



Cannindah Resources
Limited

ASX RELEASE

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Ground Based Magnetic Survey Completed

Cannindah Resources Limited has completed further ground based magnetic surveying at the Mt Cannindah Project. Approximately 200 line km were completed by the geological team and the survey has outlined new targets of interest within the under explored EPM areas that surround the highly mineralised mining lease area.

The survey contains several magnetic features all of which need to be investigated as potential mineralised targets : eg the circular feature in SE corner with NNW, NW linears emanating from it could be a high level plug surrounded by magnetite skarn with radiating dykes potentially carrying mineralisation as is the case at the Appletree magnetite skarn. To the south west of Appletree the south west trending magnetic linear has been extended. There are now several newly discovered targets, where magnetic anomalies occur at intersections with north-west trending dykes. The gold mineralisation potentially being transported by these cross cutting dykes are of interest to the company in the near term (see figure 1).

On the Eastern boundary of the survey, a circular, plug like magnetic feature with a magnetic aureole occurs over the Kalpowar North prospect previously explored by CRA in 1993. Rocks previously described from the area include milled breccia and intrusive bodies, which are coincident with a strong gold soil anomaly (greater than 100 ppb Au) accompanied by strong lead. The NW trend of the geochemical signatures has been supported by magnetic linears having similar north-west trends. The alignment of these independent data sets is encouraging in terms of the delineation of mineralising structures within the fertile intrusive systems in the Cannindah district.

The area to the south has long been regarded by the company as highly prospective as evidenced by the application by the grant being made for more exploration ground to extend the project in this direction. The company will continue the processing of this new data, along with soil surveys which are aimed at providing polymetallic geochemical support of the most recent ground magnetic survey results. Geological mapping and sampling of these new target areas is underway and the results of this work will be released to the market once the data has been analysed and reported.

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.

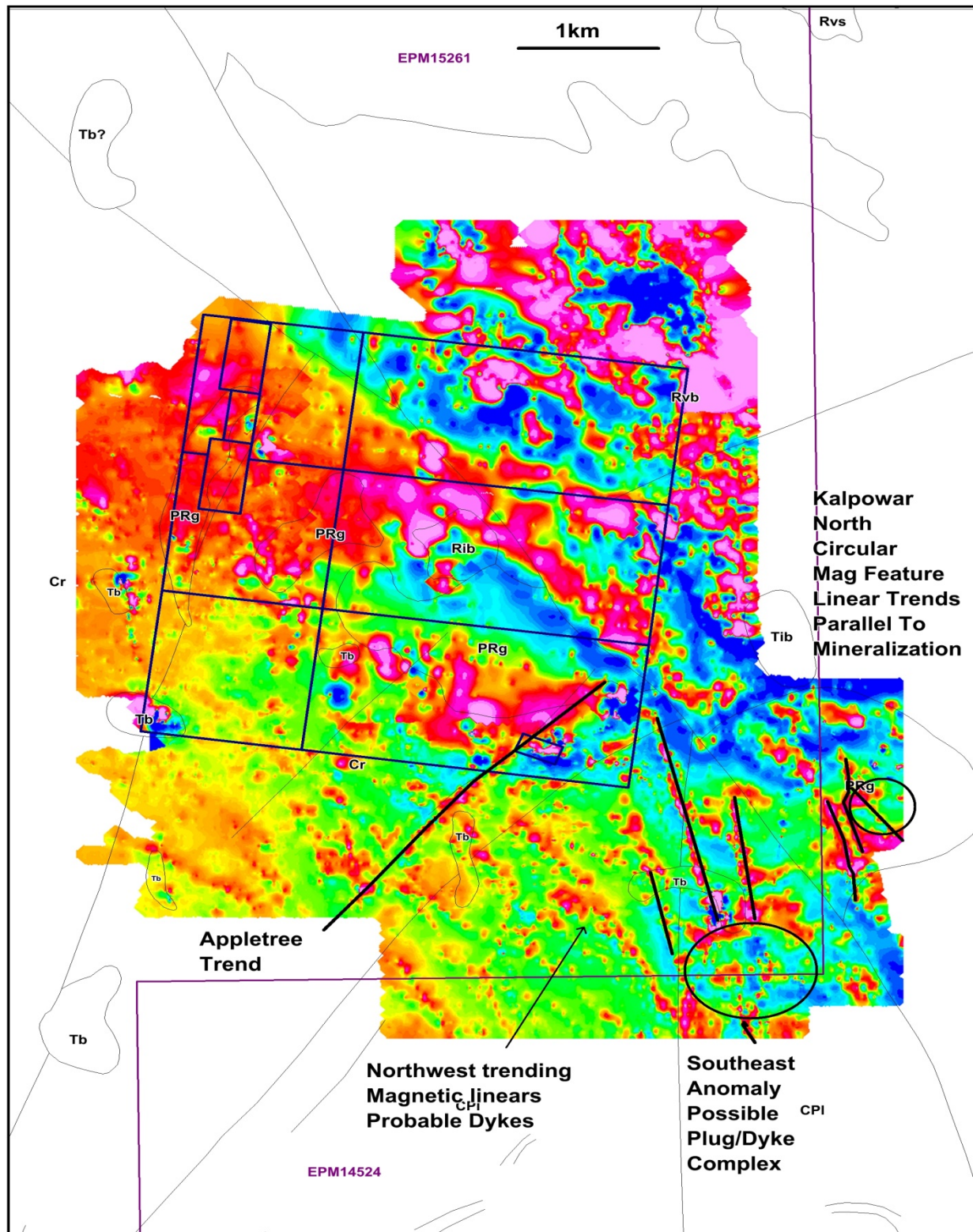
Dr. Beams has BSc Honours and PhD degrees in geology; he is a Member of the Australasian Institute of Mining and Metallurgy (Member #107121) and a Member of the Australian Institute of Geoscientists (Member # 2689). Dr. Beams has sufficient relevant experience in respect to the style of mineralization, 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.

For further information, please contact:

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Figure 1: Magnetic Features and Linear Trends – Mt Cannindah



APPENDIX 1
JORC Code Table 1

Cannindah Resources Magnetic Survey Announcement 27 May, 2015.

Section 1: Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	<p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sampling representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>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.</i></p>	<p>- No new surface geochem samples reported here</p> <p>No new surface geochem samples reported here</p>
Drilling techniques	<i>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.)</i>	Drilling was not conducted.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Drilling was not conducted
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Drilling was not conducted
	<i>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.</i>	Drilling was not conducted
Logging	<i>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</i>	Any observations on soil or rock type or comments on logistics were recorded in the sample book. The rock types were described in detail.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.</i>	No new logging reported here.
	<i>The total length and percentage of the relevant intersections logged.</i>	Drilling was not conducted
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Drilling was not conducted.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Drilling was not conducted.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	No new surface geochem samples reported here
	<i>Quality control procedures adopted for all sub-sampling stages to maximise</i>	No new surface geochem samples reported here

Criteria	Explanation	Commentary
Quality of assay data and laboratory tests	<i>representativity of samples.</i>	
	<i>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.</i>	No new surface geochem samples reported here
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	No new surface geochem samples reported here.
	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No new surface geochem samples reported here
	<i>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.</i>	- The ground magnetometer survey was completed using a state of the art Gemsys Walking magnetometer with inbuilt GPS. Each year Terra Search's Gemsys magnetometer units are sent away for external calibration and servicing.
	<i>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.</i>	During ground magnetic field surveys, a control point is measured for location coordinate accuracy and for magnetometer reading accuracy. The magnetometer base station values are compared throughout the day to check against the continuous recordings from Australian Magnetic network stations, particularly the station in north Queensland at Charters Towers. Comparisons are then made with the control points to check QA/QC. Data are diurnally corrected against the base station.
		No new surface geochem samples reported here
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Drilling was not conducted.
	<i>The use of twinned holes.</i>	Drilling was not conducted.
	<i>Documentation of primary data, data entry procedures, data verifications, data storage (physical and electronic) protocols.</i>	Location data and magnetic readings are digitally collected by the Gemsys unit and in the base station magnetometer units. These data are downloaded each day and spatially validated and plotted and processed to produce images. Experienced operators and geophysicists are involved at all stages of the processing. Data is backed up immediately. and 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 Terra Search's Townsville Office. Location and magnetic data is checked against the daily control point and the Australian Magnetic network stations, particularly the station in north Queensland at Charters Towers .
	<i>Discuss any adjustment to assay data.</i>	No new surface geochem samples reported here
Location of data points	<i>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.</i>	Magnetometer reading station locations were recorded by the Gemsys Walking Magnetometer. Location accuracy is in the order of 1m-5m X-Y and 10m in the Z direction.
	<i>Specification of the grid system used.</i>	Coordinate system is UTM Zone 56 (MGA) and datum is GDA94
	<i>Quality and adequacy of topographic control.</i>	Pre-existing DTM is high quality and available.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Magnetometer readings were taken on 50m line spacing at 1-2m spacing along the walked lines. These readings were then imaged.
	<i>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.</i>	Magnetometer reading spacing is deemed appropriate for identifying high resolution magnetic features which are supported by geological features. If supported by close space drilling it could be appropriate to use this information in a Mineral Resource or Ore Reserve estimation capacity.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.

Criteria	Explanation	Commentary
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Magnetic survey lines were orientated both east west or north south depending on the main structures/contact of interest along which known mineralisation exists. Tie lines are employed to ensure unbiased sampling is achieved for the structures.
	<i>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.</i>	Drilling was not conducted.
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of custody was managed by Terra Search Pty Ltd. Magnetic digital data was always in Terra Search's secure data storage. .
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been undertaken