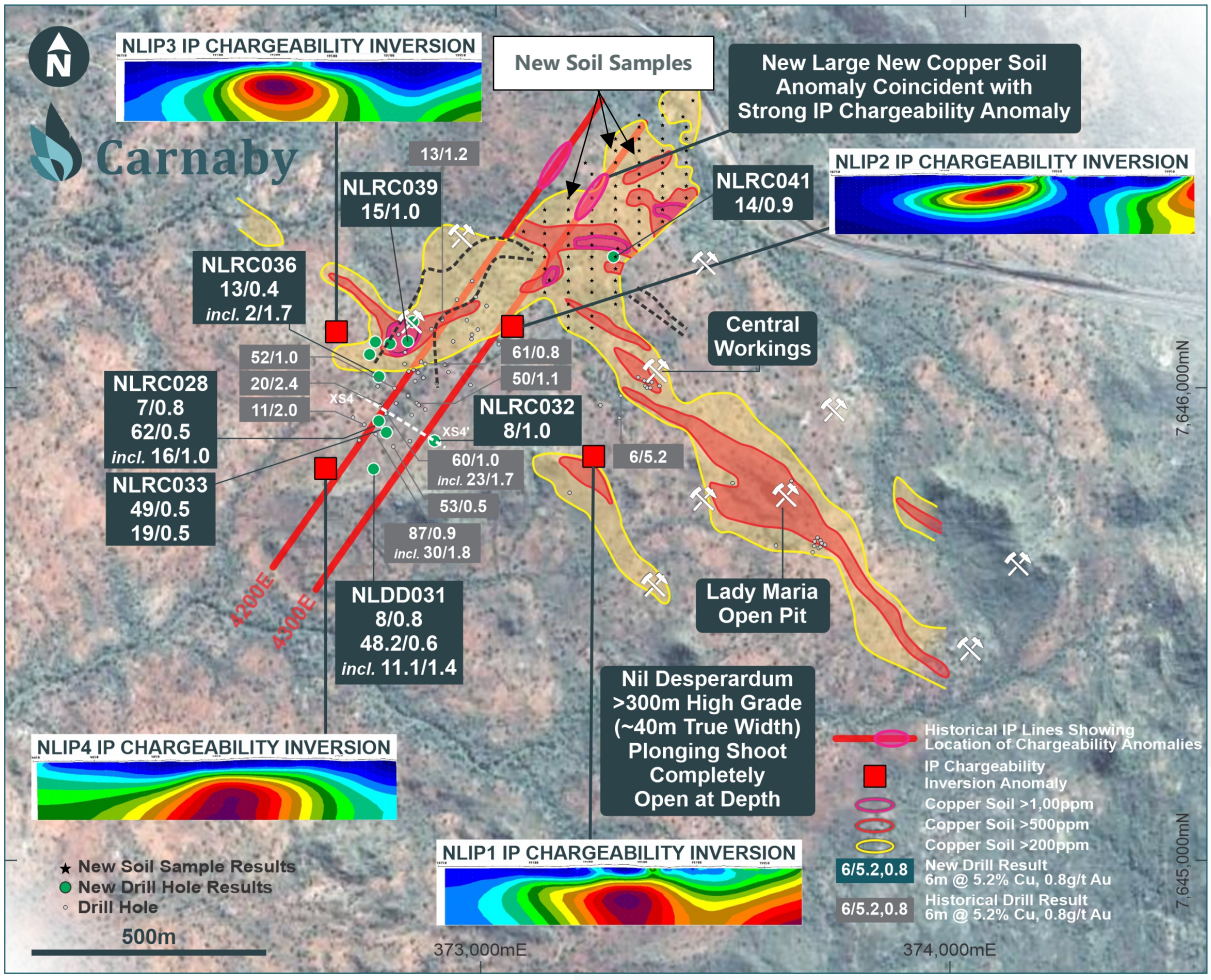

Figure 1. Nil Desperandum Prospects Plan Showing New RC Drill and Soil Results.

Additional results were received from the peripheral edges of the main high-grade plunging shoot but important results such as **8m @ 1.0% copper in NLRC032** demonstrate the robust continuity and geometry of the moderately southeast dipping, southwest plunging lode (Figure 2).

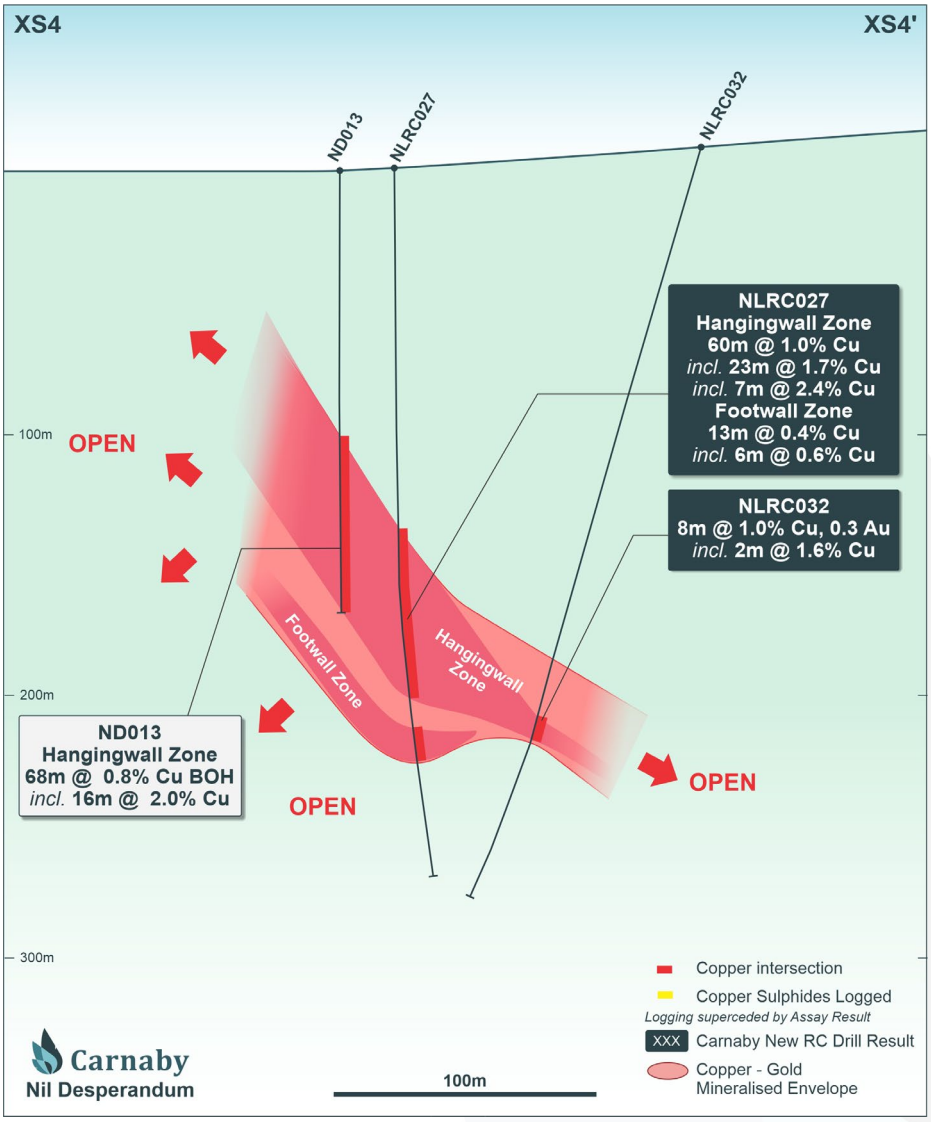

Figure 2. Nil Desperandum Cross Section XS4 Showing New RC Drill Results.

Additional soil sampling has been completed immediately northeast of Nil Desperandum after recognition of a strong NE strike orientation of the main mineralisation trend. The importance of this NE trend has been recognised with the recent exploration drill results.

The new soil sampling results clearly demonstrate a very strong extension of the Nil Desperandum surface soil anomaly to the NE which remains open (Figure 1). Very strong soil results of up to **0.34% copper** highlight the tenor of the copper soil anomaly extension to the NE of Nil Desperandum. The potential significance of the new anomaly extension to the northeast is evident when comparing the peak soil anomaly that directly correlates to the

location of the up-plunge position of the main Nil Desperandum shoot where new RC hole NLRC039 has intersected 15m @ 1.0% copper from 10m (Figure 1).

Outcropping copper mineralisation has been discovered in a breccia zone in the northeast extension of Nil Desperandum and a shallow RC hole was drilled to test the outcrop intersecting 4m @ 0.9% copper from 18m in NLRC041. To date NLRC041 is the only drill hole present in the entire new northeast soil extension of Nil Desperandum.

Of great interest are historical and recent IP anomalies that have shown strong chargeability anomalies coincident with the new copper soil anomaly extension (Figure 1). These strong IP anomalies are yet to be tested with any drilling and will be followed up in an upcoming drill program.

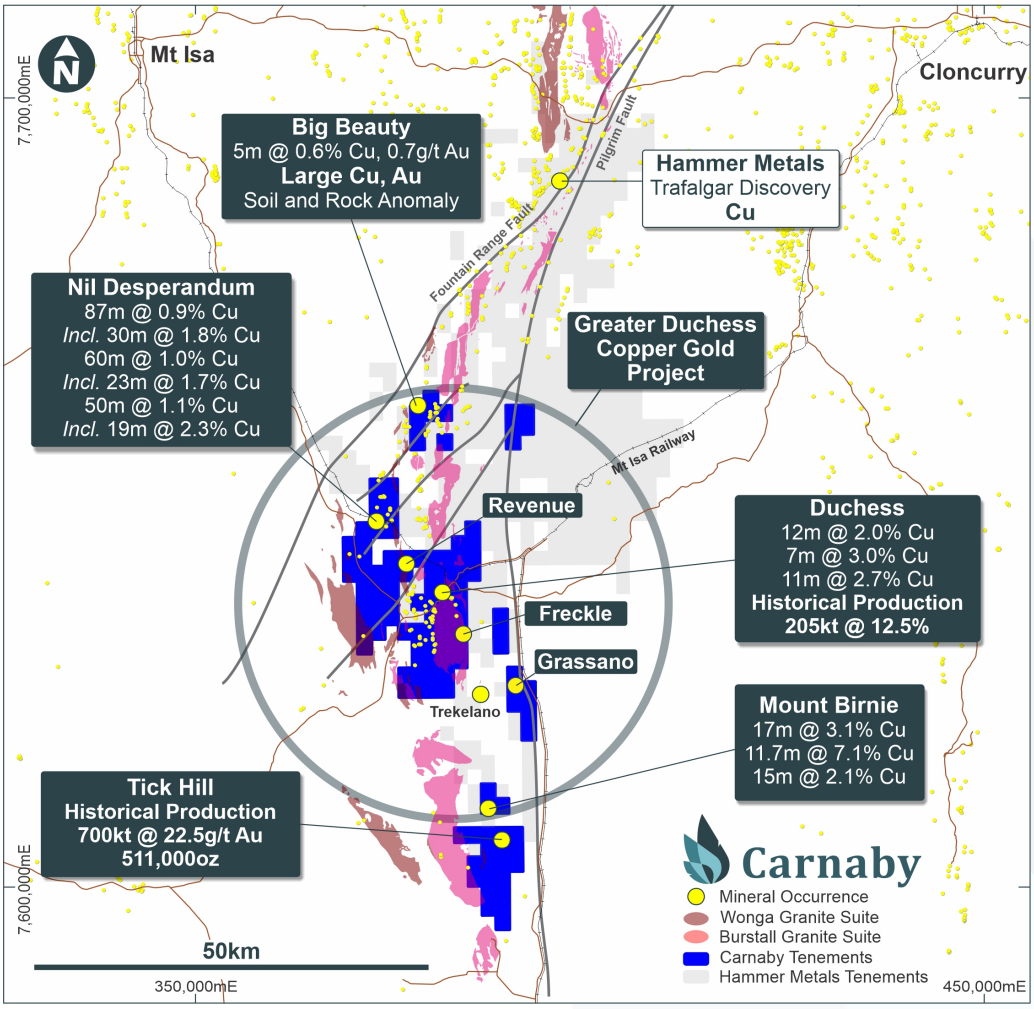

Figure 3. Greater Duchess Copper Gold Project location map.

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

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Competent Person Statement

The information in this document that relates to exploration results 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).

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.

Previously released ASX Material References that relates to announcement include:

60m @ 1% copper at Greater Duchess, 13 August 2021

Further Broad Zones of Copper Sulphides at Greater Duchess, 22 July 2021

Greater Duchess Copper Project Continues to Grow, 5 July 2021

Outstanding Drill Results at Nil Desperandum, 24 June 2021

Quality Results At Mt Birnie, Sulphides Hit Nil Desperandum, 10 June 2021

Nil Desperandum Strong IP Conductors, 7 May 2021

Greater Duchess Copper Gold Project Update, 17 February 2021

Spectacular Historical Drill Results – 11m @ 7.1% Cu, 11 June 2019

Tick Hill Key Target Area Update, 16 May 2019

Acquisition of Tick Hill Gold Project, Past Production 511koz @ 22.5g/t Gold, New Board Appointments, 12 March 2019

Table 1. Nil Desperandum Drill Results

Hole ID	Easting	Northing	Azimuth	Dip	Depth From	Interval	Cu %	Au (g/t)
NLDD031	372958.19	7646136.1	24.95	-88.68	266	8	0.8	0.2
					incl 269	4	1.4	0.3
					281	**48.2**	**0.6**	**0.1**
					incl 281	**2**	**2.6**	**0.3**
					incl 294	**11.1**	**1.4**	**0.3**
					incl 301.4	**3.8**	**2.3**	**0.5**
NLRC028	372873.52	7646102.9	172.97	-89.44	139	13	0.4	0.1
					incl 146	6	0.6	0.1
					162	7	0.6	0.1
					incl 163	2	1.5	0.3
					179	**62**	**0.5**	**0.1**
					incl 181	**16**	**1.0**	**0.2**
					incl 189	**6**	**1.7**	**0.4**
NLRC032	372991.38	7646060.5	310.4	-73.93	226	**8**	**1**	**0.3**

Hole ID	Easting	Northing	Azimuth	Dip	Depth From	Interval	Cu %	Au (g/t)
NLRC033	372889.34	7646078.4	132.65	-89.84	184 incl 199 incl 200 inc 213 245 incl 245	**49** **18** **4** **4** **19** **2**	**0.5** **0.8** **1.9** **1.2** **0.5** **2.0**	0.1 0.2 0.4 0.2 0.01 0.02
NLRC034	372897.5	7646266.5	135.3	-65.98				NSI
NLRC035	372874.09	7646196.5	44.99	-88.73	51	13	0.4	0.1
NLRC036	372853.93	7646243.5	216.45	-89.78	5 36 incl 36	13 2 1	0.4 1.7 3.2	0.1 0.4 0.7
NLRC037	372866.41	7646269.8	330.09	-89.26				NSI
NLRC038	372915.12	7646285.7	23.64	-89.48				NSI
NLRC039	372934.94	7646270.9	43.01	-88.53	5 incl 10 incl 10	20 **15** **6**	0.8 **1.0** **1.5**	0.1 **0.2** **0.3**
NLRC040	372945.6	7646312.9	129.66	-65.83				NSI
NLRC041	373370.69	7646450.2	339.17	-59.42	18	4	0.9	0.1
BWRC001	373420.29	7649513.9	271.88	-60.21	36 incl 37	**4** **1**	**2.3** **7.2**	**0.2** **0.7**
BWRC003	373578.22	7649383.8	270.3	-59.57	24	1	1.2	0.03
BWRC004	373653.33	7649243.7	87.6	-59.82				NSI

Intercepts are nominally reported at lower cutoff of 0.2 % copper and include some lower grade mineralisation. Higher grade internal intervals are reported at a lower cutoff of 0.5% copper. All intervals are downhole widths and no top cut applied.

Table 2. Nil Desperandum Soil Sample Results

Sample ID	MGA94_E	MGA94_N	Au ppb	Cu ppm
CBS00100	373325	7646300	6.8	300
CBS00101	373325.01	7646325.1	8.9	509
CBS00102	373325.03	7646350	4.1	274
CBS00103	373325.04	7646375	8.4	223
CBS00104	373324.95	7646400	4.8	248
CBS00105	373324.97	7646425	7.3	386
CBS00106	373324.98	7646450	7.2	332
CBS00107	373325	7646475.1	89.9	3390
CBS00108	373325.01	7646500	24	844

Sample ID	MGA94_E	MGA94_N	Au ppb	Cu ppm
CBS00109	373325.02	7646525	10.5	451
CBS00110	373325.04	7646550	8.3	458
CBS00111	373325.05	7646575	5.2	263
CBS00112	373274.99	7646300	9.1	206
CBS00113	373324.97	7646600	4.4	183
CBS00114	373324.97	7646625.1	4.7	168
CBS00115	373311	7646649	3.3	170
CBS00116	373275.05	7646600	5.4	184
CBS00117	373275.04	7646575	5.9	288
CBS00118	373275.03	7646550.1	10.4	423
CBS00119	373275.01	7646525	13.2	476
CBS00120	373275	7646500	30	915
CBS00121	373274.99	7646475	20	737
CBS00122	373274.97	7646450	15.8	208
CBS00123	373275.06	7646425	15	158
CBS00124	373275.04	7646399.9	7.2	106
CBS00125	373275.03	7646375	6.6	333
CBS00126	373275	7646325	17.2	180
CBS00127	373275.02	7646350	4.9	152
CBS00128	373225.02	7646375	16.1	424
CBS00129	373235	7646401	44.1	1430
CBS00130	373225.05	7646425	7.9	450
CBS00131	373224.96	7646450	15.8	461
CBS00132	373224.97	7646475.1	15.1	523
CBS00133	373224.98	7646500	20.1	794
CBS00134	373225	7646525	12.2	447

Sample ID	MGA94_E	MGA94_N	Au ppb	Cu ppm
CBS00135	373225.02	7646550	7.8	299
CBS00136	373180	7646504	14.8	634
CBS00137	373174.96	7646475	19	428
CBS00138	373425.04	7646700	12.1	426
CBS00139	373425.05	7646725	12.6	245
CBS00140	373424.97	7646750	7.1	183
CBS00141	373375.03	7646699.9	7.8	322
CBS00142	373375.02	7646675	4.4	205
CBS00143	373375	7646650	4.6	209
CBS00144	373374.98	7646625	5.2	343
CBS00145	373374.98	7646600	7.2	248
CBS00146	373374.96	7646575	9.9	328
CBS00147	373375.05	7646550.1	5.4	283
CBS00148	373375.03	7646525	9.5	436
CBS00149	373375.02	7646500	15.1	579
CBS00150	373380	7646468	27.7	1860
CBS00151	373374.99	7646450	8	334
CBS00152	373374.98	7646425	13.2	774
CBS00153	373374.96	7646400.1	7	319
CBS00154	373375.05	7646375	9.8	458
CBS00155	373375.04	7646350	17.7	326
CBS00156	373425.02	7646475.1	8.1	324
CBS00157	373425.03	7646500	8.6	351
CBS00158	373425.04	7646525	9.6	368
CBS00159	373475.06	7646525	5.1	629
CBS00160	373424.95	7646550	11.9	372

Sample ID	MGA94_E	MGA94_N	Au ppb	Cu ppm
CBS00161	373424.97	7646575	9.8	516
CBS00162	373424.99	7646600	10	445
CBS00163	373425	7646625.1	9	533
CBS00164	373425.01	7646650	13.3	469
CBS00165	373425.03	7646675	11.3	400
CBS00166	373474.97	7646550.1	15.2	1060
CBS00167	373474.98	7646575	7.3	303
CBS00168	373475	7646600	3.9	183
CBS00169	373475	7646627	5.3	338
CBS00170	373475.02	7646650	13.7	584
CBS00171	373475.04	7646675	9.5	250
CBS00172	373474.95	7646700.1	9.9	183
CBS00173	373475	7646729	8.1	172
CBS00174	373474.98	7646750	13.4	107
CBS00175	373474.99	7646775	5.5	326
CBS00176	373475.01	7646800	3.1	152
CBS00177	373539	7646781	12.1	221
CBS00178	373518	7646747	4.2	260
CBS00179	373524.98	7646725	2.4	164
CBS00180	373524.96	7646700	5.9	239
CBS00181	373525.05	7646675	5.7	155
CBS00182	373525.03	7646650	4.6	159
CBS00183	373525.03	7646625	4.5	243
CBS00184	373525.01	7646600	5.6	317
CBS00185	373524.99	7646575	7.3	526

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg 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. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.	• Sampling from diamond core was from selected geological intervals of varying length, mostly 1m within the mineralisation. Core was half core sampled within the mineralised zones and quarter core sampled over 2m intervals in the non-mineralised intervals. • Recent RC samples were collected via a cone splitter mounted below the cyclone. A 2-3kg sample was collected from each 1m interval. • RC and Diamond samples were pulverised to obtain a 30g charge for aqua regia digest and AAS analysis of Gold. For total Copper analysis a 0.4g/t sample was digested by aqua regia acid digest and analysed by ICP or AAS. **Soils Samples** • Soil samples collected by Carnaby Staff. Involved the removal of 10cm of surface material and the collection of soil at the "B Horizon". Approximately 1kg of soil was sieved to collect -2mm grain size fraction. Approximately 200g of the sieved soil was collected in soil geochemistry packets for analysis at the lab. • Sample submitted to Labwest for Ultrafine + method developed by the CSIRO for exploration of blind deposits
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).	• All recent RC holes were completed using a 5.5'' face sampling bit. • 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. • Recent diamond tails were drilled using NQ size core. • Recent core was orientated using Boart Longyear True Core.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • 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.	• Historic core recovery data was not recorded • For recent RC drilling, no significant recovery issues for samples were observed. • For the recent diamond holes both drilled and recovered lengths per run were recorded. Minor core loss was observed however these were outside of the mineralised zones.
Logging	• 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. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	• Historical drill holes were logged geologically. • Recent hand samples were given a geological description • Recent RC and diamond holes have been logged for lithology, weathering, mineralisation, veining, structure and alteration. Structural measurements were taken from the orientated core. • All chips have been stored in chip trays on 1m intervals and logged in the field. **Soil Samples** • Soils samples were logged in the field with respect to the regolith type and landform features.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	• Recent core was half cut and sampled mostly on 1m intervals. • All RC samples are cone 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. • For mineralised zones, the 1m cone split sample is taken for analysis. For non-mineralised zones a 5m composite spear

Criteria	JORC Code explanation	Commentary
	• For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled.	sample is collected and the individual 1m cone split samples over the same interval retained for later analysis if positive results are returned.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • 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. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• 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. • 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 • The recent RC programme has used ore grade standards for both gold and copper. Blanks are inserted by Carnaby staff at the start of every hole and standards (CRMs) are inserted every 50 samples. The selection of standards used are within the gold and copper ranges known at Mt Birnie and Nil Desperandum. Standard CRM identification was removed prior to submitting to the external lab. • Results of the standards and blanks were checked against the CRM reference sheets to check they were within tolerance. Soil Samples • The Ultrafine + method developed by the CSIRO for exploration of blind deposits was considered an appropriate method for detecting gold and base metals given the shallow transported cover most of the Malmac project. • No standards were used in the reporting of results.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Results have been collated from original company reports • 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. • Results reported below the detection limit have been stored in the database as half the detection limit – eg <0.001ppm stored as 0.0005ppm
Location of data points	• 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. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Recent hole locations were obtained using a Trimble SP60 GNSS GPS in UTM MGA94. • Current RC holes were downhole surveyed by Reflex True North seeking gyro. • Soil Location points were collected using a Garmin handheld GPS with an accuracy of +/-3m.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied.	• Historical drill hole collars were drilled 30- to 100- metres apart. • Recent RC has provided infill to an approximate 25m drill spacing. • Recent RC non-mineralised zones were composited to 5m with mineralised intervals sampled at 1m. • Soil sampling was undertaken on lines spaced at 50m East x 25m North.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	• Most holes are at near right-angles to the main mineralisation. Drilling appears to have been completed at good angle to the mineralisation.

Criteria	JORC Code explanation	Commentary
	• 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.	
Sample security	• The measures taken to ensure sample security.	• Historical drill samples were controlled by Longreach personal at the time. • Sample security not recorded in historical reports. • Recent RC drilling has had all samples immediately taken following drilling and submitted for assay by supervising Carnaby geology personnel. • Soil and rock chip samples were transported from the field to the lab by Carnaby Staff.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Not conducted

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	• 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. • 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.	• The Queensland projects comprise the Tick Hill Mine Project Region (105.5km^2) and the Regional Leases (217.3km^2). The projects comprise of three Mining Leases at Tick Hill (3.9km^2 - 100% interest acquired from Diatreme and Superior – ML's 7094, 7096 and 7097), twelve surrounding and regional tenements (293.3km^2 - 82.5% interest acquired from Discovex – EPM's 9083, 11013, 14366, 14369, 17637, 18980, 19008, 25435, 25439, 25853, 25972,); and two additional tenements held by Carnaby associated entities (25.6km^2 – 100% beneficial interest held by a wholly owned subsidiary of Carnaby – EMP26651 and 27101). The historical drill results are from EPM 25853 • Beneficial interest in the Western Australian tenements (969.3km^2) is held by Carnaby through wholly owned subsidiary of Carnaby (E69/3510, E69/3509 and E38/3289). • The Tick Hill ML's are subject to a royalty on gold production, to a 3rd 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. • The 3rd party royalty holder for Tick Hill ML's has the right to purchase any copper ore or concentrates on commercial terms.
Acknowledgment and appraisal of exploration by other parties.	• Acknowledgment and appraisal of exploration by other parties.	• 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.
Geology	• Deposit type, geological setting and style of mineralisation.	• 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

Criteria	Explanation	Commentary
		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. • 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. • The Malmac Project in Western Australia is within the Paleoproterozoic Earaheedy 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. • 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.
Drill hole Information	• 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: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. 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.	• Included in report Refer to the report and Table 1.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Significant intercepts above nominal 0.2 % Cu lower cutoff have been reported with higher grade internal intercepts reported above a 0.5% Cu lower cutoff • Metal equivalents have not been used. • Inclusion of up to a maximum of 6m of lower grade mineralisation has been applied to the broader plus 0.2% intercepts.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• 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. • The results related to rock chip samples and a character samples of specific styles of mineralisation in an area. They may not be representative of broader mineralisation.

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Diagrams	• 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.	• See the body of the announcement.
Balanced reporting	• 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.	• The exploration results should be considered indicative of mineralisation styles in the region.
Other substantive exploration data	• 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.	• As discussed in the announcement
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Planned exploration works are detailed in the announcement.