

Quarterly Activities Report to September 2023

Highlights

- Significant gold intercepts assayed during the period were completed and reported recently. Cannindah East provided for 121m @ 0.5g/t Au from hole 21 which included 15m @ 1.23g/t Au from 11m to 26m. Hole 22 provided 41m @ 0.75g/t Au from surface which included 11m @ 1.3g/t Au from 20m-31m (see ASX release 11 October 2023).
- Cannindah East is located 500m to the east of where the majority of the Mt Cannindah drilling has occurred and provides a wide gold zone in near surface argillised sericite altered porphyry.
- During the quarter the Induced Polarisation geophysical survey continued. Several new drill targets have been identified which are similar or larger in magnitude than the area at Mt Cannindah breccia where the majority of the 23 holes completed to date occur. The large-scale IP anomalies coincide with strong surface geochemistry. CAE has previously completed approximately 1,490 soil samples over most of the mineral occurrences at Mt Cannindah. When previous results from soils are overlayed with the recent IP results, they create several blind undrilled targets similar to the Mt Cannindah breccia zone. Importantly the targets to the southwest of the breccia zone occur in areas of sparse drilling (see ASX release dated 16 Aug 2023)
- These undrilled targets provide excellent upside for continued exploration based on IP chargeability depth slices. Some targets are blind to surface, a feature not uncommon with breccia pipes in Porphyry copper systems.
- As reported in the previous quarter significant gold and copper hits from holes 18 and 19 have opened up excellent possibilities in the south-west section at Mt Cannindah. This zone is now also well supported with IP and surface geochemistry providing the stated support for new untested targets in this area. In terms of more near term news flow the completion of holes 20 and 23 will be released once assayed and reported by our geologists.
- The company announced the share purchase plan during the quarter combined with a small placement (ASX release 21st September). A total of \$1,610,000 was raised during the successful SPP and placement process (ASX releases dated 20 and 24 October 2023)

ASX Announcement

DATE: 31 October 2023

Fast Facts

Shares on Issue 578,079,953

Market Cap (@\$0.115 \$66.5M
(As at 30/9/2023))

Board and Management

Tom Pickett - Executive Chairman

Dr Simon Beams - Non Executive
Director

Geoff Missen - Non Executive
Director

Michael Hansel - Non Executive
Director

Garry Gill - CFO & Co Sec

Company Highlights

- Exceptional exploration management
- Located within existing mining lease
- 100km from Gladstone Port
- Significant copper intercepts at flagship Mt Cannindah project over hundreds of metres
- New Gold discovery within current drill program at Mt Cannindah
- Expansion of current 5.5MT resource is the focus of the current program
- Large Gold portfolio with Piccadilly project 100km west of Townsville with existing mining lease and EPMs with large target areas yet to be drilled

At the time of writing this report the existence of excellent copper gold and silver in the south-west section of Mt Cannindah has been further encouraged by the IP survey and coincident geochemistry. Suffice to say that the existing JORC resource of 5.5MT @ 0.92%Cu will be significantly improved upon by the work already completed to date by CAE at the Mt Cannindah breccia zone and surrounds, along with outcomes of work into the future. The stated intention of the company with this current program is to deliver on improving the overall scale of the project at Mt Cannindah and surrounding prospect areas. The company is very confident we will continue to deliver on these outcomes.

The program has identified areas which will likely extend the current JORC resource, determine the continuity of higher-grade copper and gold zones, and located new areas for follow up both to the North and to the South at Mt Cannindah. All the aims of the current program as outlined in the previous quarters continue to be met and drilling will likely continue post the IP survey with a small delay in commencing hole 24 to allow further planning in the context of the potential need for more ground-based work to better understand the exact location of the hole. Metallurgical testing and reporting continues to be undertaken and a summary of the results of an updated metallurgical study will be released once it is completed.

The Mt Cannindah project is going to provide the company with a significant amount of target area to explore in the coming months ahead. The current exploration successfully being undertaken by the company demonstrates the underlying value of the Mt Cannindah copper gold project. This is a massive opportunity for our shareholders and is located within an existing mining lease approximately 100km from the port of Gladstone. The nearby town of Monto services all the current project needs for accommodation, hardware and transport. As stated above the mining lease was renewed until 2034 which is an excellent outcome for the company and its future plans.

CAE intends to continue current drilling along with geochemical and geophysical surveys in the surrounding areas to seek to confirm a number of high-quality drill targets. These target zones have been recently further studied by Dr Alan Wilson and his report on Mt Cannindah is currently being considered by the board in the context of the overall exploration plan at the Mt Cannindah project. Dr Wilson is well known in the field of mineral exploration and resource evaluation. He is a published expert in porphyry copper exploration and research and has consulted to some of the largest exploration and mining companies in the world.

Corporate

- During the quarter the company had the usual corporate discussions regarding capital raising options.
- Payments to related parties for the period (refer Section 6 of the Appendix 5B) totalled \$0.261 mil and represented payment of related party geological and accounting services, Director's fees and salary.
- Exploration and evaluation expenditure during the quarter was \$725,000. As the company is a mining exploration company, no mining production or development activities occurred during the quarter.
- The Board is currently working through the usual commercial discussions that occur when commercial transactions are contemplated. The company will update shareholders on any discussions regarding any potential transactions relating to the company where appropriate and always in accordance with the ASX listing rules.



PROJECTS:

Mount Cannindah Project

Located approx. 100km south of Gladstone, Qld

- The Mt Cannindah Project represents a large (greater than 9km²) high level “porphyry style” Cu-Au-Ag mineralised system. Current drilling is planned such that it may locate new areas of interest and extend the current JORC resource area along with testing the continuity of high-grade copper zones. Geological interpretation of key targets within this porphyry copper/gold system reveals similarities to the style of mineralisation at Newcrest’s Cadia and Ridgeway Cu/Au deposits in NSW.
- Current drilling at Mt Cannindah has produced significant intercepts of Copper mineralisation. Holes from 21CAEDD002 to hole 23CAEDD023 have been the only holes completed thus far with 23CAEDD019 having had assays completed and recently released to the ASX. This provided the company with some impressive results notably 282m @ 1.28%CuEq¹ in hole 2, 493m @ 1.17CuEq for 21CAEDD003, and 81m @ 1.3%Cu for 21CAEDD004 which has led the company to continue its program of drilling and exploration now having completed 23 holes. There are a number of other holes that have been completed recently and partially completed awaiting assay from holes 20-23 currently being evaluated and assayed. Historical drilling within the area of Mt Cannindah North returned very interesting gold grades as well worthy of further investigation as it relates to the gold system at Mt Cannindah, such as QMCMDD025 (**0.2m @ 46.4 g/t Au & 98.2 g/t Ag at 245m**), in QMCMRC016 (**2m @ 2.54 g/t Au, 8.9 g/t Ag & 0.39% Cu from 16 to 18m, and 3m @ 5.28 g/t Au, 7.2 g/t Ag & 0.32% Cu from 25-28m**) and in RC53 (**4m @ 1.8 g/t Au from 116 to 120m**), and in CM21 (**10m @ 2.29 g/t Au, 12.6 g/t Ag & 0.33% Cu from 12 to 22m**).
- The company continues drilling at Mt Cannindah with a view to continuing to establish continuity of the Cu grade and to build a better understanding of the significant potential scale of the project which is already an excellent target. Bulk tonnage copper potential and the existence of a large previously unrecognised gold system target remain the focus.

The following summary of the prospect areas provides an insight into some of the potential for the known target areas within the Cannindah project for further exploration:

¹ The Copper Equivalent (CuEq) measures used in this report were calculated using the following formula:

$$\text{CuEq\%} = ((\text{Cu (\%)} * \text{Cu price per 1\% per tonne} * \text{Cu Recovery}) + (\text{Au(g/t)} * \text{Au price per ppm Au} * \text{Au Recovery}) + (\text{Ag(g/t)} * \text{Ag price ppm Ag} * \text{Ag Recovery})) / (\text{Cu price per 1\% per tonne} * \text{Cu Recovery})$$

Grades for Cu, Au and Ag used in each CuEq calculation in the report and the resultant CuEq measure are set out in “Table 1. Assay Highlights” in the relevant ASX announcement reports. Metal prices were calculated using 30-day average prices in USD for Q4,2021, i.e. copper - USD\$9,250/tonne, gold - USD\$1,750/oz and silver - USD\$23/oz. Average Metallurgical Recoveries were determined using previous preliminary metallurgical test work, geological observations and geochemical work analysed and interpreted by geologists Terra Search. This work established a high correlation between Cu, Au and Ag recovery rates resulting in a conservative recovery rate of 80% being applied for each of Cu, Au and Ag. In the Company’s opinion all elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

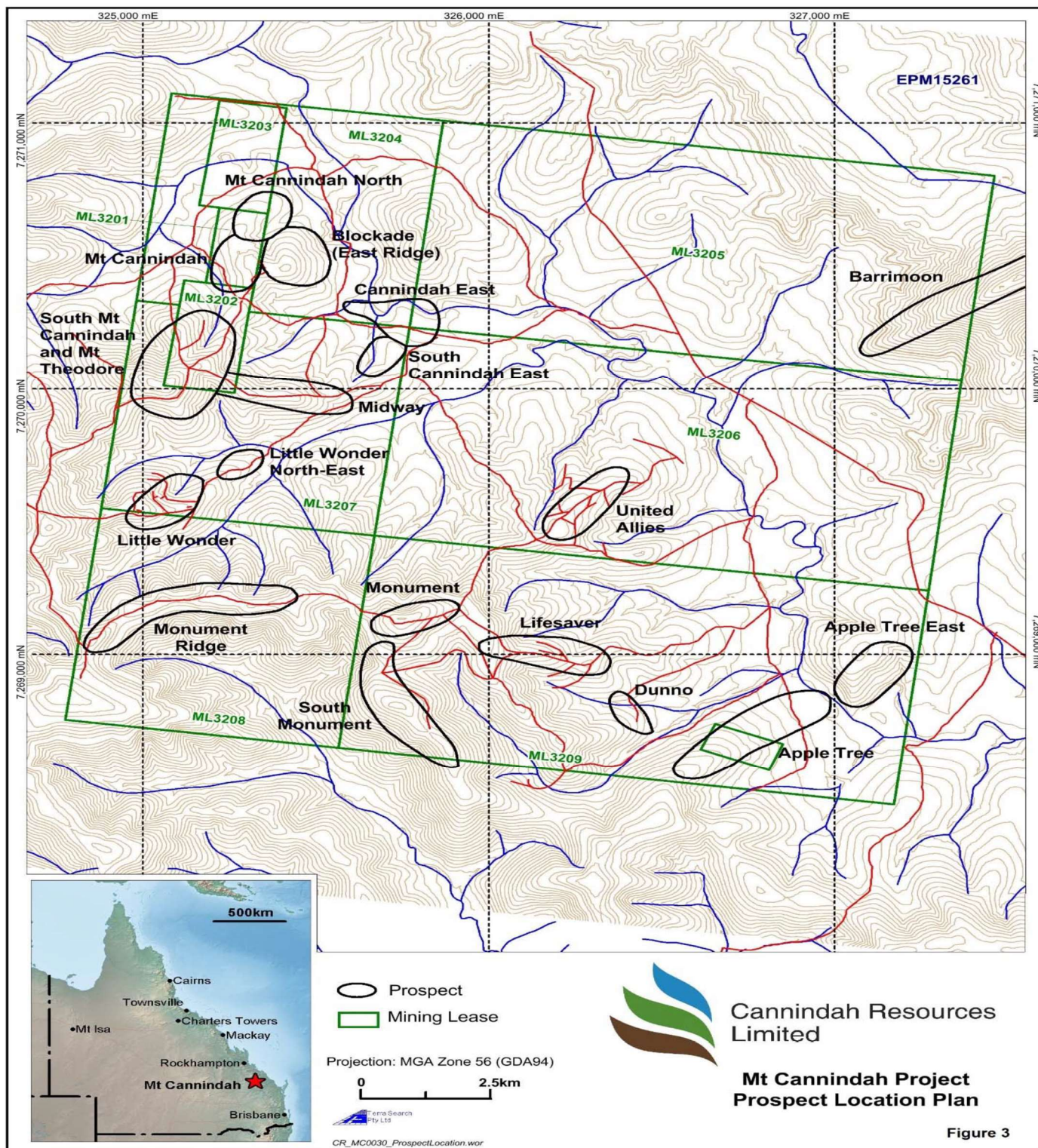


Figure 5: Mt Cannindah Project – Map of Potential Target areas

North Mt Cannindah

It is apparent that the potential northerly extension of the Mt Cannindah mineralisation has not been adequately tested which is why we have now commenced hole #9. Several historical shallow holes in this area may not have been deep enough (or were poorly positioned) to test for plunging mineralisation. A very deep angle hole drilled from the west (CARCD003) may not have gone far enough or could be too deep at this location (about 550m below surface) for a realistic test. The presence of weak mineralisation in DDH017 is encouraging for possible mineralisation continuing to the north or north-east. We are currently at more than 200m depth in hole 9 and look forward to getting the assay results to confirm this extension of the resource area.

Also encouraging is that core hole QMCMDD017 shows good Cu-Au-Ag mineralisation at depth below very low grades in DDH019, RC52, CM21 & QMCMRC016, indicating that good mineralisation is deepening to the north-north-east. If successful, additional drilling could be done to the north to provide further extensions to the known Cannindah resource area. These E to W holes like hole 9 would also test the Au-Ag intercepts in QMCMDD025 (20m @ 46.4 g/t Au & 98.2 g/t Ag at 245m), in QMCMRC016 (2m @ 2.54 g/t Au, 8.9 g/t Ag & 0.39% Cu from 16 to 18m, and 3m @ 5.28 g/t Au, 7.2 g/t Ag & 0.32% Cu from 25-28m), in RC53 (4m @ 1.8 g/t Au from 116 to 120m), and in CM21 (10m @ 2.29 g/t Au, 12.6 g/t Ag & 0.33% Cu from 12 to 22m).

East Ridge (Blockade) Prospect

The significance of the three MIM holes and Newcrest's MC002 is that they show the East Ridge contains sporadic anomalous gold, silver, and copper mineralisation within the altered angular breccia that makes up much of this East Ridge. Combined with the presence of old gold workings (Blockade), local anomalous soils, and a deep IP anomaly, this makes this East Ridge area a potential target for deeper Cu-Ag-Au mineralisation. It is possible the altered breccia over the East Ridge is actually an upper "alteration plume" that could zone downward into significant mineralisation with higher sulphide content in breccia and veins.

It is surprising that west azimuth angle holes were not used in the past to test the Mt Cannindah "ore zone" by drilling under the East Ridge (Blockade Mine). It is proposed that reconnaissance and research be done in this area, including more IP lines. If further encouragement can be raised for this Blockade area, then two or three angle holes could be drilled to the west under the central part of this ridge.

South Mt Cannindah & Mt Theodore

South Mt Cannindah: The previous drilling immediately south of the "ore body" at Mt Cannindah shows narrower zones of weak copper and gold mineralisation (about 0.40 to 0.60% Cu and 0.1 to 1.0 g/t Au & 3 to 5 g/t Ag) extending for about 50 to 75m south (see DDH012 & 032 and QMCMDD009 and CARCD001). There is a short gap due to a failed drill hole (DDH013), before mineralisation picks up from 150 to 250m in three holes close to Mt Theodore (see DDH016 & 027 and CARCD004). The intercept in hole DDH016 is the most significant with 14.3m @ 1.64% Cu, 0.67 g/t Au & 28.4 g/t Ag (including 8.2m @ 2.33% Cu, 0.73 g/t Au & 32.6 g/t Ag). This DDH016 intercept is at 200m vertical depth and lies beneath a much weaker zone in DDH015, which is at 50m vertical depth. This provides encouragement that the grade and thickness of mineralisation is increasing with depth. The intercept in DDH027, which is located 65m south of DDH016, continues this zone with 18.5m @ 0.75% Cu, about 0.2 g/t Au, & ~11 g/t Ag at 100m vertical depth. Within the DDH027 intercept there are three narrow high-grade intervals (0.5 to 1.0m) with 2.4 to 6.6% Cu, 0.31 to 1.55 g/t Au, & 28 to 54 g/t Ag. CAE's release for hole 19 discusses this extension to the south also.

Mt Theodore: Although Mt Theodore is made up of strongly brecciated rock, it is a relatively high hill due to the strong alteration that has healed the breccia and made it resistant to erosion. This alteration is related to at least two felsic dykes that intrude the breccia on Mt Theodore. The altered breccia contains significant sulphide mineralisation that, based on analysis, would appear to be mostly pyrite. However, there is some gold anomalism that is present in the soils, and locally in the rock, that was the focus of early miners. Some low-level copper is also present in soils. The presence of sulphides at depth is supported by two IP lines that show moderate chargeability responses under Mt Theodore.

The potential for gold mineralisation under Mt Theodore is enhanced by hole CARCD004 which is located about 150m NNE of Mt Theodore. CARCD004 contains an intercept of 75m @ 0.23 g/t Au, at a vertical depth of 250m. It could be this is the outer fringe of what may lie beneath Mt Theodore. The high Cu-Au-Ag intercepts in holes DDH016 & 027 lie just to the north-east of Mt Theodore, and may be present at depth along the east side of Mt Theodore.

No drill holes have tested under Mt Theodore, and no explanation is made for the large volume of alteration. It is possible this alteration is a cap or plume above significant Au-Ag and Cu-Au-Ag mineralisation in a vein-breccia system associated with felsic dykes. It is proposed that a significant effort be made to test for deeper mineralisation to the south of Mt Cannindah, and in particular under Mt Theodore. This should entail the use of an IP/resistivity survey looking to depth (~300m), followed by moderately deep drilling to test chargeability anomalies and specifically under the alteration zone at Mt Theodore which is currently underway.

Apple Tree

The Apple Tree prospect is a broad fault breccia zone that has been intruded by multiple felsic dykes that have released hydrothermal fluids into the breccia, adjacent to the dyke contacts. The fluids have provided significant copper, silver, gold, and molybdenum into the re-fractured and brecciated altered rock. The zone of known mineralisation is up to 800 metres long and 50 metres wide and none of the earlier drilling has tested below about 36 metres depth. A deep IP chargeability response is present, opening up the possibility for a deeply mineralised system. It is proposed that a detailed IP survey be conducted over Apple Tree with the aim of defining drill targets at depth and along strike.

United Allies

The United Allies prospect has several historical high-grade copper drill intercepts that appear to be associated with felsic dykes and related hydrothermal alteration and mineralisation. The dykes have intruded into structures within a broad polymict breccia zone that is thought to trend NE-SW.

The breccia has undergone variable argillic to phyllic alteration with local silicic alteration that has healed the breccia. It is noted that the alteration in the Newcrest core hole (MC004) appears to be stronger and more widespread than the alteration seen in the trenches. Almost all of the breccia in the MC004 appears to be strongly altered, whereas the surface trenches show local zones of alteration within larger areas of clayey matrix breccia (thought to be a fault breccia). Hence, the more pervasive alteration in MC004 may indicate a strengthening of alteration with depth.

A very deep IP response occurs beneath United Allies on the IP sections produced by GeoDiscovery in 2011. This needs further reprocessing work.

The presence of higher copper assays with maroon coloured limonite at around 100m downhole in MC004 (est. ~70m vertical depth), may indicate deep oxidation and supergene copper mineralisation. This possibility appears to be supported by several of the MIM holes in the vicinity of MC004, where significant copper mineralisation is present to over 40m depth. The possibility for deeper supergene copper could improve the resource potential of this area.

Most of the early drilling was vertical and did not target the dyke/alteration structures. Hence many holes only returned modest copper results. Where drill holes did intersect dyke edges, the copper grade was generally quite high. It is proposed to drill several angled drill holes to test the dyke/structure contacts at about the level of supergene enrichment. This could add significant resource tonnes for the prospect. The IP survey will also be helpful in trying to define the deep chargeability response seen below United Allies.

Lifesaver, Monument, South Monument, & Dunno

These four prospects contain significant vein and breccia mineralisation related to structures and felsic dykes that have introduced the hydrothermal solutions. These mineralised structures are closely related to very strong soil assays for copper, gold, and molybdenum throughout the greater area. It is apparent that many of the ridges in this area are underlain by similar mineralised structures.

The presence of good copper and local gold mineralisation in trenches and shallow drill holes at Monument, Lifesaver, and Dunno raise the possibility that these areas could be considered potential open pit targets, as well as possible underground targets for high grade Cu-Au-Ag veins.

It is proposed that shallow angle drilling be done on all of these prospects to better define the mineralised structures. Assuming encouraging results, the shallow drilling could be followed by an IP/resistivity survey to define the mineralised structures to depth. This could then be followed by deeper drilling to test the mineralised structures at depth.

Monument Ridge

Monument Ridge contains two types of hydrothermal breccia that are associated with faulting and the intrusion of felsic dykes. Gold in soils are strongly anomalous on the central part of the ridge, and an IP chargeability anomaly appears to underlie the ridge. It is likely that altered sulphide-bearing structures occur in the core of Monument Ridge and possibly in several nearby ridges.

The Monument Ridge and other nearby ridges need to be mapped and sampled in more detail to better understand the structural control on potential deeper mineralisation. IP lines could be run at right-angles to ridges at strategic locations, to better define the chargeability responses under the ridges. Ultimately angled drill holes should be used to test for mineralisation underlying the ridges.

Barrimoon Vein

The sheer size of the Barrimoon vein and alteration structure makes it a viable target for a potential epithermal to mesothermal gold/silver deposit. The length is about 4 kilometres and the width of the shear/vein zone appears to be in the tens of metres.

The other positives for the Barrimoon vein are:

- The moderately anomalous assays for gold (0.05 to 0.21 g/t Au) and arsenic (100s of ppm As) from many rock chip samples at various locations along the vein.
- The presence of gold in gossan shears and veins in Carboniferous sediments at the Golden Crown gold prospect on the east end of the Barrimoon structure.
- The highly anomalous bismuth and tellurium in the rock and trench samples at Golden Crown.

- The presence of felsic dykes intruding into the Barrimoon structure, similar to that seen at Cannindah. This tends to support the connection of the Barrimoon vein to the Cannindah intrusive complex.
- No drilling has tested the vein at the unconformity between the older sediments and younger overlying volcanics (other than at Golden Crown, which is 3-4 km from Cannindah).

Given the apparent high level of this vein in the epithermal-mesothermal system, it is suggested that this vein needs to be tested between 200m to 350m below the present surface. Ideally, drill holes should test just above and just below the level of the unconformity between the Carboniferous sediments and the overlying Triassic andesitic volcanics. The initial drilling could use RC holes angled north-west from the lower slopes on the south side of the vein.

Kalpowar Fault

If the Kalpowar Fault formed before or during the emplacement of the Cannindah Intrusive Complex, then there is a possibility it could be mineralised. More recent movement on this fault has allowed erosion to form the present river valley. Oxidation can be expected to be quite deep in a large fault occupying such a river valley. Thus, any sulphides present would also be oxidised to great depth and would be difficult to detect by IP.

If evidence arises showing the Kalpowar Fault is younger than the Cannindah intrusive complex, then nothing need be done. If, on the other hand, it remains debatable, then further work should be considered to resolve the question and target possible mineralised areas. This work could include the re-assessment of the Newcrest IP/resistivity data, followed by interpreting new IP survey lines attempting to look deep on the most likely sites. If successful in finding a chargeability anomaly, then drilling could be contemplated.

Piccadilly new EPM area

As reported in previous quarters, EPM Percy Marlow abuts CAE's Piccadilly project tenement package in the Burdekin Basin region, represented by granted EPMs 18322, 16198 and ML1442. The Percy Marlow EPM is situated in the Townsville -Charters Towers Mining District within the Charters Towers Regional Local Government Authority and within UTM Zone 55 (MGA). EPM is located 5km to 50 km to the north of Charters Towers.

The EPM is transected by the Burdekin River. Access to the tenement is (1) on the south side via the Kennedy Development Rd (2) on the north and east side by the Flinders Highway, then the Dotswood - Marlow Road from Mingela to Hervey Development Road then secondary roads and station tracks. The Dalrymple National Park, covering Mount Keelbottom, is excluded from the sub-blocks that overlap the EPM area. The prospectivity of the Percy Marlow area for gold is highlighted by the following:

- For the past decade, CAE/PGMH has explored the Piccadilly region resulting in the development of a coherent intrusive related gold model which identifies the scale and gold prospective geological, geophysical and geochemical features.
- CAE will now adopt the same approach to explore the Percy Marlow area. CAE is in a unique position to utilise the Piccadilly experience to apply scale, geophysical modelling of magnetics and IP and multi-element zoning patterns through the EPM area.
- Terra Search managed previous exploration over the Marlow area. In the late 1980s this led to delineation of high-grade gold zones at the nearby Keelbottom Prospect and the discovery of a buried strong magnetic feature at Marlow.
- Historic drilling of the Marlow magnetic high revealed it to be gold bearing with a very high-grade intersection of along with some other intersections of anomalous gold certainly worthy of follow up.
- In the past few years Terra Search has also been involved in enhancing the ground magnetic coverage of the area utilizing high resolution walking magnetometers, which have brought out key structural controls of mineralisation.



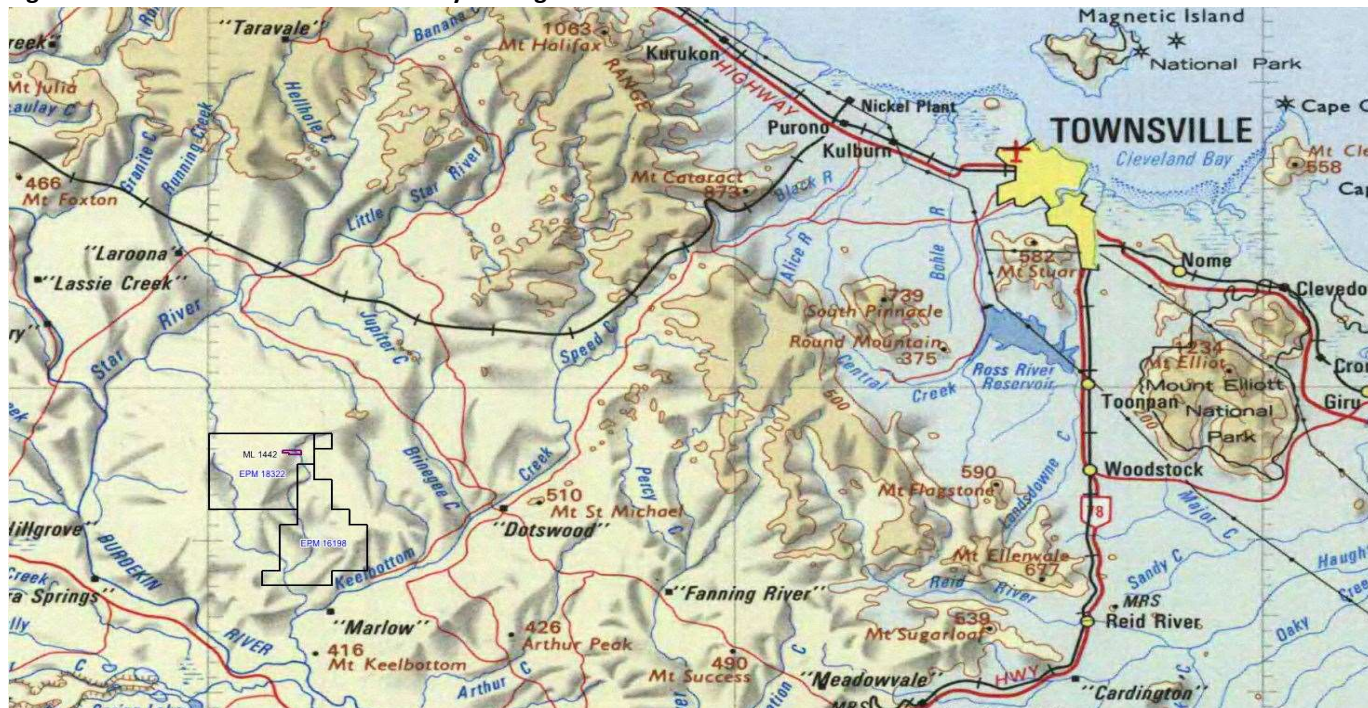
- Other prospective areas are highlighted by a number of old gold mines and known gold mineral occurrences such as Sandy Creek within the sub-blocks of the EPM and Keelbottom and Percy Springs prospects adjacent to the EPM.
- CAE plans to leverage off their exploration consultant, Terra Search's understanding of the geology of the area. For example, to the south, recent geological mapping updates carried out on behalf of the Geological Survey Queensland (GSQ) by Terra Search (Beams et al., 2016) have reinterpreted many of the Ravenswood Batholith granitic units in the area. This association is also enhanced by Terra Search's unique store of geological and mineralisation knowledge of the Charters Towers – Ravenswood district, built up over decades of exploration through the district which documents published research and unpublished reports in this regard.
- A further enhancement is the reprocessing of regional geophysical data sets undertaken during desk top studies related to CAE's assessment of the district.
- CAE has access to all surface geochemical, drill, and geological data that Terra Search has collated and compiled across the Charters Towers-Ravenswood region in the past 30 years, eg 1980's projects onwards with compilations for explorers & DNRME. CAE/Terra Search will now apply the lessons learned from Explorer 3 data interrogation to (1) target potential gold and copper systems which are coincident with prospective geological units and (2) to use surface geochemical sampling and geological prospecting to screen the area for multi-element signatures of large scale intrusive related mineral systems.
- CAE's exploration approach will be to utilize proven surface geochemical exploration methods that our experience shows work for the Charters Towers-Ravenswood region such as stream sediment (-80 mesh and -2mm samples), soil, rock chip sampling, geological prospecting, and integrate these with innovative exploration such as associated stream sediment sampling of the coarse fraction (-5mm +2mm) or mixed media Lag, Bulk Cyanide Leach samples and Heavy Mineral Concentrates.
- Such an approach will ensure that, in addition to sensitive gold analysis, many of the previously un-sampled critical metals, will be picked up. Data processing will extend to sophisticated statistical analysis (e.g. Principal Component Analysis).
- CAE /Terra Search is in a position to initially deploy a range of geophysical surveying instruments such as high-resolution magnetometers and gravity meters. These geophysical instruments will be particularly relevant to tracking prospective geological units having magnetic and density contrasts. Shoot controls are of particular interest to the initial exploration stage.
- Exploration of these EPMs would be directed primarily to drill testing of targets that are likely to have been enhanced with electrical geophysics (IP and EM).
- Percy Marlow EPM rationale has been formulated by CAE/Terra Search as a local exploration group with decades of expertise and practical knowledge across north Queensland and elsewhere, CAE/Terra Search are still hungry to repeat past exploration successes. The attraction of CAE's strategic Percy Marlow project is that any discovery will be ideally located, close to the mining centre of Charters Towers and extremely welcome at a time when mined resources in the district are diminishing faster than new discoveries have been replacing them.
- In summary, the Percy Marlow EPM title will add immediate value to the Piccadilly project. Cost effective and innovative exploration will begin shortly with ground-based rock chip and soil surveys, as CAE/Terra Search "hit the ground running" following up targets and concepts that we have developed from years of experience in the region.
- With the benefit of its pre-existing knowledge base and data sets, CAE/Terra Search rates the chances of making a discovery of economic benefit to this region of Queensland as high and looks forward to the progress of exploration on these EPM areas.



Piccadilly Project

Cannindah Resources Limited through its purchase of Piccadilly Gold Mine Holdings Limited has access to and operational control of 174.35 km² surrounding the mining lease at Piccadilly (ML 1442) comprising EPMs 16198 and 18322 (see Figure 1 below).

Figure 1: Location of EPM's and Piccadilly Mining Lease



The EPMs surrounding the mining lease have already had significant exploration work completed on them. Cannindah now has the benefit of reviewing this data and complimenting it with the data obtained from exploration completed within the mining lease to date. The high-grade quartz vein material from the mining lease was at first thought to be the only significant gold-bearing material. However, recent work completed by Cannindah Resources Limited has found that the mineralised area is in fact much larger than first thought, and runs across significant widths (e.g. 8m @ 6.99g/t Au from ASX release 25th of August 2017). This discovery prompted further consideration of the existing exploration model that Cannindah Resources' consultants Terra Search and Klondike have developed for the Piccadilly Mining District, in which the ultimate source of the gold mineralising fluid is an interpreted intrusive centre located approximately 1.5 km to the south of the mining lease. With the purchase of Piccadilly Gold Mine Holdings Limited, we have now secured the right to explore this area for a further 5-year term as the EPMs 16198 and 18322 have only just been renewed.

Terra Search have been involved in the exploration of the surrounding EPMs for Piccadilly Gold Mine Holdings Limited from the early stages of the program. Dr Gregg Morrison from Klondike Exploration Services has 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 2 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.

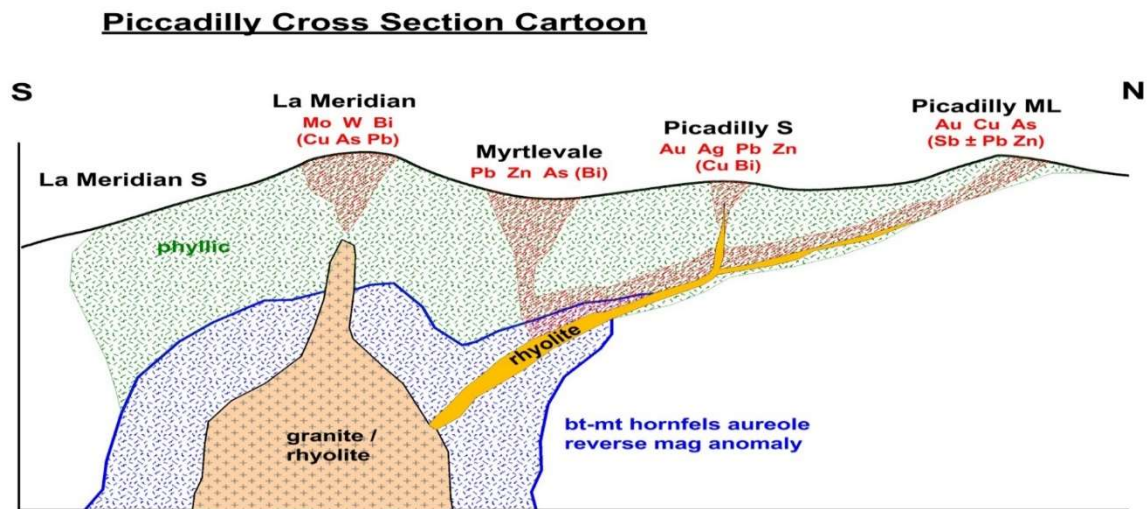


Figure 2: Schematic Model of Interpreted Intrusive Related mineral system at Piccadilly. Note idealised geological north south cross section, looking west (after Beams & Morrison, 2015)

Figure 2 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 2, 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

Cannindah Resources Limited has undertaken its review of this data in conjunction with work being evaluated within the mining lease area. Some 34.8km of IP surveying has been completed, resulting in a clearly defined target zone for the intrusion-centred gold system. Figure 3 below shows 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.

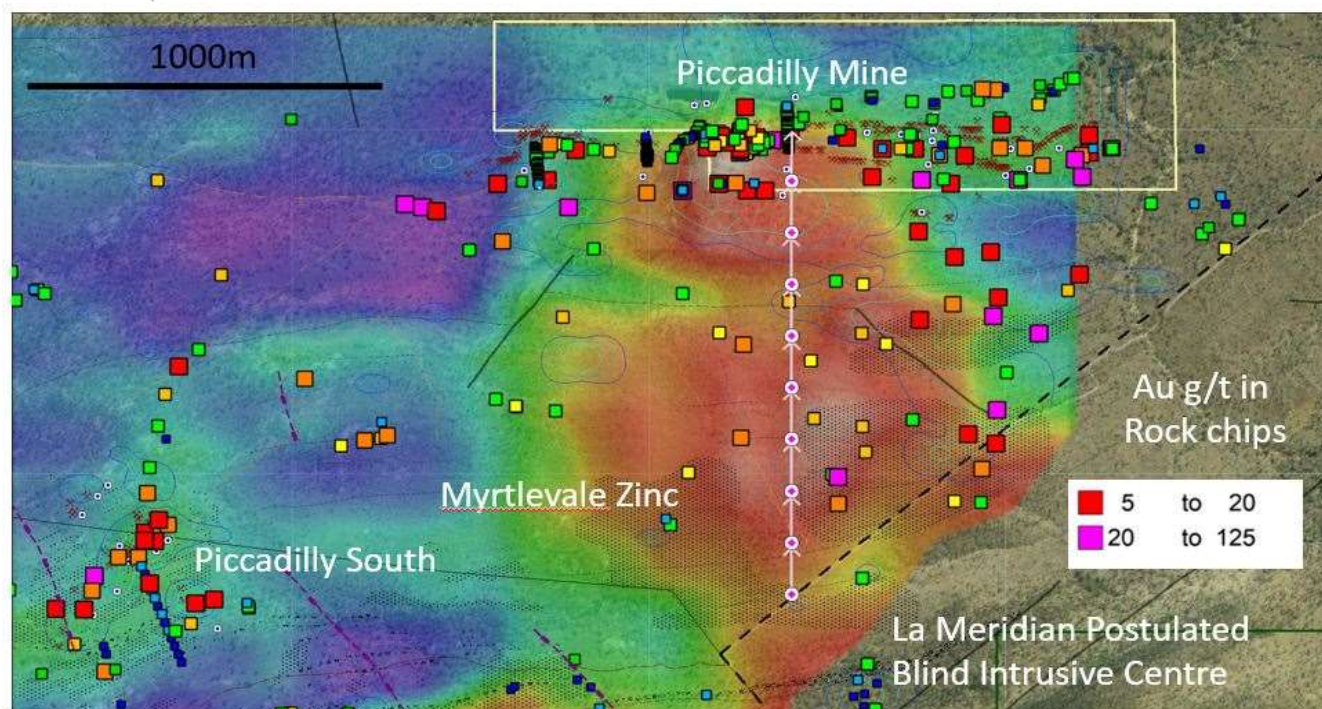


Figure 3. Image of modelled IP Chargeability at a depth slice of 106m below surface , overlain with surface rock chip colour coded gold values.

The IP anomaly show above overlaps with an even more extensive area of gold anomalies in both rock chip and soil samples. The line of proposed drill holes outlined in Figure 3 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. Given the high-grade gold material obtained in the recent exploration and announced to the ASX over recent months, Cannindah is very excited to be planning the exploration of this potentially company-making target – a target that has many times been described by consultants as sharing similar geochemical zoning patterns to major North Queensland intrusive related gold systems such as Kidston, Mt Leyshon, and Mt Wright.

The focus of the company's recent drilling program was to confirm the existence of more gold bearing veins, identifying a possible bulk-tonnage target that is currently expressed as being kilometres in scale. Cannindah Resources Limited will continue to work through targeting further drilling in conjunction with the significant amount of existing data sets covering the Piccadilly Mining District to ensure that all future drilling is highly targeted and expands outwards from known mineralisation. Recently a request for further reports on the area which were not contained in the open file with the department was made to the DNRME. After some discussion by Dr Simon Beams on the company's behalf the report was released to Cannindah Resources Limited. This report contains previously unknown drilling data from many years ago and Terra Search are currently entering the drill hole assay data into the data set for Piccadilly.

We are very focussed on delivering a great outcome for shareholders as further work occurs in relation to the EPM area along with the ML.

For further information, please contact:

Tom Pickett

Executive Chairman

Ph: + 61 7 5557 8791

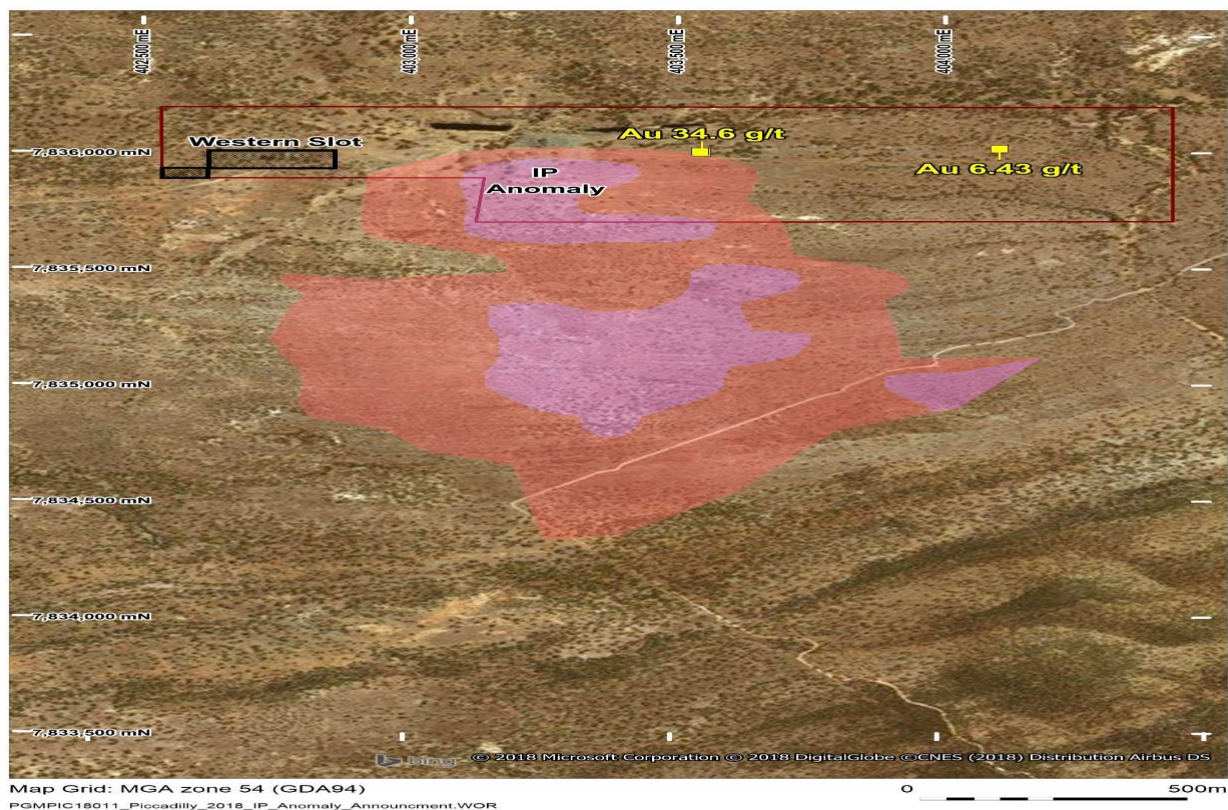


Figure 4: Location of Second Trench Relative to Western Slot

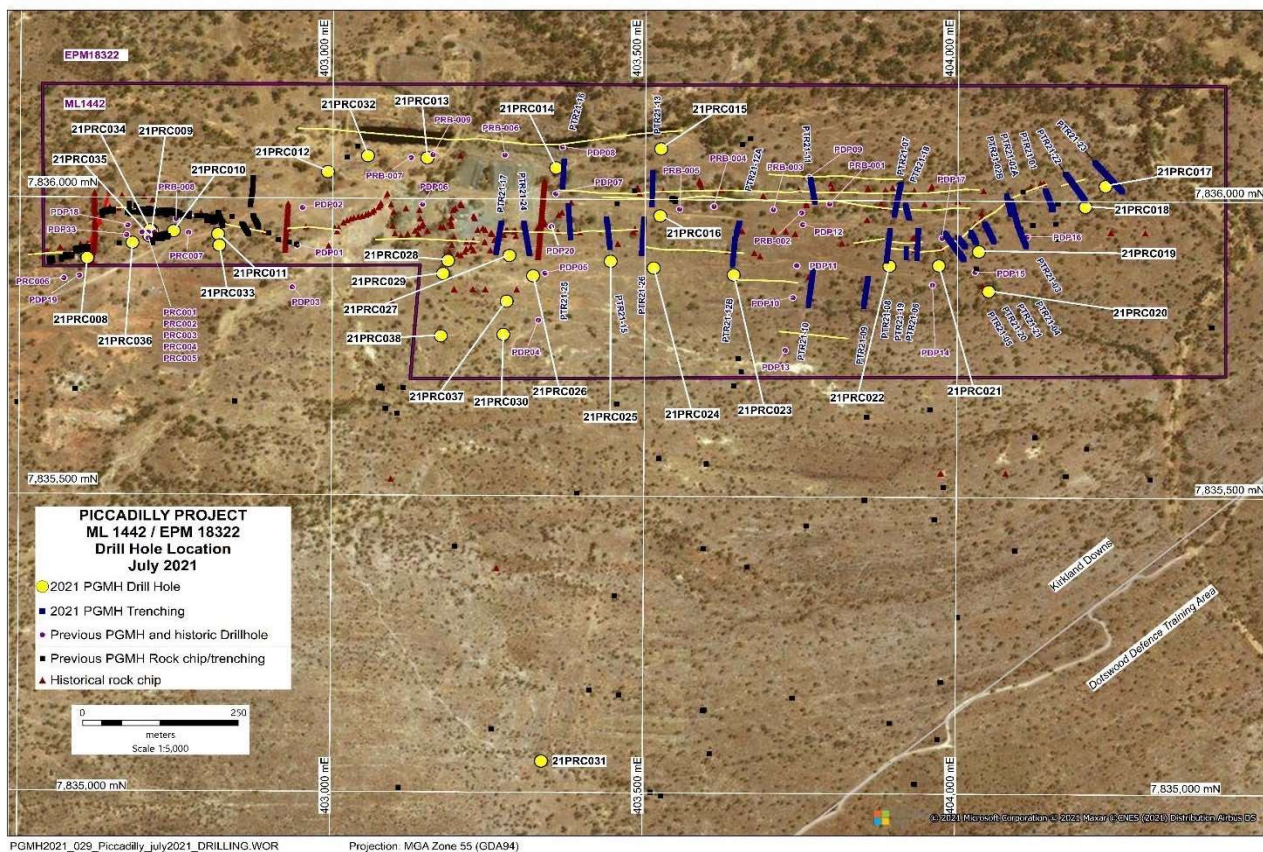


Fig 5. Piccadilly Mine area, June-July 2021 drill locations, Cannindah Resources Limited, in relation to 2021 trenching.



APPENDIX

TENEMENT TABLE AND RESOURCE STATEMENT

TENEMENT TYPE	TENEMENT NUMBER	PROJECT NAME	LOCATION
EPM	14524	Barrimoon	Queensland
EPM	15261	Mt Cannindah 2	Queensland
ML	3201	Mt Cannindah	Queensland
ML	3202	Mt Cannindah	Queensland
ML	3203	Mt Cannindah	Queensland
ML	3204	Mt Cannindah Extended 1	Queensland
ML	3205	Mt Cannindah Extended 2	Queensland
ML	3206	Mt Cannindah Extended 3	Queensland
ML	3207	Mt Cannindah Extended 4	Queensland
ML	3208	Mt Cannindah Extended 5	Queensland
ML	3209	Mt Cannindah Extended 6	Queensland
ML	1442	Piccadilly	Queensland
EPM	16198	Piccadilly	Queensland
EPM	18322	Piccadilly	Queensland
EPM	27788	Percy Marlow	Queensland
EPM	27841	Percy Windsor	Queensland

The Piccadilly mining lease and EPM's are held by Piccadilly Gold Mines Holdings Limited a 100% owned subsidiary of CAE. All tenements are 100% held by CAE with no farm in / farm out arrangements in existence at the end of the quarter and at the date of this statement.

Resource Table at 31 July 2023

Category	Tonnes	Copper %	Gold (g/t)	Silver (g/t)
Measured	1.9	0.96	0.39	16.2
Indicated	2.5	0.86	0.34	14.5
Inferred	1.1	0.94	0.27	13.6
Total	5.5	0.92	0.34	14.9

Notes: 0.5%Cu cut-off, density of 2.7t/m³ minor rounding errors

The Mineral Resource was produced by independent consultants Hellman and Schofield and was released to the ASX on 27 October 2011. The Company confirms that the Mineral Resource at Mt Cannindah was prepared and first disclosed under the JORC Code 2004. The Company has engaged Hellman and Schofield to prepare an update to the Mineral Resource to comply with the JORC Code 2012.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CANNINDAH RESOURCES LIMITED

ABN

Quarter ended ("current quarter")

35 108 146 694

30 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(51)	(51)
	(e) administration and corporate costs	(180)	(180)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(230)	(230)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(725)	(725)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(725)	(725)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	650	650
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(4)
3.5	Proceeds from borrowings	-	
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	646	646

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	659	659
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(230)	(230)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(725)	(725)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	646	646

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	350	350

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	350	659
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	350	659

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	76
6.2	Aggregate amount of payments to related parties and their associates included in item 2	185
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(230)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(725)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(955)
8.4	Cash and cash equivalents at quarter end (item 4.6)	350
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	350
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.4
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N 0.4 /A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: The company has announced plans to continue its exploration activities in the next quarter	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: The Company announced the closure of an SPP on 13 October 2023 which raised \$935,000 before costs. Since 21 September 2023, the company has raised in excess of \$1.6 million (including the SPP) to fund exploration works and working capital demonstrating the ability of the Directors to raise capital to continue the Company's exploration program. The company continues to discuss future capital raising initiatives with our largest shareholder's advisors to assist in funding the company and its exploration activities for the next 12-18months.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2023

Authorised by: Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.