

CANNINDAH RESOURCES SIGNS TERM SHEET WITH MINJAR GOLD

Cannindah Resource Limited is very pleased to announce that the company has executed a term sheet with Minjar Gold Pty Ltd (Minjar) the owners of the Pajingo Mine, which is located 231kms by road from the Piccadilly Gold Project operation in Queensland, which is approximately 134km south-west of Townsville.

The term sheet provides for an ore purchase agreement to be finalised by the 20th of September 2017.

Some weeks ago Cannindah Resources Limited provided Minjar with a representative sample of the ore from Piccadilly in order to establish the recovery rate of this material through their mill located at the Pajingo mine site. The result of this test identified a very good gold recovery between 95-96% which is a testament to the well run mill that Minjar operates and maintains in north Queensland.

Minjar is an Australian Gold explorer, developer and producer which has been operating since 2009. In the 8 years of operation in Australia, Minjar has built a mid-tier gold business boasting three operations, the Golden Dragon project located in the Midwest of Western Australia, the Pajingo project and recently joined the Southern Cross Operations in Western Australia, producing 230,000 ounces per annum and employing 930 people.

Minjar Gold Pty Ltd is a wholly owned subsidiary of Shandong Tyan Home Co Ltd which is listed on the Shanghai stock exchange. Minjar is very well positioned to continue the growth of their business in Australia.

Cannindah Resources Limited looks forward to working with Minjar in the treatment of material from the Piccadilly mine going forward. The company has previously stated that it has been working towards accessing cash from the sale of stockpiled material already on the ROM at the Piccadilly site in accordance with an ore purchase agreement. Going forward the company may decide to access larger tonnage as we work to establish the origin of the high grade results we are receiving from Piccadilly presently.

Cannindah Resources Limited's Executive Chairman Tom Pickett stated that "it is a very positive step for our company that a significant player in the gold sector in Queensland such as Minjar has sought to purchase ore from the Piccadilly site. Cannindah has managed to achieve good results quite quickly from a relatively small exploration area within the mining lease. There is a lot more to explore within the project, and Cannindah looks forward to enjoying continued success with a potentially on-going relationship with Minjar into the future."

The agreement with Minjar will be on a non-exclusive basis providing Cannindah the ability to deal with the project in any way it may decide going forward. This provides for the most amount of flexibility whilst we are still in the process of evaluating the considerable potential of the project.

For further information, please contact:

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