CANNINDAH RESOURCES LIMITED

CANNINDAH RESOURCES RAISES $300,000 IN SHARE PLACEMENT AND INCREASES LOAN FACILITY LIMIT

Placement of 10 million shares at 3 cents per share

Cannindah Resources Limited (ASX: CAE) is pleased to announce that the Company has successfully raised $300,000 through the issue of 10 million fully paid ordinary shares at $0.03 per share to sophisticated and professional investors. The issue price represents a premium to the market price at the close of business on 28 June 2017 of 15.4% and to the 15 day VWAP of 29.2%.

The funds will be applied to the Company's project activities and to provide working capital.

Increase in loan facility limit

The Company is also pleased to announce that; as foreshadowed in the December 2016 Half Yearly Report, it has now reached agreement with its lender and major shareholder, Aquis Finance Pty Limited, to increase the limit of the existing loan facility in order to accommodate loan fees and interest payable until the end of the loan term in March 2018. Under the agreement which is subject to formal documentation, all other terms and conditions of the original loan facility are unchanged with fees and interest being capitalised to the end of the term.

Information required under ASX Listing Rule 3.10.5A

The Company advises that the 10 million shares were issued pursuant to Listing Rule 7.1A and makes the following disclosures required by Listing Rules 7.1A.4(b) and 3.10.5A.

(a)   The issue of the Placement Shares pursuant to Listing Rule 7.1A resulted in the dilution to the existing holders of 9.08% based on the expanded capital of the company (110,075,733 shares)

(b)   The issue of the Placement Shares was considered to be the most appropriate mechanism to raise a small amount of funds in a timely and cost effective manner and at a price per share that was in excess of the current market price.

(c)   The issue of the Placement Shares was not underwritten

(d)   No costs were incurred in connection with the issue of the Placement Shares.

A copy of the Appendix 3B New Issue Announcement is attached.

For further information, please contact:

Tom Pickett
Executive Chairman
Ph: 61 7 3357 3988

Appendix 3B

New issue announcement,
application for quotation of additional securities
and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

CANNINDAH RESOURCES LIMITED

ABN

35 108 146 694

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Fully paid ordinary shares

2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	10 million

3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares

+ See chapter 19 for defined terms.

4	Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities? If the additional ⁺securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes .
5	Issue price or consideration	$0.03 each ($300,000)
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Working capital and project expenditure
6a	Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the ⁺securities the subject of this Appendix 3B*, and comply with section 6i	yes .
6b	The date the security holder resolution under rule 7.1A was passed	24 November 2016
6c	Number of ⁺securities issued without security holder approval under rule 7.1	15,000,000 (convertible notes)
6d	Number of ⁺securities issued with security holder approval under rule 7.1A	10,000,000 fully paid ordinary shares

6e	Number of ⁺securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	nil

6f	Number of ⁺securities issued under an exception in rule 7.2	nil

6g	If ⁺securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺issue date and both values. Include the source of the VWAP calculation.	Yes Issue date: 29 June 2017 15 Day VWAP:2.32 cents Source of VWAP calculations: IRESS

6h	If ⁺securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	n/a

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Listing Rule 7.1 11,359 shares Listing Rule 7.1A 7,573 shares

7	⁺Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	29 June 2017

		Number	⁺Class
8	Number and ⁺class of all ⁺securities quoted on ASX (*including* the ⁺securities in section 2 if applicable)	110,075,733	Fully paid ordinary shares

		Number	⁺Class
9	Number and ⁺class of all ⁺securities not quoted on ASX (*including* the ⁺securities in section 2 if applicable)	15,000,000	Convertible notes

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	n/a

Part 2 - Pro rata issue   N/A Deleted

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34   Type of +securities
(*tick one*)
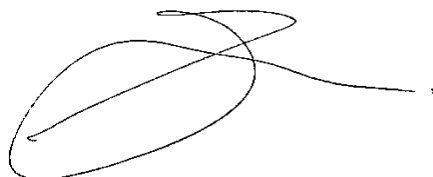
(a)   [X]   +Securities described in Part 1

(b)   [ ]   All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities
N/A Deleted

Sign here: Date: 29 June 2017

    Garry Gill
    Company Secretary

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid ⁺ordinary securities on issue 12 months before the ⁺issue date or date of agreement to issue	100,075,733
Add the following: • Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2	Nil
• Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval	nil
• Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period	nil
Note: • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	
Subtract the number of fully paid ⁺ordinary securities cancelled during that 12 month period	nil
"A"	100,075,733

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	15,011,359

Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	15,000,000
"C"	15,000,000

Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	15,011,359
Subtract "C" *Note: number must be same as shown in Step 3*	15,000,000
Total ["A" x 0.15] – "C"	11,359 *[Note: this is the remaining placement capacity under rule 7.1]*

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	100,075,733
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	10,007,573
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	10,000,000
"E"	10,000,000

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	10,007,573
Subtract "E" *Note: number must be same as shown in Step 3*	10,000,000
Total ["A" x 0.10] – "E"	7,573 *Note: this is the remaining placement capacity under rule 7.1A*