Cannindah Resources Limited

ASX RELEASE

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CANNINDAH RESOURCES INTERSECTS GOLD IN DRILLING AT PICCADILLY AND COMPANY IS NOW FOCUSSED ON LARGER TARGET

- **Larger potential for the Piccadilly project identified.**
- **Drilling confirms continuity of gold mineralisation from surface and open at depth and along strike.**
- **High gold grades up to 1m @ 9 g/t Au intersected.**
- **Previously identified significant IP target focus of further drilling, with gold now confirmed in sulphide material.**
- **Significant gold associated with new identified areas other than high grade quartz veins.**

Cannindah Resources Limited's 450m initial drill program at the Piccadilly project has shown continuity of gold grades down dip of near surface trench sampling (see Table 1). Table 2 shows that gold was intersected in all holes with PRC005 intersecting 9g/t Au over a metre at a shallow depth of 30-31m. Gold zones are open to the east and west and at depth.

There is a clear association of gold with sulphide zones, supporting the proposition that electrical geophysics (particularly IP) can be an important aid to discovery at the Piccadilly project. In this regard, the previously identified IP chargeability anomalies, which occur several hundred metres south of the current drill and trench testing, have great potential as the anomalies represent significant targets across several hundred metres. The IP anomalies which have been identified as the next target area for the company are coincident with another dipping set of gold bearing sulphide lodes and multi-element zoning present in surface geochemistry. The latest results lend support to the interpretation that the mineralising driver for the whole Piccadilly Goldfield is an intrusive body with magnetic expression occurring 1km or so further south of the current trenching and drilling location.

Fig 1 shows the IP anomaly referred to above which will be the focus for future drilling. Fig 2 is an interpreted cross sectional model of this area to the south showing the significant scale of the untested IP targets. This bears similarity with large scale (multi-million gold ounce) intrusive related gold systems which occur within the region, such as Mt Leyshon, Kidston and Mt Wright.

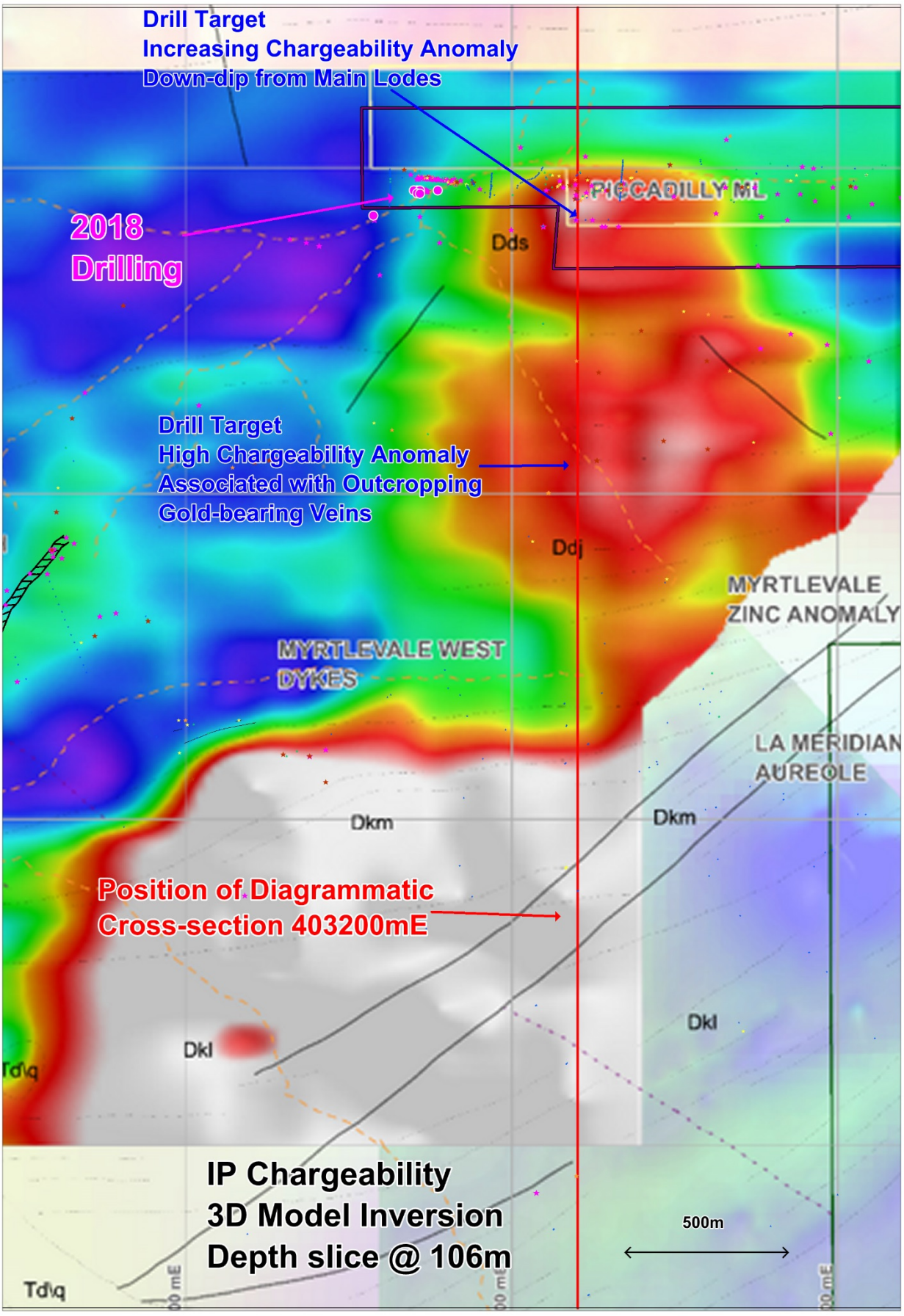

Fig 1 Piccadilly Project showing location of 2018 drilling in relation to IP Chargeability targets which are the next focus of the company.

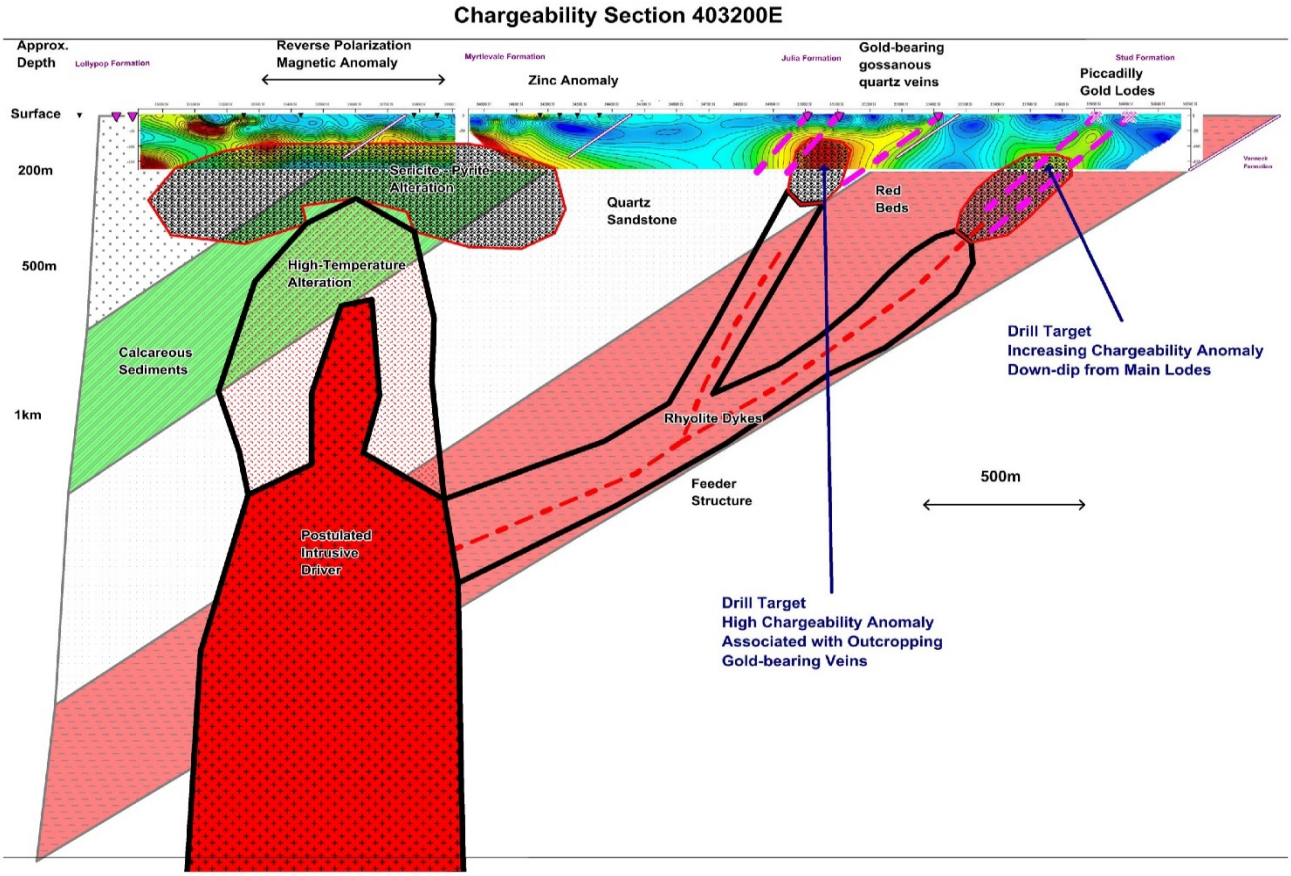

Fig 2 Piccadilly Project showing location of 2018 drilling in relation to IP Chargeability targets which are the next focus of the company.

Figure 3 shows the plan view of the drill holes. Also below is Figure 4 a geological cross section of drill holes 3 and 5 gold values further to the south and at depth which are still to be explored with further drilling. The method of exploration to date has been to trench to confirm gold values near the surface and then commence a short drilling program in the mining lease area. Recent drilling encountered relatively shallow gold mineralisation down dip in the general direction toward the interpreted intrusive source. Perhaps even more significantly was the discovery of previously unrecognised gold bearing lodes within the mining lease area that will be fully evaluated by a future drilling program.

Interpretation of drill results shows that the gold zones form a series of sub-parallel, dipping lodes, comprised of narrow sulphide and quartz sulphide veins of varying width associated with 1-2m wide zones of green altered host rocks – see Fig 5- a long section at right angle to the Fig 4 cross section.

The lodes are sub-parallel to an east west striking sequence of interbedded sandstone, arkose and red bed siltstone. The overall sheet dip of the sequence is 35-40^{o} to the south. Recent petrological work has identified thin tuffaceous siltstone interbeds in the sequence. Sandstone and arkose are the favoured host rocks for gold lode development, whereas the red-bed siltstone interbeds are only mineralised at the margins.

The focus of the company is to investigate the possibility of a much larger intrusive related gold target located further to the south as suggested by recent drilling results, coincident IP, large scale multi-element geochemical patterns, a reverse magnetised feature and outcropping gold mineralised veins. Many of the latter have returned gold values in the 20g/t to 70 g/t Au range from rock chip sampling. We are currently in the process of planning the next stages of drilling to progress this project area.

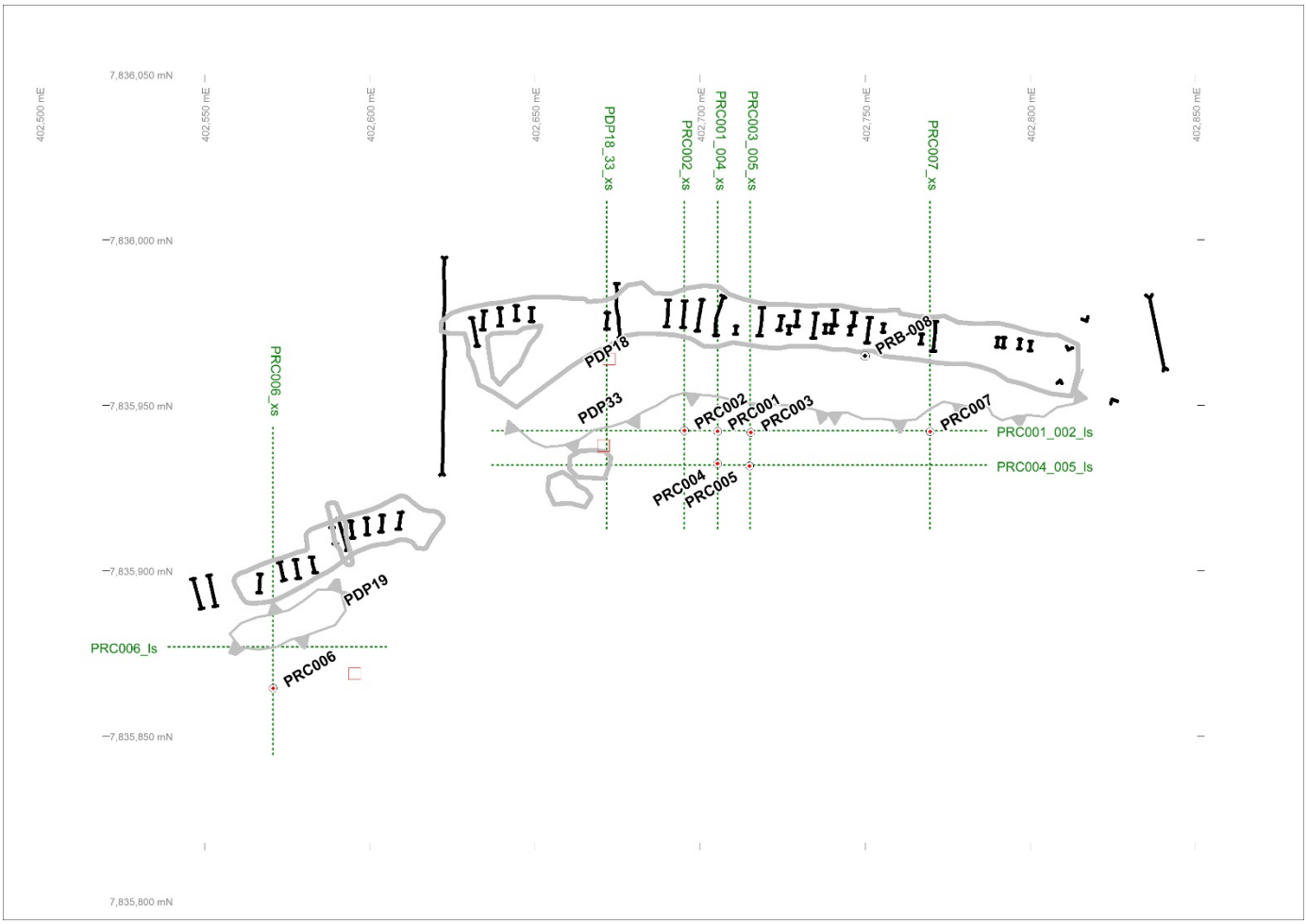

Figure 3 Plan view of Slot and location of 2018 drilling. Note 2018 holes prefixed PRC; 1988 historic drilling prefixed PDP.

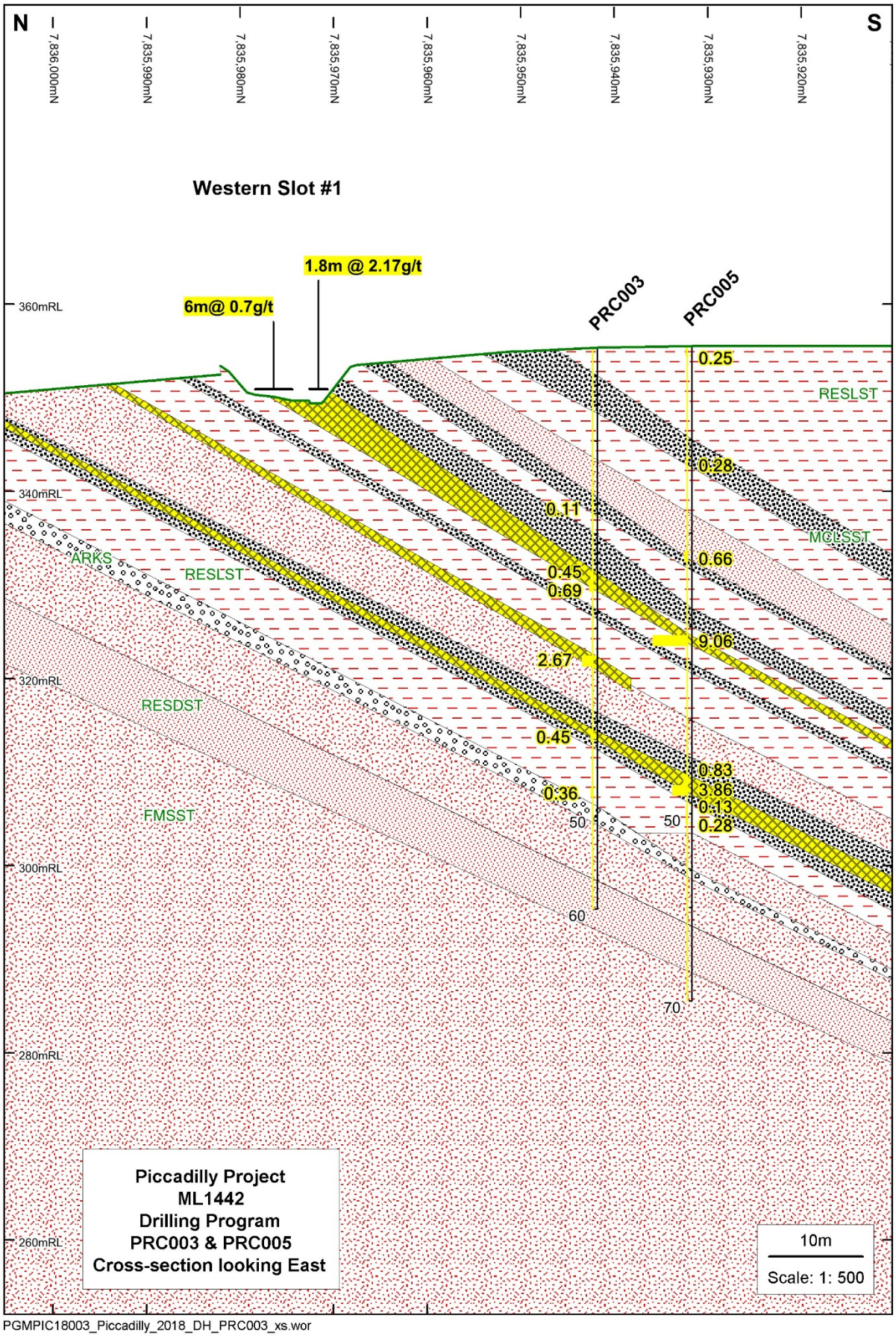

Figure 4 Geological Cross section of holes PRC003 & 5.

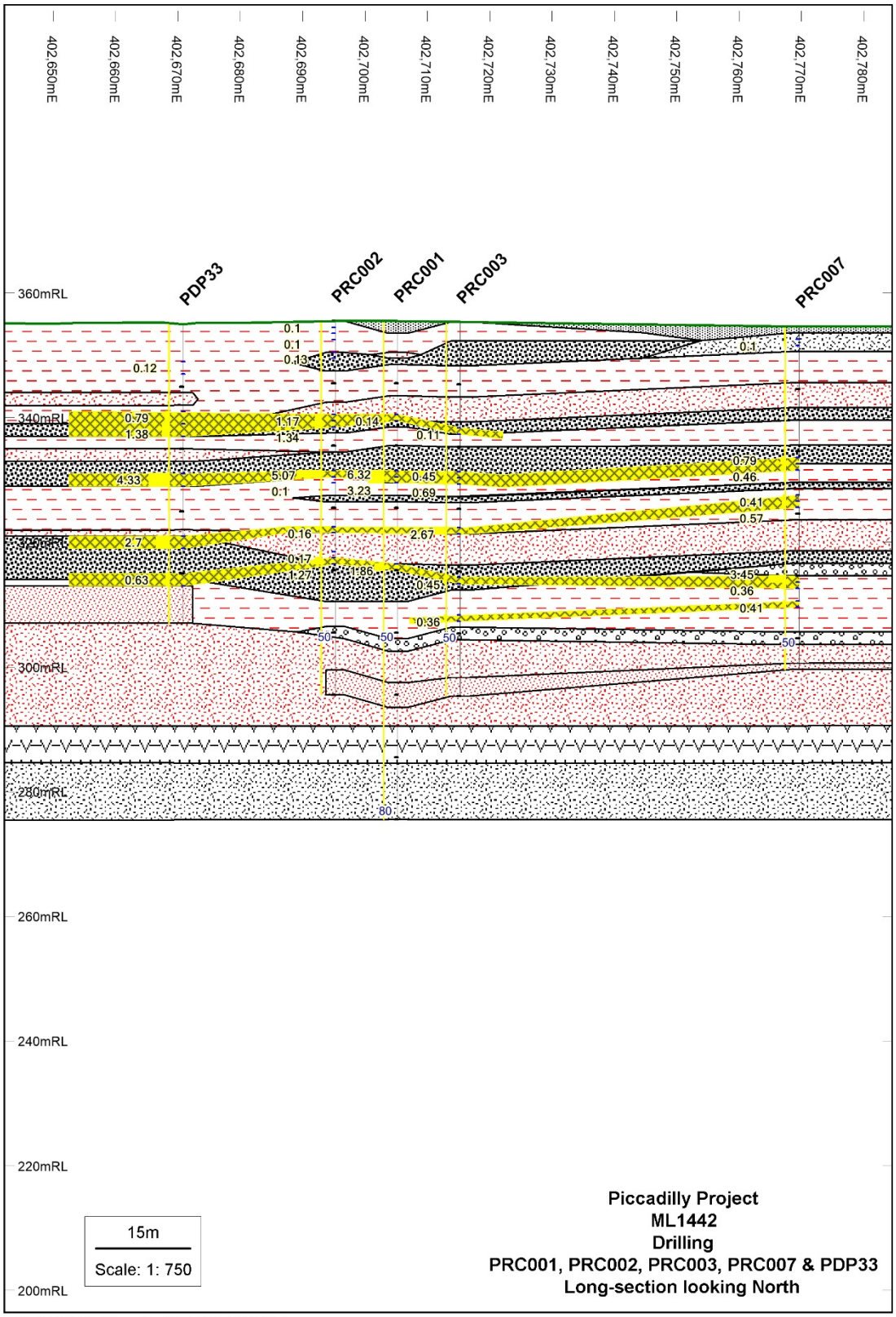

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Figure 5 Geological Long section (right angles to Figure 4 – see location plan Figure 3)

Table 1 February 2018 Reverse Circulation Percussion drilling, Piccadilly Prospect

Prospect	Hole_ID	MGA	MGA	Drilling	Depth	Dip	Azimuth
		East	North	Type	m		Mag
Piccadilly	PRC001	402705	7835942	356	80	-90	NA
Piccadilly	PRC002	402695	7835942	356	60	-90	NA
Piccadilly	PRC003	402715	7835942	355	60	-90	NA
Piccadilly	PRC004	402705	7835932	356	70	-90	NA
Piccadilly	PRC005	402715	7835932	356	70	-90	NA
Piccadilly	PRC006	402571	7835864	355	55	-90	NA
Piccadilly	PRC007	402770	7835942	355	55	-90	NA

Table 2. February,2018 Significant drill intercepts Reverse Circulation Percussion drilling, Piccadilly Prospect

Hole_ID	Sample	From Depth	To_Depth	Au
				g/t
PRC001	6936108	24	25	6.32
PRC001	6936109	25	26	3.23
PRC001	6936123	39	40	1.86
PRC002	6936187	15	16	1.17
PRC002	6936188	16	17	1.34
PRC002	6936196	24	25	5.07
PRC002	6936211	38	39	1.27
PRC003	6936263	24	25	0.45
PRC003	6936264	25	26	0.69
PRC003	6936272	33	34	2.67
PRC003	6936281	41	42	0.45
PRC004	6936335	30	31	2.84
PRC004	6936352	47	48	0.63
PRC005	6936412	31	32	9.06
PRC005	6936427	46	47	0.83
PRC005	6936428	47	48	3.86
PRC006	6936474	18	19	1.28
PRC006	6936475	19	20	3.44
PRC007	6936538	21	22	0.79
PRC007	6936539	22	23	0.46
PRC007	6936545	27	28	0.41
PRC007	6936546	28	29	0.57
PRC007	6936558	40	41	3.45
PRC007	6936559	41	42	0.36
PRC007	6936562	44	45	0.41

COMPETENT PERSON STATEMENT

ASX Announcement 11/4/2018; Cannindah Resources Limited
"Cannindah Resources intersects gold in drilling program at Piccadilly, now focussed on larger target"

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 (ML1442) 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.

For further information, please contact:

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Executive Chairman
Ph: 61 7 3357 398

APPENDIX 1 – JORC Code Table 1 Cannindah Resources Piccadilly Gold Mine announcement 11th April, 2018.

JORC Code Table 1

Sampling techniques	***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.***	**Sampling results are from reverse circulation drilling.**
	Include reference to measures taken to ensure sampling representivity and the appropriate calibration of any measurement tools or systems used.	Detailed geological logging of chips to ensure sample representivity.
	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.	All RC sample were passed through a cyclone and then through a 7/8th to 1/8th splitter. Bulk 1m sample was collected as the 7/8th split, whereas the 1/8th split was collected as an analytical sample over 1m. Analytical sample size was in the order of 2.5kg to 3kg.
Drilling techniques	*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.)*	All RC holes were drilled using a standard face sampling hammer with bit size of 114mm (Four & half inch).
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	RC recovery as well as degree of cross-sample contamination were logged on a metre basis. Overall recoveries were excellent. RC samples were all dry.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	All sample obtained by the face-sampling drilling was collected via a cyclone attached to the drill rig with the analytical assay sample being collected directly beneath the cyclone using a riffle splitter.
	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.	Sampling bias is not apparent. Overall recoveries were excellent.
Logging	*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*	Geological logging was carried out by well-trained/experienced geologist and data entered via a well-developed logging system designed to capture descriptive geology, coded geology and quantifiable geology. All logs were checked for consistency by the Principal Geologist. Data captured through Excel spread sheets and Explorer 3 Relational Data Base Management System.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.	The logging of RC chips is both qualitative and quantitative. Alteration, weathering and mineralisation data contain both qualitative and quantitative fields.
	The total length and percentage of the relevant intersections logged.	The entire length of all drill holes has been geologically logged.
Sub-sampling	*If core, whether cut or sawn and whether*	Only reverse circulation holes drilled.

techniques and sample preparation	*quarter, half or all core taken.*	
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Samples were riffle split to obtain weights suitable for analysis .RC samples were all dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation was conducted according to industry best practice.
	Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.	QA/QC protocols were instigated such that they conform to mineral industry standards and are compliant with the JORC code. Terra Search's input into the Quality Assurance (QA) process with respect to chemical analysis of mineral exploration samples includes the addition of blanks, standards and duplicates to each batch so that checks can be done after they are analysed. As part of the Quality Control (QC) process, Terra Search checks the resultant assay data against known or previously determined assays to determine the quality of the analysed batch of samples. An assessment is made on the data and a report on the quality of the data is compiled.
	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.	Terra Search quality control included determinations of duplicate samples every 25 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. Comparison of assays of duplicates shows good reproducibility of results,
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The above techniques are considered to be of a high quality, and appropriate for the nature of mineralisation anticipated. The 2-3kg sample size is appropriate for the rock being sampled.The sample sizes are considered to be appropriate to represent the style of the mineralisation, the thickness and consistency of the intersections.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• After crushing splitting and grinding at ALS laboratoriesTownsville for further analysis. A sub-sample of each was assayed for gold using the 50g fire assay method (ALS code: Au-AA26) The primary assay method used is designed to measure both the total gold in the sample as per classic fire assay.
	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.	Magnetic susceptibility measurements utilizing Exploranium KT10 instrument, zeroed between each measurement.
	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.	Certified geochemical standards and blank samples were inserted into the assay sample sequence. Laboratory assay results for these quality control samples are within 5% of accepted values.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant intersections were verified by Terra Search Pty Ltd, the independent contractors who conducted drilling. Validation is checked by comparing assay results with logged mineralogy eg percent of metallic sulphides minerals in

		comparison to metal assays.
	The use of twinned holes.	None.
	Documentation of primary data, data entry procedures, data verifications, data storage (physical and electronic) protocols.	Data is collected by qualified geologists and experienced field assistants and entered into excel spreadsheets. Data is imported into database tables from the Excel spreadsheets with validation checks set on different fields. Data is then checked thoroughly by the Operations Geologist for errors. Accuracy of drilling data is then validated when imported into MapInfo. Data is stored on a server in the Company's head office, with regular backups and archival copies of the database made.
	Discuss any adjustment to assay data.	No adjustments are made to the data. Data is imported into the database in its original raw format.
Location of data points	*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.*	Collar location information was originally collected with a Garmin 76 hand held GPS. More accurate follow up locations were obtained using a Trimble Differential GPS (DGPS). Location accuracy is in the order of 0.15m X-Y and 0.3m in the Z direction. Down hole surveys were conducted on all holes using a downhole camera with surveys taken inside the RC rods
	Specification of the grid system used.	Coordinate system is UTM Zone 55 and datum is GDA94
	Quality and adequacy of topographic control.	No Digital Terrain Model available.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	7 holes were drilled, 5 of these are on sections 10m apart. The other holes are respectively 70m and 130m to the east and west of these lines, drilling specific vein targets.
	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.	Further drilling is necessary to establish a Mineral Resource.
	Whether sample compositing has been applied.	Samples were collected at 1m. Intervals with no compositing.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Holes have been designed to drill vertically on mineralised structures dipping at 35 to 40 degrees. Holes were drilled into east west mineralised lodes. Unbiased sampling is indicated by the drilling orientation into these mineralised structures.
	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.	No orientation based sampling bias has been identified in the data at this point.
Sample security	*The measures taken to endure sample security.*	Chain of custody was managed by Terra Search Pty Ltd. Samples were transferred by them to ALS.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	To date there has not been an audit of sampling techniques and data.

Further work	*The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large-scale step-out drilling).*	Lateral extension of the Piccadilly vein structure will be tested with more trenching,
	Diagrams clearly highlighting the areas of possible extensions, including the main	Not yet determined, further work is being conducted.

	geological interpretations and future drilling areas, provided this information is not commercially sensitive.	

APPENDIX 1 – JORC Code Table 1, Section 2

Section 2: Reporting of Exploration Results

Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national and environmental settings.*	Exploration conducted on ML1442 owned by Piccadilly Gold Mine Holdings Pty Ltd. This information has been provided by Piccadilly Gold Mines Pty Ltd and Cannndah Resources Limited. An access agreement with the current landholders in in place.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	No impediments to operate are known.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	Previous exploration has been conducted by multiple companies. MIM (1970) and Pan Australian Mining (1987). Geological mapping, rock chip sampling has been undertaken and assessed by Piccadilly Gold Mines Holdings.. Current exploration program conducted by consultant geologists Terra Search Pty Ltd, Townsville QLD.
Geology	*Deposit type, geological setting and style of mineralisation.*	Narrow gold bearing quartz sulphide veins hosted in tilted siliclastic sediments
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	See Table 1 in Current announcement See Fig 3 location plan
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No cut-offs have been applied in reporting of the rock chip sampling exploration results.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations be shown in detail	All gold intercepts quoted in Table 2 in this report are sampled over 1m and not aggregated.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents have been used in reporting.
Relationship between mineralisation widths	*The relationships are particularly important in the reporting of Exploration*	Downhole intercepts reported here are from vertical holes drilling into

and intercept lengths	*Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known).*	mineralised lodes and interbedded host sediments which are dipping approximately 35 to 40 degrees to the south. With this geometry , the down hole widths are greater than the true thickness of the mineralized lodes. The exact geometric relations are still to be established and require more drilling, including diamond core and structural measurements.
Diagrams	*Appropriate maps and sections (with scale) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Drill coordinates are tabulated along with significant gold intercepts. These intercepts are displayed in Cross and long section with interpreted geology.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.*	All significant gold intercepts over 0.25 g/t Au are tabulated. All holes were sampled over their entire length, all other 1m samples are <0.25 g/t Au. .
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	The results reported here are preliminary in nature and indicative of the expected gold grades along the Piccadilly structure. More sampling is required to integrate results with previous regional scale exploration data sets.