



Surface Trenching within Mt Cannindah Project Intersects 50m at 1% Cu

HIGHLIGHTS

- **Surface trenching to a depth of 1 m at the Appletree prospect returns 50m @ 1% Cu with the highest reading grading 2.3% Cu.**
- **Trenching also encountered anomalous gold values with 2.9 g/t Au over 1m.**
- **Exploration at Appletree focussed on the geological concept that mineralisation in this area relates to the multiple dyke development within the prospect area.**
- **These dykes have been mapped over discontinuous strike lengths of several hundred metres within the prospect.**
- **Shallow previous drilling at Appletree (maximum downhole depths of 35m) returned intersections, from surface, in the order of 6m @ 2.3 % Cu, 0.9 g/t Au (AT10 , Astrik,1987) and 16m @ 1.5 % Cu (AT4 , Astrik,1987).**
- **This historical drilling has not tested the depth or along strike extent of the apparent close association of dykes and copper-gold mineralisation encountered in our recent trench sampling at Appletree.**
- **14g/tAu float sample located adjacent to the Dyke at Appletree**

Cannindah Resources Limited commenced further exploration at the Mt Cannindah project in February this year. So far over 1,000m of trench sampling has occurred with 1,200 samples including rock chips being assayed for multi-element geochemistry, along with ground based geophysical surveys which are continuing. The results that have so far been interpreted relate to the Appletree prospect area which is located to the southeast within the mining lease area of the Mt Cannindah Project.

The results from Appletree provide proof of the geological concept that mineralisation in the area is related to the multiple dykes that have developed discontinuously along a strike of several hundred metres in the area. The 50m @ 1%Cu is a significant width maintaining good grade within 1m of surface which is also showing anomalous gold over 2.9g/t Au (see figure 1).

The drilling that has been completed historically over this area has not adequately tested the depth extent of this mineralisation that relates to the Dykes given their orientation, the holes are only to a depth less than 35m. The drilling does however demonstrate good grades in the order of 6m @2.3% Cu and 0.9g/t Au which are encountered below the 1m depth of the trench sampling within the area of Appletree. The historical drilling has also not adequately tested the strike length of this mineralisation associated with the dykes at Appletree.

Cannindah Resources has had its consulting geophysicist review the historical IP geophysics completed by Mt Isa Mines over the Mt Cannindah mining lease area which included the Appletree prospect area. This review concluded that there are anomalous zones of interest at a greater depth extent than the zone tested by previous drilling which was only to a shallow depth of 35m. Whilst this IP geophysical review provides encouragement to Cannindah Resources for a

deeper target within Appletree, the continuation of copper/gold mineralisation associated with the dykes encountered at or near the surface by our trench sampling would need to be drill tested at a greater depth for confirmation.(see figure 2)

Cannindah Resources is continuing its review of all the associated data from recent exploration and will be providing updates with respect to other areas of the Mt Cannindah project as the results are processed and reported in the coming weeks. It is worth noting that the Appletree prospect area is a small part of the large Mt Cannindah project as a whole (see figure 3).

Cannindah Resources Limited executive chairman Tom Pickett stated “The Appletree prospect area has provided encouraging near surface results from recent exploration. The company is continuing with the evaluation of recent sample data and will be conducting further exploration to progress its strategy of fully understanding the potential scale of the Mt Cannindah project area. The origins of significant mineralisation occurring across the various prospect areas within the mining lease area, and the potential of the surrounding EPMs is our current focus. There is still more to be done in this effort and we are well placed with our geological consultants and funding to complete the evaluation of drill targets for follow up over the coming weeks.”

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: Trench Sampling at Mt Cannindah

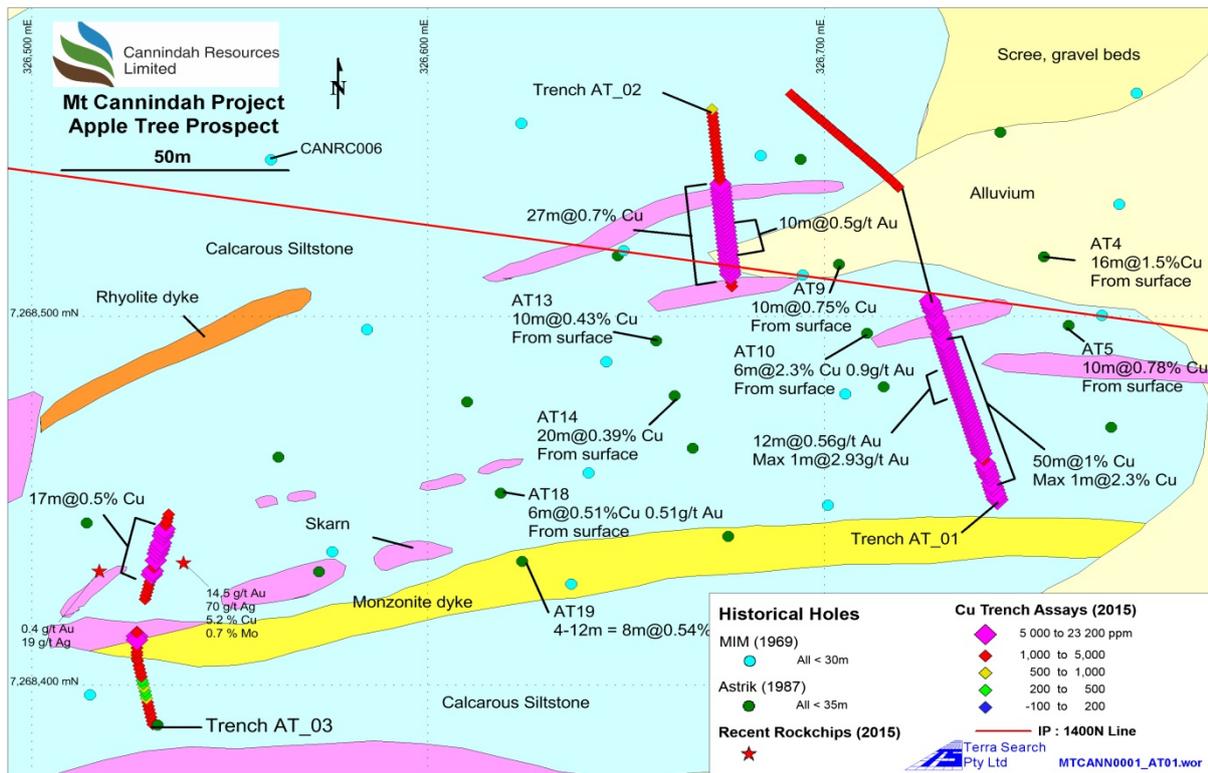


Figure 2: Cross Section IP at Mt Cannindah

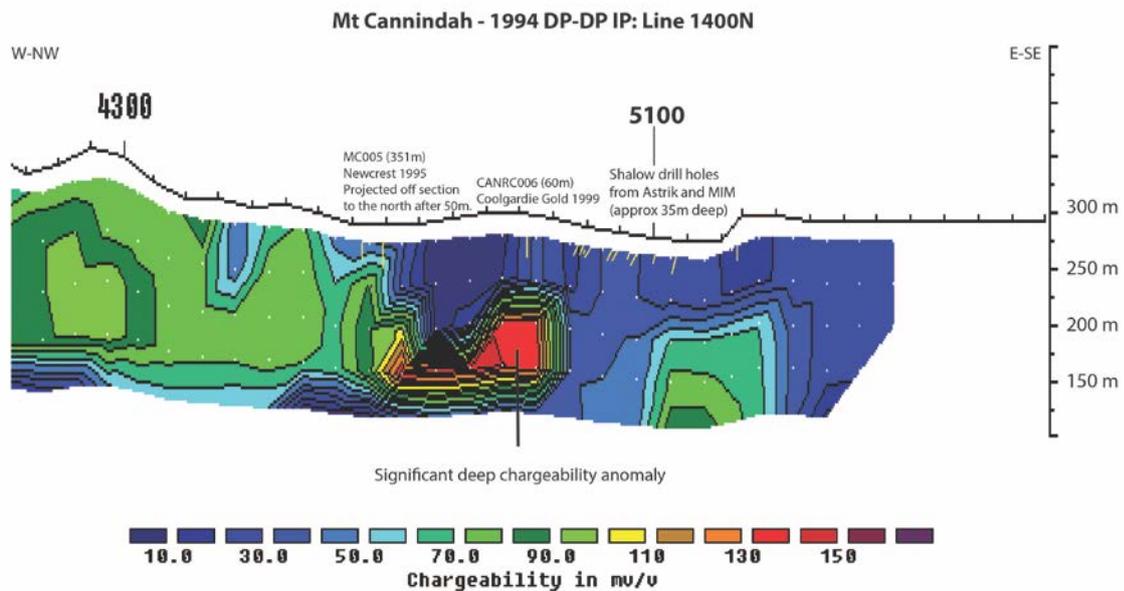
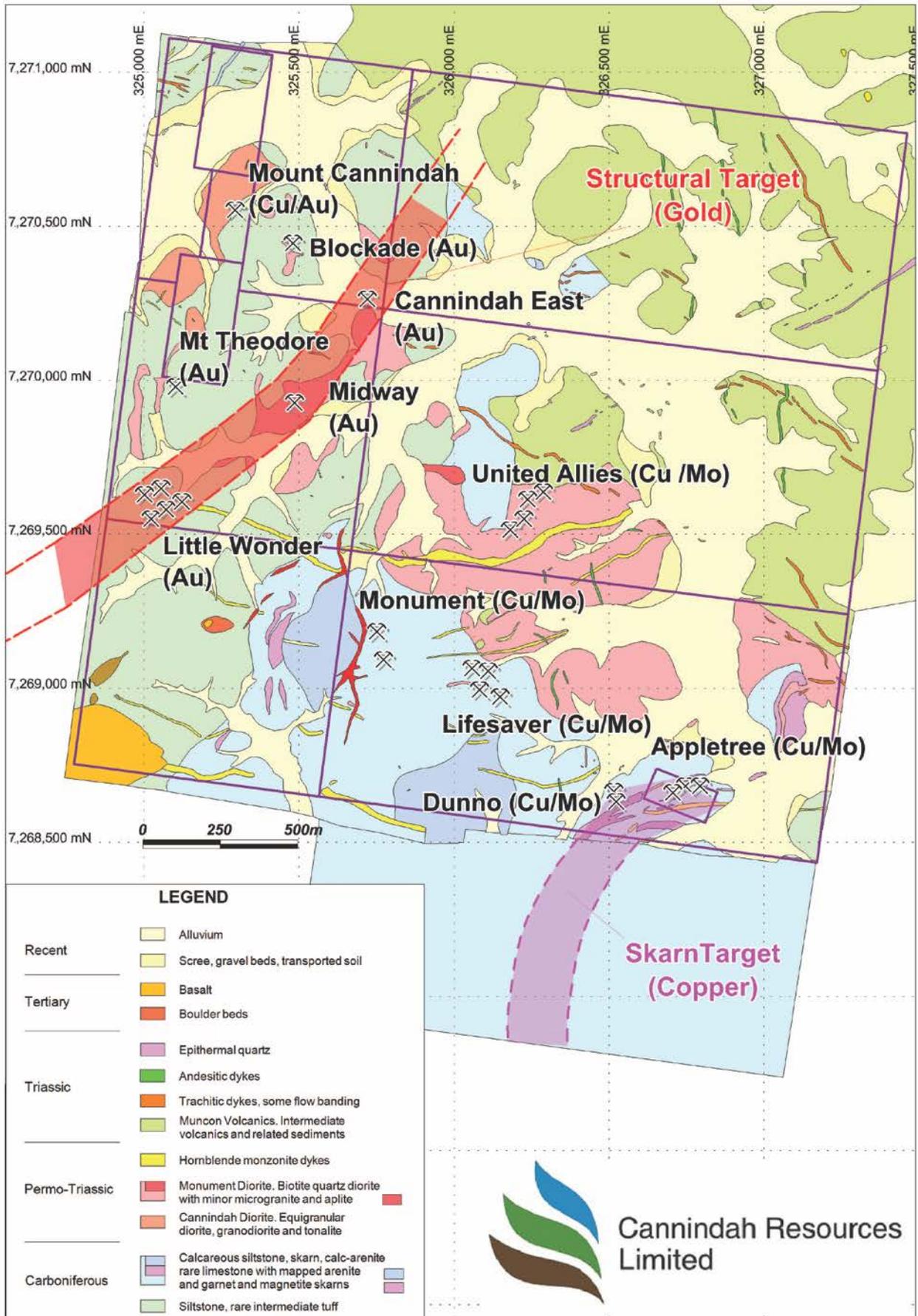


Figure 3: Mt Cannindah Project



APPENDIX 1 – JORC Code Table 1 Cannindah Resources Appletree Prospect Announcement 28 April, 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>	<ul style="list-style-type: none"> - Samples were collected at 1m interval along the trenches. - Sample information was recorded in pre-numbered sample books with locations established with a Garmin 76 hand held GPS at the beginning of the trenches plus the trending of this one. - A 2-4cm channel was dug with a pick along the bottom of the trench wall. Every effort was made to keep the width of the sample channel consistent , regardless of rock hardness .Samples were collected every metre along the trench. A 3-4kg representative sample of all rock chips and weathered material from the continuous channel was collected in pans and placed in a calico bag. A representative sample of each metre was also retained in a plastic rock chip tray for future reference. - Samples were analysed for a suite of 40 major and minor elements utilising Terra Search's portable Niton XRF analyser (Niton 'trugeo' analytical mode) in the Townsville office. . - The XRF equipment is set up on a bench and the sub-sample (loose powder and small chips in a thin clear plastic freezer bag) is placed in a lead-lined stand. An internal detector auto-calibrates the portable XRF instrument, and Terra Search standard practice is to instigate recalibration of the equipment of every battery charge (every 2 to 3 hours). Readings are undertaken for 60 seconds on a circular area of approximately 1cm diameter. A higher number of measurements are taken from the centre of the circle and decreasing outwards.
	<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>	<ul style="list-style-type: none"> • After crushing splitting and grinding in ALS Brisbane laboratory, sample pulps were transported to ALS Townsville for further analysis. A sub-sample of each was assayed for gold using the 50g fire assay method (ALS code: Au-AA26) <p>A sub- sample of each was also subject to multi-element analysis using aqua regia digest and ICP emission spectroscopy technique for the following elements: Ag, As, Ba, Bi, Ca, Cd, Co, Cu, Fe, Mg, Mn, Mo Ni, P, Pb, S, Sb, Zn. (ALS code ME-ICP41)</p>
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</i></p>	Any observations on soil or rock type or comments on logistics were recorded in the

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	<i>geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies</i>	sample book. The rock types were described in detail.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.</i>	Logging was qualitative in nature. A detailed log was described on the basis of visual observations.
	<i>The total length and percentage of the relevant intersections logged.</i>	All trench samples were logged.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Drilling was not conducted.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Drilling was not conducted.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The above techniques are considered to be of a high quality, and appropriate for the nature of mineralisation anticipated. The 3-4kg sample size is appropriate for the rock being sampled.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</i>	The 1m sample was collected as near as practically along a continuous metre channel.
	<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>	Terra Search quality control included determinations of duplicate samples every 50 samples or so to check for representative samples. There was a conscious effort on behalf of the samplers to ensure consistent weights for each sample.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Material was fine to medium grained and the 3-4kg size was more than appropriate for the grainsize.
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>	The primary assay method used is designed to measure both the total gold in the sample as per classic fire assay as well as the total amount of economic metals tied up in sulphides and oxides such as Cu,Pb,Zn,Ag,As,Mo,Bi as per aqua regia digest ICP finish. Some major elements which are present in silicates , such as K,Ca,Fe,Ti,Al .Mg are not liberated by aqua regia digest. In this sense the aqua regia digest is a partial analytical technique for elements locked up in silicates. Samples from the trench sampling program were also analysed in-house at Terra Search's office in Townsville utilizing a portable XRF to determine base metals and major elements. The analysis undertaken is considered to be appropriate for geochemical testwork. The portable XRF instrument obtains reliable data on silicate bearing phases, This technique is a total analysis and determines all the material in an elemental assay . The techniques were considered to be entirely appropriate for the porphyry, skarn and vein style deposits in the area. The economically important elements in these deposits are contained in sulphides which are liberated by aqua regia digest, all gold is determined with a classic fire assay.
	<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>	- Each year Terra Search's instrument is sent away for external calibration and servicing. During field testing an internal detector auto-calibrates the instrument and Terra Search standard practice is to instigate recalibration of the equipment of every battery charge (every 2 to 3 hours). Determinations were made regularly on known standards and checked against the CRM values. These values are checked against known standards and duplicates.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether</i>	

Criteria	Explanation	Commentary
	<i>acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	QAQC samples are monitored on a batch-by-batch basis, Terra Search has well established sampling protocols including blanks, certified reference material, and in-house standards which are matrix matched against the samples in the program. Terra Search quality control included determinations on certified OREAS samples and analyses on duplicate samples interspersed at regular intervals through the sample suite of both the commercial laboratory batch and also portable XRF data, Standards and duplicate results were checked and found to be within acceptable tolerances.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	There has been no external check assaying undertaken on the soil samples.
	<i>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>	Location and sampling data were collected by experienced field assistants and entered into sampling books which were then entered into spreadsheets. Analytical data from the XRF machine is supplied as an Excel readout. Location and analysis data are then collated into a single Excel spreadsheet. Data is 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. Data is validated by long-standing procedures within Excel Spreadsheets and Explorer 3 data base and spatially validated within MapInfo GIS.
	<i>Discuss any adjustment to assay data.</i>	No adjustments are made to the Commercial lab assay data.
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.</i>	Sample locations were established with a Garmin 76 hand held GPS. Location accuracy is in the order of 10m X-Y and 15m in the Z direction. For a second verification of the trench and sample locations, Ground Magnetic Profiles were run alongside the trenches.
	<i>Specification of the grid system used.</i>	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.</i>	Trench samples were collected with 1 meter spacing.
	<i>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.</i>	Sample spacing was deemed appropriate for identifying geochemical anomalies and could be used to establish geological control. If supported by close space drilling it could be appropriate to use this information in a Mineral Resource or Ore Reserve estimation capacity.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
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>	Sampling orientation was perpendicular to the main structure of interest along which known mineralisation exists. Unbiased sampling is achieved for this structure.
	<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. Samples were always in Terra Search's possession as they were carried in their own vehicles by road until transferred to ALS lab Brisbane.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been undertaken