

TICK HILL GOLD PROJECT

Drill Results up to 25.7 g/t gold

Carnaby Resources Limited (ASX: CNB) ('Carnaby' or 'Company') is pleased to announce further high-grade results from ongoing drilling at Tick Hill.

Highlights

- Additional high-grade gold has been intersected with results including:

**CBC024 1 m @ 25.7 g/t gold from 81 m within
3 m @ 9.78 g/t gold from 80 m**

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

- High grade gold continues to be intersected below the historical Tick Hill open pit which was mined to only 70 m depth producing 180,000 oz @ 18.1 g/t gold.
- Resource modelling is underway, and it is expected that an initial Mineral Resource will be completed in the near term.
- The hunt for the offset / repetition of Tick Hill continues, where new insights from exploration drilling completed to date has highlighted Tick Hill North target as highly promising. Drilling at Tick Hill North has just commenced.
- The initial wide spaced step out exploration drilling in the Tick Hill near mine area has intersected alteration and gold anomalism consistent with the expected alteration and tenor of gold anomalism on the edge of a Tick Hill type orebody.
- Exploration drilling is ongoing and results from several completed holes are pending.
- Resource drilling of other potential ore sources is ongoing including drilling of historical ROM, tailings dam and waste dump areas. Results up to 2.58 g/t have been intersected from the waste dump.
- Carnaby remains well funded (\$3.2M as at 30 September 2019) to continue the exploration drilling.

Fast Facts

Shares on Issue 96M

Market Cap (@ 8.6 cents) \$8.2M

Cash \$3.2M¹

¹As of 30 September 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 km² surrounding exploration package containing numerous gold and copper targets
- Tight capital structure and strong cash position

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The Company's Managing Director, Rob Watkins commented:

"The continuing shallow high-grade drill results from Tick Hill immediately below the historical open pit are highly encouraging. We believe that the two-pronged approach of drilling for immediate extensions to the Tick Hill orebody in conjunction with the ongoing hunt for the repetition of Tick Hill is a balanced risk approach. The Tick Hill style high-grade gold mineralisation is discrete, often only 1 m in width, with only low levels of halo gold anomalism. We believe the anomalism and alteration we are seeing in recent drilling is consistent with the tenor expected within close proximity of another Tick Hill type lode. In that regard we are highly excited about the Tick Hill North target where drilling has just commenced."

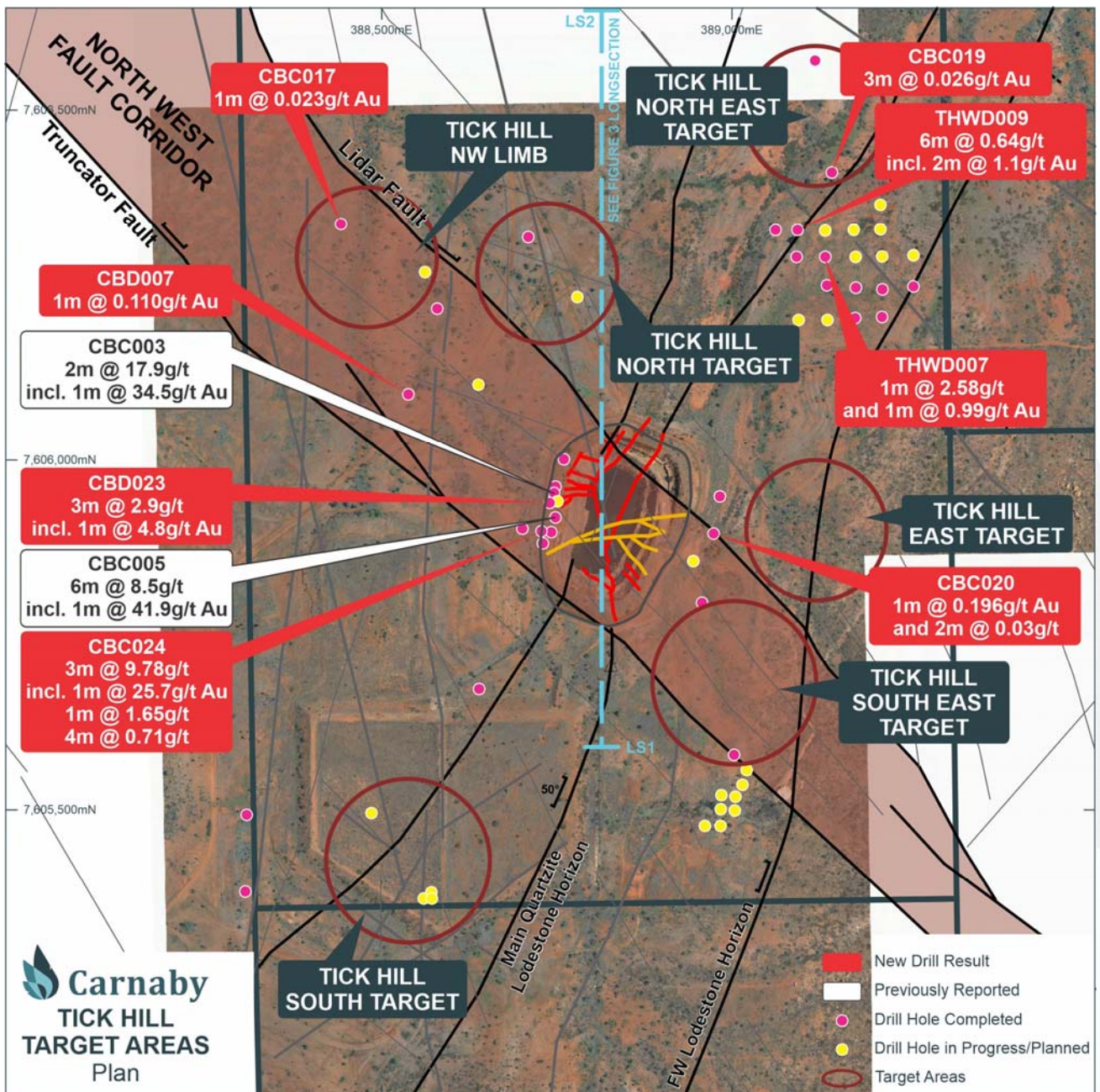


Figure 1: Tick Hill Near Mine plan showing location of drill holes, results and targets.

TICK HILL MAIN & HANGINGWALL LODES

Additional shallow RC drilling has been completed targeting the Main Lode South area below the historical Tick Hill open pit. A new drill result of **1 m @ 25.7 g/t gold** within **3 m @ 9.78 g/t gold** from 80 m has been intersected in CBC024. These lengths are approximately equal to true widths (Figure 1, 2 & 3). This result is from the southern extent of the Hangingwall lode, where previously reported results of up to 1 m @ 34.5 g/t within 2 m @ 17.9 g/t gold have been intersected (see ASX release 1 October 2019).

Additional new approximate true width drill results including **1 m @ 4.8 g/t** within **3 m @ 2.9 g/t gold** from 88 m in CBD023 likewise confirm the unmined lode positions below the open pit and adjacent to existing underground development.

These new results confirm that the following historical drill results remain in place below the open pit and can be used in resource calculations;

- U8701 14 m @ 7.47 g/t gold including 5 m @ 18.7 g/t gold
- TH002D 4 m @ 6.18 g/t gold
- U8402 5 m @ 1.46 g/t gold and 6 m @ 2.32 g/t gold

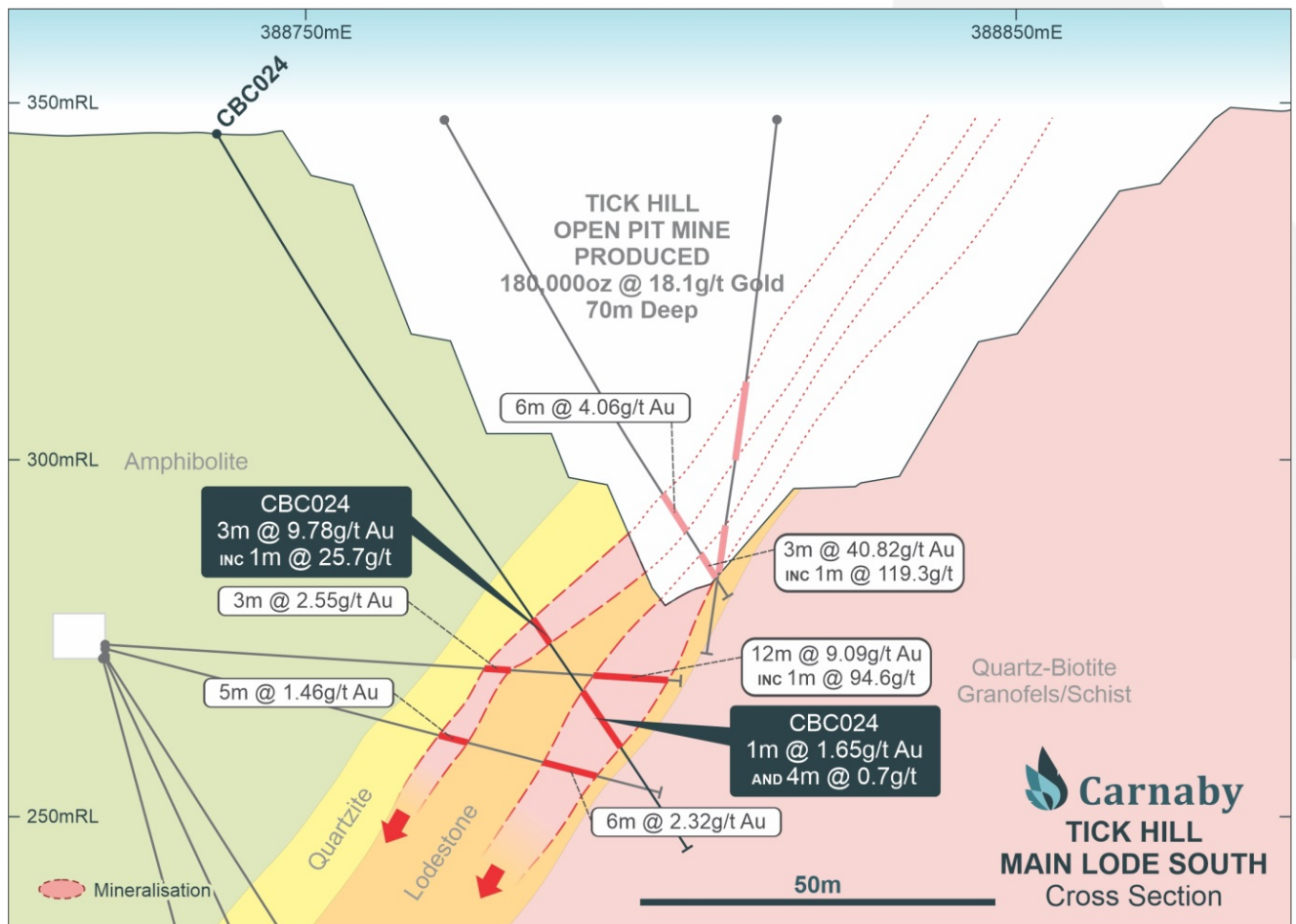


Figure 2: Tick Hill Main Lode South RC drilling results section.

Initial resource modelling is underway, and it is anticipated that a Mineral Resource estimate will be completed in the near term. The potential for a lost cost development scenario of an open pit cutback and / or refurbishment of existing underground to extract and toll treat this ore potentially in conjunction with re-treatment of the 22,000 oz tailings dam Mineral Resource is being assessed.

Other potential sources of mill feed are being tested, with drilling being completed over the original ROM pad and waste dump areas. Results from the first few holes into the waste dump recorded results up to 6 m @ 0.64 g/t gold from 3 m including 2 m @ 1.01 g/t in THDG07 and 1 m @ 2.58 g/t gold from 1 m in THWD09.

TICK HILL NEAR MINE EXPLORATION

Drilling targeting of the potential fault offset / repetition of the Tick Hill orebody within the near mine area is ongoing. Initial wide spaced step out exploration drilling has to date intersected gold anomalism consistent with the expected tenor of gold anomalism on the edge of a Tick Hill type orebody. New insights from the completed drilling has highlighted the Tick Hill North target as a potential repetition site of the Tick Hill orebody which is truncated at only 235 m below surface. Drilling at Tick Hill North has just commenced.

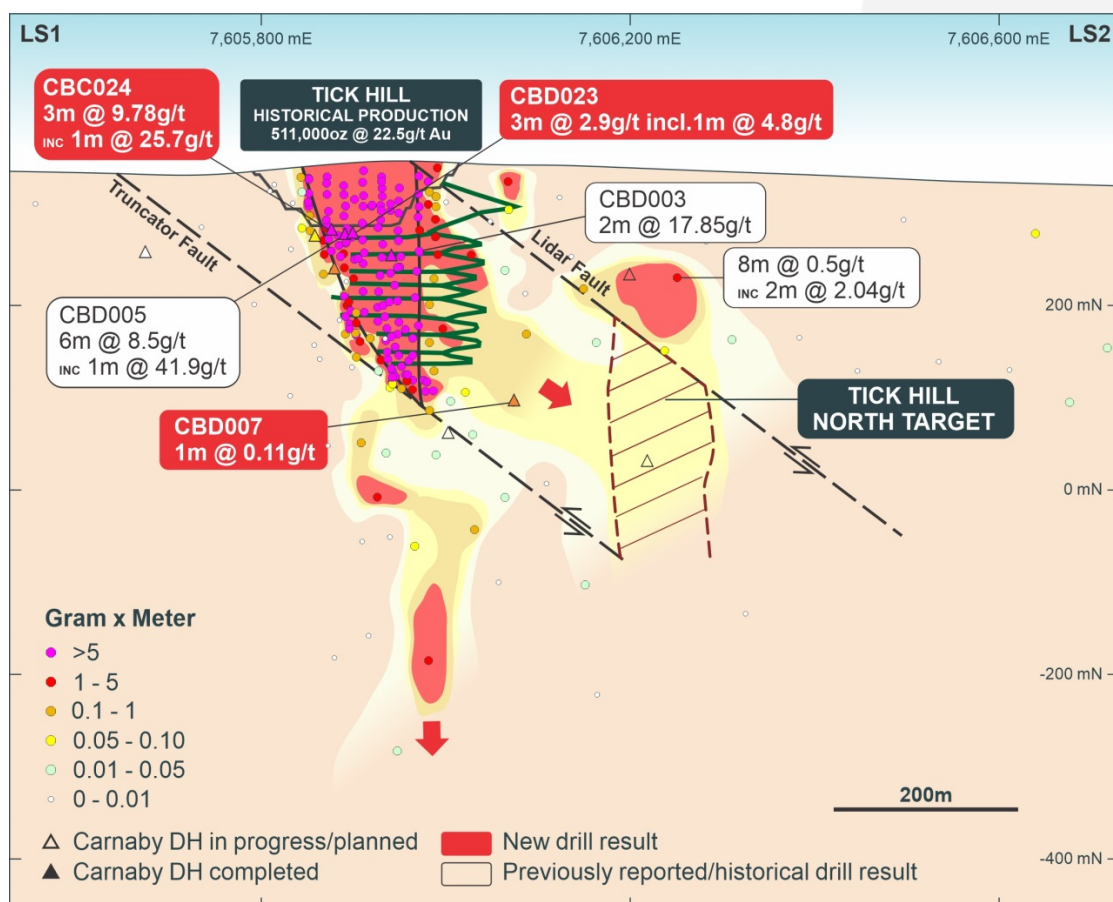


Figure 3: Tick Hill Longsection showing location of results and Tick Hill North target.

TICK HILL NORTH TARGET

The Tick Hill North target has emerged as the highest priority target based on new geochemical and structural findings (Figure 3). The newly identified North West Fault Corridor is flanked by 2 major NW faults that bound the southern and northern edges of the Tick Hill deposit (Figure 1 & 3). These faults have been delineated by recent drilling. The Truncator Fault abruptly terminates the Tick Hill orebody at only 235 m below surface, whilst the Lidar Fault abruptly terminates the northern end of the deposit. Steeply dipping EW faults that bound the Tick Hill orebody are interpreted to have propagated off these faults.

Completed drill hole CBD007 targeting the North West Fault Corridor plunge between the Truncator and Lidar Faults intersected encouraging alteration and structure with an anomalous result of 1 m @ 0.11 g/t gold. This result supports a potential north plunge to the fluid/mineral system.

The Tick Hill North target has highly anomalous historical drill results located just above the Lidar Fault of up to 8 m @ 0.5 g/t gold including 2 m @ 2.04 g/t gold (Figure 3). The Tick Hill North target area immediately below the Lidar Fault potentially represents a repetition site of Tick Hill where steeply dipping EW faulting is propagating off the Truncator fault.

Drilling testing of the Tick Hill North target has just commenced and is being pre-collared with RC and diamond tailed. The hole is anticipated to be completed by mid-December with assays results available in the new year.

TICK HILL EAST & SOUTH EAST TARGETS

The Tick Hill East and South East targets are located along an extremely sparsely drilled anomalous second Lodestone / quartzite horizon approximately 250 m east and into the footwall of the Tick Hill Lodestone / quartzite horizon (Figure 1). The surface projection of this horizon is mostly covered by overlying younger sedimentary rock mesas and scree slope debris masking the underlying prospective hosts rocks. The targets are characterised by the intersection of the FW Lodestone Horizon with the NW Fault Corridor Faults and EW faults emanating from Tick Hill. A single hole was drilled into the Tick Hill East Lodestone horizon, intersecting 1 m @ 0.196 g/t at surface and 2 m @ 0.03 g/t gold in CBC020. An adjacent historical hole intersected 1 m @ 0.16 g/t gold. At Tick Hill South East a diamond hole has recently been completed, intersecting encouraging strongly silicified lodestone horizons and EW striking breccia faults. Results are pending.

TICK HILL SOUTH TARGET

The Tick Hill South target is located under the historical tailings dam in an area of structural complexity at the intersection of the moderate west dipping lodestone / quartzite horizon (Figure 1). Two initial drill holes collared outside the mining lease did not intersect anomalous gold, however they did intersect the main quartzite horizon with lodestone-type alteration. A shallow RC hole has just been completed, intersecting the target horizon with results pending.

TICK HILL NORTH WEST LIMB TARGET

Three shallow RC holes were drilled targeting the North West Fault corridor and its intersection with the western limb of the Tick Hill syncline where the main Tick Hill quartzite horizon re-appears. This area is coincident with a large NW striking alluvial gold surface anomaly that appears to drain from the Tick Hill deposit but is coincident with the underlying North West Fault corridor. Hole CBC017 was drilled across the western limb / quartzite and returned a weakly anomalous result of 1 m @ 0.023 g/t gold. The drilling did intersect the Lidar Fault confirming a significant moderate NE dipping fault that is interpreted to be an important controlling structure at Tick Hill (1 & 3).

Hole ID	Easting	Northing	Azimuth	Dip	Depth From	Interval	Au (g/t)	Comments
CBD023	388746	7605906	93	52	88	3	2.88	Main Lode South
					Inc 88	1	4.84	
					94	4	0.54	
CBC024	388743	7605900	112	58	80	3	9.78	Main Lode South
					Inc 81	1	25.7	
					92	1	1.65	
					96	4	0.71	
CBD002	388307	7605382	122	55			NSI	Tick Hill South
CBD007	388547	7606094	95	55	289	1	0.11	Tick Hill North
CBC010	388638	7605677	90	72			NSI	Tick Hill South
CBC011	388732	7605878	116	57			NSI	Main Lode South
CBC012	388993	7605954	179	61			NSI	Tick Hill East
CBC014	389002	7605580	113	50			NSI	Tick Hill South East
CBC015	388580	7606214	56	54			NSI	Tick Hill NW Corridor
CBC016	388704	7606309	237	56			NSI	Tick Hill NW Corridor
CBC017	388445	7606334	94	52	135	1	0.023	Tick Hill NW Limb
CBC018	389126	7606571	91	60			NSI	
CBC019	389147	7606411	94	50	1	3	0.026	Tick Hill SAM target
CBC020	388974	7605901	95	59	0	1	0.196	Tick Hill East
					175	2	0.03	
THWD007	389135	7606289	0	90	3	6	0.64	Tick Hill Waste dump
					Inc 6	2	1.1	
THWD009	389095	7606326	0	90	1	1	2.58	Tick Hill Waste dump
					9	1	0.99	

Table 1: Tick Hill Drill results.

Detailed information on all aspects of the Company's projects can be found on the Company's website 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).

Appendix One | Historical Drill Hole Intersections

Hole ID	Location	East (MGA94/54)	North (MGA94/54)	RL	Dip	Azimuth	From	Thickness	Au g/t
U8402	Underground	388,725	7,605,898	276	-16	110	47 62	5 6	1.46 2.32
U8701	Underground	388,734	7,605,927	276	-1	110	62 Inc 65	14 5	7.47 18.7
TH002D	Surface	388,757	7,605,901	348	-58	91	80	4	6.18

*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"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. 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 	<ul style="list-style-type: none"> Historical drill holes at Tick Hill have been undertaken by diamond drilling and RC with shallow exploration drilling undertaken by RAB. 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). 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. MIM Holdings drill samples used analysis by AAS for base metals and 50 g fire assay for gold from Pilbara Laboratories in Townsville. 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

Criteria	JORC Code explanation	Commentary
	<p>been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</p>	<p>resource estimations.</p> <ul style="list-style-type: none"> Recent RC samples were collected via a Jones splitter mounted below the cyclone. A 2-3 kg 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.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Historical drilling was reported to be primarily AC, RAB, and RC 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. All recent RC holes were completed using a 5.5" face sampling bit. Diamond tails were completed on 3 holes using HQ sized core. Recent core was orientated using Boart Longyear True Core.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No database recovery information was available for historic drilling (e.g. drilled interval vs. core recovered). Further investigation is required to assess core recovery from available historical drill holes now stored at Tick Hill. For recent RC drilling, no significant recovery issues for samples was observed for either drill core or RC. 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.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 488 out of 1,537 currently compiled drill holes > 10 m 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. Recent RC holes have been chip trayed (1 m intervals) and logged for lithology, weathering, sulphide mineralisation, alteration, veining and magnetic susceptibility. RC chips have been photographed. 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.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> No original records of subsampling have been found for drilling; it is possible that this information can be sourced in the future. Database records indicate that a nominal 1m sampling regime was used in the Tick Hill Mine Corridor, with localised smaller intervals (to 30 cm) based upon lithology. Recent RC samples are all riffle split dry on 1m intervals at the cyclone to obtain a 2-3 kg sample. 5 metre composite samples

Criteria	JORC Code explanation	Commentary
	technique. <ul style="list-style-type: none"> 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. 	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 1 m intervals by taking the riffle split bag. Riffle split bags within the 5 m composite zones are left in the field for later reanalysis if required. <ul style="list-style-type: none"> 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.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> No historic detailed records of assaying QAQC is available and it 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. 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. Results of the standards and blanks were reviewed against the CRM reference sheets to check they were within tolerance.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 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. 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. Results reported below the detection limit have been stored in the database as half the detection limit – e.g. <0.001 ppm stored as 0.0005 ppm
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. Grid systems used by previous explores included AMG84/54, MGA95/54, local mine grids and local soil grids. 16 historical diamond hole collars around the Tick Hill pit have been ground checked using GPS by Carnaby staff and are shown to be within 2-3 m of the database location. Further ground truthing of historical holes will be undertaken. 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 10 m down hole and the resultant surveys checked by Carnaby staff.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Tick Hill Deposit features drilling on a sub 50 m scale over the core of the mined mineralisation. Broader exploration drilling around the tick hill deposit ranges from 80 m x 100 m (RC and DDH) to >200 m and localised regions of 50 m x 50 m of shallow percussion. Recent RC drilling used both 5 m composited intervals and 1 m intervals. Recent Diamond drilling used both 2m composited intervals and 1 m intervals.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Tick Hill mine drilling is comprehensive and drilled near orthogonal to the mineralisation trend. 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.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> No detailed information is available for the historic sample security undertaken at Tick Hill. Recent samples are routinely taken directly to the ALS preparation lab in Mt Isa by Carnaby staff.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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.

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"> 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. 	<ul style="list-style-type: none"> The Queensland projects comprise the Tick Hill Mine Project Region (105.5 km²) and the Regional Leases (217.3 km²). The projects comprise of three Mining Leases at Tick Hill (3.9 km² - 100% interest acquired from Diatreme and Superior Resources – ML's 7094, 7096 and 7097), twelve surrounding and regional tenements (293.3 km² - 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 (25.6km² – 100% beneficial interest held by a wholly owned subsidiary of Carnaby – EMP26651 and 27101). Beneficial interest in the Western Australian tenements (969.3 km²) 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.

Criteria	Explanation	Commentary
<p>Acknowledgment and appraisal of exploration by other parties.</p>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> 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.
<p>Geology</p>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Tick Hill project area is located in the Mary Kathleen domain of the eastern Fold Belt, Mount Isa Inlier. The Eastern Fold Belt is well known for copper, gold and copper-gold deposits; generally considered variants of IOCG deposits. The region hosts several long-lived mines and numerous historical workings. Deposits are structurally controlled, forming proximal to district-scale structures which are observable in mapped geology and geophysical images. Local controls on the distribution of mineralisation at the prospect scale can be more variable and is understood to be dependent on lithological domains present at the local-scale, and orientation with respect to structures and the stress-field during D3/D4 deformation, associated with mineralisation. 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 Palaeoproterocic Earahedy basin abutting the northern part of the Yilgarn Craton. All projects are perspective for orogenic gold while the Malmac Project is also considered perspective for base metal mineralisation. 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.
<p>Drill hole Information</p>	<ul style="list-style-type: none"> 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"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. <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"> Included in report Refer to the report and Table 1.
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer 	<ul style="list-style-type: none"> Significant intercepts above 0.5 g/t Au with no more than 2 m internal dilution have been reported Higher grade intercepts have been separately reported where applicable. Metal equivalents have not been used.

Criteria	Explanation	Commentary
	<p>lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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 (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> All drill intercepts have been reported as downhole lengths however true widths are likely to approximate downhole widths.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> See the body of the announcement.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The exploration results should be considered indicative of mineralisation styles in the region.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> As discussed in the announcement
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Planned exploration works are detailed in the announcement.