



Cannindah Resources
Limited

ASX RELEASE

27 May 2015

ASX Code: CAE

Ground Based Magnetic Survey Completed

Cannindah Resources Limited has completed further ground based magnetic surveying at the Mt Cannindah Project. Approximately 200 line km were completed by the geological team and the survey has outlined new targets of interest within the under explored EPM areas that surround the highly mineralised mining lease area.

The survey contains several magnetic features all of which need to be investigated as potential mineralised targets : eg the circular feature in SE corner with NNW, NW linears emanating from it could be a high level plug surrounded by magnetite skarn with radiating dykes potentially carrying mineralisation as is the case at the Appletree magnetite skarn. To the south west of Appletree the south west trending magnetic linear has been extended. There are now several newly discovered targets, where magnetic anomalies occur at intersections with north-west trending dykes. The gold mineralisation potentially being transported by these cross cutting dykes are of interest to the company in the near term (see figure 1).

On the Eastern boundary of the survey, a circular, plug like magnetic feature with a magnetic aureole occurs over the Kalpowar North prospect previously explored by CRA in 1993. Rocks previously described from the area include milled breccia and intrusive bodies, which are coincident with a strong gold soil anomaly (greater than 100 ppb Au) accompanied by strong lead. The NW trend of the geochemical signatures has been supported by magnetic linears having similar north-west trends. The alignment of these independent data sets is encouraging in terms of the delineation of mineralising structures within the fertile intrusive systems in the Cannindah district.

The area to the south has long been regarded by the company as highly prospective as evidenced by the application by the grant being made for more exploration ground to extend the project in this direction. The company will continue the processing of this new data, along with soil surveys which are aimed at providing polymetallic geochemical support of the most recent ground magnetic survey results. Geological mapping and sampling of these new target areas is underway and the results of this work will be released to the market once the data has been analysed and reported.

COMPETENT PERSON STATEMENT

The information in this report that relates to exploration results is based on information compiled by Dr. Simon D. Beams, a full time employee of Terra Search Pty Ltd, geological consultants employed by Cannindah Resources Limited to carry out geological evaluation of the mineralisation potential of their Mt Cannindah Project, Queensland, Australia.

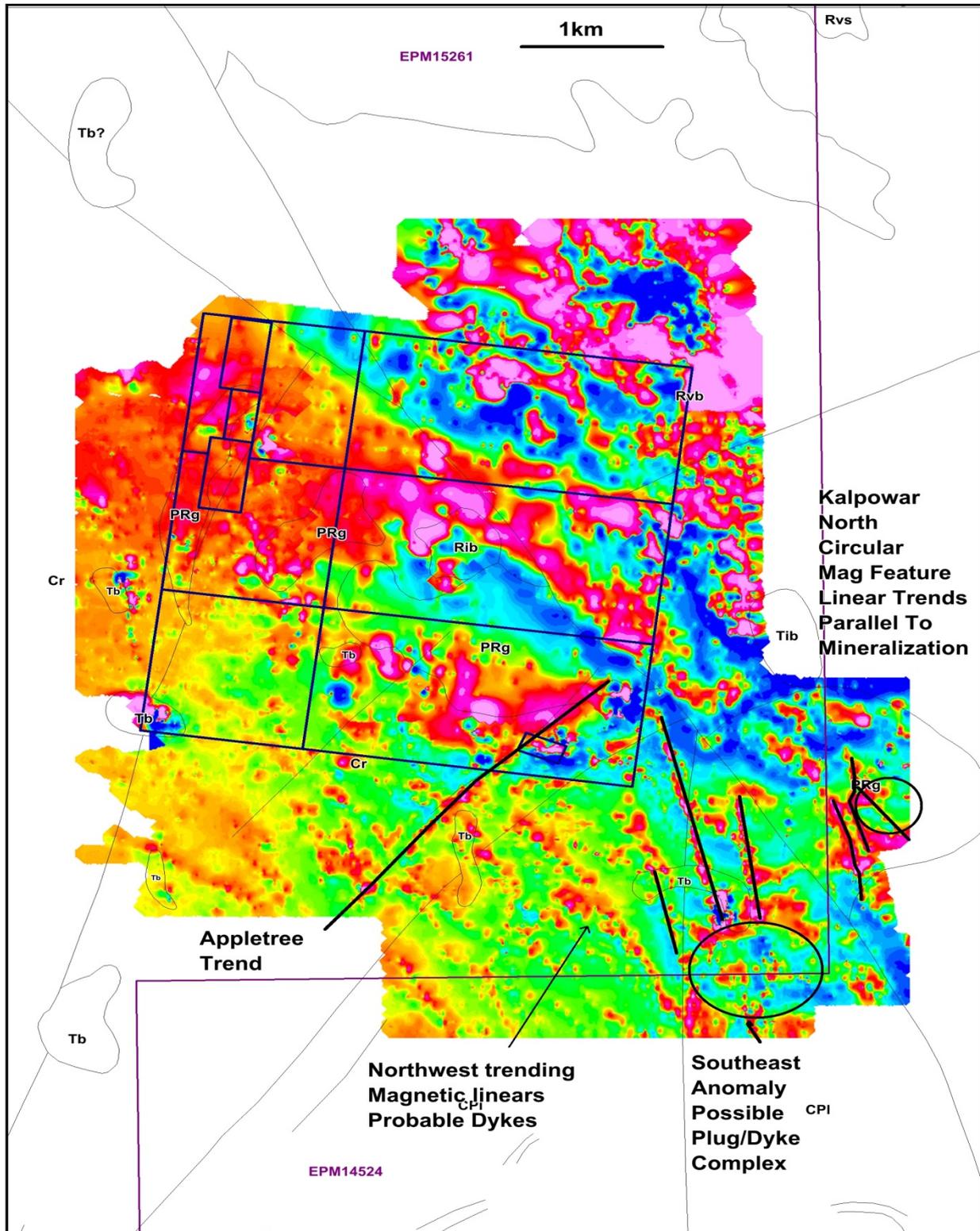
Dr. Beams has BSc Honours and PhD degrees in geology; he is a Member of the Australasian Institute of Mining and Metallurgy (Member #107121) and a Member of the Australian Institute of Geoscientists (Member # 2689). Dr. Beams has sufficient relevant experience in respect to the style of mineralization, the type of deposit under consideration and the activity being undertaken to qualify as a Competent Person within the definition of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code).

Dr. Beams consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

For further information, please contact:

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Figure 1: Magnetic Features and Linear Trends – Mt Cannindah



**APPENDIX 1
JORC Code Table 1**

Cannindah Resources Magnetic Survey Announcement 27 May, 2015.

Section 1: Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	<p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sampling representivity and the appropriate calibration of any measurement tools or systems used.</i></p>	- No new surface geochem samples reported here
	<p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g 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.</i></p>	No new surface geochem samples reported here
Drilling techniques	<p><i>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.)</i></p>	Drilling was not conducted.
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p>	Drilling was not conducted
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p>	Drilling was not conducted
	<p><i>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.</i></p>	Drilling was not conducted
Logging	<p><i>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</i></p>	Any observations on soil or rock type or comments on logistics were recorded in the sample book. The rock types were described in detail.
	<p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.</i></p>	No new logging reported here.
	<p><i>The total length and percentage of the relevant intersections logged.</i></p>	Drilling was not conducted
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p>	Drilling was not conducted.
	<p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p>	Drilling was not conducted.
	<p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p>	No new surface geochem samples reported here
	<p><i>Quality control procedures adopted for all sub-sampling stages to maximise</i></p>	No new surface geochem samples reported here

Criteria	Explanation	Commentary
	<i>representativity 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.</i>	No new surface geochem samples reported here
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	No new surface geochem samples reported here.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No new surface geochem samples reported here
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc. the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation, etc.</i>	- The ground magnetometer survey was completed using a state of the art Gemsys Walking magnetometer with inbuilt GPS. Each year Terra Search's Gemsys magnetometer units are sent away for external calibration and servicing.
	<i>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.</i>	During ground magnetic field surveys, a control point is measured for location coordinate accuracy and for magnetometer reading accuracy. The magnetometer base station values are compared throughout the day to check against the continuous recordings from Australian Magnetic network stations, particularly the station in north Queensland at Charters Towers. Comparisons are then made with the control points to check QA/QC. Data are diurnally corrected against the base station. No new surface geochem samples reported here
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes.</i>	Drilling was not conducted.
	<i>Documentation of primary data, data entry procedures, data verifications, data storage (physical and electronic) protocols.</i>	Drilling was not conducted. Location data and magnetic readings are digitally collected by the Gemsys unit and in the base station magnetometer units. These data are downloaded each day and spatially validated and plotted and processed to produce images. Experienced operators and geophysicists are involved at all stages of the processing. Data is backed up immediately. and stored on servers in the Company's head office and on site, with regular backups and archival copies of the database made. Data is also stored at Terra Search's Townsville Office. Location and magnetic data is checked against the daily control point and the Australian Magnetic network stations, particularly the station in north Queensland at Charters Towers .
	<i>Discuss any adjustment to assay data.</i>	No new surface geochem samples reported here
Location of data points	<i>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.</i>	Magnetometer reading station locations were recorded by the Gemsys Walking Magnetometer. Location accuracy is in the order of 1m-5m X-Y and 10m in the Z direction. Coordinate system is UTM Zone 56 (MGA) and datum is GDA94
	<i>Quality and adequacy of topographic control.</i>	Pre-existing DTM is high quality and available.
Data spacing and distribution	<i>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.</i>	Magnetometer readings were taken on 50m line spacing at 1-2m spacing along the walked lines. These readings were then imaged. Magnetometer reading spacing is deemed appropriate for identifying high resolution magnetic features which are supported by geological features. If supported by close space drilling it could be appropriate to use this information in a Mineral Resource or Ore Reserve estimation capacity. No sample compositing has been applied.

Criteria	Explanation	Commentary
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Magnetic survey lines were orientated both east west or north south depending on the main structures/contact of interest along which known mineralisation exists. Tie lines are employed to ensure unbiased sampling is achieved for the structures.
	<i>If the relationship between 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.</i>	Drilling was not conducted.
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of custody was managed by Terra Search Pty Ltd. Magnetic digital data was always in Terra Search's secure data storage. .
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been undertaken

Section 2: Reporting of Exploration Results

Mineral tenement and land tenure status	<i>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 and environmental settings.</i>	Exploration conducted on MLs 2301, 2302, 2303, 2304, 2307, 2308, 2309, EPM 14524, EPM 15261 and EPM 25537 100% owned by Cannindah Resources Pty Ltd An access agreement with the current landholders in place.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i>	No impediments to operate are known.
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	Previous exploration has been conducted by multiple companies. MIM (1970) and Astrik (1987) drilling are used in this report. IP data was previously collected by Newcrest (1995) and their processed data is displayed here. Current exploration program conducted by consultant geologists Terra Search Pty Ltd, Townsville QLD.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	Base metal skarns and shear hosted Au bearing quartz veins occur adjacent to a Cu-Mo porphyry.
Drill hole information	<i>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:</i> <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 <i>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.</i>	No drilling was conducted.
Data aggregation methods	<i>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.</i>	No cut-offs have been applied in reporting of the soil sampling exploration results.

	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations be shown in detail</i>	No aggregate intercepts have been applied in reporting of the soil sampling exploration results.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents have been used in reporting.
Relationship between mineralisation widths and intercept lengths	<i>The 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).</i>	No drilling was conducted.
Diagrams	<i>Appropriate maps and sections (with scale) 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.</i>	Location plans and sample points of interest are contained within this announcement
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.</i>	Relevant sample results are reported within announcement. It is not practicable or appropriate to report all individual trench sampling results. Gridding/imaging was performed in MapInfo Professional Discover 2014.
Other substantive exploration data	<i>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.</i>	The locations of the known prospects within the area are shown in Fig. 1.
Further work	<i>The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Geological and geophysical results have been summarized in order to put context around sample results. Surface trench results will be followed up with sub-surface drilling if deemed appropriate.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Not yet determined, further work is being conducted.