



Cannindah Resources  
Limited

## **ASX RELEASE**

**24 April 2017**

*ASX Code: CAE*

### **CANNINDAH RESOURCES – SAMPLING RESULTS AT PICCADILLY GOLD VEIN SYSTEM**

Cannindah Resources Limited (ASX: CAE) has taken several samples of mineralised lode/quartz vein material stockpiled from recent trenching. Preliminary observations suggest there is approximately 20 tonne to 50 tonne of bulk sample, extracted by excavator and stockpiled to date. The purpose of the current sampling is to obtain indicative gold grades of the quartz vein/lode in order that a larger tonnage operation can be established. The mineralised material was taken from the western end of the current trench (Fig 1). The Piccadilly Gold vein system has a strike length in excess of 700 metres, with the current sampling at the western end of the gold zone. Historically the high grade areas that were mined were located further east by at least 400m (see Fig1).

The gold sample results provide the company with encouragement that economic gold grades can be achieved to support a deal that may be struck to sell ore through an appropriate ore purchase agreement.

Table 1 lists all gold assay results obtained from samples distributed across the stockpile of mineralised lode/quartz vein material. The highest gold result is 28g/t Au, the lowest being 4.25g/t Au, with an average of 10 samples being 16g/t Au.

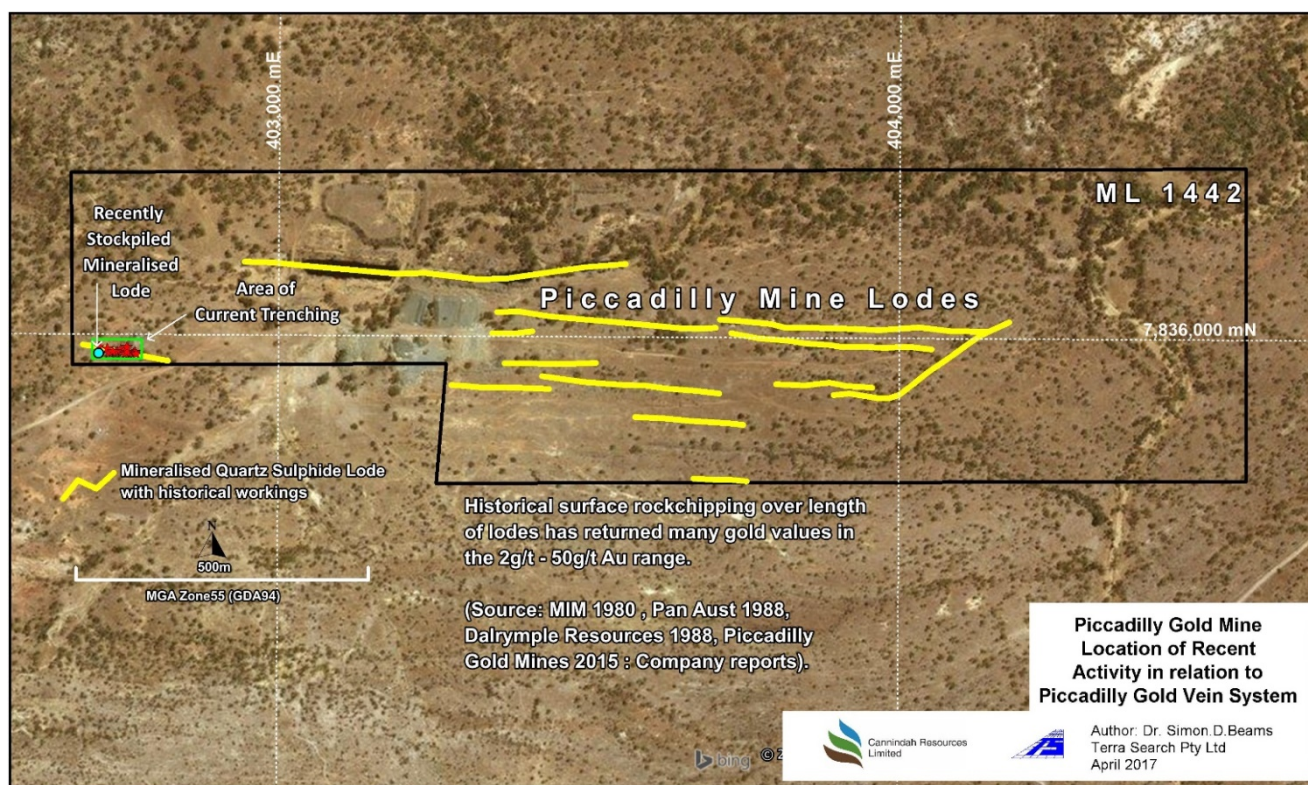
The company has had discussions with interested parties in relation to the sale of the potential ore produced from the site. The pricing and the methodology of such a deal is yet to be agreed and no agreement has been executed at this time. As soon as an agreement is in place the company will advise the market accordingly of the terms and identity of the purchaser.

**For further information, please contact:**

**Tom Pickett**  
**Executive Chairman**  
**Ph: 61 7 3357 3988**

Sample	Data_Type	Sample Rock Description	Au g/t
3019242	Single Grab - Stockpile sample	Altered sandstone with comb textured gossanous quartz vein quartz Vein, 50% sandstone	5.87
3019243	Single Grab - Stockpile sample	Altered sandstone with comb textured gossanous quartz vein. 40% quartz Vein, 60% sandstone	28.4
3019244	Single Grab - Stockpile sample	Altered sandstone with comb textured gossanous quartz vein. 30% quartz Vein, 70% sandstone	15.8
3019245	Single Grab - Stockpile sample	Altered sandstone with comb textured gossanous quartz vein. 40% quartz Vein, 60% sandstone	9.42
3019246	Single Grab - Stockpile sample	Altered sandstone with comb textured gossanous quartz vein. 50% quartz Vein, 50% sandstone	23.3
3019247	Single Grab - Stockpile sample	Altered sandstone with comb textured gossanous quartz vein. 50% quartz Vein, 50% sandstone	15.65
3019248	Single Grab - Stockpile sample	Altered sandstone with comb textured gossanous quartz vein. 50% quartz Vein, 50% sandstone	4.25
3019249	Single Grab - Stockpile sample	Altered sandstone with comb textured gossanous quartz vein. 75% quartz Vein, 25% sandstone	20.6
3019250	Single Grab - Stockpile sample	Altered sandstone with comb textured gossanous quartz vein.	26.1
3019251	Single Grab - Stockpile sample	Altered sandstone with comb textured gossanous quartz vein	11.5

**Table 1 Stockpile sampling, gossanous quartz vein and altered sandstone, excavated from trench at western end of Piccadilly Gold vein system, April, 2017. 3-4kg samples distributed throughout stockpiled lode material with general location of stockpile: MGA 402710 East, 7835950 North.**



**Figure 1: Location of Recent Trenching Activity**

## **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 the Piccadilly Mining Lease (ML2442) 80 km west of Townsville, 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.*

## APPENDIX 1 – JORC Code Table 1 Cannindah Resources Piccadilly Gold Mine announcement April 24, 2017.

### Section 1: Sampling Techniques and Data

Criteria	Explanation	Commentary
<b>Sampling techniques</b>	<p>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.</p> <p>Include reference to measures taken to ensure sampling representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>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.</p>	<p><b>Stockpile sampling:</b> sampling consisted of 3-4kg of mixed rock chip material taken from a stockpile of quartz vein/mineralised lode material stockpiled from recent trench excavation.</p> <p>Sample information was recorded in pre-numbered sample books with locations established with a Garmin 76 hand held GPS for the stockpile location and individual samples sites for the prospect scale sample</p> <p>A 3-4kg representative sample of all rock chips and weathered material was collected and placed in a calico bag. A representative of each sample was also retained in a plastic rock chip tray for future reference.</p> <p>-</p> <ul style="list-style-type: none"> <li>Samples were transported to ALS laboratories, Townsville for analysis. After crushing, pulverizing a sub-sample of each was assayed for gold using the 50g fire assay method (ALS code: Au-AA26)</li> </ul>
<b>Drilling techniques</b>	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.)	Drilling was not conducted.
<b>Drill sample recovery</b>	Method of recording and assessing core and chip sample recoveries and results assessed.	Drilling was not conducted
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Drilling was not conducted
	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.	Drilling was not conducted
<b>Logging</b>	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	Any observations on soil or rock type or comments on logistics were recorded in the sample book. The rock types were described in detail.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.	Descriptions are qualitative in nature, based on visual observations from experienced geologists..
	The total length and percentage of the relevant intersections logged.	All rock samples were described.
<b>Sub-sampling techniques and sample preparation</b>	If core, whether cut or sawn and whether quarter, half or all core taken.	Drilling was not conducted.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet	Drilling was not conducted.

Criteria	Explanation	Commentary
	or dry. <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 and the nugget nature of the gold in the area..
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</i>	Several samples were distributed over the stockpile
	<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 collection of multiple but separately located samples distributed across the stockpile. 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 is narrow quartz vein and country rock altered sandstone. In this context, close spaced sampling of 3kg to 4kg size were considered appropriate to determine gold grades for indicative exploration purposes . .
<b>Quality of assay data and laboratory tests</b>	<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 the total gold in the sample as per 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>	No geophysical tools, portable XRF were used
	<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>	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. Standards were checked and found to be within acceptable tolerances.
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	There has been no external check assaying undertaken on the rock chip 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 geologists and entered into sampling books which were then entered into spreadsheets. Location and analysis data are then collated into a single Excel spreadsheet.  Data is stored on servers in the Company's head office, 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.
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and</i>	Sample locations were established with a Garmin 76 hand held GPS. Location accuracy is in the order of 10m X-Y and



<b>Criteria</b>	<b>Explanation</b>	<b>Commentary</b>
	<i>other locations used in Mineral Resource estimation.</i>	15m in the Z direction.
	<i>Specification of the grid system used.</i>	Coordinate system is UTM Zone 55 (MGA) and datum is GDA94
<b>Data spacing and distribution</b>	<i>Quality and adequacy of topographic control.</i>	Pre-existing DTM is based on Shuttle Radar and adequate for exploration data
	<i>Data spacing for reporting of Exploration Results.</i>	Spot Trench samples reported here are a component of a program to collect samples at an approximate 5m spacing along the trench.
	<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 and distribution is deemed appropriate for indicative gold grades within mineralised vein and lode material and could be used to establish geological control. Close space drilling would be required to estimate a Mineral Resource or Ore Reserve..
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
<b>Orientation of data in relation to geological structure</b>	<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>	Spot grab samples are distributed over the ore stockpile. In situ sampling of vein outcrops was across the strike of the vein. 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.
<b>Sample security</b>	<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 Townsville
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been undertaken