

June 2019 Quarterly Report

The Board of Carnaby Resources Ltd ("Carnaby" or the "Company") is pleased to provide the following commentary and Appendix 5B for the quarter ended 30 June 2019.

June 2019 Quarterly Highlights:

- **Completion of the acquisition of the historical high-grade Tick Hill Gold Project ('Tick Hill') along with 323 km² gold and copper exploration position in the Mt Isa region in Queensland and a 972 km² gold exploration position in Western Australia (see ASX release 23 April 2019).**
- **Completion of an equity placement raising \$1.6 million (see ASX release 23 April 2019).**
- **Appointment of experienced mining executives Peter Bowler and Rob Watkins as Non-Executive Chairman and Managing Director respectively.**
- **Commencement of exploration activities at Tick Hill (see ASX release 9 May 2019).**
- **Key Tick Hill regional target areas defined, rock chip results up to 8.6 g/t gold and 24% copper (see ASX release 16 May 2019).**
- **Unearthing of historical diamond drill results from the Mount Birnie up to 11.7 m @ 7.1% copper, located only 4 km north of the 100% owned Tick Hill gold deposit (see ASX release 11 June 2019).**
- **Sub Audio Magnetic ('SAM') geophysical surveys completed over Tick Hill and Mount Birnie (see ASX release 4 July 2019).**
- **Carnaby maiden 4,000 m drilling campaign commenced on 1 July at Mount Birnie, 4 km north of Tick Hill. All holes drilled to date have visual copper mineralisation across broad widths. Initial results from the first series of holes are being compiled and will be released shortly.**
- **The drill rig now at Tick Hill where the first exploration drill hole at Tick Hill in over 14 years has just been collared, part of an initial program targeting remnants, potential offsets and satellite lodes in the Tick Hill near mine area.**
- **Carnaby retains a strong cash position at 30 June 2019 of \$4.0 million.**

Fast Facts

Shares on Issue 96M

Market Cap (@ 13 cents) \$12.5M

Cash \$4.0M¹

¹As of 30 June 2019

Board and Management

Peter Bowler, Non-Exec Chairman

Rob Watkins, Managing Director

Neil Inwood, Non-Exec Director

Justin Tremain, Non-Exec Director

Paul Payne, Non-Exec Director

Elisa de Lira O'Brien, 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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EXPLORATION

Tick Hill Project: Gold – Copper – Cobalt

Field based exploration activities across the 323 km² tenure commenced in the June quarter following completion of the Tick Hill acquisition.

Exploration activities focused predominantly on Tick Hill near mine and Mount Birnie, 4 kms to the north where historical drill results up to 11.7 m @ 7.1% copper exist (Figure 3).

Ground geophysical surveys were completed at Tick Hill and Mount Birnie.

A maiden 4,000 m drilling program commenced on 1 July targeting Mount Birnie and Tick Hill (Figure 1). Results from the first series of holes are currently being compiled and will be released shortly.



Figure 1 | Commencement of maiden 4,000 m drilling program

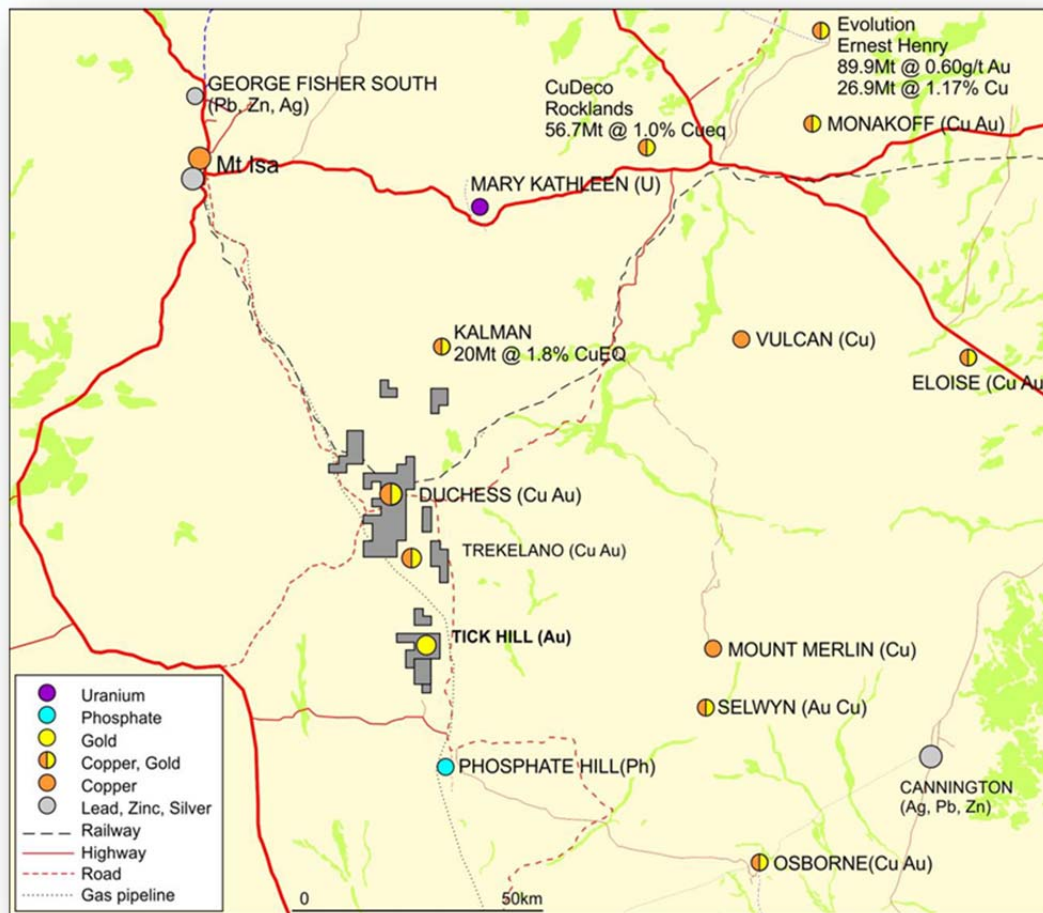


Figure 2 | Tick Hill Project tenement location

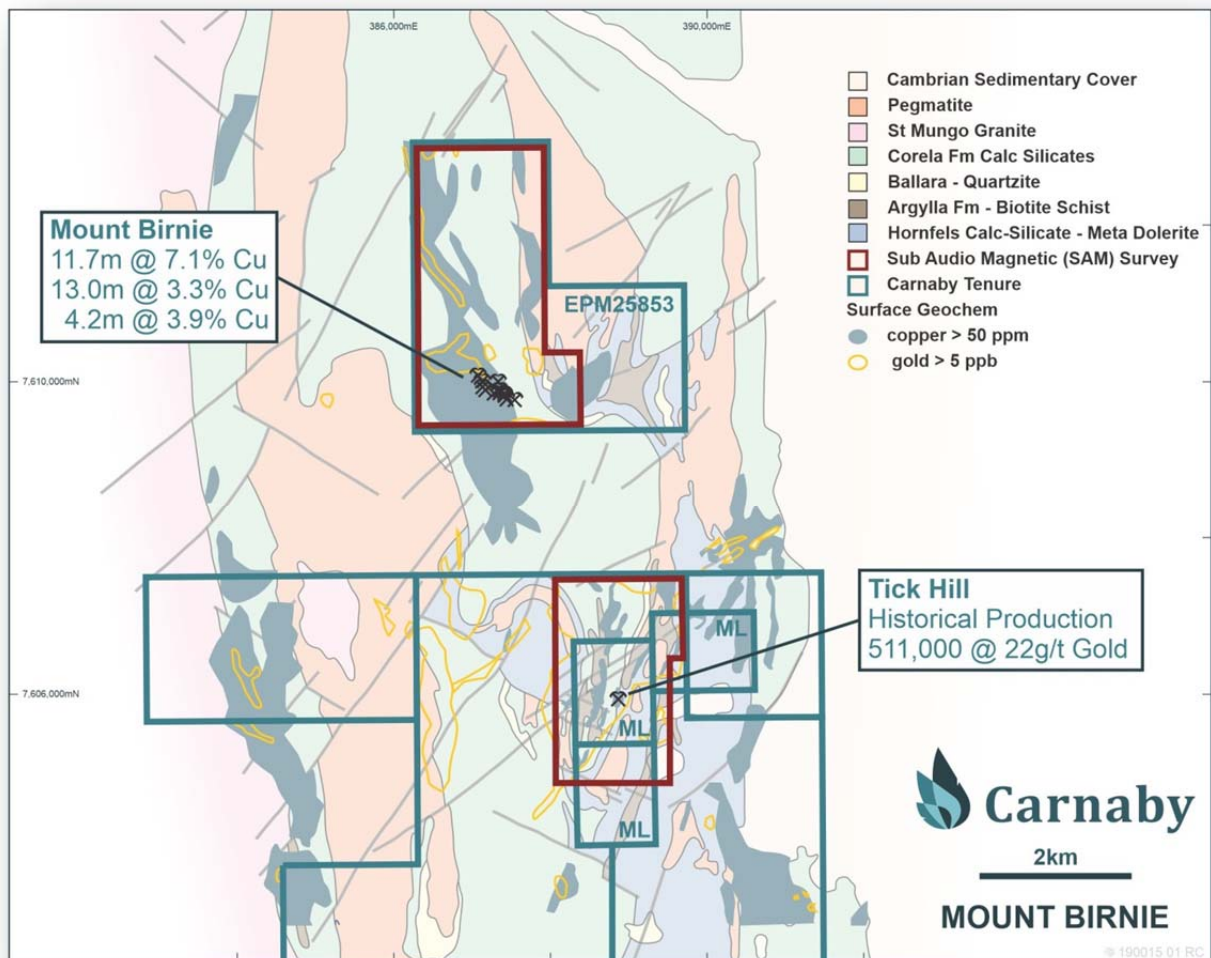


Figure 3 | Tick Hill regional geology plan showing location of Mount Birnie and location of recently completed SAM surveys.

TICK HILL GOLD MINE (100% OWNED)

At Tick Hill detailed structural mapping of the Tick Hill open pit and surrounds was completed by Dr Brett Davis in conjunction with initial re-logging of historical core. The results from this study are being combined into a new model for the Tick Hill orebody and will form the basis of deeper diamond drill targeting of the potential offset location of Tick Hill orebody which is truncated at only 235 m below surface (Figure 5).

During the quarter a SAM geophysical survey was completed over Tick Hill (Figure 4). The results from this survey highlighted several targets that are currently being evaluated (see ASX release 4 July 2019).

A first pass drilling program at Tick Hill has just commenced representing the first exploration drilling at Tick Hill in over 14 years. The initial drilling will target near mine remnants and potential offset and satellite repetitions.

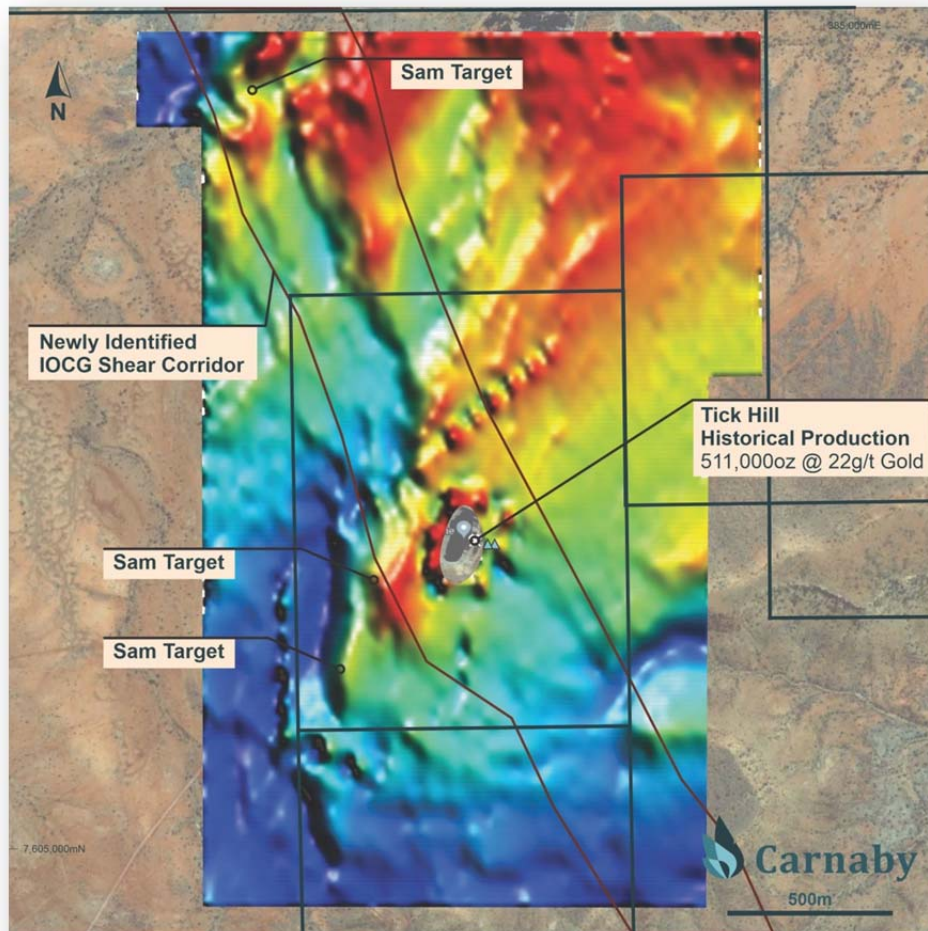


Figure 4 | Tick Hill SAM TFEM image showing newly identified NNW trending IOCG shear corridor and late NW striking cross structures.

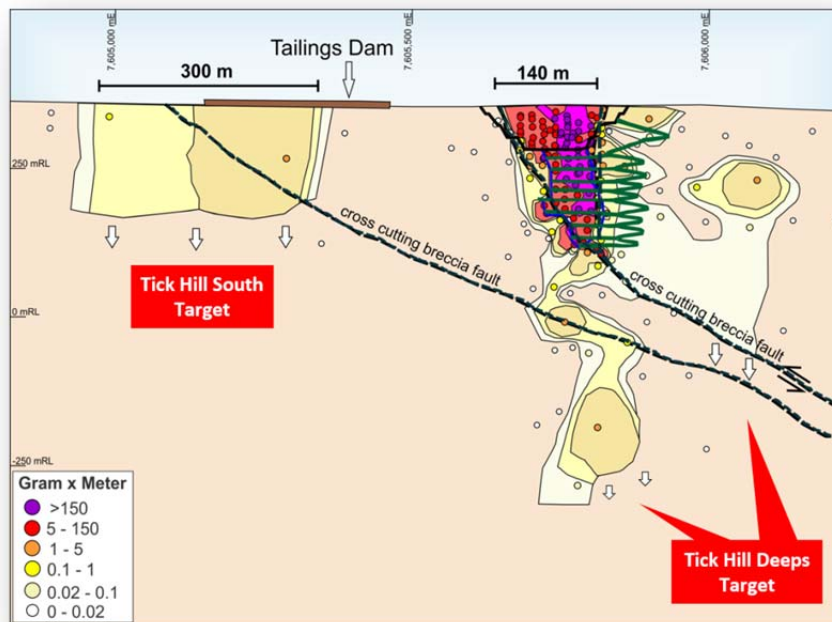


Figure 5 | Tick Hill Mine Corridor Longsection Target Regions

MOUNT BIRNIE (82.5% OWNED)

Mount Birnie is located 4 km north of Tick Hill within similar geological stratigraphy as Tick Hill. A 4 km long NNW trending Iron Oxide copper gold (IOCG) surface geochemical anomaly and historical surficial workings exists in the area and is the initial focus of current exploration activities (Figure 3).

Recently identified exploration reports show that ten, wide spaced diamond holes were drilled at the Mount Birnie copper workings in 1967. The drilling intersected significant copper mineralisation with results up to 11.7 m @ 7.1% copper (see ASX release 11 June 2019) (Figure 6).

A SAM survey was completed during the quarter over the 4 km NNW trending IOCG corridor surrounding Mount Birnie during the quarter, highlighting several new targets (Figure 7).

On 1 July 2019, Carnaby commenced its maiden drilling program at Mount Birnie. All holes drilled to date have visual copper mineralisation across broad widths. Initial results from the first series of holes drilled have just been received and are being compiled and will be released shortly.

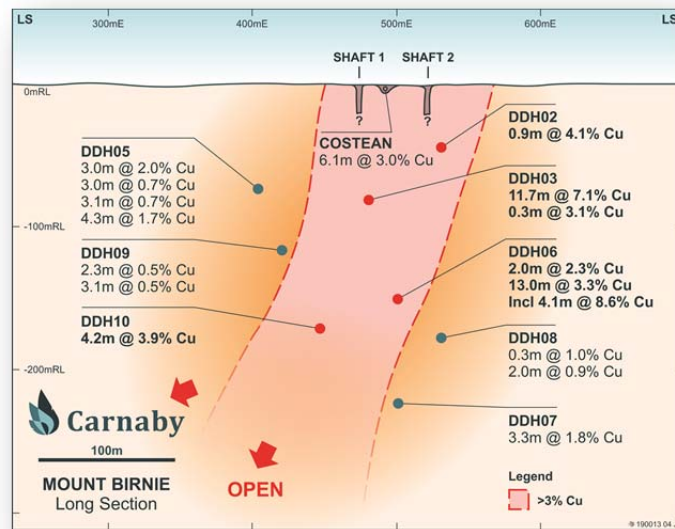


Figure 6 | Mount Birnie longsection showing location of historical results.

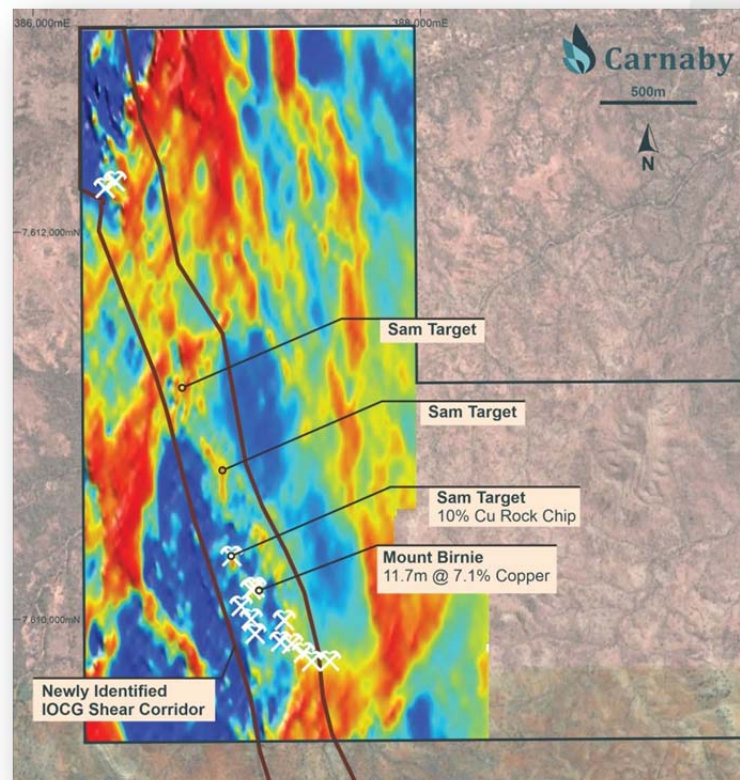


Figure 7 | Mount Birnie SAM image showing location NNW trending IOCG shear corridor and SAM targets.

TICK HILL REGIONAL (82.5% - 100% OWNED)

Initial reconnaissance field visits to key target areas of the extensive 323 km² land holding was completed in the quarter as part of a prioritization and technical evaluation of appropriate exploration methods to be employed.

Reconnaissance mapping and rock chip sampling of key target areas identified Mount Erle and Grassano target areas as higher priority targets in the region (Figure 8). Rock chip results of up to 8.6 g/t gold and 23.9% copper were received (see ASX release 16 May 2019).

The northern part of the Tick Hill group tenements contains several IOCG deposits where significant copper gold results have been reported and includes the high-grade historical Duchess copper mine.

It is anticipated that advancement of these targets will commence in December 2019 quarter.

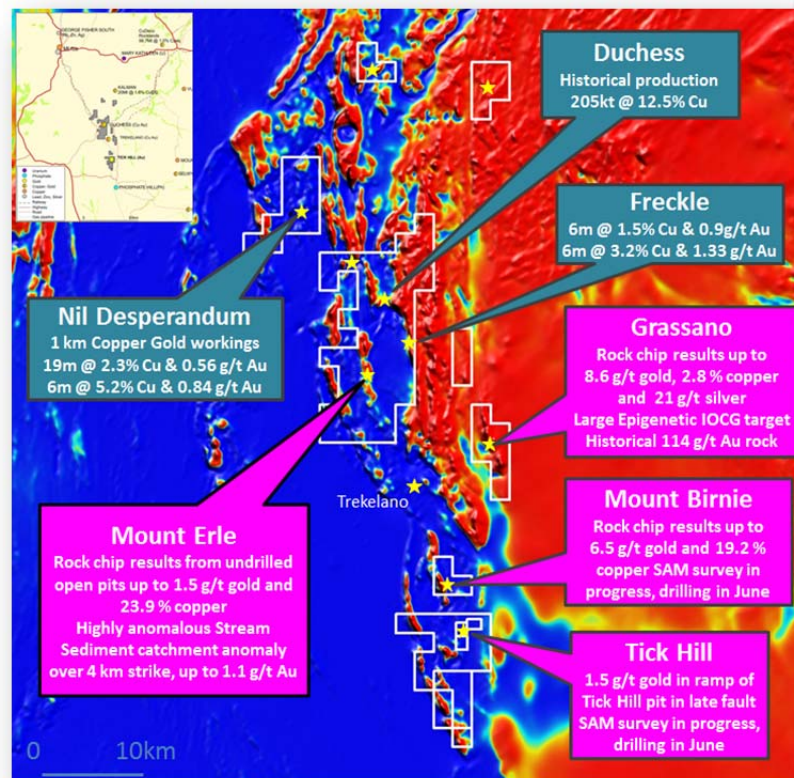


Figure 8 | Tick Hill Regional tenements summarising key target areas on aeromagnetics

WESTERN AUSTRALIA GOLD EXPLORATION (100% OWNED)

The Malmac and Throssel projects cover 972 km² of exploration tenements and applications in Western Australia (refer Figure 9). The package is prospective for orogenic gold, sedimentary exhalative (SEDEX) and volcanogenic massive sulphide (VHMS) base metals deposits, and nickel and platinum group elements (PGE's).

It is anticipated that surface geochemical sampling and mapping will commence in the December 2019 quarter.

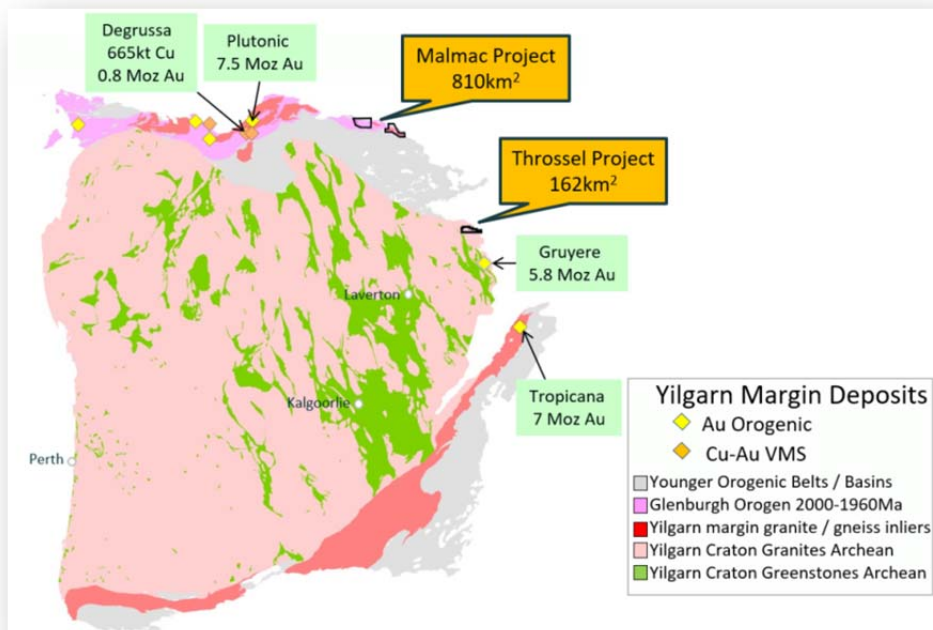


Figure 9 | Malmac and Throssel Prospects

SCANDINAVIAN NICKEL & COBALT (100% OWNED)

Carnaby holds the rights to 100% of the following four cobalt prospective projects in Norway and Sweden.

- Skuterud Cobalt Project in Norway
- Lainejaur Nickel-Cobalt Project and the Gladhammar & Tunaberg Cobalt Projects in Sweden.

CORPORATE

Tick Hill and other tenement acquisitions

The settlement of the acquisition of the historical high grade Tick Hill Gold Project along with a 323 km² gold and copper exploration position in the Mt Isa region in Queensland and a 972 km² gold exploration position in Western Australia was completed during the quarter (together the 'Acquisitions').

Refer to ASX releases dated 12 March 2019 and 23 April 2019 for further details regarding the Acquisitions.

Equity placement

On 23 April 2019, the Company completed an equity placement raising \$1.6 million (see ASX release 23 April 2019).

Board and management changes

The Company appointed experienced mining executives Mr Peter Bowler and Mr Rob Watkins as Non-Executive Chairman and Managing Director respectively.

Additionally, Mr Aaron Bertolatti resigned as Company Secretary of the Company and has been succeeded by Mrs Elisangela Dias De Lira O'Brien.

Investor site visit

A successful investor visit was carried out during July to introduce brokers and investors to the Company's exciting tenements surrounding Tick Hill and Mount Birnie. Two leading brokers participated with their analysts in attendance.

Company name change

Following the completion of the Acquisitions and to reflect the new direction of the Company, the Company changed its name to Carnaby Resources Limited (formerly Berkut Minerals Limited).

Cash

At 30 June 2019, Carnaby held \$4.0 million in cash. Refer to the following Appendix 5B for information regarding movements in cash during the quarter.

Competent Persons Statement

The information in this document that relates to exploration results is based upon information compiled by Mr Robert Watkins, a full-time employee of Carnaby Resources Limited. Mr Watkins is a Member of the AUSIMM and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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). 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.

Notes regarding reporting of Exploration Results in this announcement

For full details of exploration results refer to ASX announcements on 12 March 2019. Carnaby 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 1 | Carnaby Resources Limited Tenements

Australian Projects

Tenement	Location	Structure
Tick Hill Gold and Copper Project		
ML7094	Queensland	100%
ML7096	Queensland	100%
ML7097	Queensland	100%
EPM9083	Queensland	82.5%
EPM11013	Queensland	82.5%
EPM14366	Queensland	82.5%
EPM14369	Queensland	82.5%
EPM17637	Queensland	82.5%
EPM18223	Queensland	82.5%
EPM18990	Queensland	82.5%
EPM19008	Queensland	82.5%
EPM25435	Queensland	82.5%
EPM25439	Queensland	82.5%
EPM25853	Queensland	82.5%
EPM25972	Queensland	82.5%
EPM26651	Queensland	100%
EPM27101	Queensland	100%

Malmac Gold and Base Metals Project		
E69/3509	Western Australia	100%
E69/3510	Western Australia	100%
E69/3702	Western Australia	100%
Throssel Gold Project		
E38/3289	Western Australia	100%
Mt Clement Gold Project		
E08/2848	Western Australia	100%

Scandinavian Cobalt Projects

Tenement	Location	Structure
Skuterud 1, 2, 3, 4	Norway	100%
Tunaberg nr 201	Sweden	100%
Gladhammar nr 201	Sweden	100%
Goshawk 1,2,4,5, 8	Norway	100%
Skuterud 3a, 5, 6, 7, 8	Norway	100%
Tunaberg nr 202	Sweden	100%
Gladhammar nr 202, 203, 204, 205	Sweden	100%
Gladhammar nr 206	Sweden	100%
Lainejaur nr 20	Sweden	100%

Mining tenements acquired: Tenements listed in Appendix 1 in relation to the Company's Tick Hill Gold and Copper, Malmac Gold and Base Metals and Throssel Gold Projects.

Mining tenements disposed: Nil.

Beneficial percentage interests held in farm-in or farm-out agreements: Nil.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

CARNABY RESOURCES LIMITED

ABN

62 610 855 064

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(142)	(257)
(b) development	-	-
(c) production	-	-
(d) staff costs	(191)	(449)
(e) administration and corporate costs	(110)	(434)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	(3)	(5)
1.9 Net cash from / (used in) operating activities	(426)	(1,068)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(16)	(16)
(b) tenements (see item 10)	(150)	(150)
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – joint venture payments	-	-
	– option payments	-	-
2.6	Net cash from / (used in) investing activities	(166)	(166)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,600	1,600
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(58)	(58)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,542	1,542
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,083	3,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(426)	(1,068)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(166)	(166)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,542	1,542
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,033	4,033

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,033	83
5.2 Call deposits	3,000	3,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,033	3,083

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
154
-

Payment of salaries, fees and superannuation. The June quarter includes payment of termination benefits to the company's previous Managing Director.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	500
9.2 Development	-
9.3 Production	-
9.4 Staff costs	143
9.5 Administration and corporate costs	100
9.6 Other – capital raising costs	-
9.7 Total estimated cash outflows	743


10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter %
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			

10.2	Interests in mining tenements and petroleum tenements acquired or increased	ML7094 Queensland	Acquisition	0%	100%
		ML7096 Queensland	Acquisition	0%	100%
		ML7097 Queensland	Acquisition	0%	100%
		EPM9083 Queensland	Acquisition	0%	82.5%
		EPM11013 Queensland	Acquisition	0%	82.5%
		EPM14366 Queensland	Acquisition	0%	82.5%
		EPM14369 Queensland	Acquisition	0%	82.5%
		EPM17637 Queensland	Acquisition	0%	82.5%
		EPM18223 Queensland	Acquisition	0%	82.5%
		EPM18980 Queensland	Acquisition	0%	82.5%
		EPM19008 Queensland	Acquisition	0%	82.5%
		EPM25435 Queensland	Acquisition	0%	82.5%
		EPM25439 Queensland	Acquisition	0%	82.5%
		EPM25853 Queensland	Acquisition	0%	82.5%
		EPM25972 Queensland	Acquisition	0%	82.5%
		EPM26651 Queensland	Acquisition	0%	100%
		EPM27101 Queensland	Acquisition	0%	100%
		E38/3289 Western Australia	Acquisition	0%	100%
		E69/3509 Western Australia	Acquisition	0%	100%
		E69/3510 Western Australia	Acquisition	0%	100%
		E69/3702 Western Australia	Acquisition	0%	100%
		E08/2848 Western Australia	Acquisition	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


 (Company Secretary)

Date: 31 July 2019

Print name: Elisangela Dias de Lira O'Brien

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.