LADY FANNY CONTINUES TO GROW
32m @ 2.6% Cu, 0.6 g/t Au from 69m
Including 17m @ 3.7% Cu, 1.1g/t Au

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or the **Company**) is pleased to announce new exploration results at the Greater Duchess Copper Gold Project in Mt Isa, Queensland.

Highlights

- **Lady Fanny Prospect:**
  - **LFRC129 has recorded exceptional drill results of 32m @ 2.6% copper, 0.6 g/t gold from 69m including 17m @ 3.7% copper, 1.1 g/t gold from 79m.**
  - **LFRC095 has recorded the northern most continuation of the high grade shear hosted mineralisation of 22m @ 1.3% copper, 0.2g/t gold from 93m including 5m @ 4.1% copper, 0.6g/t gold from 93m.**
  - **LFRC085 has intersected 34m @ 1.0% copper, 0.4g/t gold from surface including 9m @ 2.1% copper, 0.6g/t gold from 15m.**
  - **Numerous other results are awaited and drilling is ongoing.**
- **Nil Desperandum Prospect:**
  - **Diamond drilling of the extension to the high grade breccia shoot is ongoing with numerous results pending and two step out diamond holes in progress.**
- **Mount Hope Prospect:**
  - **Preparations for an extensive maiden drilling program and IP geophysics are underway with permitting, heritage surveys and detailed mapping all completed.**

The Company's Managing Director, Rob Watkins commented:

"These shallow, wide and high grade drill results from Lady Fanny continue to define robust potential for a large open pitable resource. The copper gold mineralisation at Lady Fanny has been defined over a core strike length of 400m and remains strongly open to the north and at depth. We look forward to receiving more results shortly and continuing to expand the footprint. We are highly excited about the ongoing extensional drilling at Nil Desperandum and the commencement of IP targeting the 5 km IOCG corridor along strike from Nil Desperandum and Lady Fanny, as well as maiden geophysics and drilling programs now imminent at Mount Hope."

ASX Announcement

20 May 2022

Fast Facts

Shares on Issue 143.5M

Market Cap (@ $1.06) $151M

Cash $23M[1]

[1]As of 31 March 2022

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
- Nil Desperandum and Lady Fanny Iron Oxide Copper Gold discoveries within the Greater Duchess Copper Gold Project, Mt Isa inlier, Queensland.
- Greater Duchess Copper Gold Project, numerous camp scale IOCG deposits over 1,022 km^2 of tenure
- Projects near to De Grey's Hemi gold discovery on 442 km^2 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 producing 511 koz at 22 g/t gold

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GREATER DUCHESS COPPER GOLD PROJECT

New Reverse Circulation (RC) drill results from ongoing drilling at the Lady Fanny discovery are presented below and in Table 1 of Appendix 1.

Extensive Induced Polarisation (IP) surveys are about to commence targeting the highly prospective three-kilometre corridor between the Nil Desperandum and Lady Fanny discoveries, where numerous historical copper workings and shallow open pits are located (Figure 4). No recorded historical drilling exists between Nil Desperandum and Lady Fanny even though widespread mineralisation is evident in the workings.

The IP surveys will also target north of Lady Fanny up to Vampire Lady, as well as planned IP lines at Duchess and Mount Hope.

LADY FANNY PROSPECT (CNB 100%)

Exceptional drill results continue to be received from RC drilling at the Lady Fanny discovery as detailed below (Figures 1, 2 & 3). Wide, high grade and very shallow copper gold mineralisation has now been intersected over a core zone of 400m strike length which remains strongly open to the north and at depth.

LFRC129

An exceptional result has been received from LFRC129 of;

32m @ 2.6% copper, 0.6 g/t gold from 69m

Including 17m @ 3.7% copper, 1.1 g/t gold from 79m

LFRC129 was drilled 60m north of the stunning drill result recently announced on 9 May 2022 of **68m @ 2.4% copper, 0.4 g/t gold** from LFRC120 (Figure 1 & 3). The high grade mineralisation is hosted within a steeply west dipping shear zone which extends to the surface where minor historical workings are present (Figure 1). **The mineralisation intersected in LFRC129 remains completely open at depth.**

Results are pending for a large section of drill hole LFRC129 (Figure 1).

LFRC085

Drill hole LFRC085 was drilled on section up dip from LFRC129 and intersected a wide zone of copper gold mineralisation from surface (Figure 1 & 3). Results include;

34m @ 1.0% copper, 0.4 g/t gold from surface

Including 9m @ 2.1% copper, 0.6 g/t gold from 15m

Outcropping copper gold mineralisation at surface from shallow historical workings at the collar location of LFRC085 clearly shows the mineralisation to be hosted within a wide steeply dipping, north striking shear zone.

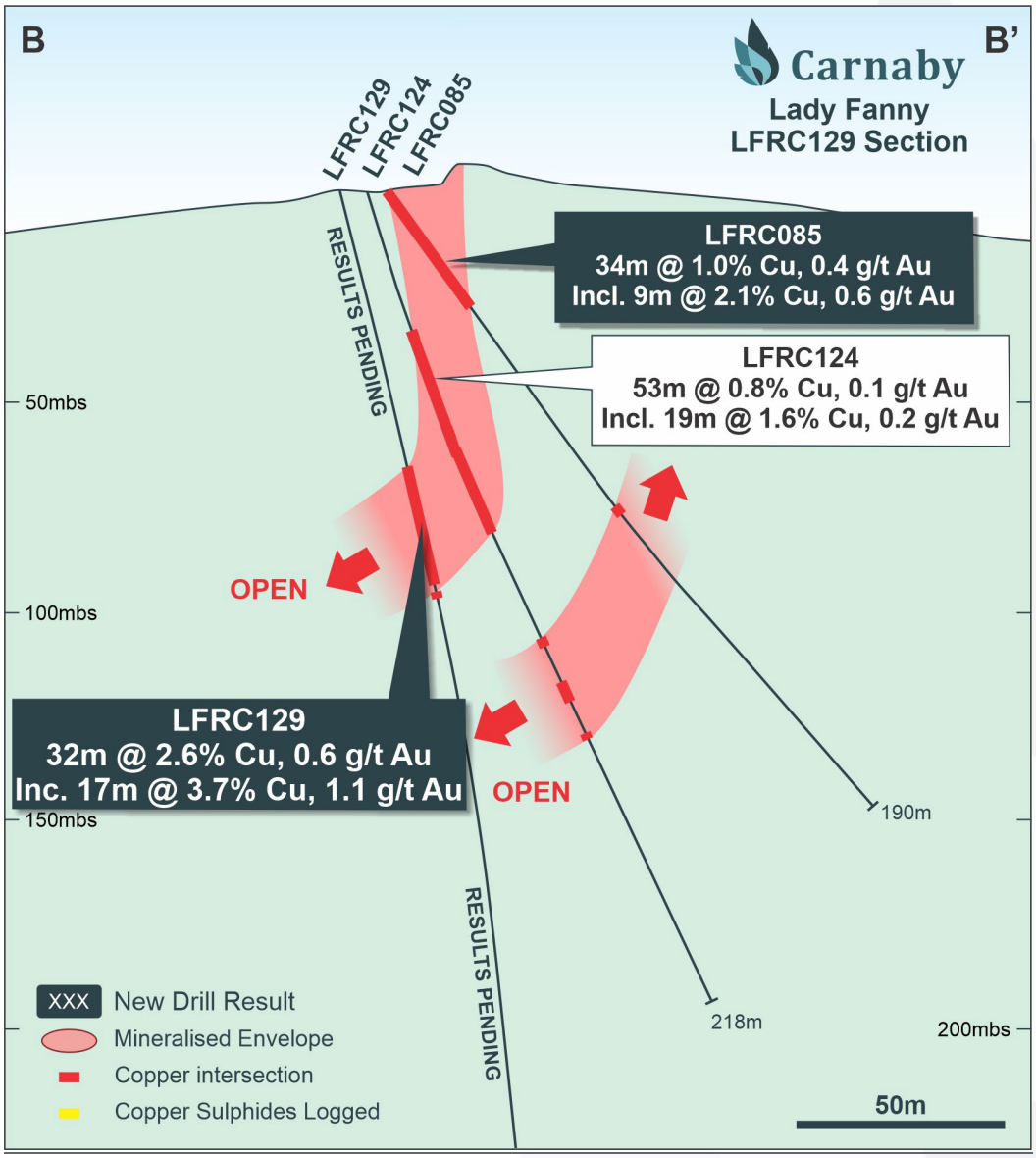

Figure 1. Lady Fanny RC Drill Section Showing New RC Drill Results.

LFRC095

LFRC095 is the northern most drill hole to intersect high grade copper gold mineralisation at Lady Fanny (Figure 2). Results from this hole are;

22m @ 1.3% copper, 0.2 g/t gold from 93m

Including 5m @ 4.1% copper, 0.6 g/t gold from 93m

The high grade mineralisation intersected in LFRC095 is completely open at depth and to the surface, where high topographic relief has to date precluded readily available drill pad access. The high grade mineralisation is also open to the north where the only drill hole completed north of LFRC095 was a non-optimally aligned hole which is interpreted to have not tested the northern continuation of the lode. Additional site preparations are in progress to allow drill testing of the northern extension of the Lady Fanny mineralisation, where the source of a very large Induced Polarisation (IP) chargeability anomaly is yet to be intersected (see ASX release 25 February 2022).

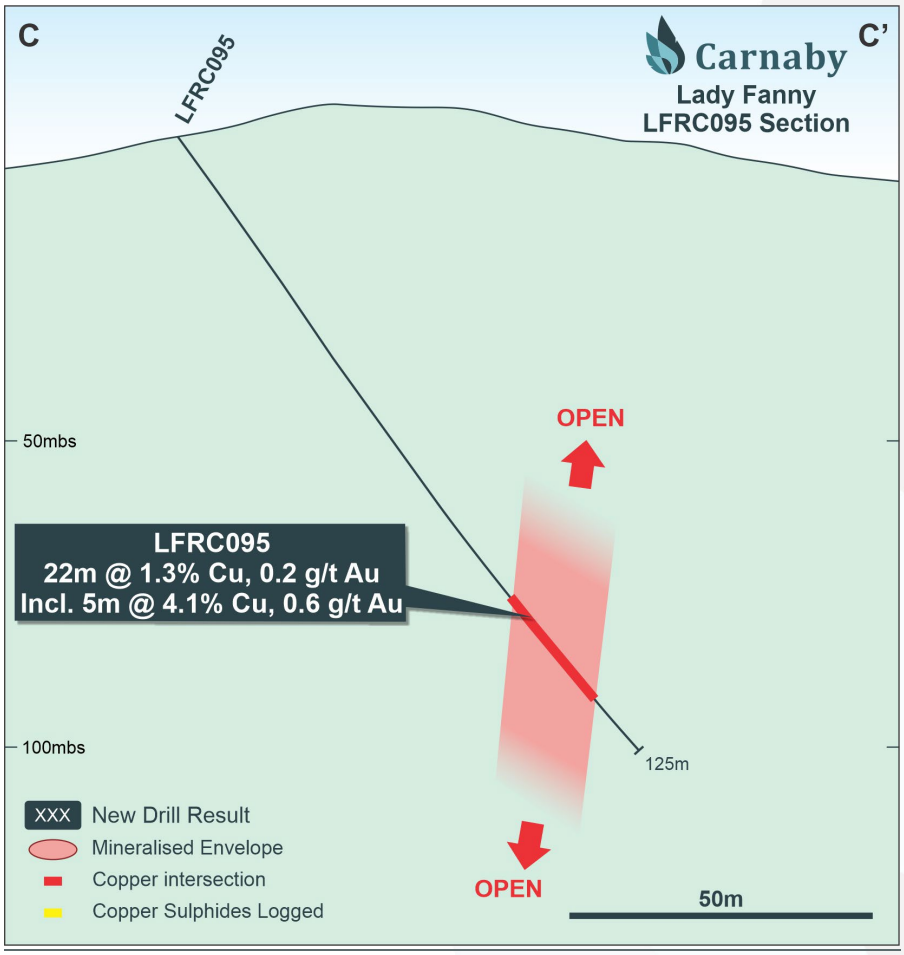

Figure 2. Lady Fanny Drill Showing New RC Drill Results in LFRC095.

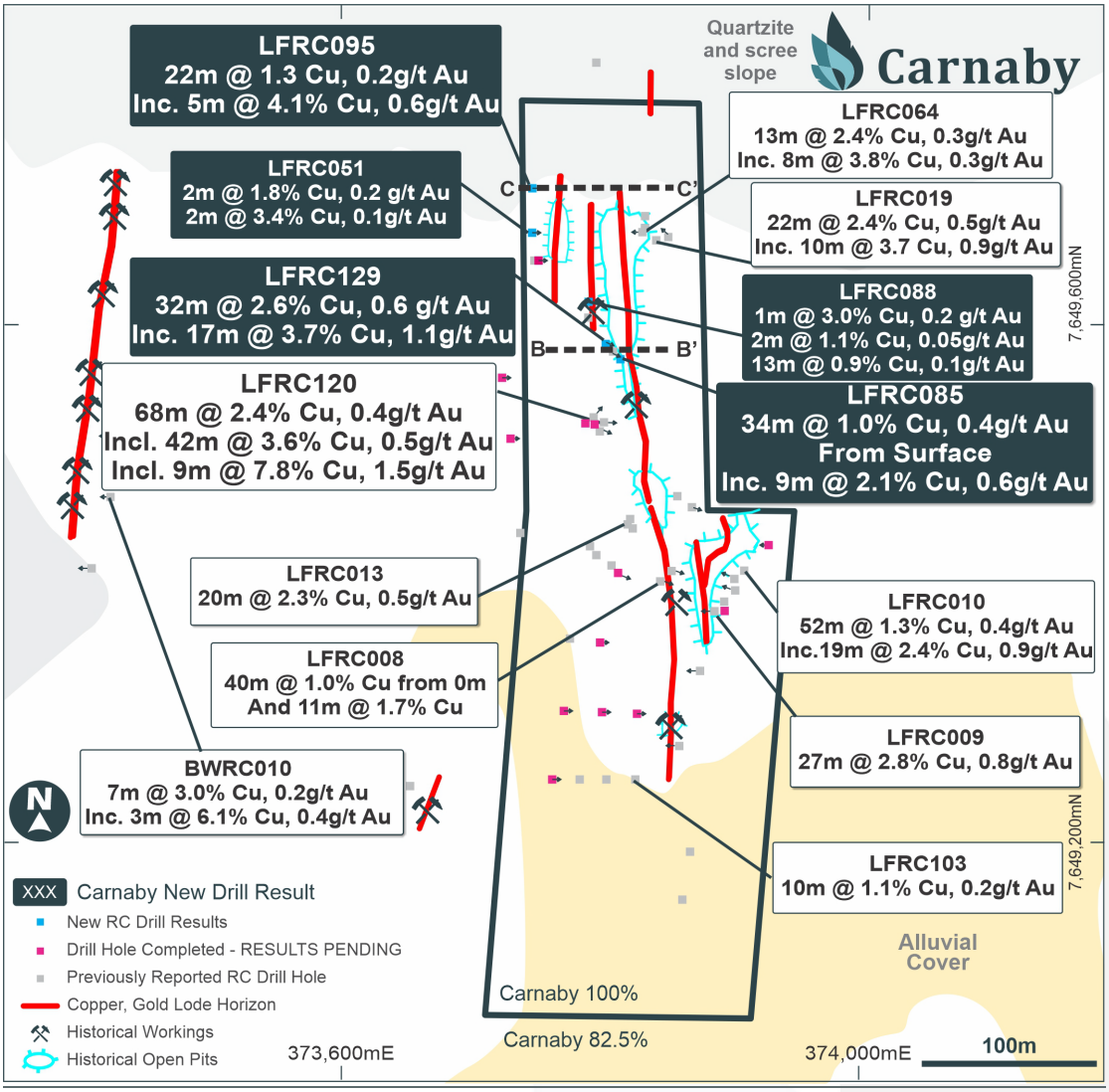

Figure 3. Lady Fanny Plan Showing Location of New RC Drill Results.

LFRC051 & LFRC088

Results from two other RC drill results have been received from Lady Fanny. Both LFRC051 and LFRC088 intersected multiple mineralised shear lode horizons from narrower sections of the Lady Fanny deposit. Further drilling is required to better define the wider high grade shoot positions and plunge controls of the mineralisation, however the presence of consistently mineralised sub parallel shear zones over long strike lengths is highly encouraging.

LFRC051 intersected;

2m @ 1.8% copper, 0.2 g/t gold from 28m

And 2m @ 3.4% copper, 0.1 g/t gold from 39m

And 10m @ 0.3% copper, 0.03 g/t gold from 177m

LFRC088 intersected;

1m @ 3.0% copper, 0.2 g/t gold from surface

And 2m @ 1.1% copper, 0.05 g/t gold from 26m

And 13m @ 0.9% copper, 0.1 g/t gold from 46m

Including 2m @ 2.9% copper, 0.3 g/t gold from 47m

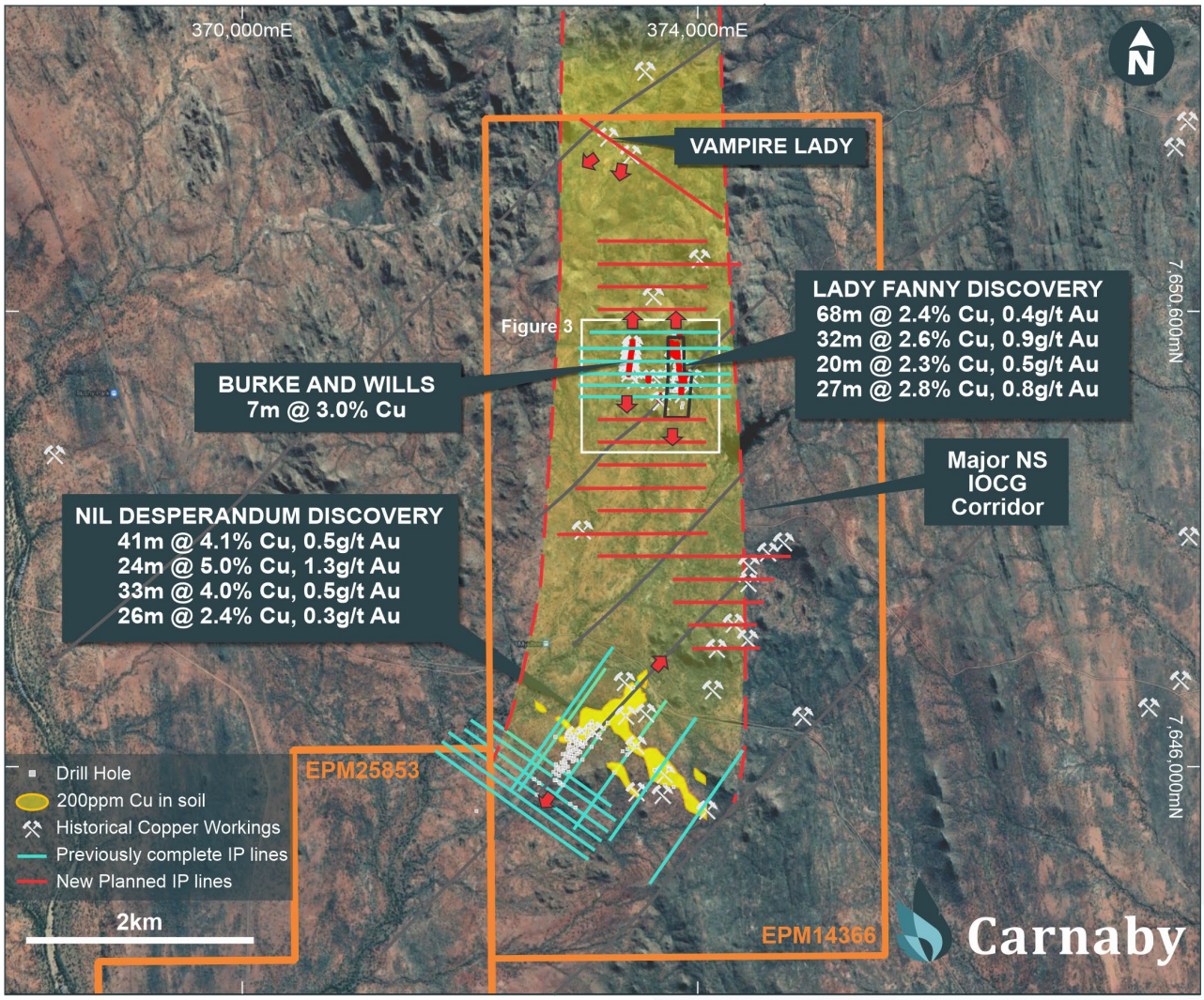

Figure 4. Location Plan of Lady Fanny and Nil Desperandum Discoveries.

NIL DESPERANDUM PROSPECT (CNB 82.5%, DCX 17.5%)

Diamond drilling of the extension to the high grade breccia shoot is ongoing with numerous results pending and two step out diamond holes in progress. Pre-collars for both step out holes are complete and diamond core drilling of the first hole has just commenced.

MOUNT HOPE ACQUISITION (CNB 100%)

Settlement of the Mount Hope Mining Lease (ML 90240) acquisition will complete next week (see ASX release 11 April 2022).

Preparations for an extensive maiden drilling program and initial IP geophysics surveys are underway with permitting, heritage surveys and detailed specialist mapping already completed. It is forecast that these programs will both commence within the next two months.

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

www.carnabyresources.com.au

For further information please contact:
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+61 8 9320 2320

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.

Recently released ASX Material References that relate to this announcement include:

Stunning Drill Results 68m @ 2.4% Copper at Greater Duchess, 9 May 2022

Acquisition of Mount Hope Mining Lease, 11 April 2022

Exceptional Drill Results at Greater Duchess 24m @ 5% Copper, 4 April 2022

Step Out Drilling Hits South West Extension of Nil Desperandum, 8 March 2022

Lady Fanny Shines and Expands On New IP Surveys and Drilling, 25 February 2022

Lady Fanny IP Survey lights Up Strong Chargeability Targets, 17 February 2022

Nil Desperandum Continues To Grow, 11 February 2022

Major Discovery Confirmed at Nil Desperandum, 4 February 2022

Lady Fanny Prospect – LFRC008 40m @ 1.0%Cu And 11m @ 1.7%Cu, 17 January 2022

Stunning First Drill Results Lady Fanny – 27m @ 2.8% Copper, 13 January 2022

Strong Drill Results at Nil Desperandum – 60m @ 0.9% Copper, 10 January 2022

Major Copper Gold Discovery 41m @ 4.1% Cu Inc 9m @ 10.3% Cu, 29 December 2021

CNB: Re-release of ASX Announcement dated 17 December, 21 December 2021

CNB: Re-release of ASX Announcement dated 13 December, 21 December 2021

APPENDIX ONE

Details regarding the specific information for the drilling discussed in this news release are included below in Table 1 and Table 2.

Table 1. Drill Hole Details

LADY FANNY PROSPECT (CNB 100%)

Hole ID	Easting	Northing	RL	Dip	Azimuth	Total Depth (m)	Depth From (m)	Interval (m)	Cu %	Au (g/t)
LFRC051	373748	7649671	455	-55	75	138	28 And 39 And 117	2 2 10	1.8 3.4 0.3	0.2 0.1 0.03
LFRC085	373817	7649574	457	-54.6	99	190	**Surface** **Incl 15**	**34** **9**	**1** **2.1**	0.4 0.6
LFRC088	373792	7649618	458	-54.6	90.1	130	Surface And 26 And 46 Incl 47	1 2 13 2	3.0 1.1 0.9 2.9	0.2 0.05 0.1 0.3
LFRC095	373748	7649706	460	-54.7	89	126	93 Incl 93	**22** **5**	**1.3** **4.1**	0.2 0.6
LFRC129	373805	7649584	457	-74.7	115.3	294	**69** **Incl 79**	**32** **17**	**2.6** **3.7**	0.6 **1.1**

APPENDIX TWO

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	• 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).	• The RC drill chips were logged and visual abundances estimated by a suitably qualified and experienced geologist. • 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.

Criteria	JORC Code explanation	Commentary
	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.	• Recent RC samples were collected via a cone splitter mounted below the cyclone. A 2-3kg sample was collected from each 1m interval.
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. • Diamond drilling was completed using NQ sized core after re-entering a 300m deep RC pre-collar.
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.	• For recent RC drilling, no significant recovery issues for samples were observed. • Drill chips collected in chip trays are considered a reasonable visual representation of the entire sample interval. • No significant core loss was observed from the recent diamond holes.
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.	• RC holes have been logged for lithology, weathering, mineralisation, veining, structure and alteration. • Diamond core holes logged for lithology, weathering, mineralisation, veining, structure, alteration and RQD. Holes less than 85 degrees dip were orientated and measurements of the structures and mineralisation taken. • All chips have been stored in chip trays on 1m intervals and logged in the field.
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. • 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.	• 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 sample is collected and the individual 1m cone split samples over the same interval retained for later analysis if positive results are returned. • Core samples are half sawn on one side of the orientation line and core consistently samples on one side. Mineralised core is generally sampled on 1m or less intervals. Where sampled, non-mineralised core is quarter cut and sampled on 2m intervals.

Criteria	JORC Code explanation	Commentary
	• Whether sample sizes are appropriate to the grain size of the material being sampled.	
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.	• Company inserted blanks are inserted as the first sample for every hole. A company inserted gold standard and a copper standard are inserted every 50th sample. No standard identification numbers are provided to the lab. • Standards are checked against expected values to ensure they are within tolerance. No issues have been identified.
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.	• Historic production data has been collated from government open file reports. • A Maxgeo SQL database is currently used in house for 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 at 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.	• All hole locations were obtained using a Trimble SP60 GPS in UTM MGA94. Current RC holes were downhole surveyed by Reflex True North seeking gyro.
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.	• Further extensional and infill drilling is required to confirm the orientation and true width of the copper mineralisation intersected.
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. • 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.	• All holes were considered to intersect the mineralisation at a reasonable angle.
Sample security	• The measures taken to ensure sample security.	• Recent RC drilling has had all samples immediately taken following drilling and submitted for assay by supervising Carnaby geology personnel.
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 Lady Fanny Prospect area encompassed by historical expired mining leases have been amalgamated into EPM14366 and is 100% owned by Carnaby. • The Nil Desperandum Prospect is located on EPM14366 (82.5% interest acquired from Discovex). • Discovex retain a 17.5% free carried interest in the project through to a Decision To Mine. • At a Decision to Mine, Carnaby has the first right of refusal to acquire the remaining interest for fair market value.
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 exploration work is understood to have been undertaken to an industry accepted standard and will be assessed in further detail as the projects are developed.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Nil Desperandum and Lady Fanny prospects area 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. • 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.
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 Appendix 1, Table 1.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high	• No metal equivalent values have been reported

Criteria	Explanation	Commentary
	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.	
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').	• All intervals are reported are downhole width and true widths are not definitively known. At Lady Fanny and Nil Desperandum drilling intersection angles are generally good and are a good representation of the thickness of the mineralised zones. At Nil Desperandum true thickness is generally about 70% of downhole width.
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.	• All new results from Lady Fanny have been reported in this release.
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.