

Cannindah Raises \$5 million to Expand the Mt Cannindah Copper Gold Resource and Test Key Adjacent Large Scale IP Anomalies

Key Highlights:

- Firm commitments received to raise \$5 million in a Placement to new institutional and sophisticated investors
- Funds raised will be used to recommence drilling at the Company's flagship Mt Cannindah Copper Gold Project in Queensland
- Cannindah will shortly commence drilling to **expand the significant JORC Resource of 14.5Mt @ 1.09% CuEq, announced on 3 July 2024**, which starts at surface and is open along strike and at depth. (Refer Mineral Resource Table on p3)
- Drilling at Mt Cannindah has returned a number of world class intersections such as:
 - **493m @ 1.17 % CuEq¹, from surface** (refer ASX release 9 November 2021)
 - **282m @ 1.28 % CuEq, from surface** (refer ASX release 19 October 2021)
 - **278m @ 1.26% CuEq from surface** (refer ASX release 22 February 2022)
- The Company will also drill test a significant IP anomaly located circa 700m to the southwest of the Mt Cannindah Resource which has a geophysical signature estimated to be more than double the size of Resource area (refer Fig 1 below)
- Immediate exploration and further drilling occurring as soon as possible once rigs can be mobilised to site

The Board of Cannindah Resources Limited (CAE, the Company) is pleased to announce the receipt of commitments from sophisticated and professional investors to raise \$5,000,000 million in a placement of 125,000,000 new fully paid ordinary shares ("**Placement Shares**") at an issue price of \$0.04 per share ("**Placement**"). The Placement was strongly supported by new investors and settlement of the issue is scheduled for Friday 25 October 2024.

Funds raised will be applied to exploration activity at the Mt Cannindah Copper Gold Project and general working capital. A new diamond drilling program is expected to commence within weeks.

The Placement will be undertaken utilising the Company's existing placement capacity under Listing Rules 7.1 and 7.1A, through the issue of 86,674,493 and 38,325,507 Placement Shares respectively. The Placement issue price of \$0.04 per share represents a 13.0% discount to the last traded price of \$0.046 and a 15.0% discount to the 15 traded day VWAP of \$0.047 (per LR 7.1A). The Company expects the Placement Shares to be quoted on Friday, 25 October 2024. The Placement Shares will rank equally with the existing fully paid ordinary shares on issue.

Placement participants will also be entitled to one (1) free attaching option (exercisable at \$0.08 each and expiring 3 years from issue) for every two (2) Placement Shares subscribed for ("**Attaching Options**").

Managing Director Tom Pickett stated "The Board is extremely pleased to have secured \$5 million of new equity capital which will put the Company in a very strong position to quickly advance the Mt Cannindah Copper Gold Project. The receipt of these funds allows us to move onto a new drilling program to expand the existing resource and to explore a new target situated approximately 700m to the southwest of the current Mt Cannindah resource area. We are privileged to have a substantial 14.5Mt Copper Gold Resource already at the Project and our aim is to significantly grow the Resource into a development asset."

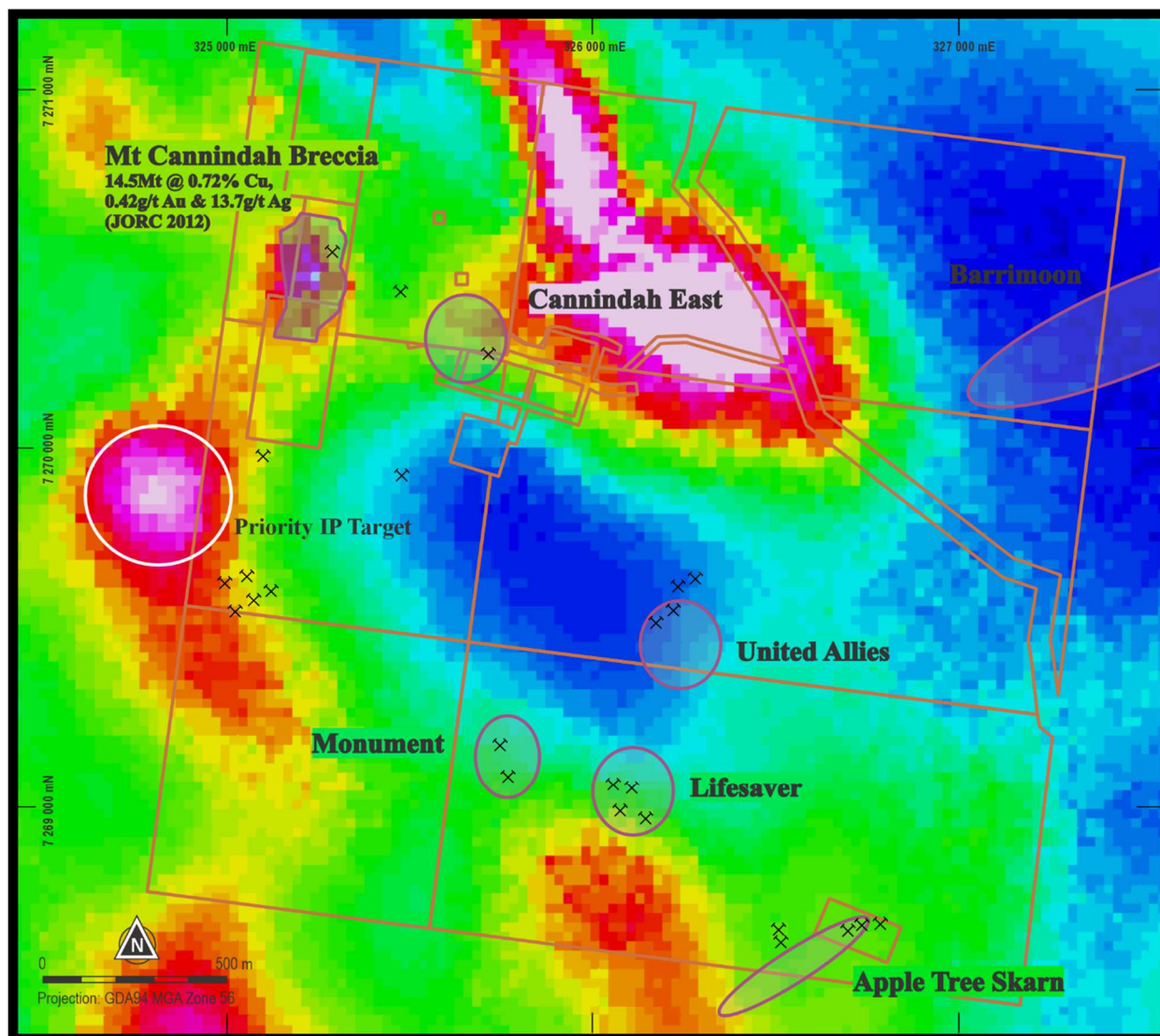
Lead Manager to the Placement was Canaccord Genuity (Australia) Limited ("**Canaccord**"). Canaccord will receive 6% of the proceeds raised from the offer and 5 million options (exercisable at \$0.06 each and expiring 3 years from issue) ("**Lead Manager Options**").



In addition, Terra Search Pty Ltd a company associated with Director Dr Simon Beams has agreed to convert \$1,000,000 of consulting fees owed to the company to 25,000,000 Shares at the same price as the placement ("**Terra Search Shares**"). The issue of the Terra Search Shares will be subject to shareholder approval at the upcoming Annual General Meeting.

Terra Search will also be entitled to one (1) free attaching option (exercisable at \$0.08 each and expiring 3 years from issue) for every two (2) Terra Search Share subject to shareholder approval.

Figure 1: Mt Cannindah IP Targets



For further information, please contact:

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Formula for Copper Equivalent calculations

Copper equivalent has been used to report the wider copper bearing intercepts that carry Au and Ag credits, with copper being dominant. We have confidence that existing metallurgical processes would recover copper, gold and silver from Mt Cannindah. We have confidence that the Mt Cannindah ores are amenable to metallurgical treatments that result in equal recoveries. This confidence is reinforced by some preliminary metallurgical test work by previous holders, geological observations and our geochemical work which established a high correlation between Cu, Au, Ag.

The full equation for Copper Equivalent is:

$$\text{CuEq\%} = (\text{Cu\%} * 92.50 * \text{CuRecovery} + \text{Au/ppm} * 56.26 * \text{AuRecovery} + \text{Ag/ppm} * 0.74 * \text{AgRecovery}) / (92.5 * \text{CuRecovery})$$

When recoveries are equal this reduces to the simplified version: $\text{CuEq\%} = (\text{Cu\%} * 92.50 + \text{Au/ppm} * 56.26 + \text{Ag/ppm} * 0.74) / 92.5$

We have applied a 30 day average prices in USD for Q4,2021, for Cu, Au, Ag, specifically copper @ USD\$9250/tonne, gold @ USD\$1750/oz and silver @ USD\$23/oz. This equates to USD\$92.50 per 1 wt %Cu in ore, USD\$56.26 per 1 ppm gold in ore, USD\$0.74 per 1 ppm silver in ore. We have conservatively used equal recoveries of 80% for copper, 80% for gold, 80% for Ag and applied to the CuEq calculation. CAE are planning Metallurgical test work to quantify these recoveries.

Mt Cannindah Resource Table

On 3 July 2024 Cannindah Resources Limited announced a significant upgrade of the Mineral Resource Estimate (MRE) for the Mt Cannindah project. The MRE was prepared by independent resource specialists H&S Consultants. The upgraded MRE for the Mt Cannindah Cu/Au deposit reported in the H&SC study is shown in the tables below:

Category	Mt	Cu%	Au gpt	Ag ppm	CuEq%	Density t/m ³
Measured	7.1	0.77	0.41	15.4	1.15	2.77
Indicated	5.7	0.67	0.39	12.2	1.00	2.79
Inferred	1.7	0.70	0.58	12.0	1.15	2.78
Total	14.5	0.72	0.42	13.7	1.09	2.77

Category	Cu Kt	Au Kozs	Ag Mozs
Measured	54.7	93.4	3.5
Indicated	38.1	71.9	2.2
Inferred	11.9	32.0	0.7
Total	104.8	197.3	6.4

(minor rounding errors)

Source: H&SC "Updated Mineral Resource Estimate for the Mt Cannindah Cu/Au/Ag Deposit SE Queensland" (June 2024) p9 Refer ASX Announcement 3 July 2024

There have been no material changes in the assumptions of the resource estimate between the release of the resource estimate on 3 July 2024 and the date of this announcement.

Competent Person Statements

Exploration

The information in this report that relates to exploration results is based on information compiled or reviewed 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 their Mt Cannindah Project, Queensland, Australia. Dr Beams is also a Non-Executive Director of Cannindah Resources Limited. 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.

The metallurgical testwork reported here was carried out by Internationally recognized Metallurgical Consultants. Core Metallurgy Pty Ltd, Brisbane, Australia and Base Metallurgy Laboratories (BML) of Canada. The testwork is comprehensively documented in independently compiled technical reports accompanied by a full set of raw data and interpretations.

Disclosure:

Dr Beams' employer Terra Search Pty Ltd and Dr Beams personally hold ordinary shares in Cannindah Resources Limited.

Mineral Resource Estimate

The data in this report that relates to Mineral Resource estimates for the Mt Cannindah copper/gold deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a Director of H&S Consultants Pty Limited and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.