

**Extension of lodgement of Unreviewed Financial Accounts**

Cannindah Resources Limited (Cannindah) advises that the that the Company will rely on ASIC's guidance published on 25 November 2020 (Instrument 2020/451 as amended by ASIC-CI 2020/451 ASIC Corporations (Amendment) Instrument 2020/1080) to extend the lodgement date for its reviewed financial accounts for the half year ended 31 December 2020 to a date prior to the 16 April 2021.

Given the restrictions due to COVID-19, the Company has taken extra time to arrange audit review and other work arrangements.

The Company's preliminary unreviewed accounts for the six months ended 31 December 2020 are attached with this announcement.

The Company will immediately announce to the market if it becomes aware that there is a material difference between its unreviewed accounts and reviewed accounts

**For further information, please contact:**

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



**CANNINDAH RESOURCES LIMITED**

ABN 35 108 146 694

**PRELIMINARY UNREVIEWED FINANCIAL STATEMENTS**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

# CANNINDAH RESOURCES LIMITED

## DIRECTORS' REPORT

Your Directors submit their report for the half year ended 31 December 2020.

### Directors

The names of the Company's Directors in office during the half year and until the date of this report are set out below. All Directors held office for the whole of the period unless otherwise stated.

Thomas J Pickett – Executive Chairman  
Geoff Missen – Non- executive Director  
Simon Beams – Non- executive Director

### Review of Operations

The loss for the consolidated entity for the half year ended 31 December 2020 was \$435,310 (2019: \$807,322). While cash on hand at the end of the period was \$86,482 (30 June 2020: \$39,227), the Company has raised a further \$1,125,280 through share issues to sophisticated and professional investors.

### Operating Activities

Key operating activities conducted during the period included:

#### *Piccadilly*

- The renewal process for the Piccadilly exploration tenements 18322 and 16198 was completed after the preparation and provision of a significant amount of data to DNRME in support of the on-going exploration potential of the project area. A new 5-year term was granted for each tenement.
- As part of the process and following the acquisition of the Piccadilly Gold Mines Holdings Limited, the Company gained access to previously unreleased 1988 report to the Department of Natural Resources and Mines which included drilling assay results which confirmed the existence of high-grade gold within the Piccadilly project.
- Application for new exploration ground attached to the Piccadilly project area was completed during the quarter and later lodged with the DNRME. The new ground was applied for after a review of the data for the area which showed significant gold grade in some drill intercepts which included one hole showing very high grade **2m @ 85g/t Au** which included **1m @ 250g/t Au**. Also of interest is the elevated copper in the 500ppm to 2350ppm range. Cannindah Resources intends to complete more exploration work once receiving the granted EPM as there are several intrusive related gold targets within the EPMA area. (see ASX release dated 19 January 2021)

#### *Mt Cannindah*

- The board also discussed the broader Mt Cannindah copper/gold project during the period deciding that due to the significant size of the Porphyry copper/gold system at Mt Cannindah, and the appreciating copper price that the shareholders would be best served by the company retaining the project and assessing exploration that can be completed to increase the current JORC resource and outline a new gold target area.

### Corporate and Financial Activities

- On 1 September 2020, the Company announced that it had acquired 100% of the shares in its former earn-in partner, Piccadilly Gold Mine Holdings Limited (PGMH). The acquisition was also supported by the Company's Lender, Aquis Finance, which agreed to increase the current loan to the company on the finalisation of the acquisition Consideration transferred. The Company issued 48,318,170 ordinary shares in CAE to the various

Piccadilly Gold Mine Holdings Limited shareholders to acquire 100% of the company and its project. The fair value of the ordinary shares issued of \$ 966,363 was based on the listed share price of the Company at 31 August 2020 of \$0.02 per share. The Company did not incur any direct costs as part of the acquisition.

- Following the acquisition, the Directors commenced a corporate restructure of PGMH to repay secured and other substantial debts. This process was conducted by agreeing with PGMH's lenders to issue 21,245,000 Shares on 23 December 2020 at \$0.02 per share (\$424,900) in full and final satisfaction of loans totalling \$2,124,437.
- On 17 December 2020, the Company announced that it had agreed with Aquis to issue 190,000,000 fully paid CAE shares in full and final satisfaction of the loan provided by Aquis ("Proposed Transaction"). The Proposed Transaction is subject to shareholder approval which if received will see the Aquis debt extinguished and the Group debt free.
- The Company issued 25,604,000 shares to sophisticated and professional investors to raise \$1,125,280 between January and March 2021 which will be used to fund exploration work including trenching at Piccadilly in preparation for the anticipated drilling program and for working capital.
- The short-term loan of \$57,500 from a professional and sophisticated investor was repaid in March 2021.
- At the date of this report the Company has \$877,000 in cash reserves.
- The Board is currently working through the usual commercial discussions that occur when certain commercial transactions are contemplated both in terms of capital raising and future commercial opportunities. The company will update shareholders on discussions regarding any such developments as they occur.

### **Strategy**

The Company's goal, like most other small capital exploration companies, is to preserve shareholder wealth and grow the value of the flagship asset with prudent exploration methods.

The Company's corporate activities include the review of opportunities for expansion through acquisitions and mergers and through potential diversification opportunities to take advantage of positive market sentiments. At the date of this report, no investments have been undertaken.

### **Going Concern**

The Group incurred a net loss of \$435,310 and had net cash outflows from operating and investment activities (exploration expenditure) of \$735,725 for the six months ended 31 December 2020. As at that date, the Group's current liabilities also exceeded its current assets by \$474,619 including a short-term loan which was initially due for repayment in January 2020 and has since been extended on a month-by-month basis at the option of the Group.

The Directors also expect that additional funds will be required for the Company to operate and conduct exploration activities over the next 12 months. It is expected that these funds will be obtained through additional capital raisings and loan funds as required. Based on their previous experience and success in raising capital and loan funds, the Directors are confident that, the required additional funds can be obtained. In this regard, the directors note that:

- On 17 December 2020, the Company announced that it had agreed with Aquis to issue 190,000,000 fully paid CAE shares in full and final satisfaction of the loan provided by Aquis ("Proposed Transaction"). The Proposed Transaction is subject to shareholder approval which if received will see the Aquis debt extinguished.
- Since 31 December 2020, the company has issued 25,604,000 shares to sophisticated and professional investors to raise \$1,125,280.
- The short-term loan of \$57,500 was repaid on 12 March 2021.

**Going Concern (continued)**

Whilst the events and conditions noted above indicate the existence of a material uncertainty related to going concern, the Directors are satisfied that they will be able to secure the additional funds required, and that the going concern basis of preparation for the financial report is appropriate. If for any reason the Consolidated Entity is unable to continue as a going concern, it would impact on the Consolidated Entity's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

**Subsequent Events**

Since 31 December 2020, the company has issued 25,604,000 shares to sophisticated and professional investors to raise \$1,125,280 and repaid the short-term loan of \$57,500.

Other than as disclosed in these financial statements, no matters or circumstances have arisen since 31 December 2020, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

**CANNINDAH RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME (UNREVIEWED)**  
**for the half year ended 31 December 2020**

		<b>Consolidated Unreviewed</b>	
	<b>Note</b>	<b>Half year ended 31 December 2020 \$</b>	<b>Half year ended 31 December 2019 \$</b>
<b>Revenue</b>			
Revenue and other income	2	16,823	10,665
<b>Expenses</b>			
Employee benefits expense		(152,893)	(126,410)
Exploration & evaluation expenditure w/off		(520)	(688)
Administrative expenses		(151,663)	(161,039)
Finance Expenses		(147,056)	(529,850)
<b>Loss before income tax expense</b>		<b>(435,310)</b>	<b>(807,322)</b>
Income tax expense		-	-
<b>Profit / (Loss) attributable to members of the group</b>		<b>(435,310)</b>	<b>(807,322)</b>
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income / (loss) for the year attributable to the members of the group</b>		<b>(435,310)</b>	<b>(807,322)</b>
Basic earnings and diluted earnings per share (cents per share)		(0.19)	(0.43)

The accompanying notes form part of this financial report

**CANNINDAH RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNREVIEWED)**  
**as at 31 December 2020**

		Consolidated Unreviewed	
	Note	31 December 2020 \$	30 June 2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	86,482	39,227
Trade and other receivables		45,439	32,468
<b>Total Current Assets</b>		<b>131,921</b>	<b>71,695</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets		105,837	83,337
Exploration and evaluation expenditure		6,246,743	4,754,881
<b>Total non-Current Assets</b>		<b>6,352,580</b>	<b>4,838,218</b>
<b>TOTAL ASSETS</b>		<b>6,484,501</b>	<b>4,909,913</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		415,225	727,659
Employee benefits		133,815	118,093
Borrowings	4	57,500	157,500
<b>Total Current Liabilities</b>		<b>606,540</b>	<b>1,003,252</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	4	5,612,704	4,978,551
<b>Total non-current liabilities</b>		<b>5,612,704</b>	<b>4,978,551</b>
<b>TOTAL LIABILITIES</b>		<b>6,219,244</b>	<b>5,981,803</b>
<b>NET ASSETS</b>		<b>265,257</b>	<b>(1,071,890)</b>
<b>EQUITY</b>			
Contributed equity		50,097,463	48,325,007
Share option reserve		395,614	395,614
Accumulated losses		(50,227,821)	(49,792,511)
<b>TOTAL EQUITY</b>		<b>265,257</b>	<b>(1,071,890)</b>

The accompanying notes form part of this financial report

**CANNINDAH RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNREVIEWED)**  
**for the half year ended 31 December 2020**

	Share Capital \$	Share Option Reserve \$	Accumulated Losses \$	Total \$
<b>2020</b>				
Balance at 1 July 2020	48,325,007	395,614	(49,792,511)	(1,071,890)
Shares issued during the period (net of costs)	1,772,456	-	-	1,772,456
Loss attributable to members of the company	-	-	(435,310)	(435,310)
<b>Balance at 31 December 2020</b>	<b>50,097,463</b>	<b>395,614</b>	<b>(50,227,821)</b>	<b>265,257</b>
<b>2019</b>				
Balance at 1 July 2019	48,229,514	395,614	(48,418,869)	206,259
Shares issued during the period (net of costs)	95,493	-	-	95,493
Loss attributable to members of the company	-	-	(807,322)	(807,322)
<b>Balance at 31 December 2019</b>	<b>48,325,007</b>	<b>395,614</b>	<b>(49,226,191)</b>	<b>(505,570)</b>

The accompanying notes form part of this financial report



**CANNINDAH RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (UNREVIEWED)**  
**for the half year ended 31 December 2020**

	Consolidated Unreviewed	
	Half year ended 31 December 2020	Half year ended 31 December 2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Government – Covid relief	16,819	-
Interest received	4	10,665
Payments to suppliers and employees	(679,344)	(170,604)
Net cash provided by (used in) operating activities	<b>(662,521)</b>	<b>(159,939)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditure	(73,204)	(39,996)
Net cash provided by (used in) investing activities	<b>(73,204)</b>	<b>(39,996)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issue of shares	382,980	95,493
Proceeds from borrowings	500,000	255,309
Repayments of borrowings	(100,000)	(167,500)
Net cash provided by (used in) financing activities	<b>782,980</b>	<b>183,302</b>
Net increase / (decrease) in cash and cash equivalents during the period	47,255	(16,633)
Cash and cash equivalents at beginning of period	39,227	16,098
Cash and cash equivalents at end of period	<b>86,482</b>	<b>(535)</b>

The accompanying notes form part of this financial report

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNREVIEWED)**  
**for the half year ended 31 December 2020**

**1. Basis of Preparation and Accounting Policies**

This general-purpose financial report for the interim half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *“Interim Financial Reporting”* and the *Corporations Act 2001*. AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report of Cannindah Resources Limited as at 30 June 2020, together with any public announcements made by Cannindah Resources Limited during the interim reporting period in accordance with the continuous disclosure obligations of the *Corporations Act 2001*.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2020 annual report.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Impact of COVID-19 on Operations**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the Consolidated entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government, and other countries such as the timely provision of vaccinations, maintaining social distancing requirements, quarantine, travel restrictions and any ongoing economic stimulus that may be provided.

**Going Concern**

The Group incurred a net loss of \$435,310 and had net cash outflows from operating and investment activities (exploration expenditure) of \$735,725 for the six months ended 31 December 2020. As at that date, the Group's current liabilities also exceeded its current assets by \$474,619 including a short-term loan which was initially due for repayment in January 2020 and has since been extended on a month-by-month basis at the option of the Group.

The Directors also expect that additional funds will be required for the Company to operate and conduct exploration activities over the next 12 months. It is expected that these funds will be obtained through additional capital raisings and loan funds as required. Based on their previous experience and success in raising capital and loan funds, the Directors are confident that, the required additional funds can be obtained. In this regard, the directors note that:

- On 17 December, 2020 the Company announced that it had agreed with Aquis to issue 190,000,000 fully paid CAE shares in full and final satisfaction of the loan provided by Aquis ("Proposed Transaction"). The Proposed Transaction is subject to shareholder approval which if received will see the Aquis debt extinguished.
- Subsequent to 31 December 2020 the company has issued 25,604,000 shares to sophisticated and professional investors to raise \$1,125,280.
- The short-term loan of \$57,500 was repaid on 12 March 2021.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNREVIEWED)**

**for the half year ended 31 December 2020**

**Going Concern (continued)**

Whilst the events and conditions noted above indicate the existence of a material uncertainty related to going concern, the Directors are satisfied that they will be able to secure the additional funds required, and that the going concern basis of preparation for the financial report is appropriate. If for any reason the Consolidated Entity is unable to continue as a going concern, it would impact on the Consolidated Entity's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

	<b>Consolidated Unreviewed</b>	
	<b>Half year ended 31 December 2020 \$</b>	<b>Half year ended 31 December 2019 \$</b>

**2. Revenue and Other Income**

The following items are relevant in explaining the financial performance for the period:

**Revenue and Other Income**

Covid assistance payments from Government	16,819	-
Interest received from other persons	4	10,665
<b>Total revenue and other income</b>	<b>16,823</b>	<b>10,665</b>

	<b>Consolidated Unreviewed</b>	
	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>

**3. Cash and Cash Equivalents**

Cash at bank and on hand	86,482	39,227
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**4. Borrowings**

Secured borrowings – Aquis Finance – non-current	5,612,704	4,978,551
Borrowings – other - current	57,500	157,500
<b>Total Borrowings</b>	<b>5,670,204</b>	<b>5,136,051</b>

The loan from Aquis Finance Pty Ltd ("Aquis") had an initial facility limit of \$2 million and a term of 12 months commencing 10 March 2015, which could be extended to up to 3 years at the election of the Company. Directors extended the facility for a further year in each of March 2016 and in March 2017. In May 2018 a new loan was entered into with Aquis Finance. The new loan increased the facility limit to \$3.7 million to accommodate loan fees and interest payable until the end of the loan term on 20 May 2019. On 29 May 2019, the Company announced that the term

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNREVIEWED)**

**for the half year ended 31 December 2020**

of the loan had been further extended to 20 November 2019 with an increased facility limit of \$3.85 million and was interest free for the extension period. On 31 January 2020, the Company announced that the parties had agreed to extend the current loan facility to 30 June 2022. The loan extension will be subject to 5% p.a. interest (capitalised) and an immediate increase in the facility limit. Aquis also asked that they be able to convert the whole or part of the loan balance to shares in the Company during the loan term at an issue price of 2c per share (subject to shareholder approval if required), along with the possible appointment of two directors to the Board to represent their interests. On 1 September 2020, the Company announced that, contingent upon the satisfactory completion of the acquisition of Piccadilly Gold Mine Holdings Limited, the Lender would increase the current loan with immediate effect thereby increasing the facility limit to \$6.1 million. On 7 September 2020, the Lender provided loan funds of \$500,000 to the Company.

The facility conditions require no repayments until the expiration of the facility. The loan is secured by the assets of the Company. Other terms and conditions remain the same as the previous facility.

On 17 December 2020, the Company announced that it had agreed with Aquis to issue 190,000,000 fully paid CAE shares in full and final satisfaction of the loan provided by Aquis ("Proposed Transaction"). The Proposed Transaction is subject to shareholder approval which if received will see the Aquis debt extinguished.

The non-secured loan comprises a short-term facility from a sophisticated investor and was repaid in March 2021.

**5. Acquisition of Piccadilly Gold Mines Holdings Limited**

On 1 September 2020, the Company announced that it had acquired 100% of the shares in its former earn-in partner, Piccadilly Gold Mine Holdings Limited (PGMH). The acquisition is in line with the Company's strategy set out in its recent quarterly and half-yearly reports to move to 100% control of the Piccadilly project owned by PGMH. The Piccadilly project comprises one mining lease ML 1442 and two EPM areas 18322 and 16198. The acquisition was also supported by the Company's Lender, Aquis Finance, which agreed to increase the current loan to the company on the finalisation of the acquisition.

*Consideration transferred.*

The Company issued 48,318,170 ordinary shares in CAE to the various Piccadilly Gold Mine Holdings Limited shareholders to acquire 100% of the company and its project. The fair value of the ordinary shares issued of \$966,363 was based on the listed share price of the Company at 31 August 2020 of \$0.02 per share. The Company did not incur any direct costs as part of the acquisition.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition. The information has been drawn from the unaudited accounts of PGMH.

	\$
Cash and cash equivalents	2,037
Investments in exploration tenements	201,000
Trade creditors and accruals	(22,372)
Loans and borrowings	<u>(2,124,437)</u>
<b>Total identifiable net assets acquired</b>	<b><u>(1,944,962)</u></b>

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNREVIEWED)**

**for the half year ended 31 December 2020**

**5. Acquisition of Piccadilly Gold Mines Holdings Limited (continued)**

Following the acquisition, the Directors commenced a corporate restructure of PGMH to repay secured and other substantial debts. This process was conducted by agreeing with PGMH's lenders to issue 21,245,000 Shares at \$0.02 per share (\$424,900) in full and final satisfaction of loans and interest accrued totalling \$2,146,810. This transaction was concluded on 23 December 2020.

*Fair value of the assets and liabilities acquired.*

The Company has assessed that the fair values of the assets and liabilities acquired at the date of acquisition is represented by the fair value of the shares issued for their purchase. Thus, the fair values have been assessed as follows:

- Cash is valued at the carrying amount of \$2,037 at the date of acquisition.
- Loans (\$2,124,437) and associated interest accrued (\$22,372) are valued at the payout figure negotiated by Cannindah Resources Limited as the acquirer of the debt (\$424,900) deemed to be the relative fair value and
- The investment in the mining tenements represents the residual between the assets and liabilities acquired and the acquisition price i.e. \$1,389,476 which is deemed to be its relative fair value as part of the asset purchase and has been recognised as exploration and evaluation expenditure

	\$
Cash and cash equivalents	2,037
Exploration and evaluation expenditure	1,389,486
Loans and borrowings	<u>(424,900)</u>
<b>Acquisition price</b>	<b><u>966,363</u></b>

**6. Contributed Equity.**

Movements in Contributed Equity net of transaction costs during the six months ended 31 December 2020 were as follows:

	No of Shares	\$
<b>Opening balance at 1 July 2020</b>	<b>193,272,682</b>	<b>48,325,007</b>
Shares issued to PGMH shareholders at \$0.02 each to acquire PGMH	48,318,170	966,363
Shares issued to Directors and consultants \$0.02 each pursuant to Shareholder approval received at the AGM	19,608,795	392,176
Shares issued to lenders to PGMH \$0.02 each in full satisfaction of PGMH debts	21,245,000	424,900
Less share issue costs	-	<u>(10,983)</u>
<b>Balance at 31 December 2020</b>	<b><u>282,444,647</u></b>	<b><u>50,097,463</u></b>

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNREVIEWED)**

**for the half year ended 31 December 2020**

**7. Expenditure Commitments and Contingent Liabilities**

There were no significant changes to the commitments and contingencies disclosed in the most recent annual financial report.

**8. Subsequent Events**

Subsequent to 31 December 2020 the company has issued 25,604,000 shares to sophisticated and professional investors to raise \$1,125,280 and repaid the short-term loan of \$57,500.

Other than as disclosed in these financial statements, no matters or circumstances have arisen since 31 December 2020, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.