



ABN 62 610 855 064

Interim Financial Report
For the half year ended 31 December 2022

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Corporate directory

Directors

Peter Bowler	Independent Non-Executive Director, Chairman
Greg Barrett	Non-Executive Director
Paul Payne	Independent Non-Executive Director
Rob Watkins	Managing Director

Company Secretary

Greg Barrett

Corporate Details

Carnaby Resources Limited (ABN 62 610 855 064)

Issued capital 145,460,894 Fully Paid Ordinary shares

Registered Office

78 Churchill Avenue

Subiaco, WA 6008

Telephone: +61 8 6500 3236

Internet: www.carnabyresources.com.au

Share Registry

Computershare Investor Services Pty Ltd

Level 11

172 St Georges Terrace

Perth, WA 6000

Within Australia: 1300 850 505

Outside Australia: +61 3 9415 4000

Internet: www.computershare.com.au

Stock Exchange Listing

ASX Ltd

ASX code: CNB

Auditor

Grant Thornton Audit Pty Ltd

Level 43

152 – 158 St Georges Terrace

Perth, WA 6000

Telephone: +61 8 9480 2000

Directors' Report

For the six months ended 31 December 2022

The directors present their report together with the consolidated interim financial statements of the Carnaby Resources Limited (the "Company" or "Carnaby") Group, being the Company and its subsidiaries, for the six months ended 31 December 2022 (the "period") and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the period are as set out below. Directors were in office for the entire period unless otherwise stated.

Mr Peter Bowler	Independent Non-Executive Director, Chairman
Mr Robert Watkins	Managing Director
Mr Greg Barrett	Non-Executive Director
Mr Paul Payne	Independent Non-Executive Director

Financial performance

The Group's net loss after tax attributable to the shareholders for the half year to 31 December 2022 was \$5,083,851 (31 December 2021 loss: \$1,504,761). The Group's net assets decreased by \$4,895,399 (31 December 2021 decreased: \$861,397). The Group's cash position as at 31 December 2022 was \$12,210,063 (31 December 2021: \$5,440,970).

Corporate

During the period, the Company agreed to a variation of the sale agreement relating to its divestment in the Lainejaur Project in Sweden (see ASX release 19 July 2021), which extended the payment timeline of the outstanding \$750,000 cash consideration into 2023. As such, the Company received \$375,000 in late December 2022 with the remaining \$375,000 due to be received on or before 31 May 2023.

No further proceeds from a 5% royalty on the Tick Hill Tailings Retreatment Project (see ASX release 3 August 2020) were received during the period with cumulative royalties received to date remaining at \$381,000. The 24-month operational term of the original Tick Hill Tailings Stockpile sale agreement expired on 8 October 2022 without an extension being granted by Carnaby. As such, ownership of the remaining Ore Reserves and Mineral Resources contained within the Tick Hill Tailings facility have reverted to the Company.

The Company also announced on 14 February 2023 that it had received notification from the Queensland Government Department of Resources Mineral Assessment Hub, that its final view and recommendation regarding the actual boundary location of the 100% owned Mount Hope Mining Lease (ML 90240) had been approved by the Minister. This alteration to the boundary has opened two key drilling target areas around Mount Hope Central prospect (see ASX release dated 14 February 2023).

Review of operations

During the period, significant RC and diamond drilling programs continued to uncover high-grade copper discoveries at the Company's Greater Duchess Copper Gold Project in Queensland. Intersections of 39m at 5.2 % Copper at the Mount Hope Central Prospect and 75m at 1.7% Copper at the Mount Hope North Prospect were standout results within the rapidly growing mineral deposit at Mount Hope Mining Lease. Exploration at the Project is ongoing and will expand significantly in 2023 as the Company aims to release a maiden JORC 2012 mineral resource estimate (**MRE**) during Q2 2023. This maiden MRE will include each of the Company's three major mineral deposit discoveries at the Nil Desperandum, Lady Fanny and Mount Hope prospects. Regional exploration targets will also be investigated in 2023, where numerous additional prospects remain untested over the Company's greater than 1,022km² of continuous regional tenure.

Greater Duchess Copper Gold Project, QLD

The Greater Duchess Copper Gold Project lies approximately 70 km southeast of Mount Isa, Queensland on a land holding of approximately 1,022 km² with multiple undeveloped copper rich Iron Oxide Copper Gold (IOCG) targets over a 100 km corridor. The focus of exploration during the period was primarily on the Company's rapidly emerging Mount Hope discovery.

Directors' Report

During the period, the Company commenced initial exploration activities at Mount Hope by conducting extensive Induced Polarisation (**IP**) surveys across the mining lease which identified numerous strong IP chargeability anomalies (see ASX release dated 14 July 2022). Following receipt of the promising IP results a maiden drilling program at Mount Hope commenced, the results of which have begun to outline yet another significant IOCG discovery for the Mount Isa region to further complement the Company's other regional IOCG deposits at the Nil Desperandum and Lady Fanny discoveries. Significant RC and diamond drilling results released during and subsequent to the period from across the Mount Hope discovery include (see ASX releases dated 7 September 2022, 13 October 2022, 13 December 2022, 2 February 2023):

Mount Hope Central Prospect:

MHRC045	39m @ 5.2% copper, 0.5g/t gold from 158m
Including	19m @ 8.1% copper, 0.8g/t gold from 161m
MHRC029	101m @ 1.9% copper, 0.3 g/t gold from 90m
Including	60m @ 3.1% copper, 0.4 g/t gold from 107m

Mount Hope North Prospect:

MHRC025	75m @ 1.7% copper, 0.2 g/t gold from 221m
Including	53m @ 1.9% copper, 0.2 g/t gold from 221m
MHRC035	41m @ 1.8% copper, 0.2 g/t gold from 113m
Including	15m @ 3.4% copper, 0.3 g/t gold from 118m

At the end of 2022, a total of six shallow RC holes were completed at the Burke & Wills Prospect. The new results include the highest-grade intersection yet to be drilled at Burke & Wills with approximate true width results of 6.7% copper and 1.2g/t gold intersected over 6m from 77m in hole BWRC030. Other results include the southern most hole drilled to date which intersected 5m @ 3.7% Cu, 0.5g/t Au from 80m in BWRC029 (see ASX release 2 February 2023).

Results were announced subsequent to the period from a phase 1 regional soil sampling program targeting the previously unexplored and undrilled 10 km interpreted IOCG corridor south of the Nil Desperandum discovery. Elevated copper and gold in soil results highlighted multiple new prospects along this Southern Corridor, with future follow-up exploration planned (See ASX release dated 2 March 2023).

Initial metallurgical test work on samples from Nil Desperandum and Lady Fanny was conducted during the period which produced very promising results. Copper recoveries of 98% - 99%, gold recoveries of 80% - 89% and copper flotation within two minutes of 90% - 95% were recorded across the samples submitted for testing, with no deleterious elements being detected (see ASX release 7 November 2022).

The planned 40,000m of drilling during 2023 has commenced at the Greater Duchess Project. The program will be split between exploration, targeting exceptional IP chargeability anomalies and direct step out drilling along the Nil Desperandum to Mount Hope corridor, and commencement of an infill drilling program to prove up a maiden mineral resource which will be reported in Q2 2023.

Yilgarn Margin Projects, WA

Malmac Project

Soil, rock chip and portable XRF readings were completed at Malmac during the period with results pending. A total of 796 soil samples on a nominal 400m x 200m spacing were collected targeting broad copper and gold soil anomalies from previous reconnaissance programs. Details will be presented once all results have been received.

The Malmac project lies on the northern margin of the Earraheedy Basin and comprises a package of rocks variously termed the 'Troy Creek Beds' or 'Troy Creek Schist'. The Troy Creek package has been affiliated with the Bryah Group (host to the DeGrussa, Monty and Horseshoe Lights Cu-Au massive sulphide deposits), Yerrida Group (host to the epithermal-style Thaduna Copper Deposit) and the Earraheedy Group (host to the recent Chinook Zn-Pb discovery by Rumble Resources Limited).

Pilbara Projects, WA

Due to the ranking of priority projects in Queensland, no on ground field work was completed at the Company's Pilbara Projects during the period. Additional exploration is planned across the tenement package in 2023. For more details on exploration conducted at the Pilbara Projects to date, refer to the Group's 2022 Annual Report.

Directors' Report

Subsequent events

Subsequent to the end of the period, the Company issued 900,000 fully paid ordinary shares due to the exercise of Unlisted Share Options by Directors for total cash consideration of \$405,000 (see ASX release 13 February 2023).

The Company also announced on 14 February 2023 that it had received notification from the Queensland Government Department of Resources Mineral Assessment Hub, that its final view and recommendation regarding the actual boundary location of the 100% owned Mount Hope Mining Lease (ML 90240) had been approved by the Minister. This alteration to the boundary has opened two key drilling target areas around Mount Hope Central prospect (see ASX release dated 14 February 2023).

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 20 and forms part of the directors' report for the six months ended 31 December 2022.

This report is made with a resolution of the directors:



Rob Watkins

Managing Director

Dated at Perth, this 10th day of March 2023

Competent persons and cautionary statements

Competent Persons Statement

The information in this document that relates to the Tick Hill Deposit Mineral Resources is based upon information compiled by Mr Paul Tan. Mr Tan is a full-time employee and security holder of the Company and a Member of the AusIMM. Mr Tan 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). Mr Tan consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

The information in this document that relates to exploration results and the Tailings Dam Mineral Resources is based upon information compiled by Mr Robert Watkins. Mr Watkins is a Director and security holder of the Company and a Member of the AusIMM. 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). 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.

Previously Released ASX Material References relating to this Report include:

New High Grade Zone Discovered At Mount Hope - 71m @ 1.1% Cu	2 March 2023
Ministerial Approval of Mount Hope Boundary Resolution	14 February 2023
Appendix 3Y - Change of Directors' Interest Notices	13 February 2023
Mount Hope Shines – 39m @ 5.2% Copper	2 February 2023
Greater Duchess Exploration Update – 41m @ 1.8% Copper	13 December 2022
Mount Hope Discovery – 37m @ approx. 5% Copper	16 November 2022
Excellent Metallurgical Results - Greater Duchess Project	7 November 2022
Phenomenal Results From Mount Hope - 60m @ 3.1% Copper	13 October 2022
Mount Hope Delivers – 30m @ 3.0% Copper	28 September 2022
Annual Report 2022	27 September 2022
Mount Hope Discovery – 75m @ 1.7% Copper	7 September 2022
Greater Duchess Update - 75m Copper Sulphide Vein at Mt Hope	18 August 2022
Copper Sulphides Intersected at Mt Hope & Lady Fanny South	29 July 2022
Greater Duchess Update - Booming IP Anomaly at Mount Hope	14 July 2022
Improved Terms – Lainejaur Project Divestment Update	19 July 2021
Sale of Tick Hill Stockpiles for \$6M	3 August 2020

Disclaimer

References have been made in this Interim Financial Report to certain ASX announcements, including references regarding exploration results and Mineral Resources. For full details, refer to said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and the mentioned announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Exploration Target(s) or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms

Competent persons and cautionary statements

that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward looking statements

This report may contain certain forward looking statements and projections regarding:

- Estimated Mineral Resources and Ore Reserves;
- planned production and operating costs profiles;
- planned capital requirements; and
- planned strategies and corporate objectives.

Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of the Company. The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved. The Company does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward-looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws.

Consolidated interim financial statements

Consolidated interim statement of financial position

As at 31 December 2022

	Note	Dec 2022 \$	June 2022 \$
Assets			
Cash and cash equivalents	5	12,210,063	17,931,947
Restricted cash	6	15,000	15,000
Prepayments		184,391	106,414
Trade and other receivables		581,559	1,389,740
Total current assets		12,991,013	19,443,101
Trade and other receivables non-current		400	400
Restricted cash non-current	6	361,574	361,574
Exploration and evaluation assets	7	6,509,072	6,509,072
Property, plant and equipment	8	204,471	147,427
Right of use assets		42,482	64,885
Total non-current assets		7,117,999	7,083,358
Total assets		20,109,012	26,526,459
Liabilities			
Trade and other payables	9	957,862	2,486,025
Lease liabilities		41,732	45,575
Employee benefits		115,759	93,055
Total current liabilities		1,115,353	2,624,655
Lease liabilities		-	18,264
Employee benefits		9,938	4,420
Provisions		352,853	352,853
Total non-current liabilities		362,791	375,537
Total liabilities		1,478,144	3,000,192
Net assets		18,630,868	23,526,267
Equity			
Share capital	10	37,942,839	37,942,839
Reserves		2,688,339	2,499,887
Accumulated losses		(22,000,310)	(16,916,459)
Total equity		18,630,868	23,526,267

The notes on pages 13 to 16 are an integral part of these consolidated interim financial statements.

Consolidated interim financial statements

Consolidated interim statement of profit or loss and other comprehensive income

For the six months ended 31 December 2022

	<i>Note</i>	Dec 2022 \$	Dec 2021 \$
Interest received		190,515	6,698
Government grants and other income		15,102	2,313
Gain on Disposal of Financial Asset - Metalore Sale (Lainejaur Project)	11	-	1,498,604
Administrative expenses		(403,500)	(299,368)
Project exploration and evaluation expenses		(4,693,058)	(2,640,565)
Share based payment expense		(188,452)	(68,432)
Results from operating activities		(5,079,393)	(1,500,750)
Finance expense		(4,458)	(4,011)
Net finance expense		(4,458)	(4,011)
Total comprehensive loss for the year		(5,083,851)	(1,504,761)

The notes on pages 13 to 16 are an integral part of these consolidated interim financial statements.

Consolidated interim financial statements

Consolidated interim statement of changes in equity

For the six months ended 31 December 2022

	Share capital \$	Accumulated losses \$	Translation reserve \$	Share option reserve \$	Total equity \$
Balance at 1 July 2022	37,942,839	(16,916,459)	(28,486)	2,528,373	23,526,267
Total comprehensive income for the period					
Profit / (Loss) for the period	-	(5,083,851)	-	-	(5,083,851)
Total comprehensive profit for the period	-	(5,083,851)	-	-	(5,083,851)
Transactions with owners recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	-	-	-	-	-
Equity transaction costs	-	-	-	-	-
Conversion of share options	-	-	-	-	-
Share based payments	-	-	-	188,452	188,452
Total contributions by and distributions to owners	-	-	-	188,452	188,452
Balance as at 31 December 2021	37,942,839	(22,000,310)	(28,486)	2,716,825	18,630,868

	Share capital \$	Accumulated losses \$	Translation reserve \$	Share option reserve \$	Total equity \$
Balance at 1 July 2021	17,060,166	(8,699,967)	(28,486)	2,266,408	10,598,121
Total comprehensive income for the period					
Profit / (Loss) for the period	-	(1,504,761)	-	-	(1,504,761)
Total comprehensive profit for the period	-	(1,504,761)	-	-	(1,504,761)
Transactions with owners recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	-	-	-	-	-
Equity transaction costs	580,000	-	-	-	580,000
Conversion of share options	(5,068)	-	-	-	(5,068)
Share based payments	-	-	-	68,432	68,432
Total contributions by and distributions to owners	574,932	-	-	68,432	643,364
Balance as at 31 December 2021	17,635,098	(10,204,728)	(28,486)	2,334,840	9,736,724

The notes on pages 13 to 16 are an integral part of these consolidated interim financial statements.

Consolidated interim financial statements

Consolidated interim statement of cash flows

For the six months ended 31 December 2022

	Note	Dec 2022 \$	Dec 2021 \$
Cash flow from operating activities			
Proceeds from sale of Tick Hill tailings		-	221,497
Payments to suppliers and employees		(422,308)	(320,819)
Payments for exploration expenditure		(5,658,125)	(2,423,833)
Net cash used in operating activities		(6,080,433)	(2,523,155)
Cashflow from investing activities			
Interest received		179,467	7,743
Payments for property, plant and equipment and mineral properties		(184,493)	(3,824)
Proceeds from the sale of Financial Asset - Metalore Sale (Lainejaur Project)		375,000	750,000
Proceeds from Sub-Lease		12,798	-
Net cash from investing activities		382,772	753,919
Cashflow from financing activities			
Share issue costs		-	(1,281)
Proceeds from exercise of options		-	580,000
Transfers to restricted cash		-	(18,574)
Payments for lease liabilities		(24,223)	(12,130)
Net cash from / (used in) financing activities		(24,223)	548,015
Net increase/(decrease) in cash and cash equivalents		(5,721,884)	(1,221,221)
Cash and cash equivalents at the beginning of the period		17,931,947	6,662,191
Cash and cash equivalents 31 December 2022	5	12,210,063	5,440,970

The notes on pages 13 to 16 are an integral part of these consolidated interim financial statements.

Notes to the consolidated interim financial statements

1. Reporting entity

Carnaby Resources Limited (the "Company") is a for profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The consolidated interim financial statements of the Company as at and for the period from 1 July 2022 to 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The nature of the operations and principal activities of the Group are as described in the Directors' Report.

2. Statement of compliance

The consolidated interim financial statements are a general-purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual report of the Group as at and for the year ended 30 June 2022 and public announcements made by the Group during the half year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act.

The consolidated interim financial statements were approved by the Board of Directors on 10 March 2023.

3. Basis of preparation

a) Accounting policies

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 30 June 2022.

b) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. Segments

Operating segments

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Managing Director (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates in one segment being 'Australian mineral exploration' which is the Group's strategic business unit.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of activities earning revenue. Segment assets are based on the geographical location of assets. The Group conducts all its activities within Australia and accordingly has assessed its sole geographical segment to be Australia.

5. Cash and cash equivalents

	Dec 2022	June 2022
	\$	\$
Bank balances	12,210,063	17,931,947
Cash and cash equivalents in the statement of cash flows	12,210,063	17,931,947

Notes to the consolidated interim financial statements

6. Restricted cash

	Dec 2022 \$	June 2022 \$
Restricted cash	376,574	376,574
Current	15,000	15,000
Non current	361,574	361,574
Balance at the end of the period	376,574	376,574

Restricted cash comprises cash held in term deposits issued in the Company's name which have been used to provide security for:

- a \$15,000 credit card facility.
- a \$18,574 in cash held in a term deposit issued in the Company's name which has been used to provide security in relation to a leased property, and
- a \$343,000 bank guarantee facility (the Facility). The Facility allows the Company to issue bank guarantees in satisfaction of its Queensland state government environmental surety obligations.
 - \$323,000 of the facility relates to obligations arising from the Tick Hill Mining Leases (ML7094, ML7096 and ML7097).
 - \$20,000 of the facility relates to obligations arising from the Mount Hope Mining Lease (ML90240) acquired during the period.

7. Exploration and evaluation assets

	Dec 2022 \$	June 2022 \$
Cost		
Opening balance	6,509,072	4,382,092
(Sale) / Formation of subsidiaries	-	(1,396)
Other acquisitions	-	2,128,376
Balance at the end of the period	6,509,072	6,509,072

8. Property, plant and equipment

	Plant & equipment \$	Office equipment \$	Total \$
31 December 2022			
Cost			
Opening balance	135,231	50,911	186,142
Additions	78,099	-	78,099
Balance at 31 December 2022	213,330	50,911	264,241
Depreciation			
Opening balance	(9,656)	(29,059)	(38,715)
Depreciation	(14,154)	(6,901)	(21,055)
Balance at 31 December 2022	(23,810)	(35,960)	(59,770)
Carrying amount			
Opening balance	125,575	21,852	147,427
Balance at 31 December 2022	189,520	14,951	204,471

Notes to the consolidated interim financial statements

	Plant & equipment \$	Office equipment \$	Total \$
30 June 2022			
Cost			
Opening balance	22,435	32,524	54,959
Additions	112,796	18,387	131,183
Balance at 30 June 2022	135,231	50,911	186,142
Depreciation			
Opening balance	(3,541)	(21,439)	(24,980)
Depreciation	(6,115)	(7,620)	(13,735)
Balance at 30 June 2022	(9,656)	(29,059)	(38,715)
Carrying amount			
Opening balance	18,894	11,085	29,979
Balance at 30 June 2022	125,575	21,852	147,427

9. Trade and other payables

	Dec 2022 \$	June 2022 \$
Trade and other payables	659,338	1,791,128
Accruals	298,524	694,897
Balance at the end of the period	957,862	2,486,025
Current	957,862	2,486,025
Balance at the end of the period	957,862	2,486,025

10. Issued Capital

	Dec 2022 shares	June 2022 shares	Dec 2022 \$	June 2022 \$
Ordinary share capital				
On issue at the beginning of the period	144,560,897	117,945,640	37,942,839	17,060,166
Issued in respect of exploration and evaluation assets		1,025,641		1,000,000
Issued for cash		15,384,616		20,000,001
Options exercised		10,205,000		1,022,800
Equity transaction costs				(1,140,128)
On issue at the end of the period (net of transaction costs)	144,560,897	144,560,897	37,942,839	37,942,839

11. Revenue

	Dec 2022 \$	Dec 2021 \$
Gain on Disposal of Financial Asset - Metalore Sale (Lainejaur Project)	-	1,498,604
Total Revenue	-	1,498,604

12. Share-based payments

Share Options

During the period and following the passing of an ordinary resolution at the 2022 Annual General Meeting (see ASX release dated 24 November 2022), the Group adopted an employee incentive securities plan ("EISP") that entitles employees to purchase shares in the Company. The objective of the plan is to assist in the recruitment, reward, retention and motivation of eligible persons in the Group. Under the plan, the Board may issue eligible employees with options to acquire shares in the future at an exercise price fixed by the Board on grant of options.

All Share Options issued under the EISP are subject to the EISP terms and conditions as disclosed in the Company's 2022 Notice of Annual General Meeting.

Notes to the consolidated interim financial statements

Share Options Exercised during the period:

There were no unlisted share options exercised during the period.

13. Subsequent events

Subsequent to the end of the period, the Company issued 900,000 fully paid ordinary shares due to the exercise of Unlisted Share Options by Directors for total cash consideration of \$405,000 (see ASX release 13 February 2023).

The Company also announced on 14 February 2023 that it had received notification from the Queensland Government Department of Resources Mineral Assessment Hub, that its final view and recommendation regarding the actual boundary location of the 100% owned Mount Hope Mining Lease (ML 90240) had been approved by the Minister. This alteration to the boundary has opened two key drilling target areas around Mount Hope Central prospect (see ASX release dated 14 February 2023).

Directors' declaration

1. In the opinion of the directors of Carnaby Resources Limited ("the Company"):
 - (a) the consolidated interim financial statements and notes 1 to 13 that are contained within are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Robert Watkins
Managing Director

Dated at Perth, this 10th day of March 2023

Independent Auditor's Review Report

To the Members of Carnaby Resources Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Carnaby Resources Limited (the Company) and its subsidiaries (the Group), which comprises the interim consolidated statement of financial position as at 31 December 2022, and the interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Carnaby Resources Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Carnaby's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

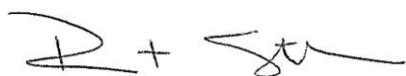
Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B P Steedman
Partner – Audit & Assurance

Perth, 10 March 2023

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Auditor's Independence Declaration

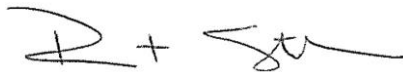
To the Directors of Carnaby Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Carnaby Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B P Steedman
Partner – Audit & Assurance
Perth, 10 March 2023

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