Cannindah Resources Limited

Metal Equivalent Policy

Approved by the Board with effect 29 September 2026

1. Introduction

Metal equivalents provide a useful and concise indication of the inherent value of mineralisation that contains more than one valuable metal or mineral.

They provide a single number that reflects the contributions of two or more assay results, providing a simpler presentation of information.

Metal equivalents are a way to express the combined economic value of multiple metals in a deposit as a single grade. This "equivalent grade" is calculated using a formula that incorporates the grades of each metal, commodity prices, and metallurgical recovery rates. Metal equivalents simplify reporting for complex polymetallic deposits but require transparent disclosure of the calculation formula and underlying assumptions to avoid potential abuse, as mandated by regulations like the JORC Code and the ASX.

Calculation of metal equivalent is dependent on assay data, metal/mineral pricing and metallurgical recoveries. When reporting Exploration Results, Mineral Resources, or Ore Reserves, for polymetallic deposits, the JORC Code 2012 Edition, Clause 50, sets out clearly the minimum reporting requirements under five bullet points and requires the following to be reported: individual grades for all the metals in the metal equivalent calculation; assumed commodity prices for all the metals; assumed metallurgical recoveries for all metals; a clear statement that all elements have a reasonable potential to be sold; and show the calculation formula used.

2. Scope

This Policy applies to all employees, executive management as determined by the Board of Directors. This Policy sets out the standards to which all Representatives of the company may discuss in the public domain the mineral resource assets of the company.

3. Objective

The objective of this Policy is to:

(a) set out the standards in observing and upholding the Company's position on discussions and communications regarding metal equivalents;

(b) provide clarity and confidence to all stakeholders regarding the metal equivalent inputs and calculations.

4. Reporting of Metal Equivalents – JORC Code, 2012 Edition

The JORC Code 2012 Edition Clause 50 states the following:

The reporting of Exploration Results, Mineral Resources or Ore Reserves for polymetallic deposits in terms of metal equivalents (a single equivalent grade of one major metal) must show details of all material factors contributing to the net value derived from each constituent.

The following minimum information must accompany any Public Report that includes reference to metal equivalents, in order to conform to the principles of Transparency, Materiality and Competence, as set out in Clause 4:

(a) individual grades for all metals included in the metal equivalent calculation;

(b) assumed commodity prices for all metals (Companies should disclose the actual assumed prices. It is not sufficient to refer to a spot price without disclosing the price used in calculating the metal equivalent. However where the actual prices used are commercially sensitive, the company must disclose sufficient information, perhaps in narrative rather than numerical form, for investors to understand the methodology it has used to determine these prices);

(c) assumed metallurgical recoveries for all metals and discussion of the basis on which the assumed recoveries are derived (metallurgical test work, detailed mineralogy, similar deposits, etc);

(d) a clear statement that it is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold; and

(e) the calculation formula used.

In most circumstances, the metal chosen for reporting on an equivalent basis should be the one that contributes most to the metal equivalent calculation. If this is not the case, a clear explanation of the logic of choosing another metal must be included in the report. Estimates of metallurgical recoveries for each metal must be used to calculate meaningful metal equivalents. Reporting on the basis of metal equivalents is not appropriate if metallurgical recovery information is not available or able to be estimated with reasonable confidence.

5. Compliance and Inputs to Metal Equivalent calculation

With reference to the abovementioned JORC Code 2012 requirements the Board has determined

(a) All metal equivalent calculations must also include actual grades of all metals included in the equivalent calculation within the documentation.

(b) The commodity pricing used will be determined by the Average 24 month rolling month average, rounded down as defined by appropriate metal pricing agencies.

- For Copper (Cu) the 24 month rolling monthly average is USD$10,713 per tonne pr USD$4.86lb. The Copper price used in the Equivalent calculation is USD$10,700 or USD$4.85lb.
- For Gold (Au) the 24 month rolling monthly average is USD$3450 per ounce. The Gold price used in the Equivalent calculation is USD$3,450 per ounce.
- For Silver (Ag) the 24 month rolling monthly average is USD$46 per ounce. The Silver price used in the Equivalent calculation is USD$46.00 per ounce.
- For Molybdenum (Mo) the 24 month rolling average is USD$48,000 per tonne.

(c) The Board will review the metal pricing on a minimum yearly basis.

(d) Exchange rate conversions USD to AUD will be 0.7 USD = 1.0 AUD.

(d) The Metallurgical recoveries utilised will be on the basis of the most current information regarding testwork. Core Resources Ltd, an Independent Metallurgical Laboratory completed testwork on material from the Cannindah Breccia has reported and verified expected recoveries of

- Copper (Cu) 90%
- Gold (Au) 65%
- Silver (Ag) 80%
- Molybdenum (Mo) 65% based on recoveries from equivalent deposits. (Note : Mo is not used in the any calculations relating to the Cannindah Breccia as there is currently no indication that Mo is recoverable on a commercial terms basis)

As stated in the ASX announcement dated 21 November 2023 (*Positive Metallurgical Results at Mt Cannindah*) the metals quoted are to have a reasonable potential to be recovered and sold.

Subsequent testwork has been completed in 2026 demonstrating that in the current concentrate market, the product produced from the Cannindah Breccia can produce a saleable concentrate. Recoveries are based on the updated testwork results.

Testwork in 2026 has also highlighted the opportunity for further recovery enhancements.

(d) The formula utilised will be as follows

- **CuEq% = Cu% + ((Au ppm * 110.91 * Au Recovery) + (Ag ppm * 1.48 * Ag Recovery))/(107.00* Cu Recovery)**

  Where

  - 110.91 is the value of 1gt Au @ USD$3450 per ounce
  - 1.48 is the value of 1gt Ag @ USD$46 per ounce

- 107 is the value of 1% Cu USD$ per tonne

6. Enquires

Enquiries about this Policy should be directed to the Managing Director, Chief Executive Officer or Company Secretary.

7. Related Documents

Code of Conduct

JORC Code, 2012 Edition