Cannindah Resources Limited

**ASX RELEASE**

***6 August 2015***

# Rock Chip Results at Barrimoon prospect within Mt Cannindah Project

## Rock Chip Results confirm high level character of large scale mineralised alteration system at Barrimoon which is untested at depth.

**Barrimoon Structure High level character revealed in rock chip textures and geochemistry: elevated As (100-500 ppm As) and Au (40-170ppb Au) and anomalous Ag (>0.5 ppm Ag), Sb (30-40 ppm Sb).**

Recent geological prospecting and rock chip sampling has confirmed the untested potential of some of the larger hydrothermal alteration zones on the Mt Cannindah property.

**Barrimoon Structure**

The sheer size of the Barrimoon structure has attracted the attention of previous explorers, who have conducted intermittent surface geochemical surveys. The Golden Crown gold workings occur at the far eastern end, where small high grade gold shears, probable splays off the main structure have been shallowly drilled. Previous drilling at Golden Crown returned several 1-2m intercepts in the 0.1g/t Au to 1g/t Au range. The far western end was also previously drilled with low Au results[1].

There is no drilling in the remainder of the 2-3 km strike length of the Barrimoon structure.


*Figure 1: Barrimoon: a major 4 km long ENE striking high level structure.*

[1] Drilling conducted from 1985 – 1987 by Billiton as quoted in unpublished Terra Search report for Cannindah Resources Ltd – by Jim McGregor-Dawson, June 2015

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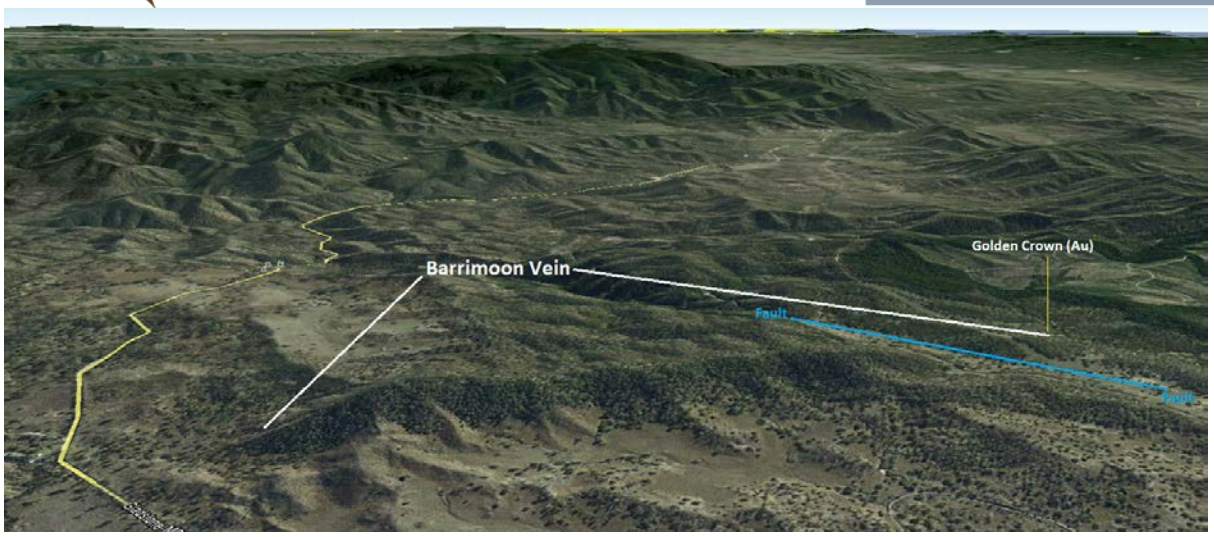


*Figure 2: Barrimoon – Oblique View, looking northerly*

Recent Cannindah Resources rock chip sampling highlight the high level nature of the mineralised system:

- Extensive sulphidic siliceous hydrothermal breccia infill along a structure extending 4km from the adjacent Cannindah porphyry complex
- The Barrimoon structure zone is associated with the youngest mineralising event in the Mt Cannindah district, as it cuts the Triassic Muncon Volcanics, it is significantly later than the Cannindah porphyry copper mineralisation.
- The presence of felsic porphyry dykes within the structure indicate an intrusive related system.
- Polymict silicified breccia containing clasts of Carboniferous sediments, altered porphyry, and some quartz vein which occur in a silica marcasite matrix. All the above suggest a major deep tapping structure, driven by high level sub-volcanic dykes.
- The presence of bladed marcasite and probable illite alteration suggest high level, low temperature more akin to epithermal system.
- Anomalous to elevated As, Au, Sb returned from rock chip sampling along large sections of the Barrimoon structure.
- Cannindah Resources are excited about the potential for the Barrimoon structure. In similar porphyry-epithermal mineralising environments to Mt Cannindah, the association of this style of silica-sulphide hydrothermal breccia/veins and high level pathfinder geochemistry, has led to the discovery at depth of major high grade gold-silver mineralisation.

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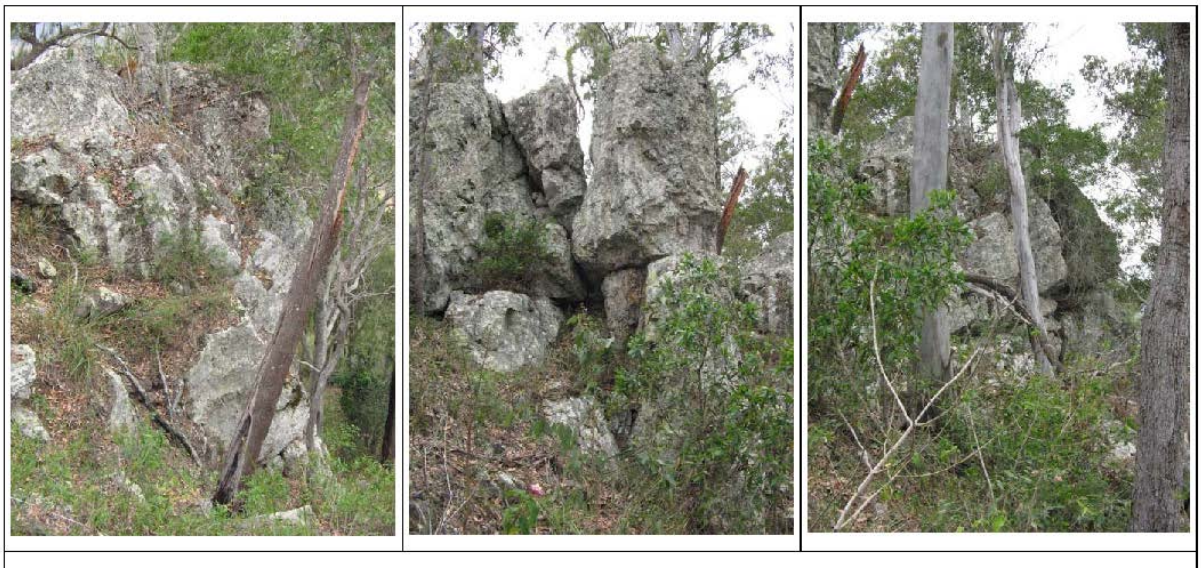

*Figure 3: Outcrop photos of large scale Barrimoon Structure*

Selected Rock Chips from Barrimoon are show in the Table below.

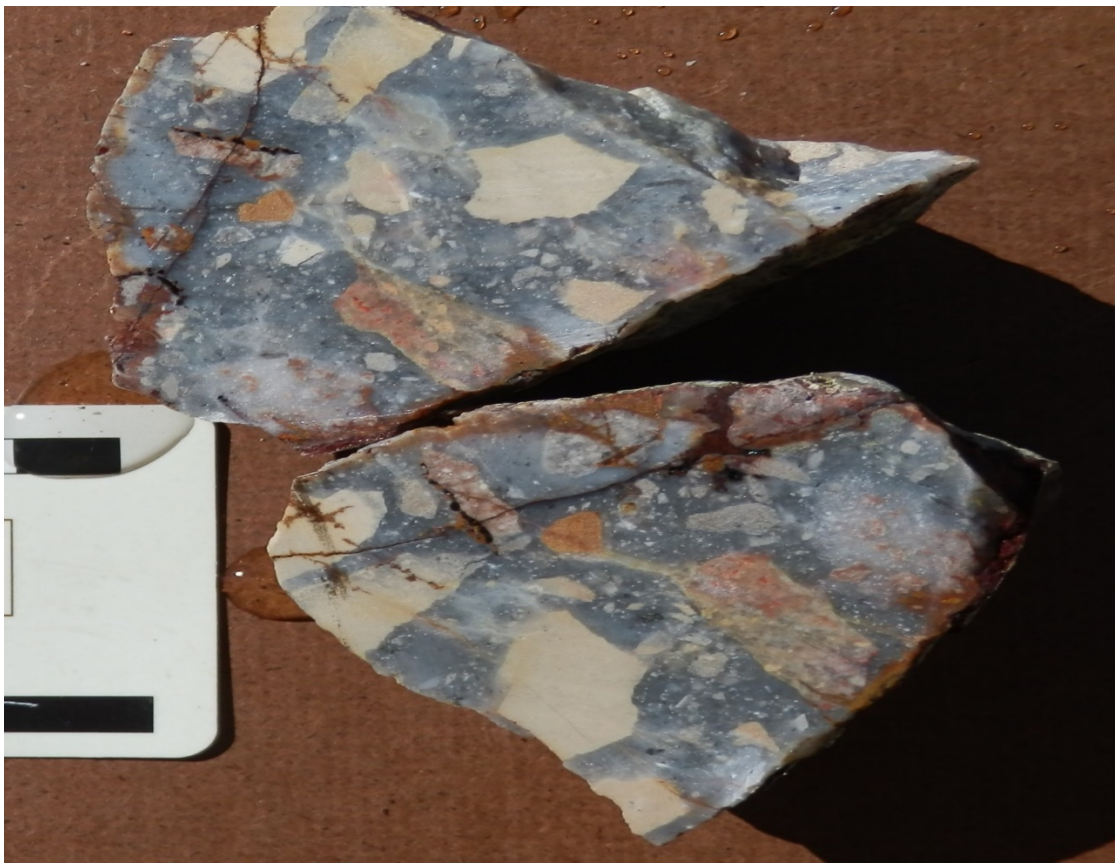

*Figure 4. BAR033. Sulphidic polymict breccia, clasts sandstone and porphyry, silica –marcasite matrix. 204 ppm As, 80ppb Au***.**

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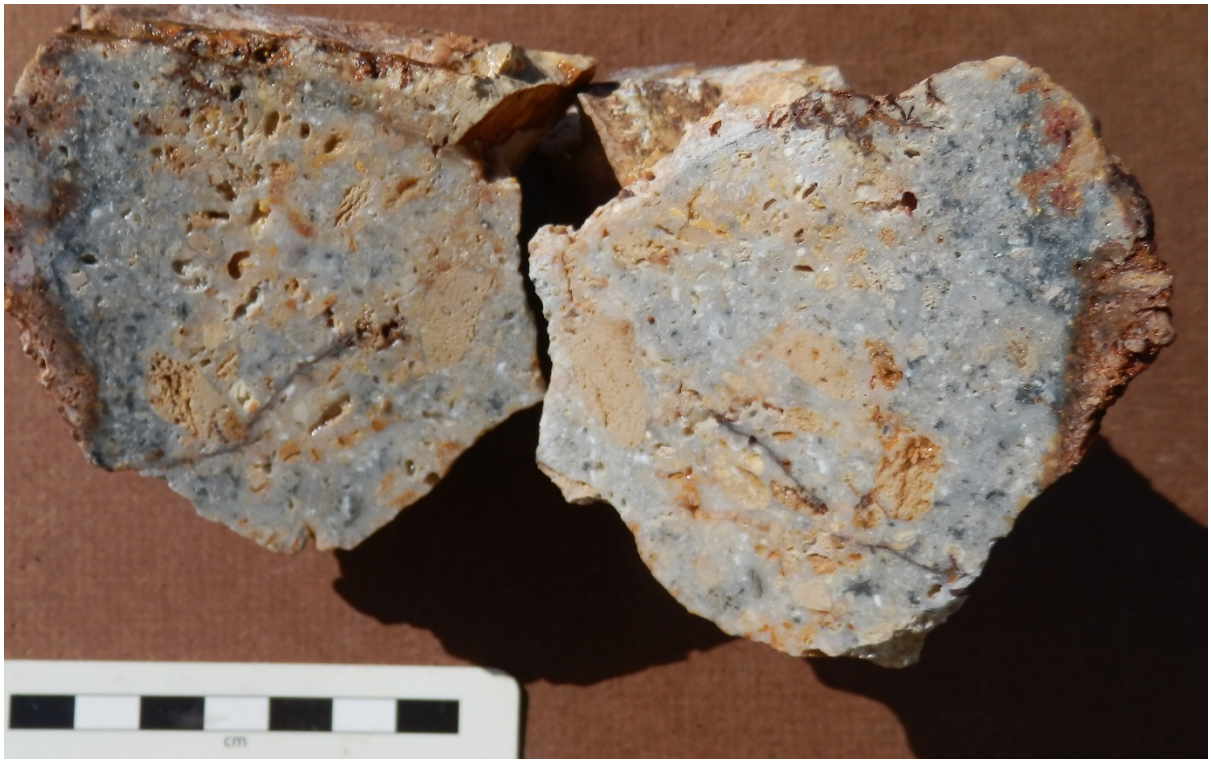

**Figure 5. BAR017. Leached polymict breccia, clasts sandstone and porphyry, silica – marcasite matrix. 203 ppm As, 60ppb Au.**

**Figure 6. BAR016. Gossanous sandstone monomict breccia. 250 ppm As, 10ppb Au.**

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***6 August 2015***

**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 their Mt Cannindah Project, 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.*

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***6 August 2015***

Table : Selected samples Barrimoon Structure

| Sample Field | Sample RC | MGA_N | MGA_E | Lith_Description | Au g/t | Ag g/t | As ppm | Cu ppm | Fe % | Mo ppm | Pb ppm | S % | Sb ppm |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BAR013 | 3011689 | 7271381 | 329697 | Leached hydrothermal breccia with chalcedonic matrix. Veined limonite after pyrite. | 0.04 | 0.2 | 415 | 9 | 2.37 | -1 | 8 | 0.08 | 43 |
| BAR016 | 3011692 | 7271377 | 329541 | Gossanous, leached, sericite altered fine sandstone breccia with gossanous matrix infill. | 0.1 | 0.2 | 236 | 27 | 3.32 | -1 | 7 | 0.02 | 42 |
| BAR018 | 3011694 | 7271360 | 329388 | Gossanous hydrothermal breccia with leached and vuggy clasts and a chalcedonic matrix. | 0.17 | 0.7 | 480 | 21 | 2.26 | 1 | 6 | 0.04 | 49 |
| BAR024 | 3011501 | 7271259 | 329300 | Gossanous chalcedonic silica matrix hydrothermal breccia with leached and vuggy clasts. | 0.13 | 2.8 | 260 | 22 | 4.21 | 2 | 9 | 0.03 | 42 |
| BAR034 | 3011506 | 7270752 | 328294 | Gossanous silica altered matrix hydrothermal breccia. | 0.03 | 0.3 | 457 | 16 | 1.71 | 1 | 5 | 0.06 | 26 |
| BAR039 | 3011511 | 7271022 | 328975 | Hydrothermal breccia. Very massive chalcedonic matrix infill, leached vuggy clasts. | 0.08 | 0.3 | 178 | 9 | 1.51 | 1 | 3 | 0.07 | 19 |
| BAR040 | 3011512 | 7271057 | 329060 | Hydrothermal breccia with leached, vuggy clasts and a chalcedonic matrix. Mostly gossanous matrix. | 0.06 | 0.5 | 284 | 33 | 5.3 | 1 | 7 | 0.19 | 26 |

**APPENDIX 1 – JORC Code Table 1 Cannindah Resources Barrimoon Prospect announcement August, 2015.**

## Section 1: Sampling Techniques and Data

| Criteria | Explanation | Commentary |
|---|---|---|
| ***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.*<br><br>*Include reference to measures taken to ensure sampling representivity and the appropriate calibration of any measurement tools or systems used.* | - Samples were collected as random outcrop rock chip samples.<br>- Sample information was recorded in pre-numbered sample books with locations established with a Garmin 76 hand held GPS.<br>- Selected samples were collected over a representative 1 to 2m$^2$ area.<br>- Samples were analysed for a suite of 40 major and minor elements utilising Terra Search's portable Niton XRF analyser (Niton 'trugeo' analytical mode) in the Townsville office.<br>- The XRF equipment is set up on a bench and the sub-sample (loose powder and small chips in a thin clear plastic freezer bag) is placed in a lead-lined stand. An internal detector auto-calibrates the portable XRF instrument, and Terra Search standard practice is to instigate recalibration of the equipment of every battery charge (every 2 to 3 hours). Readings are undertaken for 60 seconds on a circular area of approximately 1cm diameter. A higher number of measurements are taken from the centre of the circle and decreasing outwards. |
| | *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.* | • After crushing splitting and grinding in ALS Townsville laboratory, sample pulps were assayed for gold using the 50g fire assay method (ALS code: Au-AA26) and a multi-element analysis using aqua regia digest and ICP emission spectroscopy technique for the following elements: Ag, As, Ba, Bi, Ca, Cd, Co, Cu, Fe, Mg, Mn, Mo Ni, P, Pb, S, Sb, Zn. (ALS code ME-ICP41) |
| ***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-* | Drilling was not conducted. |

| Criteria | Explanation | Commentary |
|---|---|---|
| | *sampling bit or other type, whether core is oriented and if so, by what method, etc.)* | |
| ***Drill sample recovery*** | *Method of recording and assessing core and chip sample recoveries and results assessed.* | Drilling was not conducted |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | Drilling was not conducted |
| | *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.* | Drilling was not conducted |
| ***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* | Any observations on 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.* | Logging was qualitative in nature. A detailed log was described on the basis of visual observations. |
| | *The total length and percentage of the relevant intersections logged.* | All rock samples were logged. |
| ***Sub-sampling techniques and sample preparation*** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | Drilling was not conducted. |
| | *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* | Drilling was not conducted. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | The above techniques are considered to be of a high quality, and appropriate for the nature of mineralisation anticipated. The 1.5-2kg sample size is appropriate for the rock being sampled. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.* | Not applicable – surface rock chip samples |
| | *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.* | Not applicable – surface rock chip samples |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | Sample size was more than appropriate for the grainsize. |
| ***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.* | The primary assay method used is designed to measure both the total gold in the sample as per classic fire assay as well as the total amount of economic metals tied up in sulphides and oxides such as Cu, Pb, Zn, Ag, As, Mo, Bi as per aqua regia digest ICP finish. Some major elements which are present in silicates, such as K, Ca, Fe, Ti, Al, Mg are not liberated by aqua regia digest. In this sense the aqua regia digest is a partial analytical technique for elements locked up in silicates.<br>Samples from the rock chip sampling program were also analysed in-house at Terra Search's office in Townsville utilizing a portable XRF to determine base metals and major elements. The analysis undertaken is considered to be appropriate for geochemical testwork.<br>The portable XRF instrument obtains |

| Criteria | Explanation | Commentary |
|---|---|---|
| | | reliable data on silicate bearing phases, This technique is a total analysis and determines all the material in an elemental assay.<br>The techniques were considered to be entirely appropriate for the porphyry/epithermal, skarn and vein style deposits in the area.<br>The economically important elements in these deposits are contained in sulphides which is liberated by aqua regia digest, all gold is determined with a 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.* | - Each year Terra Seach's instrument is sent away for external calibration and servicing. During field testing an internal detector auto-calibrates the instrument and Terra Search standard practice is to instigate recalibration of the equipment of every battery charge (every 2 to 3 hours). Determinations were made regularly on known standards and checked against the CRM values. These values are checked against known standards and duplicates. |
| | *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.<br>Terra Search quality control included determinations on certified OREAS samples and analyses on duplicate samples interspersed at regular intervals through the sample suite of both the commercial laboratory batch and also portable XRF data. Standards and duplicate results were checked and found to be within acceptable tolerances. |
| ***Verification of sampling and assaying*** | *The verification of significant intersections by either independent or alternative company personnel.* | There has been no external check assaying undertaken on the rock chip samples. |
| | *The use of twinned holes.* | Drilling was not conducted. |
| | *Documentation of primary data, data entry procedures, data verifications, data storage (physical and electronic) protocols.* | Location and sampling data were collected by experienced geologists / field assistants and entered into sampling books which were then entered into spreadsheets. Analytical data from the XRF machine is supplied as an Excel readout. Location and analysis data are then collated into a single Excel spreadsheet.<br><br>Data is stored on servers in the Company's head office and on site, with regular backups and archival copies of the database made. Data is also stored at |

| Criteria | Explanation | Commentary |
|---|---|---|
| | | Terra Search's Townsville Office. Data is validated by long-standing procedures within Excel Spreadsheets and Explorer 3 data base and spatially validated within MapInfo GIS. |
| | *Discuss any adjustment to assay data.* | No adjustments are made to the Commercial lab assay data. |
| ***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.* | Sample locations were established with a Garmin 76 hand held GPS. Location accuracy is in the order of 10m X-Y and 15m in the Z direction. |
| | *Specification of the grid system used.* | Coordinate system is UTM Zone 56 (MGA) and datum is GDA94 |
| | *Quality and adequacy of topographic control.* | Pre-existing DTM is high quality and available. |
| ***Data spacing and distribution*** | *Data spacing for reporting of Exploration Results.* | Not applicable – surface rock chip samples |
| | *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.* | Not applicable – surface rock chip samples |
| | *Whether sample compositing has been applied.* | 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.* | Not applicable – surface rock chip samples |
| | *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.* | Not applicable – surface rock chip samples |
| ***Sample security*** | *The measures taken to ensure 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 Brisbane. |
| ***Audits or reviews*** | *The results of any audits or reviews of sampling techniques and data.* | No audits or reviews have been undertaken |

## APPENDIX 2 – JORC Code Table 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 MLs 2301, 2302, 2303, 2304, 2307, 2308, 2309, EPM 14524, and EPM 15261. 100% owned by Cannindah Resources Pty Ltd<br><br>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 Astrik (1987) drilling are used in this report. IP data was previously collected by Newcrest (1995) and their processed data is displayed here.<br><br>Current exploration program conducted by consultant geologists Terra Search Pty Ltd, Townsville QLD. |
| ***Geology*** | *Deposit type, geological setting and style of mineralisation.* | Base metal skarns and shear hosted Au bearing quartz veins occur adjacent to a Cu-Mo porphyry. |
| ***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:*<br>• *Easting and northing of the drill hole collar*<br>• *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>• *Dip and azimuth of the hole*<br>• *Down hole length and interception depth*<br>• *Hole length*<br>*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.* | No drilling was conducted. |
| ***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 soil 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* | No aggregate intercepts have been applied in reporting of the soil sampling exploration results. |
| | *The assumptions used for any reporting* | No metal equivalents have been used in |

| | | |
|---|---|---|
| | *of metal equivalent values should be clearly stated.* | reporting. |
| ***Relationship between mineralisation widths and intercept lengths*** | *The relationships are particularly important in the reporting of Exploration Results.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported*<br>*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).* | Not applicable – surface rock chip samples |
| ***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.* | Not applicable – surface rock chip samples |
| ***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.* | Relevant sample results are reported within announcement. It is not practicable or appropriate to report all individual rock sampling results. |
| ***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.* | Not applicable |
| ***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).* | Geological and geophysical results have been summarized in order to put context around sample results. Surface rock sampling results will be followed up with sub-surface drilling if deemed appropriate. |
| | *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. |