Cannindah Resources Limited

ASX RELEASE

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MINING LEASE UPSIDE BUT CANNINDAH IS FOCUSSED ON LARGER EXPLORATION TARGET

Cannindah Resources Limited (Cannindah) recently presented some further information about the Piccadilly project to Minjar Gold Pty Ltd (Minjar). Minjar's interest in the project was purely related to rapidly accessible third-party ore sources to feed the Pajingo Mill. As such their initial review of our presentation was restricted to the potential of the narrow vein gold mineralisation historically and currently being developed within the Mining Lease, ML 1442. This mining lease area is quite small relative to the whole Piccadilly project being approximately 64 hectares compared to the more than 200 sq/km of exploration ground which makes up the project area surrounding it.

As part of their review Minjar prepared a crude 3D vein model which was developed using Leapfrog® software in an effort to quantify the potential of the known mineralisation within the Mining Lease. No mineral resource estimates for the mining lease at Piccadilly deposit have been previously published. Therefore, the work completed by Minjar should be viewed as a target estimate of the mining lease only and does not in any way take into consideration of what may have been mined historically or the larger potential exploration target to the south within the exploration ground which surrounds it. Cannindah requested geological consultants Terra Search to review the Minjar findings and they concur with the methodology used in coming to the conclusions in the table below.

Table: Global Pre-Mining Resource Estimate

Cut Off Grade	Tonnes	Au (ppm)	Ounces
3.0g/t Au	132,714	4.31	18,458
2.0g/t Au	291,990	3.28	30,926
1.0g/t Au	804,461	2.06	53,440

Note: The Exploration Target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Very little drilling, or grass roots exploration, has been completed within the mining lease. A vast amount of drilling would be required to bring any resource up to JORC compliant standard.

Figure 1: Plan View Mining Lease Area with Historic Open pits, rock chips and Vein Modelling
(Source unpublished report to Cannindah by Minjar)

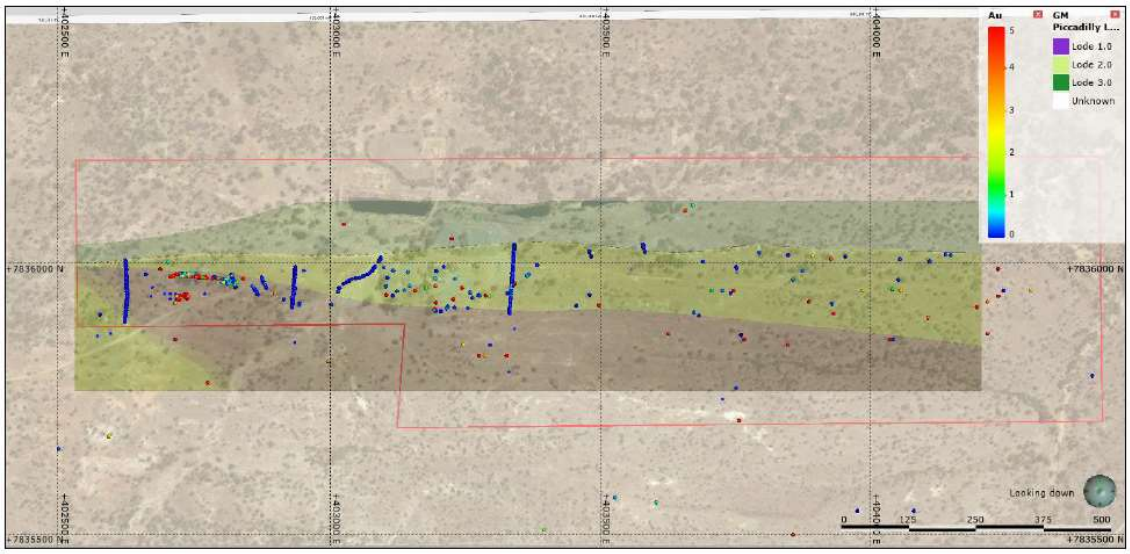

Figure 6 Plan View Mining Lease area with historic open pits, rock chips and Vein Modelling

Whilst handpicked surface rock chips display very high grades, the thin nature of the veining results in a 1m drill assay to be significantly diluted. Based on known vein thickness and current mining methods at Pajingo, dilution of between 100% and 200% would be expected so a targeted mining method would need to be adopted to reduce waste rock being processed.

The results of the very cursory resource assessment by Minjar as per the above table suggest that at a 1g/t cut off (1g/tAu grade or above is considered by many current gold producers as being economic depending on their production capabilities) the pre-mining, global, undiluted target within the 3 main known lodes inside the Mining Lease and down to a depth of 100m is ~53,440 Oz. Cannindah Resources Limited has held the theory that these veins emanate from an intrusive source to the south where a large IP geophysical anomaly, interpreted to be located within the Company's two exploration tenements, has been identified and is yet to be drill tested.

Figure 2: Cross Section, Looking West, of Drilling and Vein Modelling
(Source unpublished report to Cannindah by Minjar)

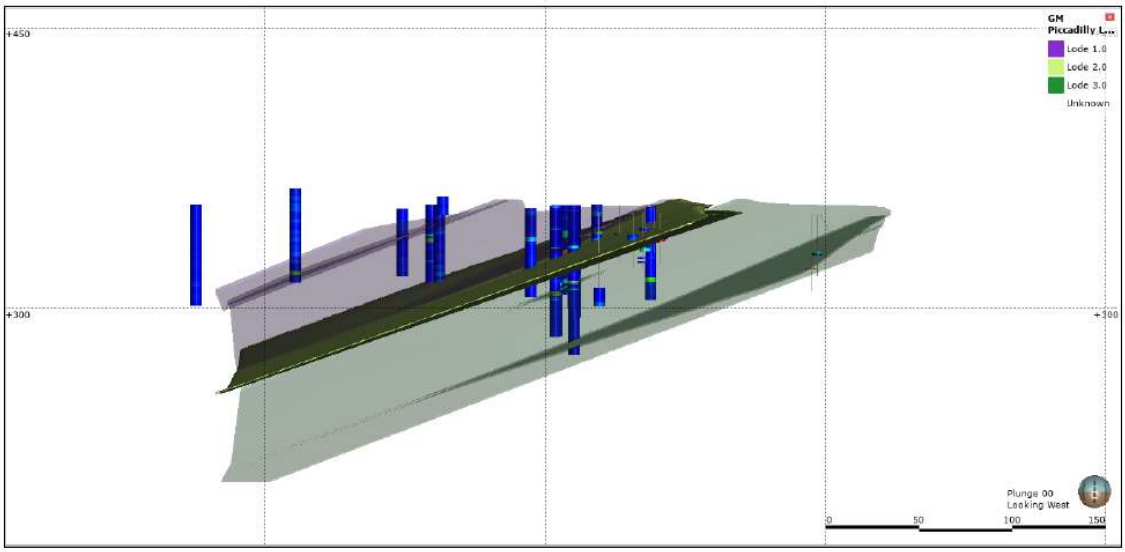

Figure 7 Cross Section, Looking West, of drilling and vein modelling

The Piccadilly project hosts multiple styles of mineralisation including Pb-Zn skarns (La Meridian South & Myrtlevale West), possible Cu-Au porphyry mineralisation (La Meridian Magnetic anomaly) and narrow vein Au mineralisation (Piccadilly & Piccadilly South).

Figure 3: Examples of Piccadilly Auriferous Rock
(Source unpublished report to Cannindah by Minjar)

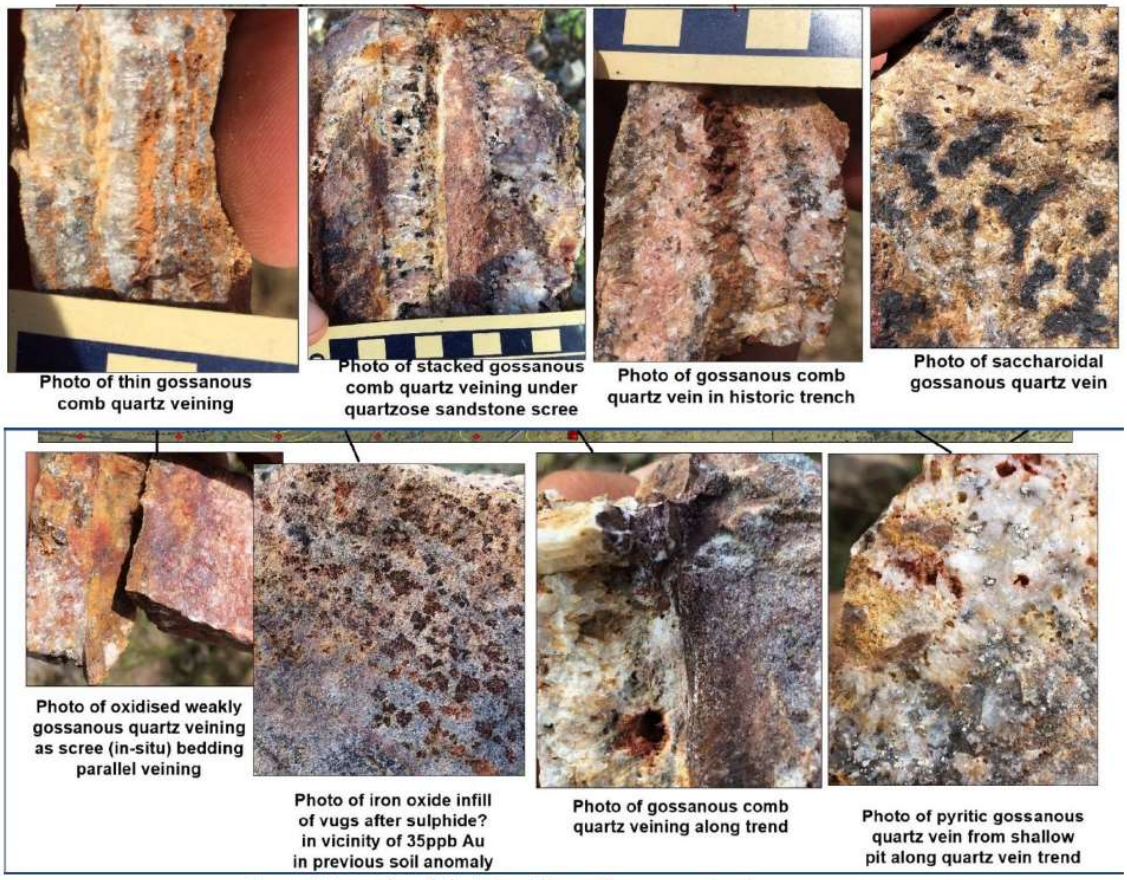

Figure 4 Examples of the Piccadilly auriferous quartz veins

Minjar outlined to Cannindah in their review that the project has significant exploration potential with the La Meridian Cu-Au porphyry target remaining untested by drilling, the historically identified Myrtlevale skarn mineralisation remaining poorly tested and numerous IP anomalies that require further exploration work. Cannindah Resources Limited intends to focus its current exploration effort on the large IP anomaly to the south of the mining lease area. The area within the defence ground which is yet to be adequately tested by ground-based exploration methods will also be further explored with a view to increasing the potential size of the exploration target. The company continues to discuss the potential to bring in a joint venture partner as the project exploration develops, along with concurrent diversification opportunities.

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 (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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APPENDIX 1 – JORC Code Table 1 Cannindah Resources Piccadilly Gold Mine announcement 10th October, 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 was utilized from both surface and drilling **Surface channel sampling** was undertaken in (1) trenches dug by an excavator 2) channels dug by excavator in the floor of excavated slot, after it had been scaped clean of loose rock. Samples were collected along the length of the sample interval which generally were of standard 1m or 2m lengths measured with a cm graduated measuring tape. In some instances, sub 1m samples were taken across the targeted vein zone. Sample size was generally 2-3kg of representative mixed rock chip material, randomly taken along the length of sample interval. The 2m intervals required larger samples in the order of 3-5kg.to ensure representivity Sample information was recorded in pre-numbered sample books with locations originally collected with a Garmin 76 hand held GPS. More accurate follow up locations were obtained using a Garmin Differential GPS (DGPS). **Drill 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.	For Drill samples: Detailed geological logging of chips to ensure sample representivity. For surface sampling: A 1kg-5 kg 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.

	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. Surface rock & trench 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)
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*	**Drill samples**: 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. **Surface Sampling**: 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.	The logging of RC chips is both qualitative and quantitative. Alteration, weathering and

		mineralisation data contain both qualitative and quantitative fields Surface sample descriptions are qualitative in nature, based on visual observations from experienced geologists. .
	The total length and percentage of the relevant intersections logged.	The entire length of all drill holes has been geologically logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Only reverse circulation holes drilled.
	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. The techniques used for surface sampling are considered to be of a high quality, and appropriate for the nature of mineralisation anticipated. The 1-5kg sample size is appropriate for the rock being sampled.
	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, For surface samples, Terra Search quality control included collection of close spaced channel, separate

		character sampling of vein material and repeat sampling of channels across vein zones to determine distribution of gold. There was a conscious effort on behalf of the samplers to ensure consistent weights for each comparative sample interval.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	For drill sampling: 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. For surface samples: Material is narrow quartz vein and country rock altered sandstone. Gold is coarse grained in places, with some instances of visible gold. In this context, close spaced sampling of 1kg to 5kg size were considered appropriate to determine gold grades for indicative exploration purposes and surface evaluations. . .
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 laboratories Townsville 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. No PXRF results are reported here.
	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.	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. 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 For surface samples , 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 0.1m X-Y and 0.3m in the Z
	Specification of the grid system used.	Coordinate system is UTM Zone 55 and datum is GDA94
	Quality and adequacy of topographic control.	Pre-existing DTM is based on Shuttle Radar and adequate for exploration

		data No Digital Terrain Model available.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	**For 2018 drilling** : 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. **For Surface sampling** :An approximately 10m wide slot has been excavated parallel to the main lode for at least 120m of strike, .at the western end of the Piccadilly mine area.. Trenches and channels have been dug oriented right angles to the lode. Channels are spaced in the order of 5m intervals along the vein. Sampling along individual channels is generally over intervals of 1m to 2m. Check samples between the 5m spaced trenches have been taken as 1m or less ,continuous channels of vein material or single grab character, samples of vein and altered material. The mineralisation orientation is general subparallel to moderately dipping sedimentary package. The 1m sampling intervals are not indicative of true thickness because of the oblique angle between the horizontal sampling channel and the moderately dipping mineralisation.
	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.	**With drill program**: Samples were collected at 1m. Intervals with no compositing. **Surface sampling**: No sample compositing has been applied
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.*	**Drill holes:** 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. **Surface Sampling** In situ sampling of lode, and vein outcrops was across the strike of the vein. Unbiased sampling is achieved for this structure.
	If the relationship between drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this	No orientation based sampling bias has been identified in the data at this point.

	should be assessed and reported if material.	
Sample security	*The measures taken to endure sample security.*	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
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.

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 Cannindah 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*	See Table 1 in March 2018, ASX announcement

	report, the Competent Person should clearly explain why this is the case.	
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 drill gold intercepts are sampled over 1m and not aggregated. Trench intercepts were aggregated over trench intervals where all gold grades exceeded 0.5 g/t Au, allowing for 2m of internal waste where gold grades were generally 0.15g/t Au to 0.5 g/t Au. A grade was determining for each individual sample in the interval, taking into account the length of interval. A weighted average gold grade is reported for the intercept.
	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 and intercept lengths	*The relationships are particularly important in the reporting of Exploration 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).*	Downhole intercepts are from vertical holes drilling into 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. Rock chip samples are tabulated. With MGA coordinates of
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 in 2017 and 2018 ASX reports. All drill 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.

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 and drilling,
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Not yet determined, further work is being conducted.