

Quarterly Activities Report to 31 March 2015

Mount Cannindah Project

Located approx. 100km south of Gladstone, Qld

- The Mt Cannindah Project represents a large (greater than 9km²) high level “porphyry style” Cu-Mo-Au mineralised system. Exploration work during the quarter has outlined further areas of interest for follow up other than the known resource at Mt Cannindah. These areas include Little Wonder, Cannindah East and Appletree.
- During the quarter a significant amount of exploration work across a number of prospect areas within the project was progressed. Over 1,000m of trench sampling was completed along with numerous rock chip samples and the commencement of ground based magnetic surveying which is on-going. Over 1,100 samples have since been lodged with ALS in Brisbane for multi-element assaying (see figure 1).
- Cannindah Resources Limited commenced the current exploration program in February after a review of data from the previous quarter and prior to cyclone Marcia proceeding through the area. Reconnaissance of prospective areas for trenching and confirmation of the mapped dykes and various prospect areas was completed prior to the geological team demobilising for precautionary safety reasons as a result of the cyclone. The team was away from site for approximately a week with no damage reported other than some felled trees across access tracks which were quickly cleared by the landowner for the company.
- Previous trenching in the vicinity of float samples discussed in the previous quarter exposed high grade gold bearing quartz vein producing results of up to 17.7g/t Au (ASX release 1st Oct 2014). This trenching identified a shallowly buried gold mineralised zone where significant gold grades occur over potentially minable widths including 4m @ 1.49g/t Au and 2m @ 4.12g/t. Assay results from sampling over 1m intervals within that trenching showed that gold grades in the range of 0.5g/t Au to 7.4g/t are present over significant widths (see ASX release 14th October 2014). Channel sampling from outside the main vein also produced anomalous results suggesting that rather than one discreet vein, mineralisation may be hosted by a network of veins within this recently identified structural trend.
- Trenching completed during the quarter confirmed a major fault structure between Little Wonder and Cannindah East referred to above with strong fracturing and brecciation between 20-60m wide, and containing local areas of high grade gold veining along a possible strike of 1km. The most recent trenching has shown the relationship of alteration and gold mineralisation with altered felsic intrusions. Within these altered zones the gold and silver values are moderately elevated.
- During the quarter over 1,000m of ground based magnetics was completed through the base of the trenches and the commencement of further lines outside the mining lease area commenced but was suspended until the exploration team return to site scheduled for the first week of May 2015.
- Surface trenching to a depth of 1 m at the Appletree prospect completed during the quarter returned 50m @ 1% Cu with the highest reading grading 2.3% Cu. (See ASX release 28th April 2015) (see figure 2).

- A review of the IP geophysics within the Appletree area completed historically by Newcrest indicates the possibility of sulphide material at depths greater than that which has been tested by drilling in the area to date. (See ASX release dated 28th April 2015)
- All targets identified from recent exploration work and association with historical reviews will be followed up in the coming quarter.

Cannindah Quarterly Operation Statistics

Terra Search field operations between February 15th to 19th and March 5th to 29th 2015, for a total of 30 field days.

Location	Number of Trenches	Trench Metres	Trench Samples	Rock Chip Samples	Trench Ground Magnetics	Blanks & Standards
Appletree	3	225	195	2	225	13
Dunno	2	118	118	3	118	8
Lifesaver	1	15	15	2	15	2
Little Wonder	1	67	67	3	67	4
Little Wonder NE	2	95	95	0	102	7
Midway	2	164	164	1	169	11
Monument Ridge	3	43	43	1	52	6
Mount Theodore	1	104	104	1	104	6
South Cannindah East	2	109	109	0	109	8
United Allies	3	130	130	7	136	9
Recon R/C						6
Monument				5		
South Monument				3		
Little Wonder SW				1		
Totals	20	1070	1070	29	1097	80

Mount Borium Gold Project and Oak River Uranium /Gold Project

(EPMs 18960, 19009, 19015, 17945)

- No work was conducted on these projects during the December quarter. CAE is still seeking appropriate JV partners for these assets or divestment as they are non-core assets of the company. The company has had some discussions during the quarter with interested parties regarding these EPMs however there is nothing documented and capable of acceptance for the company to consider presently.

Corporate

- \$2m funding facility was executed and first drawdown completed.
- At the end of the quarter the company had \$0.255 million cash as well as the undrawn finance facilities available to it.
- The major shareholder Mr John Hamilton increased his shareholding to 19.76%

COMPETENT PERSON STATEMENT

The information in this report that relates to exploration results is based on information compiled and/or supervised by Mr Laurie Johnson B.Sc (Geology) F.AusIMM who is a Director of Cannindah Resources Limited.

Mr Johnson is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Johnson has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Johnson consents to the inclusion of this information in the form and context in which it appears in this report

For further information, please contact:

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Executive Chairman

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Figure 1: Mt Cannindah Recent and Proposed Exploration Work

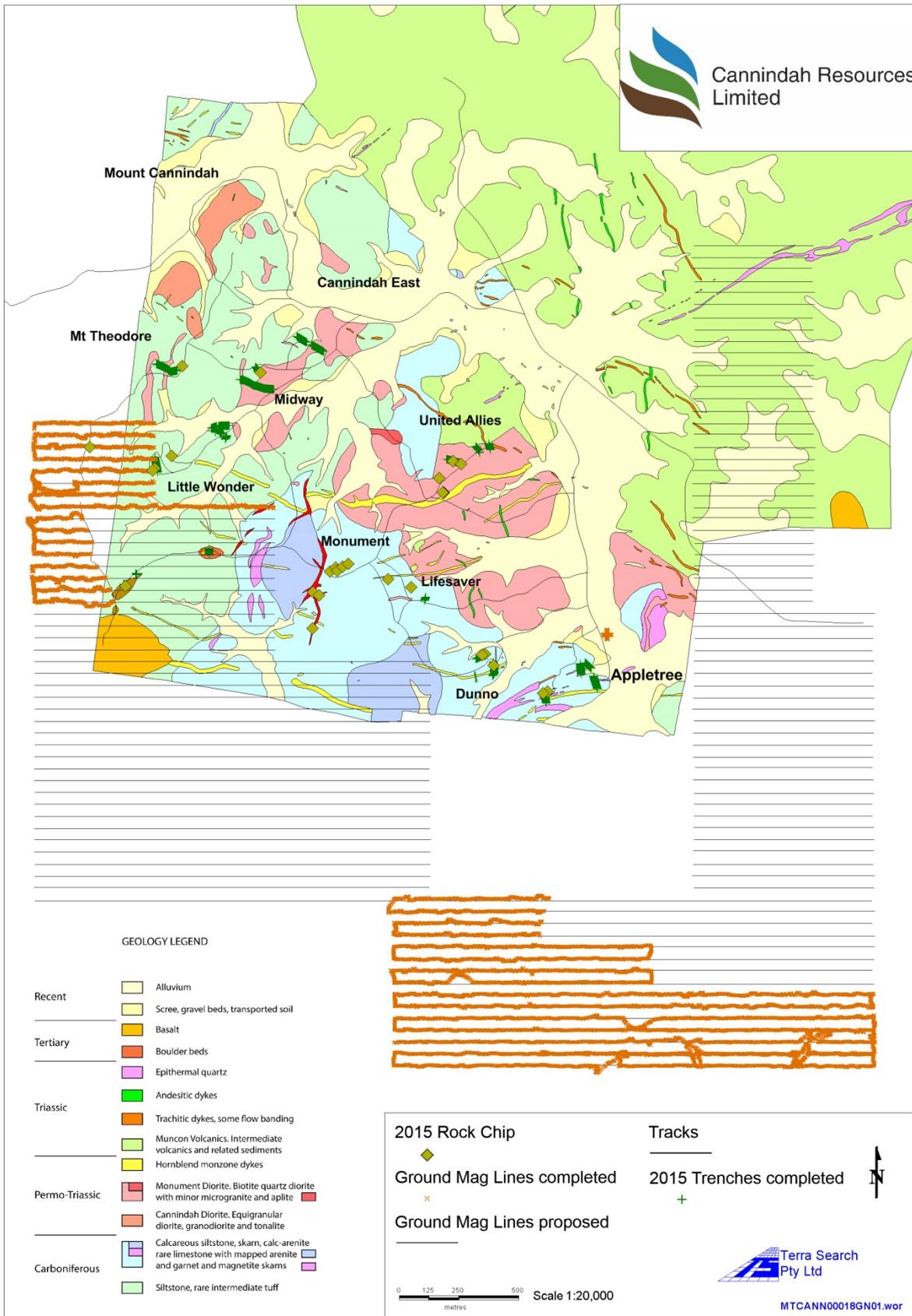
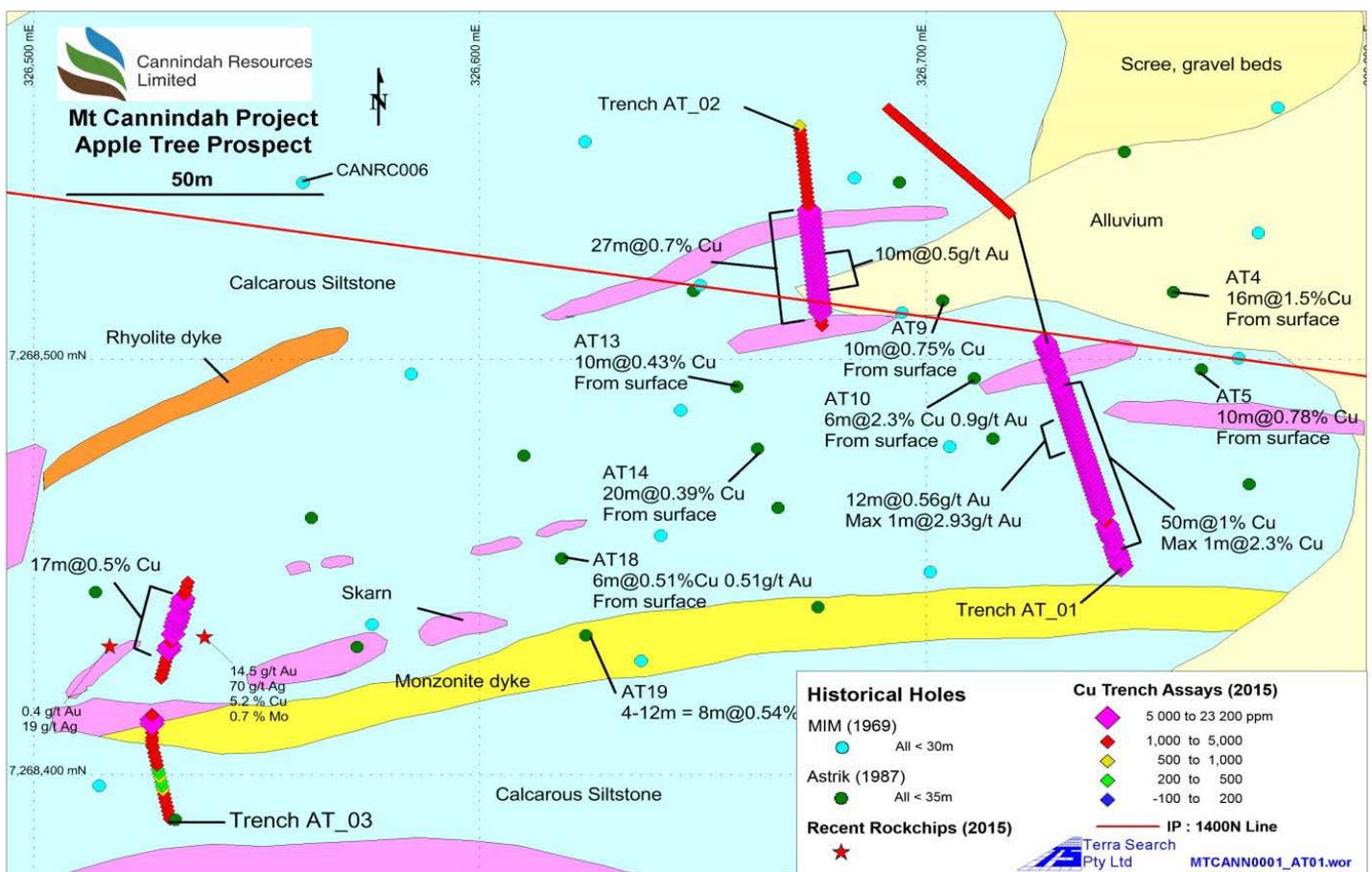


Figure 2: Trenching at Appletree



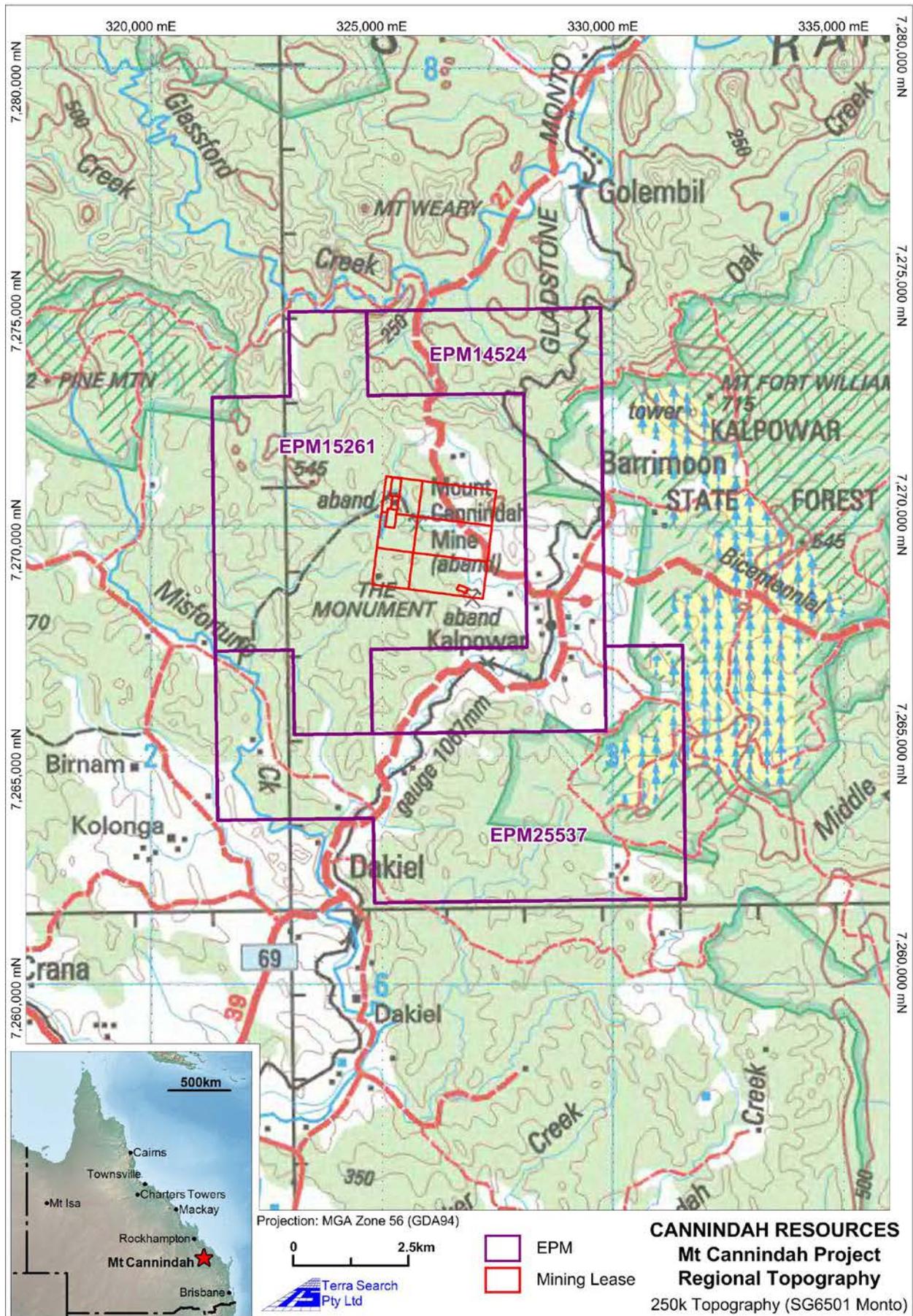


Figure 3: Location of the Mt Cannindah Project area showing Cannindah Resources tenure.