

21 September 2023

Dear Valued Shareholder,

Thank you for your continued support of Cannindah Resources Limited (ASX: CAE). The Board hopes that this letter finds you in good spirits and positive about the future possibilities in copper, gold and silver that your company presents.

I am writing to you as your Executive Chairman to provide an update on the exploration activity that we have been conducting to date and the future activity we have planned, along with the benefits that are likely to be achieved from this work. During recent presentations at conferences and investor events I have had numerous discussions with shareholders who have expressed a desire to participate in future capital raisings. Therefore, we are pleased to announce a share purchase plan (SPP) in order to provide our loyal shareholders with an opportunity to increase their investment in the company at a favourable price.

This SPP allows existing shareholders, at the record date of the offer, to purchase additional shares in the company at \$0.10 per share which is a discount of approximately 30% to the volume weighted average price for the previous 30 days (VWAP). This represents a significant saving for shareholders to thank you for your continued support and your strong view on the future of copper and gold. The funds raised from the SPP will be used for exploration activity and working capital including the costs of the issue.

Exploration done well can be very rewarding and, while time consuming, it has been wonderful that CAE's exploration programme has generated excellent copper and gold numbers that have been the subject of recent releases. I encourage each of you to familiarise yourself with recent ASX releases about your company as we come into the era of green energy transition and the increased demand for copper that this will require. Keys to CAE's exploration success at Mt Cannindah to date include: (1) thorough geological assessment of previous exploration results, (2) carefully targeted drilling (3) understandings and insights gained on the mineralisation style and potential, which can be extended to exploration of other prospects within CAE's mineral field holding (4) cost effective exploration, using both proven and innovative technology. Adopting a nimble proactive exploration strategy as a drill program unfolds, has produced tangible benefits in the form of extensive drill intersections and newly defined zones of copper, gold, and silver mineralisation.

Having the confidence to "Think outside the Square" has produced results which we believe would not have been possible had we not departed from the "Recipe Book" exploration methods and "Turn-Key" approach adopted by some previous explorers. It goes some way to explain why CAE's exploration success at Mt Cannindah has significantly upgraded the project. Success to date can be measured by the grade and widths of the Copper-Gold-Silver drill intercepts reported since CAE's drill program began. Drill intercepts of the magnitude of CAE's Mt Cannindah results are rare, and it is no surprise that they are impressive enough to be independently and objectively ranked amongst national and even international comparisons.

CAE drilling has shown that mineralised breccia with significant grade and continuity extends from surface to great depths making the mineral deposit one of premier undeveloped, advanced copper projects in Eastern Queensland. As a consequence, it is also no surprise that representatives of major mining houses continue to show interest in your company's project at Mt Cannindah.



Cannindah Resources Limited

This level of interest strongly supports your Board's belief that there is certainly more potential to be unlocked at Mt Cannindah. At the time of writing, we are finalising the processing and analysis of the most recent holes drilled and awaiting assay results from holes Cannindah 20 to 23. Holes 21 and 22 tested gold mineralisation at Cannindah East a separate target 500m east of the Mt Cannindah Breccia. Other recently completed exploration includes Induced Polarization (IP) and surface soil sampling carried out at a semi-regional scale. CAE has also engaged the services of well-respected porphyry copper system consultant Dr Alan Wilson. Dr Wilson is an independent Chartered Geologist (Geological Society of London) with over 32 years of practical exploration experience for porphyry copper and related styles of mineralisation, with focus in North and South America, Eastern Australia and the SW Pacific. The Cadia district in NSW was the subject of his PhD research, completed through CODES (University of Tasmania) in 2003, and sponsored by the exploration group of Newcrest. Since 2019, he has operated as an independent geological consultant, and advised over 30 major and junior exploration and mining companies on early - to advanced-stage porphyry copper, intrusion-related gold and sediment-hosted copper systems throughout North and South America, as well as in NSW and Western Australia. Major clients include Newmont, Newcrest, Rio Tinto and Anglo American, in addition to a host of Canadian and Australian-listed small cap exploration and development companies. The board looks forward to working with Dr Wilson in the potential expansion of Mt Cannindah.

CAE holds a favourable tenement position, as Mt Cannindah Breccia is centrally located within a mineral field which it controls and contains a number of other intrusive related mineral systems. Insights gained from CAE's drilling and new data and anomalies revealed from CAE's IP and soil surveys highlight the under-explored and under drilled nature of the high-quality targets that are present across CAE's project.

The exploration activity has been managed by Dr Simon Beams who is also a non-executive director of your company. Dr Beams is Managing Director/Principal Geologist of Terra Search Pty Ltd who have been utilised as consulting geologists and exploration services providers by the company for many years. Dr Beams and Terra Search have significant confidence in the Mt Cannindah project, evidenced by the fact that Terra Search, in the past few months, has converted part of their previous exploration invoices into shares in CAE. Terra Search has expressed a willingness, subject to shareholder approval, to convert more invoices to CAE stock into the future.

Shareholders generally should get excited with the following developments: (1) management buying shares on market, (2) geologists like Dr Beams and Terra Search converting invoices to equity in the company, (3) excellent results from exploration activity and (4) strong fundamental arguments for the copper price to be well supported for the next decade along with good support for gold. Your company is well placed to take advantage of the race to find enough copper to cover expected demand.

Results from CAE's drilling have demonstrated that high grade copper, gold and silver mineralisation is highly sulphidic in places and amenable to detection by electrical geophysics methodology, specifically Induced Polarization (IP) Surveys. Previous exploration 25 years ago, showed IP was an effective tool at Mt Cannindah, with the technology of the time, probably only "seeing into" the ground, to depths of 200m or so. CAE have recently undertaken an extensive IP survey using State

of the Art MIMDAS technology which has the potential to detect and model mineralization to the order of 1000m depth. Preliminary results of IP (ASX Announcement of 16August 2023) reveal a significant Chargeability anomaly at Mt Cannindah breccia coincident with the sulphidic body outlined by the drilling. Similar size and intensity Chargeability IP anomalies have also been detected which are distributed across the survey area. Preliminary modelling to hand indicates that these have been poorly tested, and some occur in areas of no drilling.

CAE has also carried out geochemical surface soil and rock chip sampling along the regional IP lines. We have outlined broad areas of anomalous copper, gold and molybdenum in soils indicative of a large intrusive related mineralising system. These results are highly encouraging. More work is to be done on these additional target areas, final results and analysis on the remainder of this IP and geochemical surveys are still being processed and will be released to the ASX in due course.

The Mt Cannindah project is a large, mineralised complex, where your company holds 9 mining leases surrounded by two Exploration Permits. The CAE Board is pleased that this stand-out property covers a highly endowed copper, gold and silver mineral field containing a potential nest of several intrusive related mineral systems. The project is well located 100km to the south of the port of Gladstone and has good access to infrastructure. The intention is to continue with various methods of exploration activity to improve value to shareholders. As we look to increase our resource base, hopefully the commentators are correct, and the underlying copper and gold prices increase. Our aim is to carry out cost effective and innovative exploration, utilizing what improvements in technology are available. No doubt the market has been a challenging environment to date however we will continue to build the strength of our asset to take advantage of the impending upside.

Enclosed with this letter is a presentation on the company for further background as well as outlining some of the IP target areas of interest. The SPP offer documents are also included which provides detailed information about the SPP, including how to participate, key dates, and the terms and conditions of the offer. We encourage you to read this document carefully and consult your financial advisor and of course contact the company if you have any questions or require more information.

Once again, I and your board would like to take this opportunity to thank you for your continued support of Cannindah Resources Limited as we continue to build into the best copper, gold and silver opportunity that we can be for our shareholders. We are confident that with your continued support and our cost-effective methods of exploration, we can grow on our exploration success and make new discoveries. The metals at Mt Cannindah have been in demand throughout human history, the fundamentals are in place particularly for copper and gold for this demand to continue as the push for green energy continues which will provide excellent upside potential for shareholders.

Yours sincerely,
Tom Pickett
Executive Chairman
Cannindah Resources Limited