

Cannindah Resources Limited Acquires 100% of the Piccadilly Gold Project

The Board of Cannindah Resources Limited is pleased to announce that it has acquired 100% of the shares in Piccadilly Gold Mine Holdings Limited.

The Piccadilly Gold project's geological setting has been described as being similar to the multi-million ounce Kidston gold project in North Queensland. Significant exploration completed to date has identified a large intrusive related gold system target at Piccadilly. The project area is made up of one mining lease ML 1442 and two EPM areas 18322 and 16198.

Cannindah Resources Limited (ASX: CAE) has as part of the acquisition process utilized its current placement capacity to issue 48,318,170 ordinary shares in CAE to the various Piccadilly Gold Mine Holdings Limited shareholders to acquire 100% of the company and its project. The acquisition is in line with the Company's strategy set out in recent quarterly and half -yearly reports. The transaction also has the support of the Company's Lender, Aquis Finance, which agreed to increase the current loan to the company with immediate effect contingent on the finalisation of the acquisition. Aquis Finance has also agreed to work with the Company towards converting its total debt to equity in the Company subject to the normal approvals required.

Terra Search who have been CAE's consulting geologists for many years have also been involved in the exploration of the surrounding EPMs for Piccadilly Gold Mine Holdings Limited from the early stages of the program. This existing relationship will allow an easy transition of the data set to CAE for quick and continued exploration activity to occur over the site now that the deal is finalised. Dr Gregg Morrison from Klondike Exploration Services has also directed his extensive international gold exploration experience to understanding and interpreting the Piccadilly Gold Mining District. Dr Morrison has previously developed mineralisation and zoning models for north Queensland intrusive related gold mines such as Kidston, Mt Leyshon, and Mt Wright, which have cumulatively produced over 7 million ounces of gold. Figure 1 below is the schematic exploration model that Dr Morrison has interpreted for the Piccadilly Mining District on the basis of existing exploration data. Cannindah Resources' consultants consider that the multi-element, geochemical zoning pattern that occurs over several kilometres at Piccadilly is similar in style and scale to the other major north Queensland intrusive gold systems.

Piccadilly Cross Section Cartoon

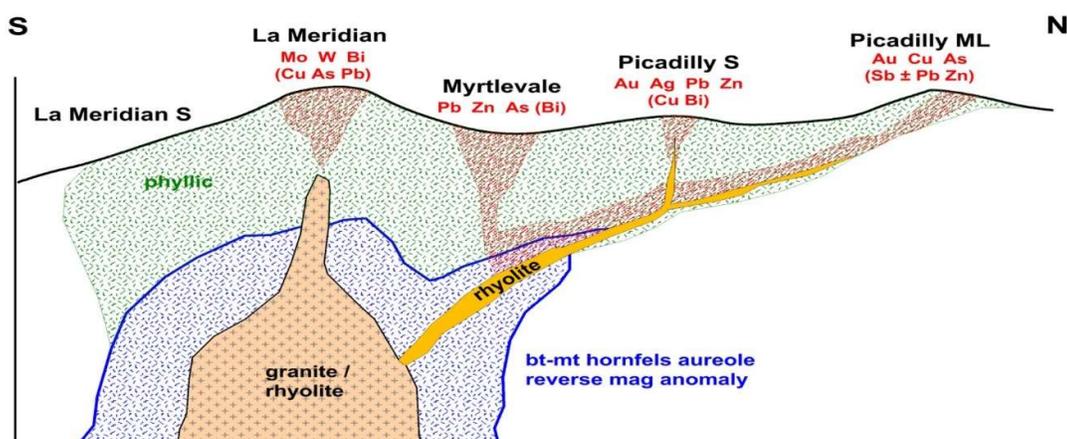


Figure 1: Schematic Model of Interpreted Intrusive Related mineral system at Piccadilly. Note idealised geological north south cross section, looking west (after Beams & Morrison, 2015)

Figure 1 shows the Piccadilly Mining Lease to the north, with suggested mineralisation dipping to the south towards the intrusive related source. It is interesting to note that this figure was created some years ago by Dr Morrison, on behalf of Piccadilly Gold Mine Holdings Limited, and that the recent work completed by Cannindah Resources Limited has confirmed that the high-grade gold in the Mining Lease does indeed dip to the south towards this area.

Given the cross-sectional dimension in Figure 1, the interpreted intrusive related gold system target potentially presents Cannindah with a very large, bulk-tonnage gold target area that is drill ready and kilometres in scale. A number of geological, geochemical and geophysical surveys have been completed across the EPMs surrounding the mining lease:

- Rock chip sampling
- Soil sampling
- Geological mapping
- PIMA mineralogical determination
- Ground based magnetic geophysical survey
- Induced Polarisation geophysical survey
- Portable XRF analysis
- costeaning

Cannindah Resources Limited has undertaken a review of this data in conjunction with work currently being evaluated within the mining lease area to establish a targeted drilling program in the short term. Some 34.8km of IP surveying has been completed, resulting in a clearly defined target zone for the intrusion-centred gold system. Figure 2 is an image of the IP chargeability anomaly modelled at 106m. The image is a predictive model of the intensity of sulphide development that appears concentrated in and south of the ML. The IP anomaly overlaps with an even more extensive area of gold anomalies in both rock chip and soil samples. The line of proposed drill holes shown on Figure 2 commences from the area where Cannindah has confirmed mineralisation within the Mining Lease boundary and steps

to the south across the set veins and the south-dipping master structure that is highlighted by the more intense IP anomaly.

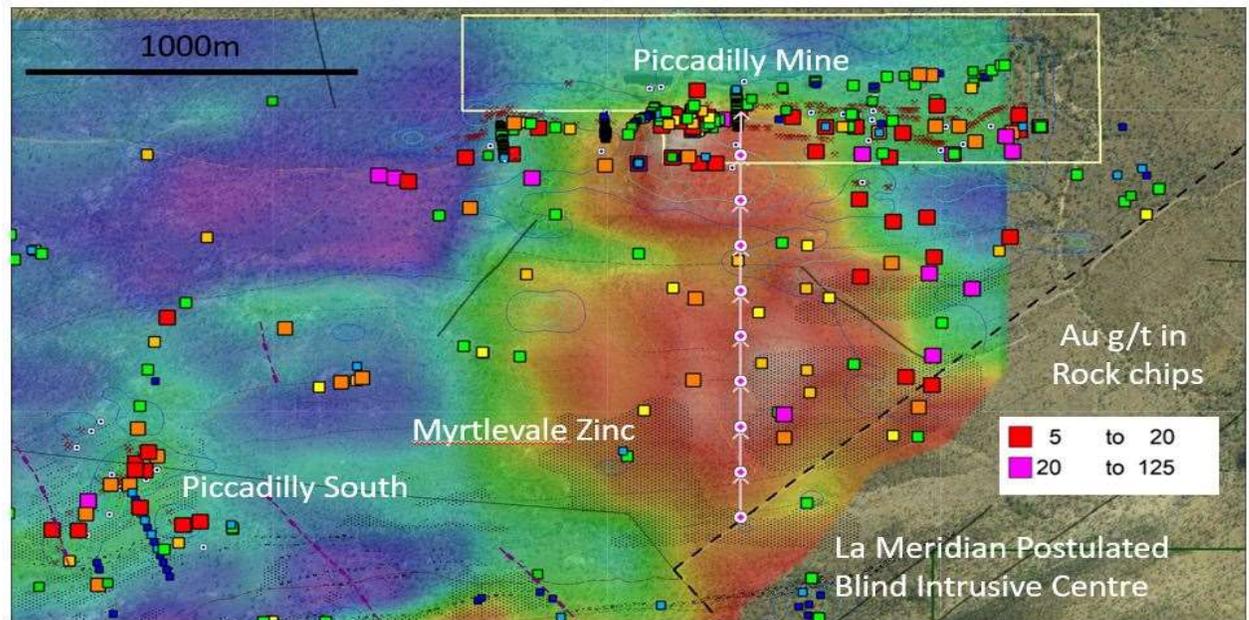


Figure 2. Image of modelled IP Chargeability at a depth slice of 106m below surface , overlain with surface rock chip colour coded gold values.

Now that the company owns 100% of the Piccadilly project we are very excited given the current gold price to be planning the exploration of this potentially company-making target – a target that has many times been described by independent consultants as sharing similar geochemical zoning patterns to major North Queensland intrusive related gold systems such as Kidston, Mt Leyshon, and Mt Wright.

“The Piccadilly Gold Mine Holdings Limited acquisition inclusive of its debt presents fantastic value for the shareholders of Cannindah Resources Limited and provides the company with a significant exploration project and future funding which was not otherwise available during these interesting covid-19 related times. We look forward to developing this large scale intrusive related gold target for the benefit of all shareholders over the coming months.” said CAE Chairman Mr Thomas Pickett.

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