

# **TICK HILL GOLD PROJECT**

## **drill results up to 6 m @ 8.5 g/t gold**

Carnaby Resources Limited (ASX: CNB) ('Carnaby' or 'Company') is pleased to announce the results from the first 5 completed holes drilled at Tick Hill.

### **Highlights**

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

### **MAIN LODE SOUTH**

**CBC005 1 m @ 41.9 g/t gold from 98 m within  
6 m @ 8.5 g/t gold from 94 m**

**This drill result confirms adjacent historical Main Lode South drill results are un-mined which include 1 m @ 207.8 g/t within 2 m @ 104.1 g/t gold, 1 m @ 94.6 g/t gold within 12 m @ 9.1 g/t gold, 3 m @ 16.9 g/t gold within 7 m @ 7.6 g/t gold in a continuation of the Main Lode south and above historical underground development.**

### **HANGINGWALL LODE**

**CBC003 1 m @ 34.5 g/t gold from 99 m within  
2 m @ 17.85 g/t gold from 99 m**

**This drill result confirms adjacent historical Hangingwall Lode drill results are un-mined which include 2 m @ 15.4 g/t gold, 1.5 m @ 70.5 g/t gold, 1 m @ 92.0 g/t gold and 2 m @ 10.1 g/t gold in a continuous high grade lode located immediately above the Main Lode.**

- **An accelerated drilling program is in progress with 2 rigs now on-site testing near mine targets for potential extensions and repetitions of the Tick Hill orebody. Results from several holes are awaited.**

#### Fast Facts

Shares on Issue 96M

Market Cap (@ 13 cents) \$12.5M

Cash \$4.0M<sup>1</sup>

<sup>1</sup>As of 30 June 2019

#### 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)

The Company's Managing Director, Rob Watkins commented:

**"We are delighted with the results from the initial drilling of the Hangingwall Lode and the Main Lode South positions which have confirmed the existence of un-mined, high grade sections of the Tick Hill orebody. Only one small stope was historically mined from the Hangingwall Lode which may have been overlooked in the past. Likewise the un-mined Main Lode South position hosts significant high-grade gold immediately below the open pit in very short proximity to existing development.**

**While these results are a good start, we are now stepping out to test for the offset location and / or repetition of Tick Hill which is faulted off at only 235 m below surface. Our technical team now has a deep understanding of the Tick Hill orebody controls from extensive evaluation and geophysics completed over the last 6 months and we are well positioned and highly leveraged for success."**

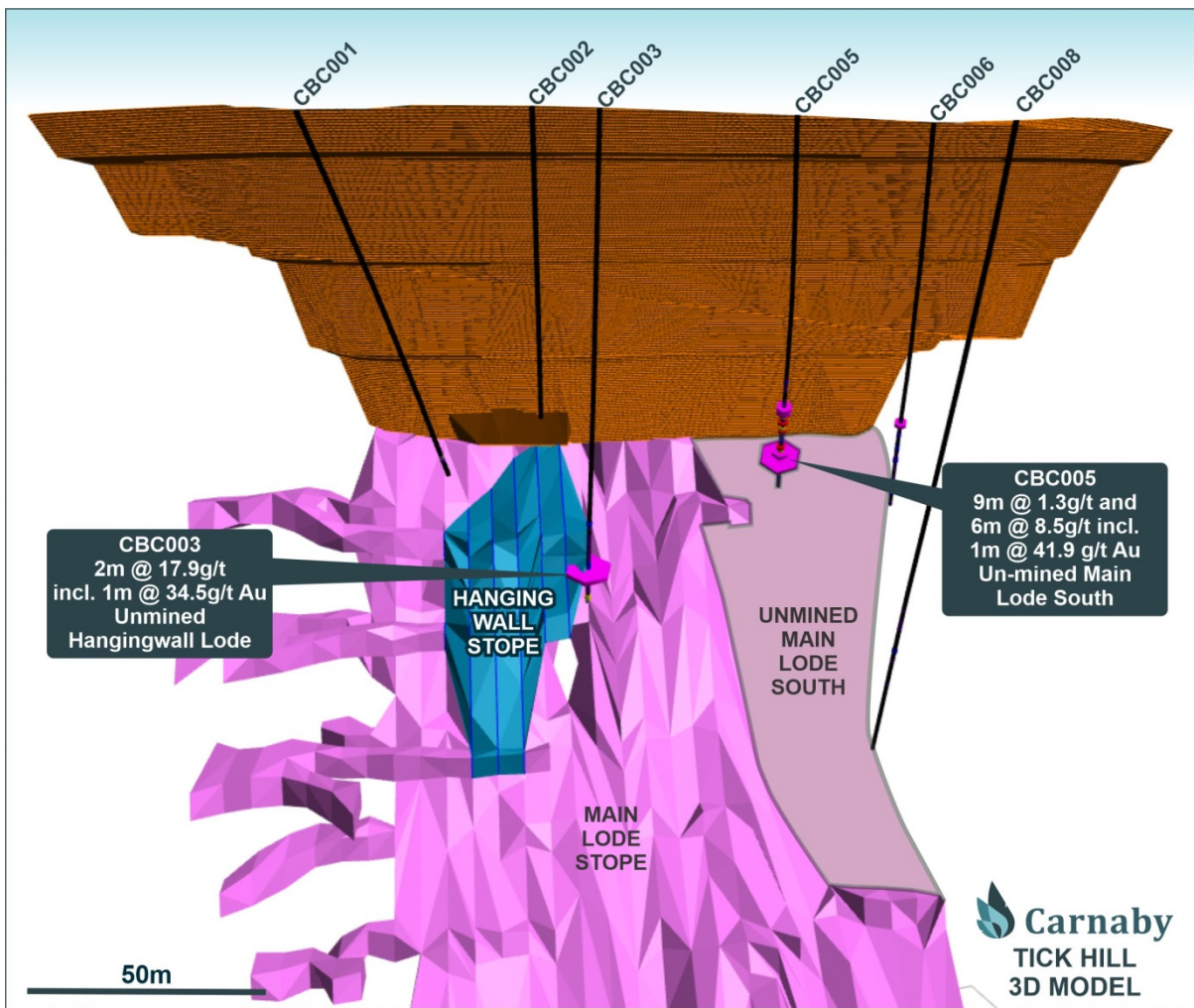
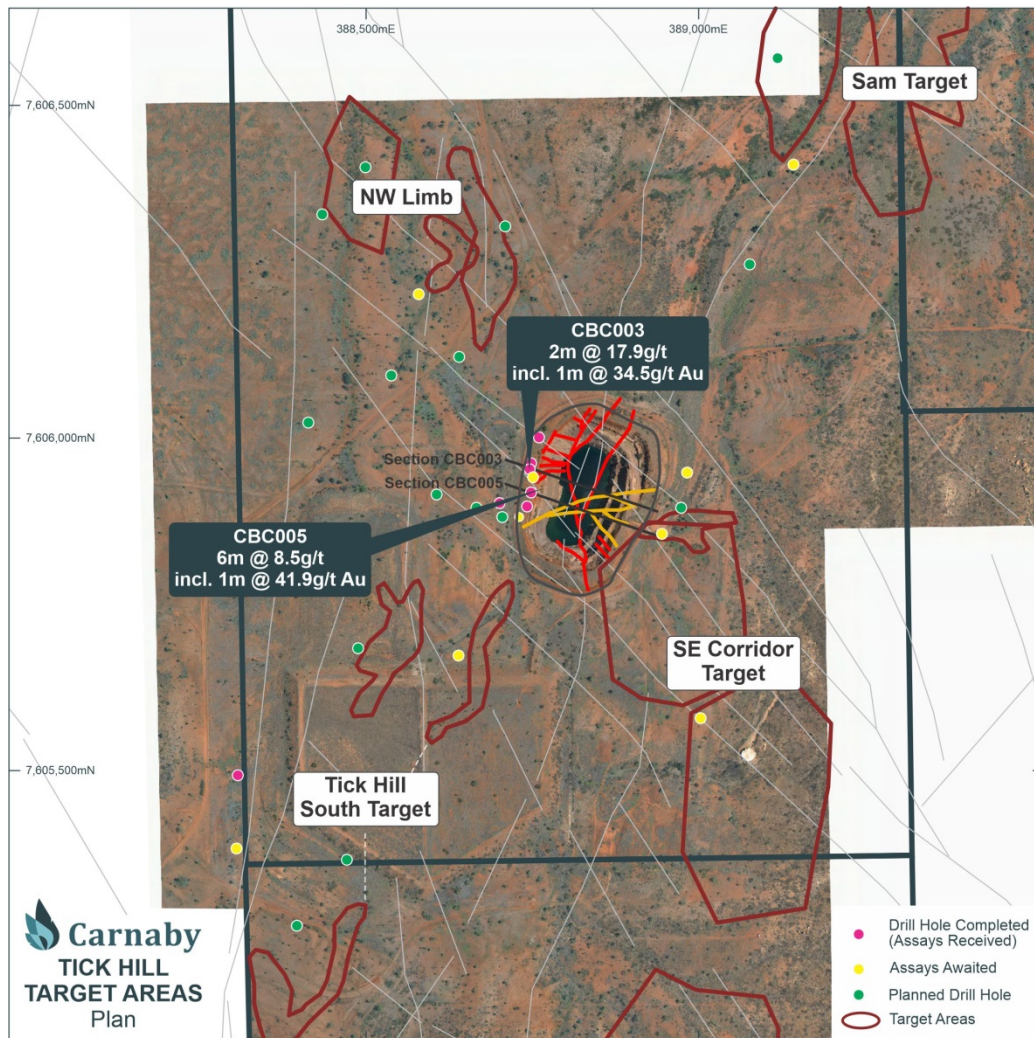


Figure 1: Tick Hill 3D view looking east showing location of new drill results.



**Figure 2: Tick Hill Near Mine plan showing location of drill holes and targets.**

## TICK HILL

Approximately 2,500 m of RC and diamond drilling has been completed to date in the Tick Hill near mine area. Results from the first 5 completed holes have been received with several drill hole assay results awaited.

Initial drilling has been predominantly focussed on identifying un-mined sections of the Tick Hill orebody. The new and historical drill results are highly encouraging and will form the basis of a resource estimate for the Tick Hill Main Lode South and Hangingwall Lode un-mined sections of the Tick Hill orebody. Drilling will also be completed on the existing tailings dam resource and the undrilled waste dump and ROM areas to determine if additional resources are present.

While the remaining ore horizons within the limits of the known Tick Hill orebody is most likely of limited size potential, its high grade and proximity to existing development alone is highly encouraging.



Ongoing drilling is now stepping out to test numerous high priority targets generated from extensive technical work that has been completed over the last 6 months (Figure 2).

An accelerated drilling program has been enhanced by the arrival of a second drill rig to site.

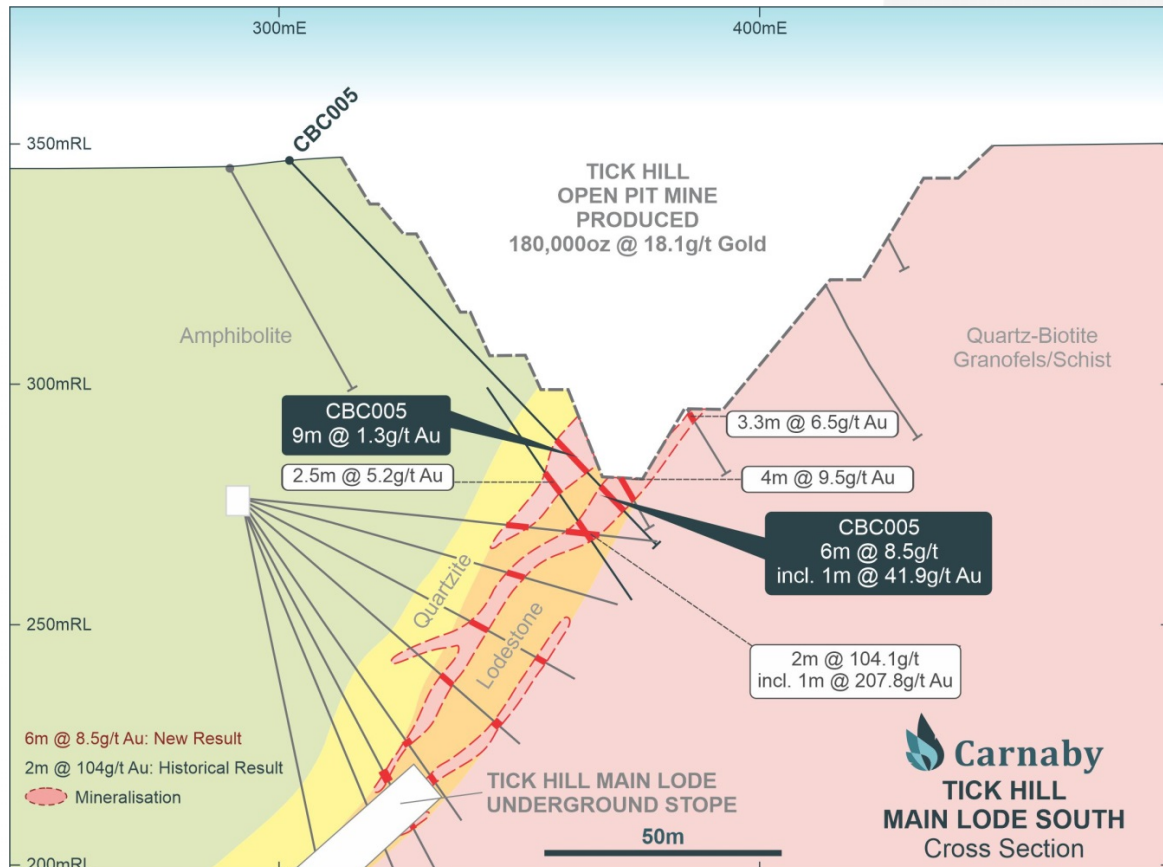
## Main Lode South

The immediate southern extension of the Tick Hill Main Lode below the open pit has not been mined historically from underground even though underground development is in close proximity (Figure 1 & 3).

New results with up to **1 m @ 41.9 g/t gold** from 98 m within **6 m @ 8.5 g/t gold** from 94 m intersected in CBC005 have confirmed the Tick Hill Main Lode South area has not been previously been mined. Importantly this result has confirmed that adjacent historical drill results from Tick Hill Main Lode South are also un-mined and include;

U8401	1 m @ 94.6 g/t within 12 m @ 9.1 g/t gold
U8503	3 m @ 16.9 g/t within 7 m @ 7.6 g/t gold
TH047RD	1 m @ 207.8 g/t within 2 m @ 104.1 g/t gold
U8703	1 m @ 16.8 g/t within 23 m @ 2.1 g/t gold

Further drill results are awaited.



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

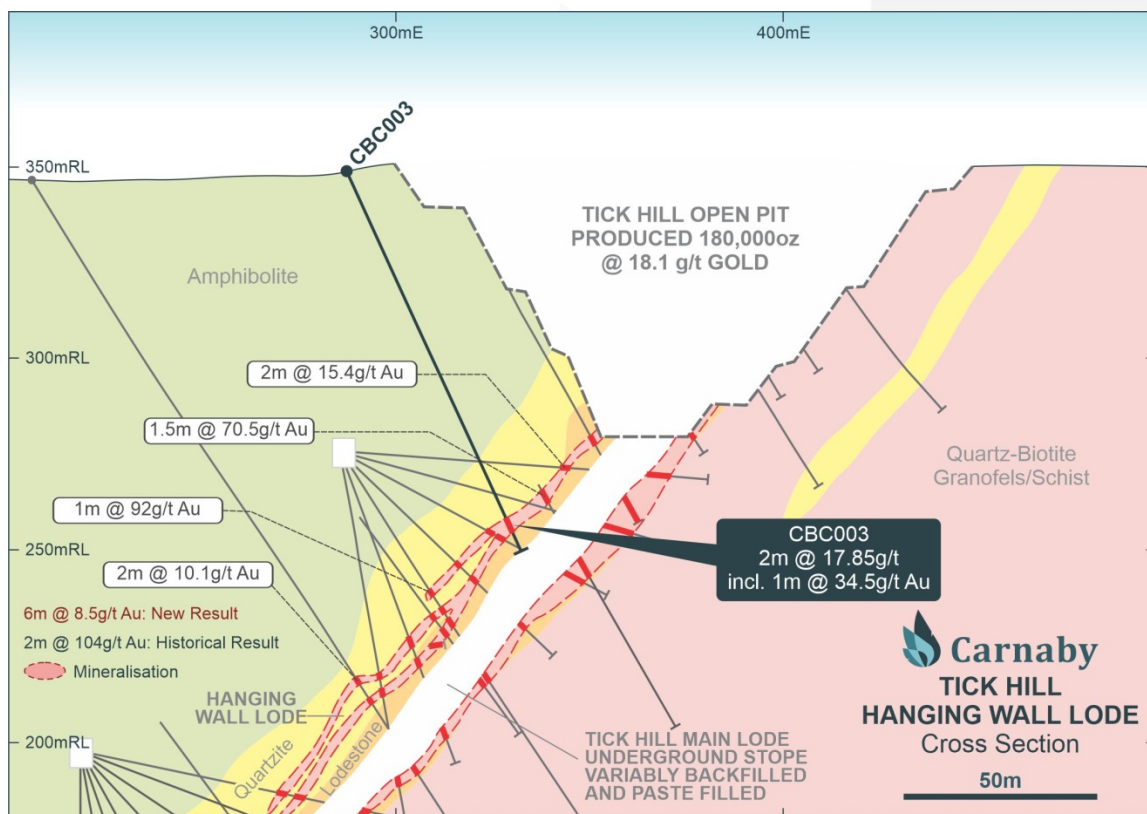
## Hanginwall Lode

The Tick Hill Hanginwall Lode is an ancillary lode, sub-parallel to the much wider Main Lode that was mined out in the early 1990's producing a bulk of the 511,000 ounces @ 22 g/t gold production at Tick Hill. A single small stope was mined from the Hanginwall Lode historically (Figure 1). The Hanginwall Lode is located approximately 5 m to 15 m away from the Main Lode stoped areas (Figure 4).

Drill hole CBC003 was drilled to test the southern position of the Hanginwall Lode and intersected 1 m @ 34.5 g/t gold from 99 m within 2 m @ 17.9 g/t gold from 99 m. The result has confirmed the presence of un-mined high-grade gold mineralisation associated with the Hanginwall Lode. Adjacent historical un-mined drill results from the Hanginwall Lode include;

U9001	2 m @ 15.4 g/t gold
U9005	1 m @ 92.0 g/t gold
TH007RD	1.5 m @ 70.5 g/t gold
TH085RD	2 m @ 10.1 g/t gold

Attempts to drill the northern end of the Main Lode and Hanginwall lode in CBC001 and CBC002 both intersected stopes prior to reaching any mineralisation and had to be abandoned (Figure 1).



**Figure 4: Tick Hill Hanginwall Lode drill results section.**



**Figure 5: RC drilling beneath the Tick Hill open pit.**

Location	Hole ID	Easting	Northing	RI	Azimuth	Dip	Depth From	Interval	Au (g/t)	Comments
Tick Hill	CBC001	388758	7606002	347	128.1	-50.6				Hit stope, hole abandoned
Tick Hill	CBC002	388749	7605964	348	107.2	-53.1				Hit stope, hole abandoned
Tick Hill	CBC003	388746	7605953	347	104.9	-66.1	99	<b>2</b>	<b>17.9</b>	Hangingwall Lode
							Inc 99	<b>1</b>	<b>34.5</b>	
Tick Hill	CBC005	388748	7605918	347	115.8	-48.6	80	9	1.33	Main Lode South
							94	<b>6</b>	<b>8.5</b>	
							Inc 98	<b>1</b>	<b>41.9</b>	
Tick Hill	CBC006	388738	7605893	346	117.1	-50.8	80	<b>1</b>	2.1	
Tick Hill	CBC008	388702	7605900	345	108.8	-58.7			NSI	
Tick Hill	CBD001	388308	7605492	350	111.1	-60.2			NSI	

**Table 1: Tick Hill Drill results.**



## **TICK HILL NEAR MINE EXPLORATION**

Drilling has now stepped away from the known Tick Hill orebody and is aggressively testing several high priority Near Mine targets within 1 km of Tick Hill (Figure 2).

The Near Mine targets are the culmination of over 6 months of detailed structural analysis incorporating new geophysics (Sub Audio Magnetics), re-logging and mapping of the open pit and surrounds.

The targeting has highlighted what is believed to be an important NW trending structural corridor that bounds and truncates the Tick Hill orebody (Figure 2). The intersection of the NW structural corridor with favourable stratigraphic and structural positions is considered to be a high priority target.

Likewise the potential offset location of the Tick Hill orebody, which appears to be faulted off or into a NW fault at only 235m below surface, is also being tested by the current drill program.

Results have only been received from a single hole drilled 600 m southwest of Tick Hill, while results from a further 9 completed drill holes have yet to be received and drilling is ongoing with 2 rigs in operation.

Detailed information on all aspects of the Company's projects can be found on the Company's website [www.carnabyresources.com.au](http://www.carnabyresources.com.au).

**For further information please contact:  
Robert Watkins, Managing Director  
(08) 9320 2320**

### **Competent Persons 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).

### **Notes regarding reporting of Exploration Results in this announcement**

1 For full details of exploration results refer to ASX announcements on 12 March 2019. 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 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 announcements. The Company confirms that the information in the announcement relating to exploration results is based upon, and fairly represents the information and supporting documentation prepared by the named Competent Persons.

## **Appendix One | Historical Drill Hole Intersections**

Hole ID	Location	East (MGA94/54)	North (MGA94/54)	RL	Dip	Azimuth	From	Thickness	Au g/t
U8401	Underground	388,725	7,605,899	276.6	-4.05	109.98	65 inc 70	12 1	9.1 <b>94.6</b>
U8503	Underground	388,728	7,605,908	276.12	-21.99	110.28 110.28	58 inc 59	7 3	7.6 <b>16.9</b>
TH047RD	Surface	388,746	7,605,894	346.48	-59.77	91.01	92 inc 93	2 2	207.8 <b>104.1</b>
U8703	Underground	388,735	7,605,927	275.5	-22.14	110.88	52 inc 70	23 1	2.1 <b>16.8</b>
U9001	Underground	388,745	7,605,955	275.61	-2.9	108.65	57	2	15.4
U9005	Underground	388,745	7,605,955	274.84	-57.6	109.98	42	1	92
TH007RD	Surface	388,746	7,605,934	347.22	-62	90	94.55	1.5	70.5
TH085RD	Surface	388,666	7,605,953	345.43	-59.6	92.26	2	2	10.1

\*The reported drilling is understood to have been by diamond core. The bulk of the intercepts occur within 50 m of the Tick Hill mine workings. Efforts have been made to ensure that reported intercepts fall outside of the underground mined regions.

## Appendix 2 | 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 (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.</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 (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.</li> </ul>	<ul style="list-style-type: none"> <li>Historical drill holes at Tick Hill have been undertaken by diamond drilling and RC with shallow exploration drilling undertaken by RAB.</li> <li>Historical diamond core at Tick Hill is understood to have been sampled halved (diamond saw cut – surface drill holes) or whole/halved (underground drill holes).</li> <li>Previous explorers (e.g. Carpentaria Gold Pty Ltd – a subsidiary of MIM Holdings Ltd), Cullen Resources and Barrick were Australian domiciled companies and are believed to have undertaken industry standard protocols at the time.</li> <li>MIM Holdings drill samples used analysis by AAS for base metals and 50g fire assay for gold from Pilbara Laboratories in Townsville.</li> <li>The exploration data is considered suitable for current reporting purposes, however further work would be required to verify the data suitable for inclusion in potential future project reviews of resource estimations.</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 30g charge for aqua regia digest and AAS analysis of Gold. Infill pit drilling was carried out at an ore-grade detection level for Gold. Samples from holes more distal from the pit have been analysed for trace level Gold using AAS and trace level Copper, Cobalt and Silver using the same digest and ICP-AES analysis.</li> </ul>
Drilling	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-</li> </ul>	<ul style="list-style-type: none"> <li>Historical drilling was reported to be primarily AC, RAB, and RC</li> </ul>



Criteria	JORC Code explanation	Commentary
techniques	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 orientated and if so, by what method, etc).	<p>on regional projects; and significant amounts of RC and diamond drilling in the vicinity of the Tick Hill Gold Mine. Information pertaining to the type of drilling is recorded in a compiled database.</p> <ul style="list-style-type: none"> <li>• All recent RC holes were completed using a 5.5" face sampling bit. Diamond tails were completed on 3 holes using HQ sized core.</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>• No database recovery information was available for historic drilling (e.g. drilled interval vs. core recovered).</li> <li>• Further investigation is required to assess core recovery from available historical drill holes now stored at Tick Hill.</li> <li>• For recent RC drilling, no significant recovery issues for samples was observed for either drill core or RC.</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. The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• Records available indicate that logging completed by geologists formerly employed by various companies working on the Tick Hill Project, is at a level sufficient to generate maps, plans and sections found in company reports.</li> <li>• 488 out of 1,537 currently compiled drill holes &gt; 10m deep have logging information available in a compiled database, further work is required to verify this data against original company reports; and to compile additional drill logs.</li> <li>• Recent RC holes have been chip trayed (1m intervals) and logged for lithology, weathering, sulphide mineralisation, alteration, veining and magnetic susceptibility. RC chips have been photographed.</li> <li>• Recent Diamond holes been logged for lithology, weathering, sulphide mineralisation, alteration, veining, structure and magnetic susceptibility. All core has been orientated using a Boart Longyear "TRUECORE" tool. Orientation lines are shown to have an extremely good matching between core runs. Depth markups have been checked between core blocks and are shown to be accurate. Structures and veining are orientated to the orientation line and recorded in the database. All recent core is photographed wet for later reference.</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>• No original records of subsampling have been found for drilling; it is possible that this information can be sourced in the future. Database records indicates that a nominal 1m sampling regime was used in the Tick Hill Mine Corridor, with localised smaller intervals (to 30cm) based upon lithology.</li> <li>• Recent RC samples are all riffle split dry on 1m intervals at the cyclone to obtain a 2-3kg sample. 5 metre composite samples have been collected over some intervals by spear sampling the bulk metre sample retained in a plastic bag. Target zones and zones of interest have been sampled on 1m intervals by taking the riffle split bag. Riffle split bags within the 5m composite zones are left in the field for later reanalysis if required.</li> <li>• Recent HQ diamond core has been half sawn and sampled mainly on 1 metre intervals. Non-mineralised or low interest sections of the hole have been sampled using quarter core on 2m intervals.</li> </ul>
Quality of assay	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of</li> </ul>	<ul style="list-style-type: none"> <li>• No historic detailed records of assaying QAQC is available and it</li> </ul>

Criteria	JORC Code explanation	Commentary
data and laboratory tests	<p>the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <ul style="list-style-type: none"> <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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<p>is not possible to comment absolutely on the quality of assaying work undertaken. The work carried out by previous workers used reputable assay laboratories within the region and it is reasonable to assume that the assay results stated in the exploration reports are indicative of mineralisation styles in the area. It is possible that further information can be sourced in the future. 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.</p> <ul style="list-style-type: none"> <li>• The recent infill RC programme has used ore grade standards for gold. Trace level and ore grade standards have been used for drilling more distal to the pit. Blanks have been inserted by Carnaby staff approximately every 150 samples and standards (CRMs) are inserted every 50 samples. Standard CRM identification was removed prior to submitting to the external lab.</li> <li>• Results of the standards and blanks were reviewed 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>• Historic laboratory reports for assaying services have been sighted for a small number of drilling and geochemical results. Spot checks have been made to original company reports/diagrams for selected anomalous soils geochemical results and significant drill hole intercepts. No material errors have yet been identified.</li> <li>• At the prospect scale the quality of data is currently considered acceptable for exploration purposes. Further investigation and validation will be undertaken as work programs progress.</li> <li>• Construction of a webhosted 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 – eg &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>• The historic method of collar coordinate determination is recorded in the compiled drill-hole database with a combination of gps, surveyed and geographical and local gridding methods used.</li> <li>• Grid systems used by previous explores included AMG84/54, MGA95/54, local mine grids and local soil grids.</li> <li>• 16 historical diamond hole collars around the TickHill pit have been ground checked using GPS by Carnaby staff and are shown to be within 2-3m of the database location. Further ground truthing of historical holes will be undertaken.</li> <li>• Recent drill hole locations were obtained using a Garmin GPS in UTM MGA94 Zone 54 mode Current RC and Diamond holes were all downhole surveyed by CHAMP true north seeking gyro. Surveys were recorded every 10m down hole and the resultant surveys checked by Carnaby staff.</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>• The Tick Hill Deposit features drilling on a sub 50m scale over the core of the mined mineralisation. Broader exploration drilling around the tick hill deposit ranges from 80m x 100m (RC and DDH) to &gt;200m and localised regions of 50m x 50m of shallow percussion.</li> <li>• Recent RC drilling used both 5m composited intervals and 1m intervals. Recent Diamond drilling used both 2m composited intervals and 1m intervals.</li> </ul>

Criteria	JORC Code explanation	Commentary
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>The Tick Hill mine drilling is comprehensive and drilled near orthogonal to the mineralisation trend.</li> <li>Based upon reviews undertaken to date, the prospect scale orientation of data is considered acceptable for exploration targeting and review purposes. Additional verification work will be undertaken as project targets are derived through future exploration.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>No detailed information is available for the historic sample security undertaken at Tick Hill.</li> <li>Recent samples are routinely taken directly to the ALS preparation lab in Mt Isa by Carnaby staff.</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>No detailed information is available for the historic sampling techniques and data. Data analysis of the shallow percussion based geochemistry indicates that it is less effective than soil-based geochemistry. Selected reviews of hard-copy data against data contained in the compiled exploration database has not identified any material issues.</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 Resources – 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).</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.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of</li> </ul>	<ul style="list-style-type: none"> <li>The Tick Hill project area is located in the Mary Kathleen</li> </ul>



Criteria	Explanation	Commentary
	<p>mineralisation.</p>	<p>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.</p> <ul style="list-style-type: none"> <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 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.</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>
<p>Drill hole Information</p>	<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 Table 1.</li> </ul>
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• Significant intercepts above 0.5g/t Au with no more than 2 m internal dilution have been reported</li> <li>• Higher grade intercepts have been separately reported where applicable.</li> <li>• Metal equivalents have not been used.</li> </ul>
<p>Relationship between mineralisation</p>	<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</li> </ul>	<ul style="list-style-type: none"> <li>• All drill intercepts have been reported as downhole lengths however true widths are likely to approximate downhole widths.</li> </ul>

Criteria	Explanation	Commentary
widths and intercept lengths	<p>nature should be reported.</p> <ul style="list-style-type: none"> <li>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').</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>