



Cannindah Resources  
Limited

**ASX RELEASE**

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*ASX Code: CAE*

## **CANNINDAH RESOURCES WITHDRAWS FROM LTI NEGOTIATIONS**

Cannindah Resources Limited (the Company) advises that it has ceased discussions regarding the possible purchase of the Little Treasure infant formula brand (LTI).

The Board of Cannindah Resources Limited have not been sufficiently satisfied with the results of the due diligence enquiries to date to proceed further with discussions.

In addition, the market for infant formula within China has suffered negative sentiment resulting from recently announced changes to the infant formula regulations by the China Food and Drug Administration. There is a potential that these changes may reduce the returns on the proposed investment.

The due diligence enquiry, the negative sentiment for new brands entering the Chinese market and recent changes to the ASX listing rules regarding re-compliance, were all factors the Board took into consideration. The Board had offered the Little Treasure owners considerable extensions of time for the provision of information and for documentation to be executed and was not prepared to keep the Company's shareholders waiting any longer.

Whilst it is disappointing not to proceed to deal completion, the Directors consider it important for our shareholders to know that the Board is able to identify deficiencies in a proposed transaction and be prepared to act in the best interest of the Company. The Company remains active in seeking opportunities and the Board has discussed numerous ways to gain exposure to international markets with less exposure to regulatory uncertainties.

The Company is also identifying opportunities in its existing Mt Cannindah exploration asset along with new opportunities which take advantage of a positive gold market sentiment.

**For further information, please contact:**

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