



## **FURTHER ENCOURAGING RESULTS EXTENDING WESTERN GOLD ZONE PICCADILLY MINE**

- Significant gold zone continuous channel sampled at western end of Western Slot #1 returns 16m @ 6.12 g/t Au , includes 4m @ 21.67 g/t Au (C030).
- Other continuous channel samples at western end of Western Slot #1 return 3m @ 3.18 g/t Au (C020); 3m @ 1.40 g/t Au (C034); 4m @ 3.41 g/t Au (C035). These intervals extend the mineralised zone a further 50m to west.
- A second significant gold zone outlined in Western Slot #2 located 110m south west of Western Slot #1.
- Continuous channel sampling of Western Slot #2 has returned 4m @ 8.76 g/t Au (C021); 2m @ 4.06 g/t Au (C023); 2m @ 4.02 g/t Au (C026); 5m @ 10.44 g/t Au (C029); 7m @ 2.93 g/t Au (C036) including 1m @ 4.1 g/t Au and a further 2m @ 5.29 g/t Au; 8m @ 1.99 g/t Au (C037) including 2m @ 4.23 g/t Au . These intervals are developed over 50m in strike. The gold zone in Western Slot #2 is open ended to the west.
- Grab rock chip sampling of gossanous quartz vein material in Western Slot #2 has returned 12.0 g/t Au.

Cannindah Resources Limited's (ASX: CAE) has received more encouraging gold results from further sampling, exploring for extensions of the Western Gold Zone at the Piccadilly Mine. Cannindah Resource's previous sampling revealed over 120 meters of strike length of gold mineralised gossanous quartz veining (See Fig 1 and CAE's releases to the ASX on 22<sup>nd</sup> and 25<sup>th</sup> of August, 4<sup>th</sup> of November 2017). The high grade gold material from the Western Slot # 1 was stockpiled and has been removed and processed at Minjar's Pajingo Mine. Further stockpiling for processing at Minjar's Pajingo mill continues as new material from current exploration is exposed.

Recent trench and rock chip results are presented in Table 1 and plotted on Fig 1.

### **Western Slot #1**

Continuous, (2m) horizontal, channel sampling reported here from Channel 30, western end of Western Slot # 1, has returned significant, cross lode, widths of gold e.g. 16m @ 6.12 g/t Au. Within this continuous channel, the gossanous quartz vein and associated alteration of the main lode is characterised by high gold e.g. 4m @ 21.67 g/t Au, which includes 1m @ 37 g/t Au. In terms of mineable mineralised widths it is encouraging to note that gold is also carried in both hanging wall (4m @ 1.85 g/t Au) and footwall (8m @ 0.5 g/t Au) zones, respectively above and below the main lode. We are seeing a bulking out of significant widths of mineralisation that, in this channel, is still open to the south and north.

Other channels to the west of channel 30 returned horizontal widths in the order of 1 to 3m of 1 to 3 g/t Au. Some of these intersections are also open ended.

## **Western Slot #2**

Cannindah resources started excavating a second slot (Western Slot #2), 110m south west of Western Slot #1.

In November 2017 CAE reported horizontal channel sampling of a scout trench in the middle of Western Slot # 2 which returned a gold mineralised zone 5m @ 5.64 g/t Au, which included 2m @ 13.7 g/t Au.

Follow up exploration suggests that the lode intersected in PTR020 could be a faulted offset of the main lode traced within Western Slot #1. Gold values are present in all of the several continuous channel samples along a strike length of 70m in Western Slot #2 (Table1, Figure 1) . The most significant intervals are. 4m @ 8.76 g/t Au (C021); 2m @ 4.06 g/t Au (C023); 2m @ 4.02 g/t Au (C026); 5m @ 10.44 g/t Au (C029); 7m @ 2.93 g/t Au, including 1m @ 4.1 g/t Au and a further 2m @ 5.29 g/t Au (C036) and 8m @ 1.99 g/t Au , including 2m @ 4.23 g/t Au (C037). The gold zone in Western Slot #2 is open ended to the west. Recent extraction of material from the slot confirmed lode development related to bedrock rather than any surficial regolith features or artefacts of historical mining.

Further trenching and slot development is planned with a goal of locating more gold lodes which can be stockpiled and processed at Pajingo Mine through the Minjar agreement. The current exploration within the mining lease is also assisting in the preparation of an initial drilling program targeting the continuation of the gold zone towards the large IP anomaly to the south of the mining lease area.

**For further information, please contact:**

**Tom Pickett**  
**Executive Chairman**  
**Ph: 61 7 3357 3988**

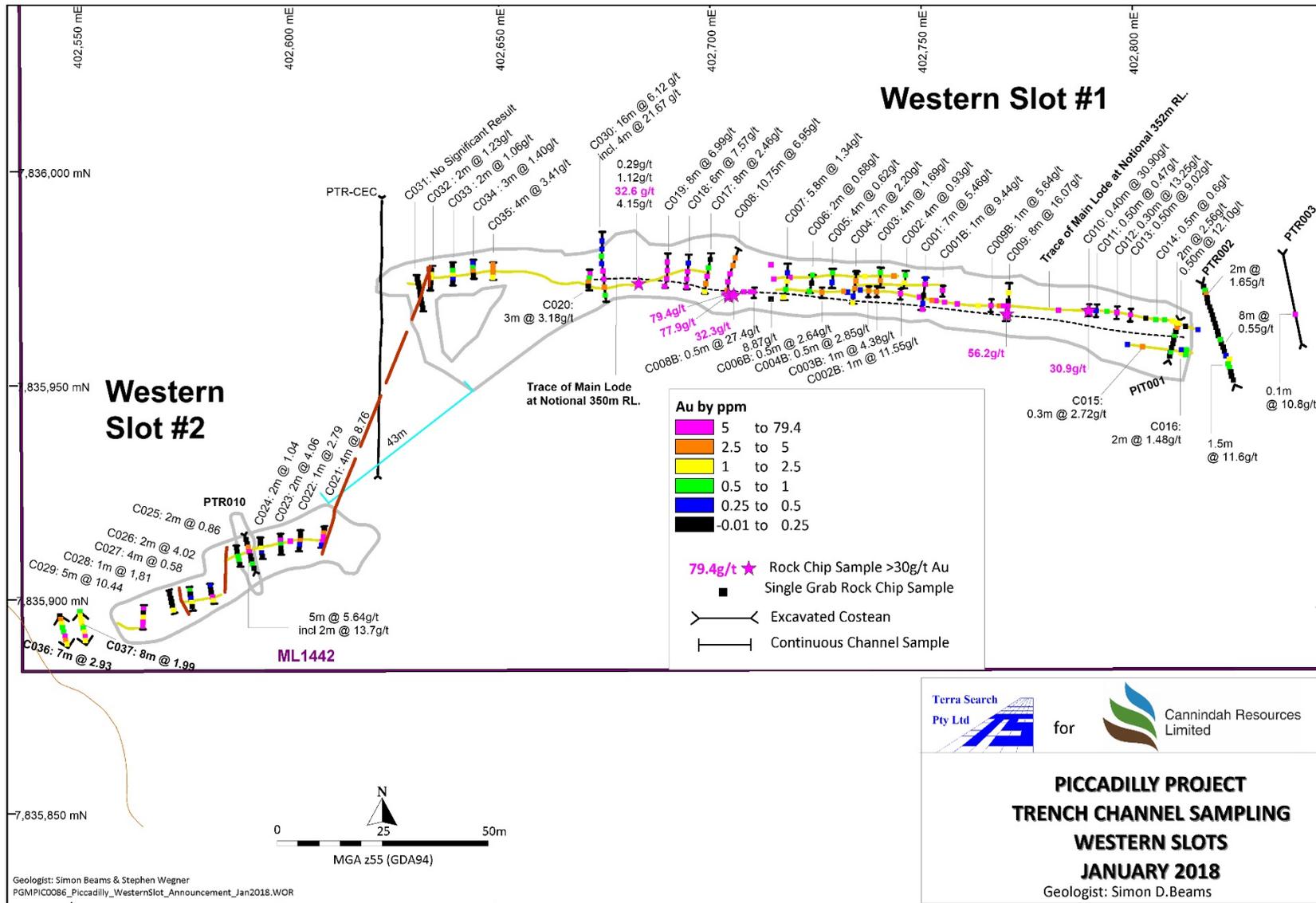


Figure 1. Channel Sample results from Western Slot# 1 & 2., updated with Dec, 2017, sampling.

Table 1. Samples collected November-December 2017

Sample	Data_Type	From	To	Total	Lith_Desc	Au
Channel #	m	m	m			g/t

3011850	C020	0	1	1	Minor Gossanous quartz vein (10%) cutting medium grained chloritic quartz sandstone	5.75
3011851	C020	1	2	1	Minor Gossanous quartz vein (5%) cutting medium grained chloritic quartz sandstone	0.7
3011852	C020	2	3	1	Gossanous quartz vein (20%) cutting medium grained chloritic quartz sandstone	3.1
3011853	C020	3	4	1	Medium grained chloritic quartz sandstone, some arkose, no obvious quartz vein.	0.06
<b>Summary</b>	<b>C020</b>	<b>1</b>	<b>3</b>	<b>3</b>		<b>3.18</b>

3019428	C030	0	2	2	Minor Gossanous quartz vein (3%) cutting medium grained chloritic quartz sandstone	0.91
3019429	C030	2	4	2	Minor Gossanous quartz vein (10%) cutting medium grained chloritic quartz sandstone & red siltstone	2.79
3019430	C030	4	6	2	Gossanous quartz vein (15%) cutting medium grained chloritic quartz sandstone	37.00
3019431	C030	6	8	2	Gossanous quartz vein (15%) cutting medium grained chloritic quartz sandstone	6.33
3019432	C030	8	10	2	Minor Gossanous quartz vein (2%) cutting medium grained chloritic quartz sandstone, arkose, minor red siltstone	0.32
3019433	C030	10	12	2	Minor Gossanous quartz vein (3%) cutting medium grained chloritic quartz sandstone, arkose, minor red siltstone	0.85
3019434	C030	12	14	2	Minor Gossanous quartz vein (3%) cutting medium grained chloritic quartz sandstone, arkose,	0.47

3019435	C030	14	16	2	arkose, red siltstone, soil	0.29
<b>Summary</b>	<b>C030</b>	<b>0</b>	<b>16</b>	<b>16</b>		<b>6.12</b>
3019439	C031	0	1	1	Red siltstone	0.01
3019440	C031	1	2	1	arkose , red siltstone	0.02
3019442	C031	2	3	1	arkose , red siltstone	0.03
3019443	C031	3	4	1	arkose , red siltstone	0.06
3019444	C031	4	5	1	Minor caliche (5%) cutting medium grained chloritic quartz sandstone, arkose,	0.15
3019445	C031	5	6	1	Minor quartz vein (2%) ,caliche (4%) cutting medium grained chloritic quartz sandstone	0.11
3019446	C031	6	7	1	Minor quartz vein (1%) ,caliche (1%) cutting medium grained chloritic quartz sandstone	0.08
3019447	C031	7	8	1	Some backfill, medium grained chloritic quartz sandstone	0.01
<b>Summary</b>	<b>C031</b>				<b>No Significant results</b>	
3019448	C032	0	1	1	medium grained chloritic quartz sandstone, arkose, red siltstone.	0.16
3019449	C032	1	2	1	Minor quartz vein (2%) ,caliche (4%) cutting arkose,sandstone	1.26
3019450	C032	2	3	1	Minor quartz vein (5%) , cutting arkose, medium grained chloritic quartz sandstone	1.19
3019451	C032	3	4	1	arkose, medium grained chloritic quartz sandstone	0.04
3019452	C032	4	5	1	arkose	0.02
<b>Summary</b>	<b>C032</b>	<b>1</b>	<b>3</b>	<b>2</b>		<b>1.23</b>
3019453	C033	0	1	1	medium grained chloritic quartz sandstone	0.10
3019454	C033	1	2	1	Minor gossanous quartz vein (1%) , cutting medium grained chloritic quartz sandstone, arkose, backfill	0.63
3019455	C033	2	3	1	Gossanous quartz vein (15%) cutting medium grained chloritic quartz sandstone,arkose	1.47
3019456	C033	3	4	1	Minor quartz vein (1%) , cutting medium grained chloritic quartz sandstone, arkose	0.28
3019457	C033	4	5	1	arkose, medium grained chloritic quartz sandstone	0.07
<b>Summary</b>	<b>C033</b>	<b>1</b>	<b>3</b>	<b>2</b>		<b>1.05</b>
3019458	C034	0	1	1	Minor gossanous quartz vein (2%) , cutting arkose	0.43

3019459	C034	1	2	1	Minor gossanous quartz vein (2%) , cutting arkose, minor medium grained chloritic quartz sandstone,	0.96
3019460	C034	2	3	1	Bckfill with iron stained gossanous quartz vein	2.80
3019461	C034	3	4	1	medium grained chloritic quartz sandstone, arkose, soil	0.16
<b>Summary</b>	<b>C034</b>	<b>0</b>	<b>3</b>	<b>3</b>		<b>1.40</b>
3019462	C035	0	1	1	Bckfill with iron stained gossanous quartz vein , medium grained sandy clay sandstone	4.13
3019463	C035	1	2	1	Bckfill with iron stained gossanous quartz vein , medium grained sandy clay sandstone	4.63
3019464	C035	2	3	1	Gossanous quartz vein (10%) cutting arkose, medium grained chloritic quartz sandstone	3.44
3019465	C035	3	4	1	Gossanous quartz vein (5%) cutting arkose, medium grained chloritic quartz sandstone	1.43
<b>Summary</b>	<b>C035</b>	<b>0</b>	<b>4</b>	<b>4</b>		<b>3.41</b>

<b>Sample</b>	<b>Data_Type</b>	<b>From</b>	<b>To</b>	<b>Total</b>	<b>Lith_Desc</b>	<b>Au</b>
	<b>Channel #</b>	<b>m</b>	<b>m</b>	<b>m</b>		<b>g/t</b>
<b>Channel Samples Western Slot #2 : Continuous Channel 1m</b>						

3011858	C021	0	1	1	Minor gossanous quartz vein (1%) , cutting arkose, medium grained chloritic quartz sandstone,	0.16
3011859	C021	1	2	1	Minor gossanous quartz vein (5%) , cutting arkose, medium grained chloritic quartz sandstone,	2.67
3011860	C021	2	3	1	Minor gossanous quartz vein (3%) , cutting arkose, medium grained chloritic quartz sandstone,	9.48
3011861	C021	3	4	1	gossanous quartz vein and backfill	22.40
3011862	C021	4	5	1	Minor gossanous quartz vein (5%) , cutting arkose, Red siltstone, backfill	0.48
<b>Summary</b>	<b>C021</b>	<b>1</b>	<b>5</b>	<b>4</b>		<b>8.76</b>
3011863	C022	0	1	1	Minor gossanous quartz vein (1%) , cutting arkose, chloritic quartz sandstone, red siltstone	0.20
3011864	C022	1	2	1	Minor gossanous quartz vein (1%) , cutting arkose, chloritic quartz sandstone, red siltstone	0.09

3011865	C022	2	3	1	gossanous quartz vein (10%) , cutting medium grained chloritic quartz sandstone, arkose, medium grained chloritic quartz sandstone	2.79
3011866	C022	3	4	1	Minor gossanous quartz vein (1%) , cutting arkose, some backfill	0.30
3011867	C022	4	5	1	Arkose and fill	0.01
<b>Summary</b>	<b>C022</b>	<b>2</b>	<b>3</b>	<b>1</b>		<b>2.79</b>
3011868	C023	0	1	1	Minor gossanous quartz vein (2%) , cutting arkose, chloritic quartz sandstone	0.20
3011869	C023	1	2	1	gossanous quartz vein , arkose and backfill	7.21
3011870	C023	2	3	1	minor gossanous quartz vein , arkose , red siltstone and backfill	0.91
3011871	C023	3	4	1	Arkose and fill	0.04
3011872	C023	4	5	1	arkose, chloritic quartz sandstone, red siltstone	0.07
<b>Summary</b>	<b>C023</b>	<b>1</b>	<b>3</b>	<b>2</b>		<b>4.06</b>
3011873	C024	0	1	1	arkose, medium grained chloritic quartz sandstone, conglomerate	0.05
3011874	C024	1	2	1	minor gossanous quartz vein (1%) , arkose, medium grained chloritic quartz sandstone	0.20
3011875	C024	2	3	1	minor gossanous quartz vein , backfill, arkose and medium grained chloritic quartz sandstone	1.60
3011876	C024	3	4	1	Arkose and fill	0.49
3011877	C024	4	5	1	arkose, medium grained chloritic quartz sandstone	0.08
<b>Summary</b>	<b>C024</b>	<b>2</b>	<b>4</b>	<b>2</b>		<b>1.05</b>
3011878	C025	0	1	1	arkose, medium grained chloritic quartz sandstone	0.04
3011879	C025	1	2	1	arkose, medium grained chloritic quartz sandstone	0.10
3011880	C025	2	3	1	minor gossanous quartz vein , arkose and backfill	0.80
3011881	C025	3	4	1	minor gossanous quartz vein , arkose and backfill	0.91
3011882	C025	4	5	1	arkose, medium grained chloritic quartz sandstone	0.06
<b>Summary</b>	<b>C025</b>	<b>2</b>	<b>4</b>	<b>2</b>		<b>0.86</b>
3011883	C026	0	1	1	minor gossanous quartz vein (1%) , cutting medium grained chloritic quartz sandstone, red siltstone	0.33
3011884	C026	1	2	1	minor gossanous quartz vein (1%) , cutting medium grained chloritic quartz sandstone, red siltstone	0.11
3011885	C026	2	3	1	minor gossanous quartz vein (2%) , cutting medium grained chloritic quartz sandstone, arkose	0.20

3011886	C026	3	4	1	gossanous quartz vein (10%) , cutting medium grained chloritic quartz sandstone, arkose	6.95
3011887	C026	4	5	1	gossanous quartz vein (10%) , cutting medium grained chloritic quartz sandstone, arkose	1.09
<b>Summary</b>	<b>C026</b>	<b>3</b>	<b>5</b>	<b>2</b>		<b>4.02</b>
3011888	C027	0	1	1	red siltstone, medium grained chloritic quartz sandstone	0.55
3011889	C027	1	2	1	medium grained chloritic quartz sandstone, red siltstone, caliche	0.16
3011890	C027	2	3	1	minor gossanous quartz vein (1%) , cutting medium grained chloritic quartz sandstone, arkose	0.43
3011891	C027	3	4	1	minor gossanous quartz vein (4%) , cutting medium grained chloritic quartz sandstone, red siltstone	1.18
3011892	C027	4	5	1	red siltstone, medium grained chloritic quartz sandstone	0.11
<b>Summary</b>	<b>C027</b>	<b>0</b>	<b>4</b>	<b>4</b>		<b>0.58</b>
3011894	C028	0	1	1	red siltstone	0.02
3011895	C028	1	2	1	red siltstone	0.03
3011896	C028	2	3	1	red siltstone	0.07
3011897	C028	3	4	1	minor gossanous quartz vein (1%) , cutting red siltstone, medium grained chloritic quartz sandstone	0.09
3011898	C028	4	5	1	minor gossanous quartz vein (5%) , cutting medium grained chloritic quartz sandstone, red siltstone,	1.81
<b>Summary</b>	<b>C028</b>	<b>4</b>	<b>5</b>	<b>1</b>		<b>1.81</b>
3011899	C029	0	1	1	minor gossanous quartz vein (5%) , cutting medium grained chloritic quartz sandstone, red siltstone, caliche	14.25
3011900	C029	1	2	1	red siltstone, medium grained chloritic quartz sandstone and backfill	0.14
3019425	C029	2	3	1	backfill, medium grained chloritic quartz sandstone , red siltstone	2.31
3019426	C029	3	4	1	minor gossanous quartz vein (5%) red siltstone, medium grained chloritic quartz sandstone and backfill	28.80
3019427	C029	4	5	1	minor gossanous quartz vein (5%) , medium grained chloritic quartz sandstone, red siltstone	6.69
<b>Summary</b>	<b>C029</b>	<b>0</b>	<b>5</b>	<b>5</b>		<b>10.44</b>

3019475	C036	0	1	1	minor gossanous quartz vein (2%) , cutting medium grained chloritic quartz sandstone, red siltstone	0.19
3019476	C036	1	2	1	gossanous quartz vein (15%) , cutting medium grained chloritic quartz sandstone, red siltstone	4.15
3019477	C036	2	3	1	gossanous quartz vein (12%) , cutting medium grained chloritic quartz sandstone, red siltstone	1.89
3019478	C036	3	4	1	minor gossanous quartz vein (4%) , cutting medium grained chloritic quartz sandstone, red siltstone	0.8
3019479	C036	4	5	1	minor gossanous veined red siltstone, medium grained chloritic quartz sandstone	0.67
3019480	C036	5	6	1	minor gossanous quartz vein (3%) , cutting fine grained chloritic shaley sandstone	7.56
3019481	C036	6	7	1	minor gossanous , fine grained chloritic shaley sandstone, arkose.	3.02
3019482	C036	7	8	1	minor gossanous quartz vein (1%) , cutting arkose	2.4
<b>Summary</b>	<b>C036</b>	<b>1</b>	<b>8</b>	<b>7</b>		<b>2.93</b>
3019485	C037	0	1	1	minor gossanous veined red siltstone, medium grained chloritic quartz sandstone	0.56
3019486	C037	1	2	1	minor gossanous quartz vein (2%) , cutting medium grained chloritic quartz sandstone, red siltstone	1.3
3019487	C037	2	3	1	minor gossanous quartz vein (1%) , cutting medium grained chloritic quartz sandstone, red siltstone	1.93
3019488	C037	3	4	1	minor gossanous veined red siltstone, medium grained chloritic quartz sandstone	1.56
3019489	C037	4	5	1	Red siltstone & minor fine grained chloritic shaley sandstone	0.72
3019490	C037	5	6	1	medium grained chloritic quartz sandstone, red siltstone	2.14
3019491	C037	6	7	1	gossanous quartz vein (8%) , cutting fine grained chloritic shaley sandstone	6.32
3019492	C037	7	8	1	minor gossanous quartz vein (1%) , cutting fine grained chloritic shaley sandstone, arkose.	1.4
<b>Summary</b>	<b>C037</b>	<b>0</b>	<b>8</b>	<b>8</b>		<b>1.99</b>

Sample	Data_Type	From	To	Total	Lith_Desc	Au
	Channel #	m	m	m		g/t
			Grab Sample Western Slot #2 :			
3019436	Grab				Gossanous quartz vein	12.00

## **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 the Piccadilly Mining Lease (ML1442) 80 km west of Townsville, 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.*

## APPENDIX 2 – JORC Code Table 1 Cannindah Resources Piccadilly Gold Mine announcement 22<sup>nd</sup> January, 2018.

### Section 1: Sampling Techniques and Data

Criteria	Explanation	Commentary
<b>Sampling techniques</b>	<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>	<ul style="list-style-type: none"> <li>- Surface channel sampling was undertaken in (1) trenches dug by an excavator (Trench IDs PIT001-010) and (2) channels dug by excavator in the floor of excavated slot, after it had been scaped clean of loose rock. Samples were collected along the length of the sample interval which generally were of standard 1m or 2m lengths measured with a cm graduated measuring tape. In some instances, sub 1m samples were taken across the targeted vein zone. Sample size was generally 2-3kg of representative mixed rock chip material, randomly taken along the length of sample interval. The 2m intervals required larger samples in the order of 3-5kg to ensure representivity</li> <li>- Sample information was recorded in pre-numbered sample books with locations originally collected with a Garmin 76 hand held GPS. More accurate follow up locations were obtained using a Garmin Differential GPS (DGPS).</li> <li>- A 1kg-5 kg representative sample of all rock chips and weathered material was collected and placed in a calico bag. A representative of each sample was also retained in a plastic rock chip tray for future reference.</li> <li>-</li> </ul>
	<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>	<ul style="list-style-type: none"> <li>• Samples were transported to ALS laboratories, Townsville for analysis. After crushing, pulverizing a sub-sample of each was assayed for gold using the 50g fire assay method (ALS code: Au-AA26)</li> </ul>
<b>Drilling techniques</b>	<p><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></p>	Drilling was not conducted.
<b>Drill sample recovery</b>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p>	Drilling was not conducted
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p>	Drilling was not conducted
	<p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to</i></p>	Drilling was not conducted

<b>Criteria</b>	<b>Explanation</b>	<b>Commentary</b>
	<i>preferential loss/gain of fine/coarse material.</i>	
<b>Logging</b>	<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>	Descriptions are qualitative in nature, based on visual observations from experienced geologists..
	<i>The total length and percentage of the relevant intersections logged.</i>	All rock samples were described.
<b>Sub-sampling techniques and sample preparation</b>	<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>	The above techniques are considered to be of a high quality, and appropriate for the nature of mineralisation anticipated. The 1-5kg sample size is appropriate for the rock being sampled.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</i>	Refer below
	<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>	Terra Search quality control included collection of close spaced channel, separate character sampling of vein material and repeat sampling of channels across vein zones to determine distribution of gold. There was a conscious effort on behalf of the samplers to ensure consistent weights for each comparative sample interval.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Material is narrow quartz vein and country rock altered sandstone. Gold is coarse grained in places , with some instances of visible gold. In this context, close spaced sampling of 1kg to 5kg size were considered appropriate to determine gold grades for indicative exploration purposes and surface evaluations. . .
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The primary assay method used is designed to measure the total gold in the sample as per classic fire assay.
	<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>	No geophysical tools, or portable XRF were used. No PXRF results are reported here.
	<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>	QAQC samples are monitored on a batch-by-batch basis, Terra Search has well established sampling protocols including blanks, certified reference material, and in-house standards which are matrix matched against the samples in the program. Terra Search quality control included determinations on certified OREAS samples and analyses on duplicate samples interspersed at regular intervals through the sample suite of both the

<b>Criteria</b>	<b>Explanation</b>	<b>Commentary</b>
		commercial laboratory batch. Standards were checked and found to be within acceptable tolerances.
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	There has been no external check assaying undertaken on the rock chip samples.
	<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 and sampling data were collected by experienced geologists and entered into sampling books which were then entered into spreadsheets. Location and analysis data are then collated into a single Excel spreadsheet.
	<i>Discuss any adjustment to assay data.</i>	Data is stored on servers in the Company's head office, with regular backups and archival copies of the database made. Data is also stored at Terra Search's Townsville Office. Data is validated by long-standing procedures within Excel Spreadsheets and Explorer 3 data base and spatially validated within MapInfo GIS. No adjustments are made to the Commercial lab assay data.
<b>Location of data points</b>	<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>	Locations information was originally collected with a Garmin 76 hand held GPS. More accurate follow up locations were obtained using a Trimble Differential GPS (DGPS). Location accuracy is in the order of 0.1m X-Y and 0.3m in the Z direction.
	<i>Specification of the grid system used.</i>	Coordinate system is UTM Zone 55 (MGA) and datum is GDA94
	<i>Quality and adequacy of topographic control.</i>	Pre-existing DTM is based on Shuttle Radar and adequate for exploration data
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	At Western Slot #1 , an approximately 10m wide slot has been excavated parallel to the main lode for at least 120m of strike, .at the western end of the Piccadilly mine area. At Western Slot # 2 the lodes have been traced along strike for at least 70m. Trenches and channels have been dug oriented right angles to the lode. Channels are spaced in the order of 5m intervals along the vein. Sampling along individual channels is generally over intervals of 1m to 2m. Check samples between the 5m spaced trenches have been taken as 1m or less ,continuous channels of vein material or single grab character, samples of vein and altered material. Trench PTR010 is 110m west of Western Slot #1 in Western Slot #2. . 1m horizontal continuous sample sampling was undertaken. The mineralisation orientation is general subparallel to moderately dipping sedimentary package. The 1m sampling intervals are not indicative of true thickness because of the oblique angle between the horizontal sampling channel and the moderately dipping mineralisation.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of</i>	Sample spacing and distribution is deemed appropriate for indicative gold

<b>Criteria</b>	<b>Explanation</b>	<b>Commentary</b>
	<i>geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	grades within mineralised vein and lode material and could be used to establish geological control. Close space drilling would be required to estimate a Mineral Resource or Ore Reserve..
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
<b>Orientation of data in relation to geological structure</b>	<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>	In situ sampling of lode, and vein outcrops was across the strike of the vein. Unbiased sampling is achieved for this structure.
	<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.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	Chain of custody was managed by Terra Search Pty Ltd. Samples were always in Terra Search's possession as they were carried in their own vehicles by road until transferred to ALS lab Townsville
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been undertaken

## APPENDIX 3 – JORC Code Table 2

### Section 2: Reporting of Exploration Results

<b>Mineral tenement and land tenure status</b>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national and environmental settings.</i>	Exploration conducted on ML1442 owned by Piccadilly Gold Mine Holdings Pty Ltd. This information has been provided by Piccadilly Gold Mines Pty Ltd and Cannndah Resources Limited.  An access agreement with the current landholders in in place.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i>	No impediments to operate are known.
<b>Exploration done by other parties</b>	<i>Acknowledgement and appraisal of exploration by other parties.</i>	Previous exploration has been conducted by multiple companies. MIM (1970) and Pan Australian Mining (1987). Geological mapping, rock chip sampling has been undertaken and assessed by Piccadilly Gold Mines Holdings..  Current exploration program conducted by consultant geologists Terra Search Pty Ltd, Townsville QLD.
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	Narrow gold bearing quartz sulphide veins hosted in tilted siliclastic sediments
<b>Drill hole information</b>	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>• <i>Easting and northing of the drill hole collar</i></li> <li>• <i>Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>Dip and azimuth of the hole</i></li> <li>• <i>Down hole length and interception depth</i></li> <li>• <i>Hole length</i></li> </ul> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	No drilling was conducted.
<b>Data aggregation methods</b>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>  <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations be shown in detail</i>	No cut-offs have been applied in reporting of the rock chip sampling exploration results.  Intercepts were aggregated over trench intervals where all gold grades exceeded 0.5 g/t Au, allowing for 2m of internal waste where gold grades were generally 0.15g/t Au to 0.5 g/t Au . A grade was determining for each individual sample in the interval, taking into account the length of interval. A weighted average gold grade is reported for the intercept.

	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents have been used in reporting.
<b>Relationship between mineralisation widths and intercept lengths</b>	<i>The relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known).</i>	No drilling was conducted.
<b>Diagrams</b>	<i>Appropriate maps and sections (with scale) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	MGA coordinates of rock chip samples are tabulated in this report. No drilling has been undertaken.
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.</i>	All sample results are reported within the announcement.
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	The results reported here are preliminary in nature and indicative of the expected gold grades along the Piccadilly structure. More sampling is required to integrate results with previous regional scale exploration data sets.
<b>Further work</b>	<i>The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Lateral extension of the Piccadilly vein structure will be tested with more trenching,
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Not yet determined, further work is being conducted.