

NEW PILBARA GOLD TENEMENTS

60 km strike of highly prospective greenstone acquired northeast of Hemi gold discovery

Carnaby Resources Limited (ASX: CNB) (**Carnaby** or **Company**) is pleased to announce the addition of two key ground acquisitions in the highly prospective Mallina Basin province of Western Australia. Carnaby's exploration ground holdings in the Pilbara have increased to **254 km²** in the region northeast of De Grey Mining Ltd's (ASX: DEG) Hemi gold discovery.

Strelley E45/4638 (Carnaby 100%)

- The Strelley tenement E45/4638 contains **15 km strike** of the Tabba Tabba Shear Zone, located in a key target structural convergence with the Berghaus Shear Zone.
- Carnaby has acquired 100% of the tenement from Lithium Power International (**LPI**) (ASX: LPI) in consideration for 1,250,000 fully paid shares in Carnaby Resources, a 1% NSR royalty on gold production and retention of Li, Cs, Ta and Sn rights to LPI.

Mount Grant ELA45/5622 (Carnaby 80%)

- Mount Grant contains **45 km strike** of prospective greenstone effectively unexplored for gold and located under alluvial cover.
- Carnaby has acquired an 80% interest in the tenement from Shumwari Pty Ltd for consideration of 588,000 Carnaby shares. At completion of a Definitive Feasibility Study, may revert to a 1.5% NSR royalty.

The Company's Managing Director, Rob Watkins commented:

"The new ground acquisitions in the Mallina Basin province announced today are an exciting development for Carnaby shareholders, in what is rapidly emerging as the major new and underexplored gold district in Australia following the Hemi discovery by De Grey Mining.

Fast Facts

Shares on Issue 98M

Market Cap (@ 13 cents) \$12.7M

Cash \$1.8M¹

¹As of 31 March 2020 and inclusive of Restricted Cash

Board and Management

Peter Bowler, Non-Exec Chairman

Rob Watkins, Managing Director

Greg Barrett, Non-Exec Director

Paul Payne, Non-Exec Director

Ben Larkin, Company Secretary

Company Highlights

- Proven and highly credentialed 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
- Indicated and Inferred Mineral Resource of 845,000 t @ 2.47 g/t gold for 67,100 ounces*
- Proven and Probable Ore Reserves of 459,900 t @ 1.89 g/t gold for 28,000 ounces*
- 323 km² surrounding exploration package containing numerous gold and copper targets
- 254 km² of highly prospective tenure in the Mallina Basin, Pilbara of WA
- Tight capital structure and strong cash position

**Refer to ASX announcement released on 5 June 2020. The entity confirms that it is not aware of any new information or data that materiality affects the information included in that announcement and that all material assumptions and technical parameters underpinning the statements continue to apply and have not materially changed.*

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Plans are underway to immediately commence exploration activities at Strelley, which will include heritage surveys, soil sampling and drilling. Whilst the Strelley and Mount Grant projects represent highly prospective earlier stage exploration, when combined with the near term development of the Tick Hill project in Queensland and search for the faulted offset of the Tick Hill orebody, represents a strong pipeline of growth potential for the company.”

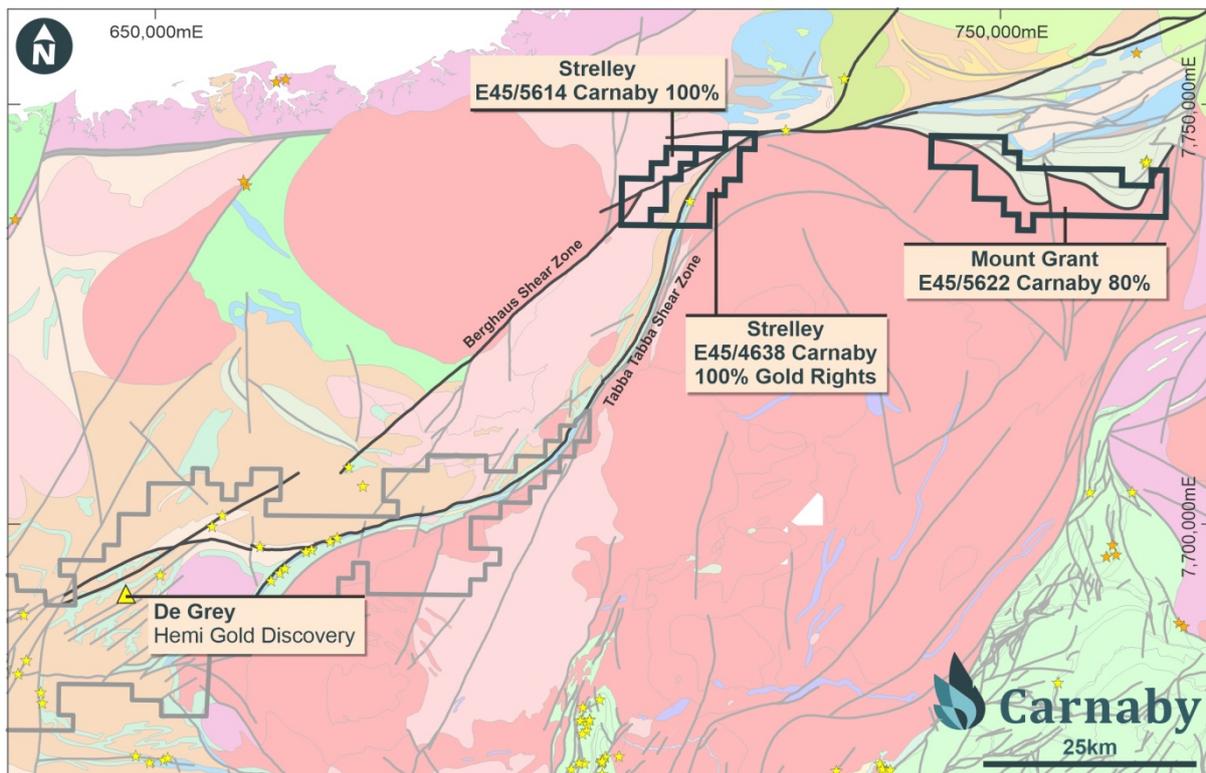


Figure 1: Carnaby’s new Strelley and Mount Grant gold projects

Strelley Gold Project (Carnaby 100%)

The Strelley Gold Project includes ELA45/5614 pegged and owned 100% by Carnaby covering 39 km² and E45/4638 acquired from Lithium Power International (**LPI**) (ASX: LPI). Carnaby owns 100% of the gold rights on E45/4638 and all other minerals excluding lithium, caesium, tantalum and tin, which are retained by LPI.

The Strelley Gold Project is underlain by Archean aged granite and greenstone rocks located 70 km northeast of the Hemi gold discovery by De Grey Mining Ltd (ASX: DEG). The Tabba Tabba Shear Zone passes through the project and is a large scale anastomosing orogenic belt of greenstone associated with significant gold mineralisation within De Grey’s

tenements 30 kms to the SW. A key target within the Strelley Gold Project is the convergence zone of the Tabba Tabba Shear Zone and the interpreted northern extension of the Berghaus Shear Zone (Figure 1 & 2).

A majority of the Strelley Gold Project area is overlain by thin alluvial cover 5-10 m deep which masks the underlying basement rock. Historical exploration within the tenements has been mostly for iron ore, however limited gold exploration has been completed by previous explorers.

Carnaby will immediately commence exploration on the Strelley project including complete compilation of historical gold exploration data, heritage surveys, surface geochemical sampling and drilling.

Mount Grant Gold Project (Carnaby 80%)

The Mount Grant tenement ELA45/5622 contains **45 km strike** of greenstone effectively unexplored for gold and located under alluvial cover associated with the De Grey River catchment area.

Upon grant and transfer of the tenement, Carnaby will commence exploration programs including an aeromagnetic survey and targeted first pass drilling programs.

Carnaby has acquired an 80% interest in the tenement from Shumwari Pty Ltd for consideration of 588,000 Carnaby shares and \$15,000 reimbursement of costs. At completion of a Definitive Feasibility Study, Shumwari Pty Ltd can elect to contribute or revert to a 1.5% NSR royalty.

Further Opportunities

The acquisition of the Mount Grant and Strelley tenements demonstrates Carnaby's desire to expand its ground holding and acquire assets of strategic importance near to its existing projects in order to execute Carnaby's growth plans. Carnaby continues to review gold projects for potential acquisition opportunities in order to add shareholder value.

As previously announced, Carnaby continues to pursue processing options for the development of the Tick Hill Gold project in Queensland and is in advanced discussions with 3rd party owners of processing facilities and contract miners regarding commercial outcomes.

The Company will keep shareholders informed of any material developments.

Further information regarding 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
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This announcement was authorised for release by the board of directors of the Company.