

Cannindah Resources Announces Execution of \$2 Million Secured Loan Facility

Cannindah Resources Limited (ASX: CAE) is pleased to announce the execution of the \$2 million secured loan facility previously announced on 30 January 2015.

The loan can be repaid any time without penalty and has a commercial rate of interest of 15% capitalised into the loan. The facility is for 12 months but can be extended annually up to a maximum term of 3 years at the election of CAE.

Twelve million shares in CAE will be issued to the lender as a loan establishment fee. These shares will rank equally with the existing shares on issue and represent 14.97% of the shares on issue in CAE. Shareholder approval is not required for the issue of these shares.

The lender, MCM Advance Pty Ltd, is a non-associated investor which completed due diligence over the company's projects at Mt Cannindah to their satisfaction earlier this year.

The funds will be used for the continuation of exploration currently being conducted across the Mt Cannindah project and for ongoing operational expenses of the company.

Executive Chairman Tom Pickett stated "the Company is now well placed to continue the good work that has been achieved at Mt Cannindah. We look forward to establishing the significant potential scale of the Mt Cannindah project area."

Key Terms of the Facility are as follows:

- \$2,000,000 facility, to be drawn down monthly for approved exploration with up to \$1.4 million available in the first 12 months;
- 12 month term with the right to extend for 2 further periods of 12 months;
- Capitalised interest rate of 15% pa;
- Secured by the Mt Cannindah project;
- An establishment fee payable by the issue to the lender of 12 million shares in CAE;
- If CAE elects to extend the facility for an additional 12 months, extension fees will be incurred (for each extension) being the greater of \$200,000 or the 20 day VWAP of 12 million shares at that time. This fee may be paid by the issue of a further 12 million shares in lieu of a cash payment, at the election of the lender subject to compliance with the ASX Listing Rules and Corporations Act and a cash payment will be made in the absence of CAE being able to issue the shares.

For further information, please contact:

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