



High Gold Results from Recent Stream Sediment Sampling Program

- **Stream sediment sampling identified 3 catchments of highly anomalous gold results including a new target area west of known resources at the Mt Cannindah Mine.**
- **The results support a potential mineralised structure linking “Little Wonder” to the “Midway” and “Cannindah East” prospects (see ASX release dated 9/10/2014).**
- **Mt Cannindah represents a large (greater than 9km²) high level “porphyry style” Cu-Mo-Au mineralised system.**

As a follow up to a recently collected high Au stream sediment sample (**2,340 parts per billion (ppb) Au; ASX release dated 9/10/2014**); Cannindah Resources has completed a comprehensive stream sediment survey in order to determine the extent of gold anomalous catchments within and surrounding the Mt Cannindah mining lease area. Recent results confirm the tenor of gold detected in the previous survey.

As the majority of historical stream sediment samples were not analysed for gold, the 66 sample program was designed to address gaps in the Mt Cannindah geochemical dataset, the sampling coverage focussed on the Mount Cannindah prospects within the Cannindah Resources Mining Leases (MLs), then expanded east towards the Kalpower historic workings and catchments south of the MLs.

The program’s sampling identified 5 anomalous catchments, 3 of which showed high to very highly anomalous gold results: 11 samples returned greater than 100ppb Au and up to 1,040ppb Au. This survey indicates unmineralised catchment areas are generally <5 ppb Au, emphasising the significant levels of gold occurring within the anomalous catchments. High Cu (up to 1.16%) and elevated Ag (up to 19.8 parts per million (ppm)) and Mo (up to 80ppm) were returned from drainages associated with higher Au and previously recognized copper mineralisation.

This recent work further supports a potential mineralised structure linking “Little Wonder” to the “Midway” and “Cannindah East” prospects. The program has also identified a new area of anomalous gold west of known resources at the Mt Cannindah mine.

Cannindah Resources intends to continue its exploration focus on this flagship asset in the near term to investigate further these and other targets which have recently been identified across the project area.

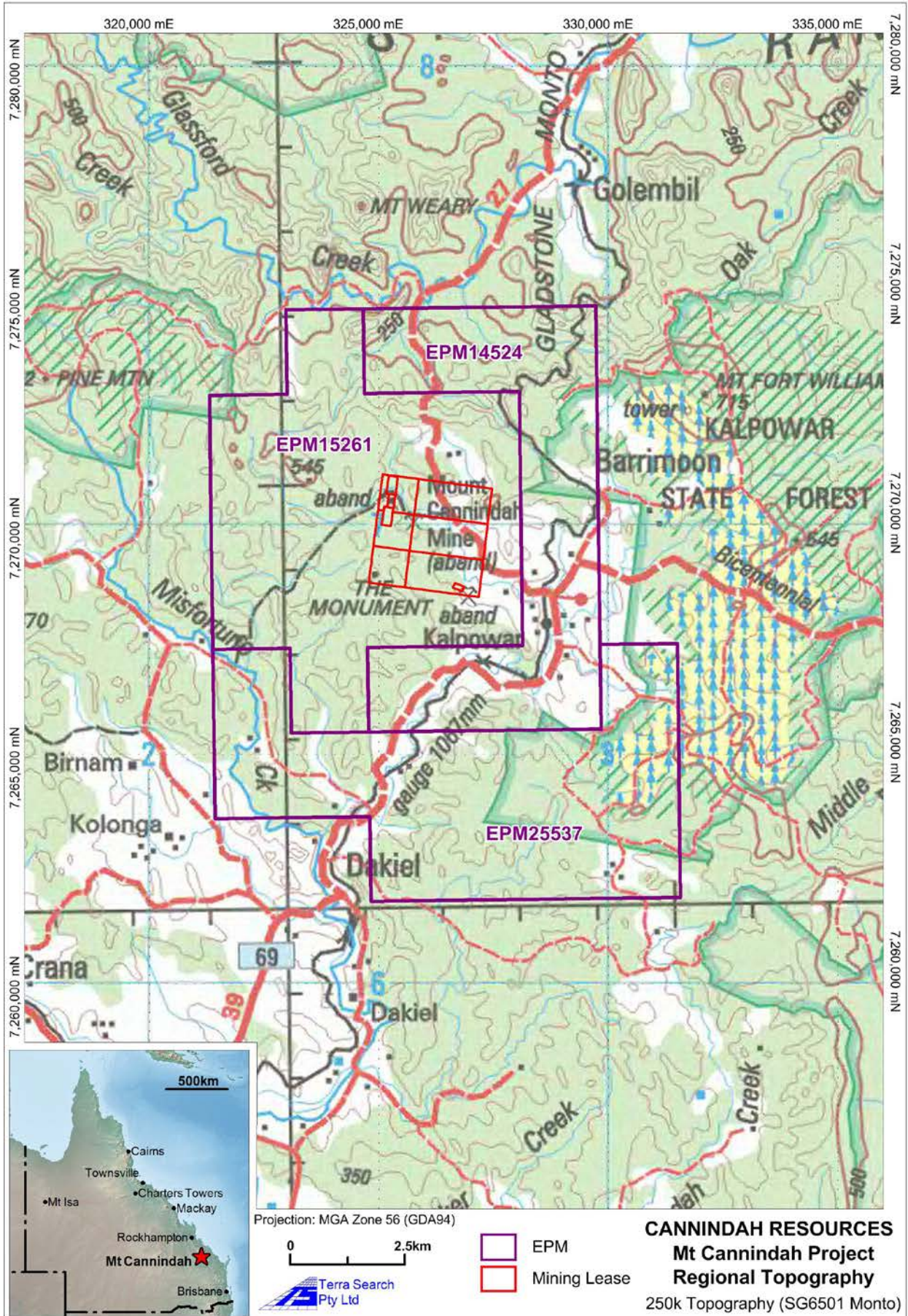


Figure 1. Location of the Mt Cannindah Project area showing Cannindah Resources tenure.

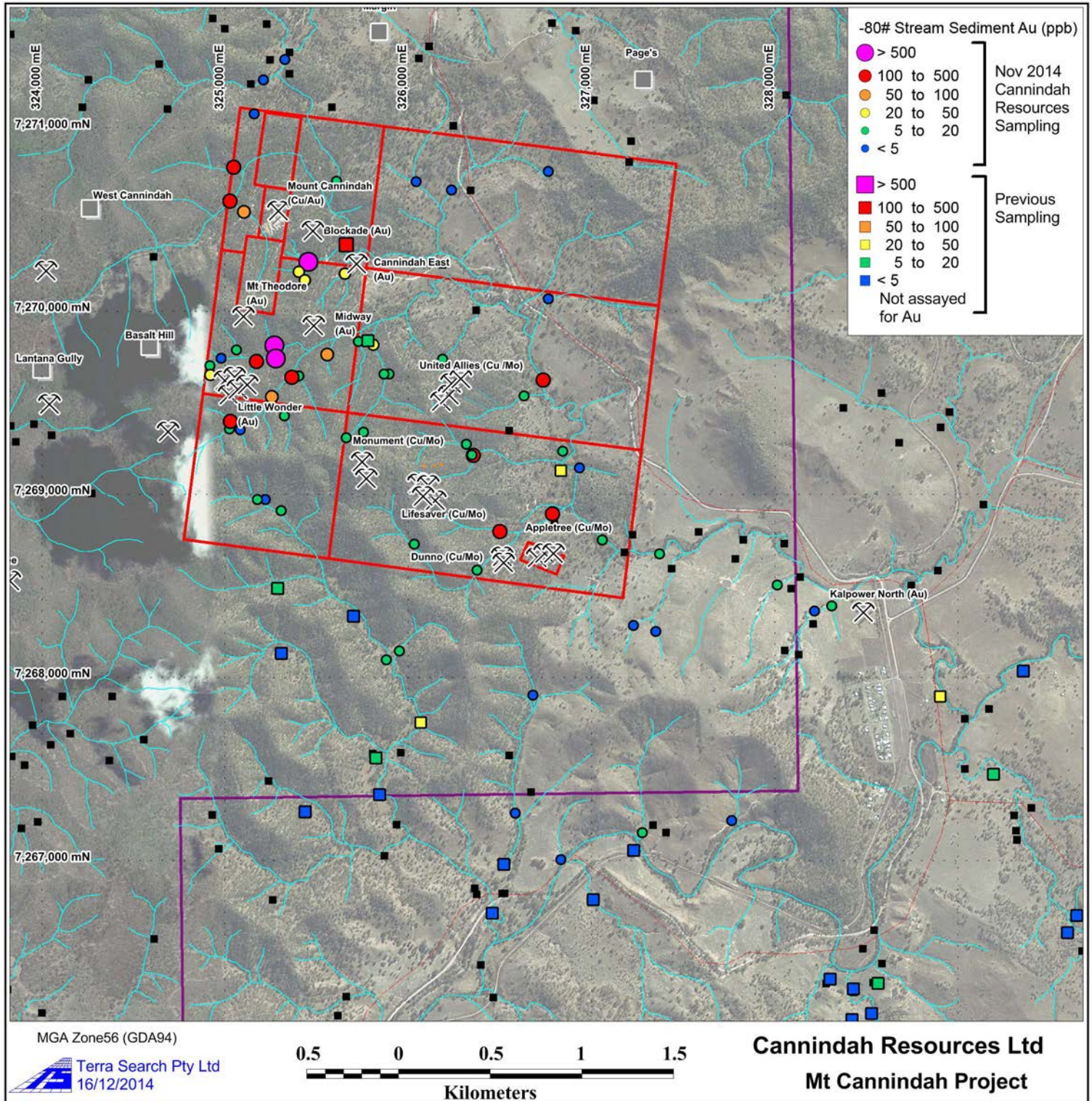


Figure 2. Location of current and previous stream sediment sampling in the Mt Cannindah Project area showing gold values in ppb.

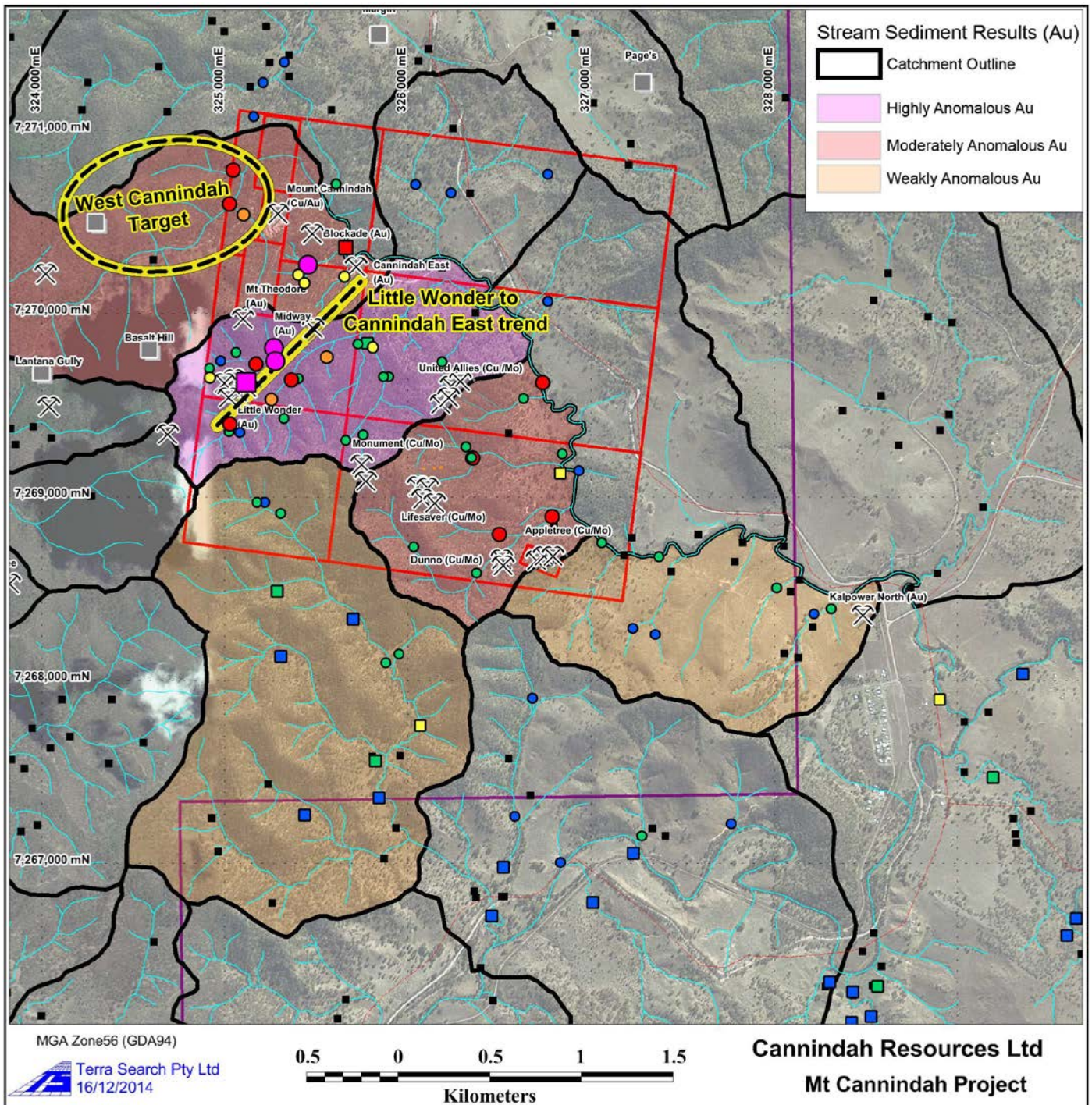


Figure 3. Showing anomalous gold catchments and Cannindah Resources targets

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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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg 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> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘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 (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • The reported results relates to 1-2kg stream sediment samples collected and sieved down to approximately 100gms at < 80 microns • The samples were routinely assayed for gold using the 50g trace level aqua regia extraction (ALS code: Au-TL44) • The sample were also subject to multi-element analysis using ICP-MS techniques for the following elements: Au, Ag, As, Ba, Bi, Ca, Cd, Co, Cu, Fe, Mg, Mn, Mo Ni, P, Pb, S, Sb, Zn. (ALS code ME-ICP44)
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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> 	<ul style="list-style-type: none"> • Not applicable – drilling results not reported
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <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> 	<ul style="list-style-type: none"> • Not applicable – drilling results not reported
Logging	<ul style="list-style-type: none"> • <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> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Not applicable
Sub-sampling techniques	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and</i> 	<ul style="list-style-type: none"> • Sub-Sampling Techniques not applicable – drilling results not reported

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and sample preparation	<p><i>whether sampled wet or dry.</i></p> <ul style="list-style-type: none"> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • The above techniques are considered to be of a high quality, and appropriate for the nature of mineralisation anticipated. The sample size is appropriate for the rock being sampled
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • The primary assay method used is designed to measure trace level gold in stream sediments. The laboratory procedures are appropriate for the testing of gold at this project given its mineralisation style. The technique involves aqua regia digestion of a 50g sample which effectively dissolves both native gold as well as gold bound in sulfide ore minerals. This method is considered appropriate for assessing narrow, free milling, nuggetty gold vein style deposits that exist in the area. • Quartz flushes were used after every sample • Internal ALS Chemex Laboratory QAQC is routinely done • 1 Certified Reference Material, and 1 blank were Inserted in the sample batch being reported and performed well. • QAQC samples are monitored on a batch-by-batch basis
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Field note books and ticket books were used to record primary data in the field. Primary data was then entered digitally and is stored and archived to Terra Search's server in Excel format and imported to an industry standard SQL database by the database geologist using data entry procedures and database import tools. Data is visually checked and validated prior to import and additional validation is carried out upon entry to the database. • No adjustments or calibrations were made to any assay data used in

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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. 	<p>this report</p> <ul style="list-style-type: none"> • Handheld GPS was used to determine sample locations. Handheld GPS's have an accuracy of approximately +/-10m. • Grid Co-ordinate system used is GDA94 MGA Zone 56 • Original Handheld GPS co-ords are maintained in the database. • Topographic control utilized Shuttle Radar Topography Mission (SRTM) data • This is considered appropriate at this early stage of exploration.
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"> • Data spacing for samples are varied as samples were taken of specific lithologies. • Data spacing is sufficient for this early stage of exploration • No sample compositing has been applied
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"> • Not applicable, non-directional grab samples collected only
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Bagged samples were transported directly to the laboratory by consultant geologists, Terra Search at completion of field program.
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 audits or reviews have been undertaken

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code 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"> Exploration conducted on MLs 2301, 2302, 2303, 2304, 2307, 2308, 2309, EPM 14524, and EPM 15261. 100% owned by Cannindah Resources Pty Ltd An access agreement with the current landholders in place No impediments to operate are known
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous exploration has been conducted by multiple companies but not specifically investigating the targets presented within this report Current exploration program conducted by consultant geologists Terra Search Pty Ltd, Townsville QLD
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Shear hosted Au bearing quartz veins and base metal skarns adjacent to a Cu-Mo porphyry
Drill hole Information	<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. 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. 	<ul style="list-style-type: none"> Not applicable – drilling results not reported
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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 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. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No weight averaging has been undertaken No short lengths have been aggregated No metal equivalent has been reported

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Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Not applicable – no widths or intercepts reported
Diagrams	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Location plans and sample points of interest are contained within this announcement
Balanced reporting	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • All geochemical results from recent survey are plotted on attached maps with full range of gold values. Other significant base metal results are highlighted.
Other substantive exploration data	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • Geological and geophysical results have been summarized in order to put context around sample results
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <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> 	<ul style="list-style-type: none"> • Future exploration programs under development