Cannindah Resources Limited

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ANNUAL REPORT, NOTICE OF MEETING AND PROXY FORM

Cannindah Resources Limited (Cannindah) advises that the Annual Report for the year ended 30 June 2018 was mailed to those shareholders who had requested a copy.

The Notice of Meeting and Proxy Form have been mailed to all shareholders

A copy of each of the documents is attached.

For further information, please contact:

Tom Pickett
Executive Chairman
Ph: +61 7 3357 3988

Cannindah Resources Limited

CANNINDAH RESOURCES LIMITED

ABN 35 108 146 694

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Cannindah Resources Limited

CONTENTS

CANNINDAH RESOURCES LIMITED

ABN 35 108 146 694

ANNUAL FINANCIAL REPORT

for the year ended 30 June 2018

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Cannindah Resources Limited (referred to hereafter as the 'Company', 'Parent Entity' or 'Cannindah Resources') and the entities it controlled for the year ended 30 June 2018.

Directors

The following persons were Directors of Cannindah Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Thomas J Pickett (Executive Chairman)
Laurie G Johnson (Independent Non-Executive Director)
Geoffrey J Missen (Independent Non-Executive Director)

Principal activities

During the financial year the principal activities of the Consolidated Entity consisted of mineral exploration, evaluation and progressing development of its various mineral projects.

Dividends

There were no dividends paid or declared during the current or previous financial year.

Operating and Financial review

The loss for the Consolidated Entity after providing for income tax amounted to $1,189,141 (2017: loss $797,189).

Corporate Strategy

The Company's goal, like most other small capital exploration companies, is to preserve shareholder wealth and grow the value of the flagship asset with prudent exploration methods. In the 2018 financial year, the Company's key focus was the exploration of the Piccadilly Project which included signing an Earn in Agreement with Piccadilly Gold Mine Holdings Limited to gain access to additional exploration tenements and to further exploration on the Mining Lease.

The Company's corporate activities include the review of opportunities for expansion through acquisitions and mergers and through potential diversification opportunities to take advantage positive market sentiments. At the date of this report, no investments have been undertaken.

Operations

Exploration

The Company focussed its exploration activities for the year ended 30 June 2018 on its Piccadilly Project located approximately 200 km west of Townsville. Exploration activities included reviewing the significant amount of exploration data relating to the Mining Lease area (ML 1442) and the two tenements (EPMs 16198 and 18322) which together comprise the project, extensive sampling and trenching of the mining lease area and a 7-hole 450m drilling program. The exploration work during the year supported the previous theories regarding the mineralisation of the area and expanded the project's potential with the effect that the Company will now focus on investigating the possibility of a much larger intrusive related gold target located to the south of the mining lease area.

On 25 August 2017, the Company announced that it had executed a non-exclusive ore purchase agreement with Minjar Gold Pty Ltd the owners of the Pajingo Mine. As a by-product of the exploration work on the Mining Lease, particularly the trenching activities, a quantity of gold ore was recovered. The Company was able to generate cash flow by on selling the ore to Minjar. During the year two ore sales occurred from which a total of $116,256 was received. These funds were used for further exploration and working capital purposes. The company is continuing with its ore purchase agreement with Minjar and a small sale was conducted following the year end.

To fully explore the potential of the Piccadilly Project, the Company executed an earn-in agreement with Piccadilly Gold Mine Holdings Limited in September 2017 to gain access to 174.35sq/km surrounding the mining lease at Piccadilly. As a result of this agreement, the company has the right to earn-in up to 75% ownership of the Mining Lease ML 1442 and EPMs 16198 and 18322 from the conduct of exploration activities on the project over the period of the agreement.

Following the signing of the Earn-in Agreement, the Company prepared plans for a short drilling program on the Project. The program which was conducted in February 2018 showed continuity of gold grades down dip from the near surface trench sampling previously conducted with gold being intersected in all seven holes. The Gold zones were shown to be open to the east and west and at depth lending support to the interpretation that the mineralising driver for the whole Piccadilly Goldfield is an intrusive body with magnetic expression occurring 1km or so further south of the trenching and drilling location.

Corporate

During the year, negotiations on the potential sale of the Mt Cannindah project were held. While there is still a potential deal with a number of parties, the potential purchaser needs to satisfy Cannindah that they have sufficient funding to complete the transaction before documentation can be finalised. Cannindah ceased negotiations with one party as a result of them being unable to comply with funding and timing requirements. However recent meetings with various other parties both domestic and international have been positive.

The Company has previously announced its plans for diversification. Whilst Piccadilly remains our core focus we continue to evaluate opportunities as they are presented. In this regard, the Board is currently working through the usual commercial discussions that occur when certain commercial transactions are contemplated. At the date of this report the Company has not concluded any transactions nor entered into any agreements.

Financial

At 30 June 2018, the Company had cash on hand of $10,461 (2017: $318,478). On 29 June 2018, the Company announced that following negotiations with Aquis Finance Pty Ltd, the Company had secured a further extension to its loan facility. The extension was on substantially the same terms and conditions as the original loan with interest and fees being capitalised into the loan. The new maturity date for the facility is 20 May 2019.

During the period the Company raised $775,450 before costs as follows:

- A Share Placement Plan under which Eligible Shareholders were able to acquire up to $15,000 of shares in the Company at a price of 3.1 cents per share. The Plan including placement of the shortfall resulted in the issue of 10,643,548 new shares to raise $329,950 before issue costs.
- Three placements totalling 15,500,000 shares to sophisticated and professional investors at prices between 2.8 and 3.2 cents per share to raise $445,500.

The year also saw the conversion of the $225,000 of convertible notes into equity bringing the total increase in contributed equity for the period before costs to $1,000,450.

Future Strategy

The Cannindah Resources Board and Management will continue to focus on developing the exploration potential of the Piccadilly Gold Mine and its surrounding EPM's while seeking to maximise the opportunities at its Mt Cannindah and Mt Borium exploration projects.

The Board will also continue to seek to take advantage of additional corporate opportunities that are evaluated from time to time.

Environmental Regulation

The Consolidated Entity's operations are subject to significant environmental regulation under Commonwealth and State legislation in relation to the discharge of hazardous waste and minerals arising. The Consolidated Entity holds all necessary Environmental Authorities in accordance with the Environmental Protection Act 1994 and such other environmental approvals as may be stipulated under State laws to enable it to operate within its Mining Leases and the various exploration tenements it holds.

Information on Directors

Thomas J Pickett

LLB, Grad Cert App Fin
Executive Chairman.

Tom holds a Bachelor of Law and was admitted as a solicitor of the Supreme Court of Queensland in 1996. Tom has broad experience in the mining industry and has held a number of corporate roles in the mining and finance industries.

Tom was Chairman of Dynasty Resources Limited from 2011 to September 2015, was a Non-Executive Director of Discovery Resources Limited (ASX: DIS) which completed a transaction to become Aquis Entertainment Limited (ASX: AQS) in August 2015 and was a Non-Executive Director of Red Gum Resources Limited (ASX: RGX) from May 2015 until January 2016 when the Company completed a transaction to become MCS Services Limited (ASX: MSG). He was a director of CuDeco Ltd (ASX: CDU) from 2002 to 2005 and continued in an advisory capacity until 2009 where he consulted in all aspects of the Company's governance and compliance, operations and implementation of policies and procedures. He was a director of Piccadilly Gold Mine Holdings Limited and Diversified Mining Pty Ltd, which are privately held exploration entities, resigning in 2015.

Laurie G Johnson

B.Sc. (Geology) F.AusIMM
Independent Non-Executive Director and, Member of the Audit and Risk Committee

Laurie is a geologist with more than 45 years' experience in exploration, development and mining throughout Australia and overseas, particularly the Pacific Rim. Laurie is also a Member of the Geological Society of Australia and has extensive experience in the ASX-listed junior resource sector with previous roles including Managing Director and Chairman of City Resources in the late 1980s and Managing Director of Monto Minerals from 1995-2003. Laurie was also involved in the discovery and development of the Red Dome and Selwyn gold-copper mines in North Queensland and was a former director of Elders Resources.

Geoffrey J Missen

FCA, GAICD
Non-Executive Director and Chairman of the Audit and Risk Committee

Geoff is a board member of the Australian Institute of Agricultural Science and Technology. This is the peak industry body for agricultural and natural resource management professionals. The Institute is committed to advancing the profession, and the application of science and technology, for the sustainable development of agriculture and natural resource management in Australia. Geoff is also a Chartered Accountant with over 25 years' experience providing clients with tax, accounting and business advice. He has been a Partner of The MBA Partnership since its inception in 2001. His client base is diverse and centres on small to medium enterprises. Geoff has an interest in providing specialist advice to his clients and enjoys developing strategies to help clients meet their goals. He is an active board member, currently serving on a number of boards in the public, private and not-for-profit sectors.

Geoff is a graduate of Victoria University, the Wharton School of Business at the University of Pennsylvania, Cambridge University, Harvard Business School and the Chicago Booth Business School. He is a Fellow of the Chartered Accountants in Australia and New Zealand and a Graduate Member of The Australian Institute of Company Directors (GAICD).

Company Secretary

The Company Secretary in office at the end of the financial year was Garry Gill. Garry has more than 30 years' experience in all facets of corporate financial and administrative functions and has served in Chief Financial Officer and Company Secretarial positions at a number of listed and unlisted public companies, private companies and statutory authorities.

Directors' Interests in the Company

At the date of this report, the interests of the Directors in the shares and options of the Company were:

	Ordinary Shares	Options
T J Pickett (Executive Chairman)	8,461,957	-
L G Johnson (Non-Executive Director)	100,000	-
G J Missen (Non-Executive Director)	250,000	-

Meetings of Directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2018 and the number of meetings attended by each Director were:

	Held	Attended
T J Pickett	8	8
L G Johnson	8	7
G J Missen	8	8

"Held" represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

The Audit Committee did not meet during the year. All matters usually considered by the Committee were determined by the full Board.

Remuneration Report (Audited)

The remuneration report, which has been audited, outlines the Director and executive remuneration arrangements for the Consolidated Entity and the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Equity instruments

A Principles used to determine the nature and amount of remuneration

Non-Executive Directors Remuneration

The Company's constitution provides that the Non-Executive Directors may be paid, as remuneration for their services, a sum determined from time to time by the Company's Shareholders in a general meeting, with that sum to be divided amongst the Directors in such manner as they agree. The aggregate remuneration ceiling for Non-Executive Directors is currently $300,000 per annum. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses.

Non-Executive Directors are remunerated through a combination of fees and may also be granted options over the Company's shares. The Board does not consider it appropriate to include a short term incentive, or cash bonus element in the remuneration of Non-Executive Directors.

Executive Remuneration

The Consolidated Entity and Company aim to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments and cash bonuses
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board of Directors, based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Consolidated Entity performance and link to remuneration

Because the Consolidated Entity is in exploration and not production, there is no direct relationship between the Consolidated Entity's financial performance and the level of remuneration paid to key management personnel.

Use of remuneration consultants

The Company did not engage remuneration consultants during the financial year ended 30 June 2018.

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the Directors and other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity) of Cannindah Resources Limited are set out in the following tables.

The key management personnel (KMP) of the Consolidated Entity consisted of the following Directors of Cannindah Resources Limited:

T J Pickett
L G Johnson
G J Missen
J Hamilton (resigned 16 June 2017)

And the following executive:

G C Gill - Chief Financial Officer / Company Secretary

Key Management Personnel	Short-term Benefits - Fees and/or Salary	Post Employment Benefits Super - annuation	Share Based Payments - Options	Total	Performance based remuneration	At risk remuner ation
	$	$	$	$	%	%
2018						
T J Pickett	246,667	23,433	-	270,100	-	-
L G Johnson	36,600	3,477	-	40,077	-	-
G J Missen	18,300	1,739	-	20,039	-	-
G C Gill	67,200	-	-	67,200	-	-
Totals	**368,767**	**28,649**	**-**	**397,416**	**-**	
2017						
T J Pickett[1]	263,907	21,850	-	285,757	-	-
L G Johnson	31,263	2,970	-	34,233	-	-
J Hamilton[2]	18,300	1,739	-	20,039	-	-
G J Missen	17,831	1,694	-	19,525		
G C Gill	20,400	-	-	20,400	-	-
Totals	**351,701**	**28,253**	**-**	**379,954**	**-**	

Notes:

[1] Includes annual leave paid out of $33,907.

[2] Resigned 16 June 2017.

C Service agreements

Remuneration and other terms of employment for key management personnel are formalised in Service Agreements. Details of these Agreements are as follows:

Executive Chairman:

The Company has entered into an Employment Agreement with Thomas Pickett to act as Executive Chairman. The contract was renewed on 17 August 2017 for a term of two years. Remuneration payable pursuant to the package is as follows:

- Base salary of $250,000 (previously $230,000) plus superannuation at statutory rates.
- The contract may be terminated by the giving of three months' notice by either party.
- Termination payment is up to six months of annual base salary.
- The contract is to be reviewed annually by the Board of Directors.

Chief Financial Officer and Company Secretary

The Company has entered into an Agreement with Garry Gill and his company to provide services as Company Secretary and Chief Financial Officer. Services are to be provided on a part-time basis and at a rate of $1,200 per day (pro rata) plus GST, plus expenses. The Agreement may be terminated by either party on 1 months' notice.

KMP have no entitlement to termination payments in the event of removal for misconduct.

D Share-based compensation

Issue of shares

There were no shares issued to Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2018.

Issue of options

There were no options over ordinary shares issued to Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2018.

E Equity instruments

a) Movements in shares

The movement during the year in the number of ordinary shares in Cannindah Resources Limited held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

Name	Balance at beginning of year	Balance at Date of Appoint-ment (refer notes below)	Acquired		Disposals	Balance at Date of Resignation (refer notes below)	Balance at end of the year
			As Remuner ation	Other			
2018							
T J Pickett	8,100,667	n/a	-	161,290	-	n/a	8,261,957
L G Johnson	100,000	n/a	-	-	-	n/a	100,000
G J Missen	250,000	n/a	-	-	-	n/a	250,000
G C Gill	-	n/a	-	-	-	n/a	-
2017							
T J Pickett	7,750,667	n/a	-	350,000	-	n/a	8,100,667
L G Johnson	100,000	n/a	-	-	-	n/a	100,000
J Hamilton	15,840,000	n/a	-	-	-	15,840,000	n/a
G J Missen	250,000	n/a	-	-	-	n/a	250,000
G C Gill	-	n/a	-	-	-	n/a	-

Notes:

- *J Hamilton – resigned 16 June 2017*

All on market purchases and sales complied with the Board's Securities Trading Policy which permits trading by Directors and executives during certain periods in the absence of knowledge of price-sensitive information.

b) Movement in options

No options over ordinary shares in the parent entity were held by any Director or other member of key management personnel of the Consolidated Entity during the financial years ended 30 June 2018 or 30 June 2017.

End of audited remuneration report

Share options

At the date of this report there were no unissued ordinary shares under option (nil at 30 June 2018 and nil at 30 June 2017). No options have been exercised since year end to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors of the Company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors of the Company against a liability to the extent permitted by the Corporations Act 2001. The amount of the premium is not disclosed as it is considered confidential.

Indemnity and insurance of auditor

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Subsequent Events

No other matters or circumstances have arisen since 30 June 2018, which significantly affect, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years

Non-audit services

The following non-audit services were provided by the entity's auditor, Grant Thornton. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of non-audit service provided means that auditor independence was not compromised.

Grant Thornton received, or is due to receive, the following amounts for the provision of non-audit services during the year ended 30 June 2018:

	2018	2017
	$	$
Taxation compliance services	5,500	5,150

Officers of the company who are former audit partners of Grant Thornton Audit Pty Ltd

There are no officers of the company who are former audit partners of Grant Thornton Audit Pty Ltd.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Thomas J Pickett
Executive Chairman

28 September 2018
Gold Coast

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Auditor's Independence Declaration

To the Directors of Cannindah Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Cannindah Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M S Bell
Partner – Audit & Assurance

Brisbane, 28 September 2018

CANNINDAH RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Revenue from continuing operations	4	116,788	1,206
Expenses			
Employee benefits expense	5	(229,952)	(163,250)
Exploration and evaluation expenditure written off		(998)	(1,273)
Depreciation and amortisation expense	5	(2,491)	(2,856)
Finance costs	5	(762,482)	(665,920)
Administration		(310,006)	(229,277)
Loss before income tax expense from continuing operations		**(1,189,141)**	**(1,061,370)**
Income tax (expense) / benefit	6	-	264,181
Profit/(loss) after income tax expense for the year attributable to the owners of the Company		**(1,189,141)**	**(797,189)**
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive income for the year attributable to the members of the Company		**(1,189,141)**	**(797,189)**
Basic and diluted earnings per share (cents per share)	28	(0.92)	(0.80)

The accompanying notes form part of these financial statements

CANNINDAH RESOURCES LIMITED
STATEMENT OF FINANCIAL POSITION
as at 30 June 2018

	Note	Consolidated 2018 $	2017 $
Current assets			
Cash and cash equivalents	7	10,461	318,478
Trade and other receivables	8	85,966	127,814
Total current assets		**96,427**	**446,292**
Non-current assets			
Other assets	9	81,837	83,837
Plant and equipment	10	-	572
Exploration and evaluation asset	11	5,018,623	4,158,351
Total non-current assets		**5,100,460**	**4,242,760**
Total assets		**5,196,887**	**4,689,052**
Liabilities			
Current liabilities			
Trade and other payables	12	484,564	289,443
Provisions	13	44,232	25,433
Borrowings	14	3,215,188	2,464,439
Total current liabilities		**3,743,984**	**2,779,315**
Total liabilities		**3,743,984**	**2,779,315**
Net assets		**1,452,903**	**1,909,737**
Equity			
Issued capital	15	47,649,420	46,692,113
Other contributed equity	16	-	225,000
Reserves	17	395,614	395,614
Accumulated losses		(46,592,131)	(45,402,990)
Total equity		**1,452,903**	**1,909,737**

The accompanying notes form part of these financial statements

CANNINDAH RESOURCES LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2018

Consolidated

	Issued Capital	Other Contributed Equity	Reserve	Accumulated Losses	Total
	$		$	$	$
2017					
Balance at 1 July 2016	46,392,113	-	395,614	(44,605,801)	**2,181,926**
Transactions with owners:					
Shares issued during the period	300,000	-	-	-	**300,000**
Convertible notes issued during the period	-	225,000	-	-	**225,000**
Total transactions with owners	300,000	225,000	-	-	**525,000**
Loss attributable to members of the Company	-	-	-	(797,189)	**(797,189)**
Balance at 30 June 2017	**46,692,113**	**225,000**	**395,614**	**(45,402,990)**	**1,909,737**
2018					
Balance at 1 July 2017	46,692,113	225,000	395,614	(45,402,990)	**1,909,737**
Transactions with owners:					
Convertible notes converted during the period	-	(225,000)	-	-	**(225,000)**
Shares issued during the period	957,307	-	-	-	**957,307**
Total transactions with owners	957,307	(225,000)	-	-	**732,307**
Loss attributable to members of the Company	-	-	-	(1,189,141)	**(1,189,141)**
Balance at 30 June 2018	**47,649,420**	**-**	**395,614**	**(46,592,131)**	**1,452,903**

The accompanying notes form part of these financial statements

CANNINDAH RESOURCES LIMITED
STATEMENT OF CASH FLOWS
for the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Cash flows from operating activities			
Payments from customers and debtors		127,882	-
Payments to suppliers and employees		(456,138)	(339,431)
Interest received		532	1,206
Research and development tax rebate		96,661	167,520
Net cash provided by (used in) operating activities	27	**(231,063)**	**(170,705)**
Cash flows from investing activities			
Exploration expenditure		(807,342)	(447,385)
Purchase of property, plant & equipment		(1,919)	(2,060)
Net cash provided by (used in) investing activities		**(809,261)**	**(449,445)**
Cash flows from financing activities			
Net proceeds from issue of shares		732,307	300,000
Proceeds from issue of convertible notes		-	225,000
Net cash provided by (used in) financing activities		**732,307**	**525,000**
Net increase (decrease) in cash held		(308,017)	(95,150)
Cash at beginning of year		318,478	413,629
Cash at end of year	7	**10,461**	**318,478**

The accompanying notes form part of these financial statements

Note 1 Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the new standards and amendments to standards affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Basis of preparation

These general-purpose financial statements have been prepared on a going concern basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, and financial assets and liabilities at fair value through profit or loss.

Functional and Presentation Currency

The Company's functional and presentation currency is Australian dollars.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of subsidiaries of Cannindah Resources Limited ('Company' or 'Parent Entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Cannindah Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

A subsidiary is any entity controlled by the Company. Control exists where the parent entity is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries and special purpose entities have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition or up to the effective date of disposal as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of Gold Ore

Sale of gold ore revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods and the risks and rewards are transferred to the customer. Amounts disclosed as revenue are net of processing and haulage costs incurred by the processor, as per the Ore Purchase Agreement.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Cannindah Resources Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Research and Development Tax Refunds and refunds receivable are recognised as a tax credit.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any provision for impairment.

Joint operations

The consolidated group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements.

Investments and other financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Consolidated Entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been had the impairment not been recognised and is reversed to profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment 20-33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset’s fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other equity

Convertible notes which are settled for a fixed amount of cash; may only be converted into a fixed number of shares and may not be redeemed for cash or other financial asset, are treated as other equity.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Cannindah Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Going Concern

The Financial Statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity incurred a loss of $1,189,141 and had net cash outflows from operating activities of $231,063 for the year ended 30 June 2018.

On 10 March 2015, the Company entered into a secured loan facility with a private investor (the Lender) to fund the Company's ongoing exploration and administration costs. Under the terms of the loan the facility was due for repayment on 10 March 2018. On 29 June 2018, the Company announced that following negotiations with Aquis Finance Pty Ltd, the Company had secured a further extension to its loan facility. The extension was on substantially the same terms and conditions as the original loan with interest and fees being capitalised into the loan. The new maturity date for the facility is 20 May 2019. The Company is considering a number of options to meet this repayment requirement including potential asset sales, capital raisings and negotiating further loan extensions with the Lender.

The Directors also expect that additional funds will be required for the Company to operate and conduct exploration activities over the next 12 months. In this regard, the Company has previously executed an Ore Purchase Agreement with Minjar Gold Pty Ltd (Minjar) the owners of the Pajingo Mine, which provides for Minjar to purchase and treat ore stockpiled, as a result of exploration activities, at the Piccadilly site on a non-exclusive basis. The Company has also raised additional funds since year end to fund working capital and is finalising plans for additional capital raisings in the coming year. In addition, the Company has also been able to obtain short term loans from professional investors as an interim measure while capital raisings are being finalised, including verbal agreement of a new short term loan of up to $200,000 to provide interim funding for exploration work at Piccadilly and for working capital. Based on their previous experience and success in raising capital and loan funds, the Directors are confident, these additional funds can be obtained.

Accordingly, the Directors believe that the going concern basis is the appropriate basis for the preparation of the financial report. If for any reason the Consolidated Entity is unable to continue as a going concern, it would impact on the Consolidated Entity's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

New Accounting Standards for First Time Application in Subsequent Periods

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2018 and have not been applied in preparing these consolidated financial statements. Details of these new standards are set out below. None of these are expected to have a significant effect on the consolidated financial statements of the Company.

New/ revised Pronouncement	AASB 9 Financial Instruments
Superseded pronouncement	AASB 139 Financial Instruments: Recognition and Measurement
Nature of change	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.
Effective date	1 January 2018
Likely impact on initial application	The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the half-year ending 31 December 2018.
New/ revised Pronouncement	AASB 15 Revenue from Contracts with Customers
Superseded pronouncement	AASB 118 *Revenue* AASB 111 *Construction Contracts*
Nature of change	Replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations: - establishes a new revenue recognition model - changes the basis for deciding whether revenue is to be recognised over time or at a point in time - provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) - expands and improves disclosures about revenue

Effective date	1 January 2018
Likely impact on initial application	No material impact on the transactions and balances recognised in the financial statements.
New/ revised Pronouncement	AASB 16 Leases
Superseded pronouncement	AASB 117 Leases
Nature of change	AASB 16: - replaces AASB 117 Leases and some lease-related Interpretations - requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases - provides new guidance on the application of the definition of lease and on sale and lease back accounting - largely retains the existing lessor accounting requirements in AASB 117 - requires new and different disclosures about leases
Effective date	1 January 2019
Likely impact on initial application	The entity is yet to undertake a detailed assessment of the impact of AASB 117. However, based on the entity's preliminary assessment, the Standard is not expected to have a significant impact on the transactions and balances recognised in the financial statements when it is first adopted for the half-year ending 31 December 2019.

Note 2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events; management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration and Evaluation Assets

The consolidated entity makes critical judgements in respect of carrying forward exploration and evaluation assets in the Statement of Financial Position. Exploration and evaluation expenditure may be capitalised in certain circumstances. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Note 3 Operating segments

Identification of reportable operating segments

The Consolidated Entity has determined its operating segments based on the internal reports that are reviewed and used by both management and the Board of Directors in assessing performance and allocation of resources. As the Consolidated Entity is still in the exploration phase, the chief operating decision makers review the operations as a whole and therefore consider one segment to be appropriate.

	Consolidated 2018 $	Consolidated 2017 $
Note 4 Revenue and Other Income		
From continuing operations		
Sales	116,256	-
Other revenue		
Interest received from other persons	532	1,206
Revenue from continuing operations	**116,788**	**1,206**

Note 5 Expenses

	2018 $	2017 $
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Plant and equipment	2,491	2,856
Finance costs		
Interest and finance charges paid/payable	762,482	665,920
Rental expense relating to operating leases		
Minimum lease payments	18,000	19,074
Employee benefit expense		
Amounts paid to employees	333,902	273,514
Allocated to exploration and evaluation projects	(158,850)	(177,657)
Amounts paid to non-executive Directors	54,900	67,393
Total employee benefit expense	**229,952**	**163,250**

Note 6 Income tax expense

	2018 $	2017 $
Research and development tax refunds	-	264,181
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(1,189,141)	(1,061,370)
Tax at the statutory tax rate of 27.5% (2017:30%)	(327,014)	(318,411)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-deductible / (allowable) expenses	(244,046)	(84,233)
	(571,060)	(402,644)
Current year tax losses not recognised	207,591	193,067
Current year temporary differences not recognised	354,776	205,629
Deductible capital raising costs	8,693	3,948
Income tax expense	**-**	**-**
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	19,102,816	18,316,329
Potential tax benefit @ 27.5% (2017:30%)	5,253,274	5,494,899

	Consolidated 2018 $	2017 $
Note 6 Income tax expense (continued)		

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if there are taxable profits and if the continuity of ownership test is passed, or failing that, the same business test is passed.

Deferred tax assets not recognised

Deferred tax assets not recognised comprises temporary differences attributable to:

	2018 $	2017 $
Timing differences	5,269,795	4,915,019
Total deferred tax assets not recognised	**5,269,795**	**4,915,019**
Note 7 Cash and cash equivalents		
Cash on hand and at bank	10,461	318,478
Total cash and cash equivalents	**10,461**	**318,478**
Note 8 Trade and other receivables		
R&D refund receivable	-	96,661
Other receivables	85,966	31,153
Total trade and other receivables	**85,966**	**127,814**
Note 9 Other assets (non-current)		
Deposits and bonds	81,837	83,837
Total financial assets	**81,837**	**83,837**
Note 10 Plant and equipment		
Plant and equipment at cost	35,565	33,646
Accumulated depreciation	(35,565)	(33,074)
Plant and equipment at written down value	**-**	**572**
Movements in plant and equipment		
Opening written down value	572	1,368
Additions	1,919	2,060
Depreciation	(2,491)	(2,856)
Closing written down value	**-**	**572**
Note 11 Exploration and evaluation		
Exploration and evaluation phase - at cost	**5,018,623**	**4,158,351**
Movement in exploration and evaluation asset:		
Opening balance - at cost	4,158,351	3,638,581
Capitalised exploration expenditure	861,270	521,043
Current year expenditure written off	(998)	(1,273)
Carrying amount at the end of the period	**5,018,623**	**4,158,351**

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects or alternatively through the sale of the areas of interest.

	Consolidated 2018 $	2017 $
Note 12 Trade and other payables		
Trade payables	296,820	187,943
Other payables and accrued expenses	187,744	101,500
Total trade and other payables	**484,564**	**289,443**
Note 13 Provisions		
Annual leave	**44,232**	**25,433**
Note 14 Borrowings		
Secured borrowings - current	**3,215,188**	**2,464,439**

The loan from Aquis Finance Pty Ltd had an initial facility limit of $2 million and a term of 12 months commencing 10 March 2015, which could be extended to up to 3 years at the election of the Company. Directors extended the facility for a further year in each of March 2016 and in March 2017. In May 2018 a new loan was entered into with Aquis Finance. The new loan increased the facility limit to $3.7 million to accommodate loan fees and interest payable until the end of the loan term on 20 May 2019.

The interest rate on the loan is 15% per annum which is capitalised into the loan. The facility conditions require no repayments until the expiration of the facility. The loan is secured by the assets of the Company. Other terms and conditions remain the same as the previous facility.

Note 15 Contributed Equity

	2018 $	2017 $
(a) Fully paid ordinary share capital	**47,649,420**	**46,692,113**
Movements in contributed equity during the year:		
Balance at the beginning of the reporting period	46,692,113	46,392,113
Movements in prior period:		
Shares issued in prior period	-	300,000
Movements during current period:		
Conversion of convertible notes	225,000	-
Issued pursuant to Share Purchase Plan	266,550	-
Issued pursuant to share placements	508,900	-
Total movements in issued capital during the year	1,000,450	300,000
Less share issue costs	(43,143)	-
Balance at reporting date	**47,649,420**	**46,692,113**

Movements in the number of issued shares during the year:

	2018 No.	2017 No.
Balance at the beginning of the reporting period	110,075,733	100,075,733
Shares issued in prior period	-	10,000,000
Shares issued during the period:		
Conversion of convertible notes	15,000,000	-
Issued pursuant to Share Purchase Plan	8,598,384	-
Issued pursuant to share placements	17,545,161	-
Total movements in issued capital during the year	41,143,545	-
Balance at reporting date	**151,219,278**	**110,075,733**

	Consolidated	
	2018	2017
	$	$

Note 15 Contributed Equity (continued)

(a) Fully paid ordinary share capital (continued)

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The Consolidated Entity's objectives when managing capital are to safeguard its ability to continue as a going concern and fund its operations. The Consolidated Entity's capital comprises borrowings, ordinary share capital, reserves and accumulated losses as disclosed in the statement of changes in equity. In common with many other exploration companies, the parent raises finance for the Consolidated Entity's exploration and appraisal activities in discrete tranches.

Management effectively manages the Consolidated Entity's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 30 June 2017 Financial Report. The Consolidated Entity monitors capital on the basis of its working capital position (i.e. liquidity risk). The net working capital of the Consolidated Entity at 30 June 2018 was $3,647,557 (negative) (2017: $2,333,023 negative) as a result of classifying the loan from Aquis Finance as a current liability.

(b) Options

The Consolidated Entity had no options on issue during the financial years ended 30 June 2018 and 30 June 2017.

Note 16 Other Contributed Equity

Convertible notes	**-**	**225,000**

The Company issued 15 million convertible notes in February 2017. The terms and conditions of the issue were as follows:

Interest Rate	8% per annum payable on conversion
Maturity Date	16 February 2018
Issue Price	$0.015 per note
Conversion rate	Each note may be converted into one ordinary share. The notes cannot be redeemed for cash.
Redemption	At the option of the holder or on the Maturity Date.

The notes carried no voting rights and could not be traded or on sold. The notes were converted to ordinary shares in October 2017.

Note 17 Reserves

Share Option Reserve

The share option reserve records items recognised as expenses or issue costs on valuation of options. (Refer to the Statement of Changes in Equity for a reconciliation of movements in the Reserve.)

Note 18 Financial Instruments

Financial risk management objectives

Risk management is carried out under policies set by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas.

The Board monitors and manages the financial risk relating to the operations of the Consolidated Entity. The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk), price risk and interest rate risk, credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Foreign currency risk

The Consolidated Entity may undertake certain transactions denominated in foreign currency and may become exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity’s functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Price risk

The Consolidated Entity is exposed to price risk through the movement of bullion prices. Under its Ore Purchase Agreement with Minjar Pty Ltd, the Company receives revenue from gold ore sales based on the average gold price less haulage and processing costs s incurred by Minjar. If the average gold price on which the sales were based increased / decreased by 10%, with all other variables held constant, the change in the loss before income tax would be a decrease / increase of $11,626.

Interest rate risk

The economic entity’s exposure to interest rate risk is the risk that a financial instrument’s value will fluctuate as a result of changes in market interest rates.

As at the reporting date, the Consolidated Entity had the following variable rate investments:

	Weighted Average Interest Rate	Average Cash Balance $
2018		
Cash and cash equivalents	1.10%	48,498
2017		
Cash and cash equivalents	0.67%	180,979

Sensitivity Analysis

At 30 June 2018, if average interest rates had increased/decreased by 200 basis points with all other variables held constant, post-tax profit and total equity for the year would have been as follows:

	Consolidated	
	2018 $	2017 $
Change in profit and equity:		
Increase in interest rate by 2%	970	3,619
Decrease in interest rate by 2%	(532)	(1,206)

Note 18 Financial Instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

The Consolidated Entity does not have any significant exposure to credit risk from trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by continuously monitoring actual and forecast cash flows to ensure funds are available to meet liabilities.

Maturity Analysis - 2018

	Carrying amount	< 6 months	6-12 months	1-3 years	> 3 years
	$	$	$	$	$
Financial Liabilities					
Trade Creditors	484,564	484,564	-	-	-
Loans and borrowings	3,215,188	-	3,215,188	-	-
Total	**3,699,752**	**484,564**	**3,215,188**	**-**	**-**

Maturity Analysis - 2017

	Carrying amount	< 6 months	6-12 months	1-3 years	> 3 years
	$	$	$	$	$
Financial Liabilities					
Trade Creditors	289,443	289,443	-	-	-
Loans and borrowings	2,464,439	-	2,464,439	-	-
Total	**2,753,881**	**289,443**	**2,464,439**	**-**	**-**

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

Note 19 Key Management Personnel Disclosures

Transactions between related parties, other than those noted in the audited Remuneration Report are detailed at Note 22. Where transactions with related parties occur, they are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel remuneration includes the following expenses:

	Consolidated	
	2018	**2017**
	$	**$**
Short term employee benefits:		
Salaries	368,767	351,701
Post-employment benefits:		
Superannuation	28,649	28,253
Total remuneration	**397,416**	**379,954**

Note 20 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

Audit services		
Audit or review of the financial statements	34,340	30,009
Other services provided by related entities of the auditor		
Taxation services	5,500	5,150

Note 21 Commitments

Committed at the reporting date but not recognised as liabilities:

Lease commitments - mining leases:		
Within one year	63,096	34,609
One to five years	271,887	149,135
	334,983	**183,744**
Mining exploration expenditure		
Within one year	1,132,501	756,000
One to five years	2,080,501	260,000
	3,213,002	**1,016,000**

The Consolidated Entity has certain commitments imposed by the Queensland Department of Natural Resources and Mines to perform minimum exploration work on the tenements. These obligations, which may be varied from time to time, are subject to approval and are expected to be fulfilled in the normal course of operations of the Consolidated Entity. Certain tenements held by the Consolidated Entity may be the subject of future Native Title claims. The Directors of the Company expect that existing operations will not be materially affected by any potential claims.

Note 22 Related Party Transactions

Parent entity

Cannindah Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 24.

Interests in joint ventures are set out in note 25.

Note 22 Related Party Transactions (continued)

Key management personnel

Disclosures relating to key management personnel are set out in note 19 and the remuneration report in the Directors' Report.

Transactions with related parties

The Company rents office space and obtains accounting and IT services from entities associated with non-executive Director Mr Geoffrey Missen, who was appointed as a Director on 21 June 2016. During the year ended 30 June 2018, the Consolidated Entity paid $25,852 (2017: $17,073) for these services. The services are contracted on an arm's length basis.

At 30 June 2018, $8,513 (2017: $9,225) was included in the Company's trade creditors for services provided during the period.

There were no loans to or from related parties at the current and previous reporting date.

Note 23 Parent Entity Information

	2018 $	2017 $
Statement of Profit and Loss and Other Comprehensive Income		
Loss after income tax	(473,599)	(136,989)
Total comprehensive income	(473,599)	(136,989)
Statement of Financial Position		
Current assets	99,667	445,151
Total assets	6,938,017	3,169,014
Current liabilities	3,734,437	224,142
Total liabilities	3,734,437	224,142
Net assets	**3,203,580**	**2,944,872**
Equity		
Issued capital	47,649,420	46,692,112
Other contributed equity	-	225,000
Share option reserve	395,614	395,614
Accumulated losses	(44,841,454)	(44,367,854)
Total equity	**3,203,580**	**2,944,872**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018 and 30 June 2017.

Contingent liabilities

The parent entity had no contingent liabilities at 30 June 2018 and 30 June 2017.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at 30 June 2018 and 30 June 2017.

Note 23 Parent Entity Information (continued)

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1.

Note 24 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal Activity	Country of Incorporation	Share	Ownership Interest 2018	Ownership Interest 2017
Mt Cannindah Mining Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%
Cannindah Sino Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%
Triple Crown Mining Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%

Note 25 Interests in Joint Operations

During the year, the Company announced that had signed an Earn-In Agreement with Piccadilly Gold Mine Holdings Limited to gain access to 174.35sq/km surrounding the mining lease at Piccadilly. The Agreement provided that EPMs 16198 and 18322 would be under the operational control of Cannindah Resources Limited. Key terms of the agreement were as follows:

- Phase 1 Earn-In - $400,000 to be spent on mining and exploration activities within ML 1442 and EPM's 16198 and 18322 in the 6-month period commencing on the Effective Date to earn a 12.5% contractual interest in the Piccadilly Project. The Phase 1 Earn- in was completed in March 2018.
- Phase 2 Earn-In – a further $400,000 to be spent on mining and exploration activities within ML 1442 and EPM's 16198 and 18322 in the 18-month period commencing on the Effective Date to earn an additional 12.5% contractual interest. The Phase 2 Earn-in must include at least 4 diamond drill holes on the EPM's. If the Phase 2 Earn-In is not completed the Company will relinquish all interest in the project.
- At its option, the Company may enter into the Phase 3 Earn-In under which an additional $2.2 million must be spent within the 48-month period of the Effective Date on exploration and mining and a mineral resource of at least 250,000 ounces of gold or gold equivalent must be established to earn an additional 50% interest to bring the total interest to 75%.

All costs incurred under the Earn-In arrangement are capitalised on the Company's balance sheet as exploration and evaluation expenditure.

Note 26 Events after the Reporting Period

Subsequent to the end of the financial year, the Company issued 5,633,334 shares to sophisticated and professional investors by way of private placements to raise a total of $169,000 for the Company's Piccadilly exploration project and working capital.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 27 Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated	
	2018	**2017**
	$	**$**
Profit/(loss) after income tax expense for the year	(1,189,141)	(797,189)
Adjustments for:		
Depreciation and amortisation	2,491	2,856
Write off of exploration and evaluation expenditure	998	1,273
Financing expenses	761,250	658,193
R&D refund receivable	-	(96,661)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	41,846	(13,861)
Decrease in other operating assets	2,000	909
Increase/(decrease) in trade and other payables	130,693	92,422
Increase/(decrease) in employee benefits	18,800	(18,646)
Net cash used in operating activities	**(231,063)**	**(170,705)**

Note 28 Earnings per share

	2018	**2017**
	No.	**No.**
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted EPS	**129,494,971**	**100,075,733**

Note 29 Company Information

The registered office and principal place of business is as follows:

Level 3, 50 Marine Parade
SOUTHPORT QLD 4215

Note 30 Authorisation of Financial Statements

The consolidated financial statements for the year ended 30 June 2018 (including comparatives) were approved and authorised for issue by the Board of Directors on 28 September 2018.

CANNINDAH RESOURCES LIMITED
DIRECTORS' DECLARATION
for the year ended 30 June 2018

In the Directors' opinion:

1. The attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

2. The attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

3. The attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

4. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

5. The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

Thomas J Pickett
Executive Chairman
28 September 2018
Gold Coast

Grant Thornton

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Independent Auditor's Report

To the Members of Cannindah Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Cannindah Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

The Group incurred a net loss of $1,189,141 during the year ended 30 June 2018 and had operating cash outflows of $231,063. The current liabilities of the Group also exceeded current assets, resulting in a negative working capital position of $3,647,557. These events or conditions, along with other matters as set forth in Note 1 to the financial report, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and Evaluation of Assets – valuation Note 1 and Note 11	

At 30 June 2018 the carrying value of Exploration and Evaluation Assets was $5,018,623.
 	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
 	
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
 	
This area is a key audit matter due to the element of estimation and management judgment involved.
	Our procedures included, amongst others:
	
	• Obtaining the management prepared reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• Reviewing management's area of interest considerations against AASB 6;
	• Conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including;
	  - Tracing projects to statutory registers and exploration licenses to determine whether a right of tenure existed;
	  - Enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of managements' budgeted expenditure;
	  - Understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;
	• Reviewing the appropriateness of the related disclosures within the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 4 to 7 of the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Cannindah Resources Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M S Bell
Partner – Audit & Assurance

Brisbane, 28 September 2018

CANNINDAH RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (Recommendations). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Board is committed to achieving and demonstrating the highest standards of corporate governance which are consistent with the current size and stage of development of the Company.

Compliance with ASX corporate governance guidelines and best practice recommendations

The Australian Securities Exchange Corporate Governance Council has issued the *Corporate Governance Principles and Recommendations 3rd Edition* ('Guidelines') applying to listed entities.

The Board has assessed the Company's current practice against the Guidelines and except where disclosed below, the best practice recommendations of the ASX Corporate Governance Council have been applied. This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles.

In addition to its Constitution and applicable laws and regulations, the operations and conduct of Cannindah Resources Limited (Cannindah Resources) are administered in accordance with all governance materials approved by the Board, including but not limited to:

- Board Charter;
- Corporate Code of Conduct;
- Securities Trading Policy;
- Ethics and Disclosure Policy;
- Diversity Policy; and
- Risk Management Policy

Further information on the Company's corporate governance policies and practices can be found on the website at www.cannindah.com.au.

Principle 1 – Lay Solid Foundations for Management and Oversight

Role and Responsibilities of the Board and Management

The Board's primary responsibility is to oversee the company's business activities and management for the benefit of shareholders which it accomplishes by:

- establishing corporate governance, and ethical, business standards;
- setting and monitoring objectives, goals and strategic direction with a view to maximising shareholder value;
- approving and monitoring budgets and financial performance;
- ensuring adequate internal controls exist and are appropriately monitored for compliance;
- ensuring significant business risks are identified and appropriately managed;
- approving of financial and other reporting, and announcements prior to lodgement with the ASX and release to shareholders;
- ensuring the composition of the Board is appropriate, selecting directors for appointment to the Board and reviewing the performance of the Board and the contributions of individual directors; and
- setting remuneration policy;

The Board has delegated responsibilities and authorities to management to enable management to conduct the company's day to day activities. Matters which are not covered by these delegations, such as approvals which exceed certain limits or do not form part of the approved budget, require Board approval.

The responsibility for the operation and administration of the Company is delegated by the Board to the Executive Chairman. The Board ensures that the Executive Chairman is appropriately qualified and experienced to discharge his responsibilities and has in place procedures to monitor performance.

Directors, Company Secretary and Executives

In considering the appointment of new Directors, the Board, will conduct appropriate background checks, including education, character, criminal record and bankruptcy checks before the Company appoints a person, or puts forward a new candidate for election as a director.

Each of the Directors and Executives has a written agreement with the company setting out the terms of their appointment.

The Company Secretary is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board. All Directors have access to the Company Secretary.

Diversity Policy

The Company recognises that a diverse workforce, senior management and Board can enhance business performance and productivity and has implemented a diversity policy in support of these aims. The Company is committed to promoting an environment which is conducive to the appointment and development of well qualified employees, senior management and Board candidates and to the extent that it is consistent with the current size, nature and complexity of the organisation, to embracing diversity when determining the composition of employees, senior management and the Board. While embracing the concept of diversity, the Board is of the view that at this time and as the Company has a small Board and no other employees, it is inappropriate to establish measurable diversity objectives or targets and to tie diversity objectives to the Key Performance Indicators for the Board.

Performance Evaluation

Due to the size and makeup of the Board, Directors considered that there is significant feedback provided by Board members on the performance of the Board. Accordingly, no performance evaluation was performed during the 2018 financial year.

The Board is of the view the Executive Chairman receives significant feedback on his performance progressively during the period and accordingly no formal performance review was conducted during the 2018 financial year. The implementation of Key Performance Indicators will be developed as the Company reaches a level of maturity where meaningful KPI can be developed. The Executive Chairman is responsible for the review and monitoring of the performance of senior executives where such are engaged.

Principle 2 – Structure the Board to Add Value

At the date of this report, the majority of the Directors of the Company are Independent as defined in the Guidelines.

The names of the members of the Board as at the date of this report and the length of service (in completed years) of each Director are as follows:

- Thomas J Pickett (Executive Chairman) (4 years)
- Laurie G Johnson (Independent Non-Executive Director) (4 years)
- Geoffrey J Missen (Independent Non-Executive Director) (2 years)

When determining whether a non-executive Director is independent the Director must not fail any of the tests included in the Guidelines. The Board have considered the position of the Directors and consider that Messrs Johnson and Missen are “independent” as defined by the Guidelines. Mr Pickett is a substantial shareholder and Executive Chairman of the Company. The Board considers that the appointment of an Executive Chairman is appropriate given the current size of the Company and the nature of its operations.

The skills and qualifications of each of the Directors are set out in the Directors’ Report which accompanies the financial statements. All Directors have considerable experience with backgrounds in mineral exploration, law, finance and business. The Board believes that the level of skill and experience possessed by individual Directors is appropriate for the company’s size and present stage of development.

New Directors undergo an induction process in which they are given a full briefing on the Company and its operations. Where possible, this includes meetings with key staff, tours of premises and projects, provision of a due diligence package and presentations from Management.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

Committees

As at the date of this report, the Company does not have a Nomination or Remuneration Committee of the Board of Directors. The full Board of Directors undertakes the role of this Committee. Given the composition of the Board and the size of the company, it is felt that individual nomination and remuneration committees are not yet warranted, however it is expected that as the Company's operations expand that each of these committees will be established.

The Company has an Audit and Risk Committee the members of which are as follows:

- Geoffrey J Missen (Independent Non-Executive Director)
- Laurie G Johnson (Independent Non-Executive Director)

The Committee did not meet during the year referring all matters which might otherwise be delegated to the committee to the full Board. The Board Charter sets out the procedures adopted by the Board to satisfy itself of the matters which may otherwise be dealt with by Committees. The Board Charter may be viewed at the Company's website at www.cannindah.com.au in the Corporate Governance section.

Independent Professional Advice and Access to Information

Each Director has the right of access to all relevant information in the Company in addition to access to the Company's executives. Each Director also has the right to seek independent professional advice subject to prior consultation with, and approval from, the chairman. This advice will be provided at the Company's expense and will be made available to all members of the Board.

Insurance

The Company has in place a Directors and Officers liability insurance policy providing a specified level of cover for current and former Directors and executive Officers of the Company against liabilities incurred whilst acting in their respective capacity.

Principle 3: Promote Ethical and Responsible Decision Making

Code of Conduct

As part of the Board's commitment to the highest standard of conduct, the Company adopts a code of conduct to guide executives, management and employees in carrying out their duties and responsibilities. The code of conduct covers such matters as:

- responsibilities to shareholders;
- compliance with laws and regulations;
- relations with customers and suppliers;
- ethical responsibilities;
- employment practices; and
- responsibility to the environment and the community.

Securities Trading Policy

The Company has established a share trading policy which governs the trading in the Company's shares and applies to all Directors and employees of the Company. The policy is available in the Corporate Governance section of the Cannindah Resources' website.

Under the share trading policy, an executive, employee or director must not trade in any securities of the Company at any time when they are in possession of unpublished, price sensitive information in relation to those securities.

No acquisitions or sales of Company securities may be made during Blackout Periods i.e. the time from the end of a quarter until 24 hours following the release of the quarterly cash flow report nor prior to any anticipated announcement to the ASX nor for a 24 hour period after the announcement. Trading of securities outside the trading windows can only occur in exceptional circumstances and with the approval of the Chairman or Company Secretary.

As required by the ASX listing rules, the Company notifies the ASX of any transaction in the securities of the Company conducted by Directors.

Principle 4: Safeguard Integrity in Financial Reporting

Certification of Financial Reports

The Executive Chairman and the Chief Financial Officer state in writing to the Board each reporting period that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

Auditors

The external auditor, Grant Thornton Audit Pty Ltd, has declared its independence to the Board through the provision of its Auditor's Independence Declaration to the Board, which states that there have been no contraventions of auditor independence requirements as set out in the Corporations Act or any auditors' professional code.

The Board satisfies itself that the auditors have in place a process to ensure rotation of the audit engagement partner.

The external auditor attends the Annual General Meeting to answer any questions concerning the audit of the Company and the contents of the auditor's report.

Other Matters

The Board Charter which can be viewed in the Corporate Governance section of the Company's website sets out the processes the Board employs to verify and safeguard the integrity of its corporate reporting.

Principle 5: Make Timely and Balanced Disclosure

Cannindah Resources has established policies and procedures to ensure timely and balanced disclosure of all material matters concerning the Company, and to ensure that all investors have access to information on the Company's financial and operational performance. This ensures that the Company is compliant with the information disclosure requirements under the ASX Listing Rules.

These policies and procedures include a comprehensive Ethics and Disclosure Policy that includes processes to identify matters that may have a material impact on the price of Cannindah Resources securities, notify them to the ASX, post relevant information on the Company's website and issue media releases.

The policy is available in the Corporate Governance section of the Cannindah Resources' website

Principle 6: Respect the Rights of Shareholders

Cannindah Resources Limited aims to promote effective communication with shareholders through an investor relations program which includes:

- The annual report, including relevant information about the operations of the Company during the year, key financial information, changes in the state of affairs and indications of future developments. The annual report can be accessed either through the ASX website or Annual Reports section of the Company's website.
- The half year and full year financial results are announced to the ASX and are available to shareholders via the Cannindah Resources and ASX websites.
- All announcements made to the market and related information (including presentations to investors and information provided to analysts or the media during briefings), are made available to all shareholders under the investor information section of Cannindah Resources' website after they have been released to the ASX.

- Detailed notices of shareholder meetings are sent to all shareholders in advance of the meeting.
- Shareholding details are available through the Company's share register, Boardroom Pty Ltd.
- Shareholders are provided the option of sending and receiving communications electronically.

The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of Director accountability to shareholders and shareholder identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. Shareholders are requested to vote on matters such as the adoption of the Company's remuneration report, the granting of options and shares to Directors and changes to the Constitution.

Principle 7: Recognise and Manage Risk

Risk Management

Cannindah Resources Limited recognises that the identification and management of risk is central to the Company's strategy of delivering value to shareholders through its exploration and development activities.

The Board constantly monitors the operational and financial aspects of the company's activities and is responsible for the implementation and on-going review of business risks that could affect the Company. Duties in relation to risk management that are conducted by the Directors include but are not limited to:

- initiate action to prevent or reduce the adverse effects of risk;
- control further treatment of risks until the level of risk becomes acceptable;
- identify and record any problems relating to the management of risk;
- initiate, recommend or provide solutions through designated channels;
- verify the implementation of solutions;
- communicate and consult internally and externally as appropriate; and
- inform investors of material changes to the company's risk profile.

On-going review of the overall risk management program is conducted by external parties where appropriate.

The Board ensures that recommendations made by the external parties are investigated and where considered necessary, appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified.

Internal Audit

The Company does not, at this stage, have an Internal Audit function. The Board is of the view that he Company's' size and scale does not currently support an independent internal audit function. The Board from time to time may utilise external parties to undertake internal audit control reviews.

The Board Charter which can be viewed in the Corporate Governance section of the Company's website sets out the processes the Board employs to oversee the Company's risk management framework.

Environmental Policy

The Company acknowledges that protection of the environment and sound environmental management strategies are essential to the continued operations of the company. The Company has established an Environmental Policy that requires the Company and its employees to:

- Observe all environmental laws and conduct activities in compliance with applicable legislation, regulations and licence requirements.
- Actively promote environmental awareness among Company personnel and contractors to increase the understanding of environmental matters.
- Incorporate environmental matters into planning and operational decisions and conduct regular audits of operations including those of contractors to ensure performance standards are maintained at the highest level

Principle 8: Remunerate Fairly and Responsibly

The 'Remuneration Report' section of the Directors' Report sets out the structure of remuneration of non-executive directors and of executives. The Report also details the nature and amount of each element of the remuneration of each non-executive Director and executive.

The Board assesses the appropriateness of the nature and amount of remuneration by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and management team.

Shareholders will be asked to adopt, as a non-binding vote, the Remuneration Report as contained in the Directors' Report for the financial year ended 30 June 2018.

The Board Charter which can be viewed in the Corporate Governance section of the Company's website sets out the processes the Board employs to ensure that remuneration of Directors and management is appropriate and not excessive.

CANNINDAH RESOURCES LIMITED
TENEMENT STATEMENT AND RESOURCE STATEMENT

TENEMENT STATEMENT AS AT 30 SEPTEMBER 2018

TENEMENT TYPE	TENEMENT NUMBER	PROJECT NAME	LOCATION
EPM	19015	Mount Borium	Queensland
EPM	18960	Borium Extended	Queensland
EPM	19009	Stephanie	Queensland
EPM	14524	Barrimoon	Queensland
EPM	15261	Mt Cannindah 2	Queensland
EPM	25537	Mt Cannindah South	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

The Piccadilly mining lease and EPM's are held by Piccadilly Gold Mines Holdings Limited. On 15 September 2017, Cannindah Resources Limited announced that it had signed an Earn-In Agreement with Piccadilly Gold Mine Holdings Limited under which the Company could earn in to a total interest of 75% of the Piccadilly Project. At 30 September 2018, the Company' had completed the first phase of the earn in and on completion of the second phase will gain the right to 25% of the project. At 30 September 2018, the Company's registered ownership interest in the Piccadilly mining lease and EPM's was nil.

All other tenements are 100% owned with no farm in / farm out arrangements in existence at the end of the financial year and the date of this statement.

MINERAL RESOURCES STATEMENT AS AT 30 SEPTEMBER 2018

Resource Table Mt Cannindah Copper Gold Project Queensland

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/$m^{3,}$ 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. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

There were no changes in the Mt Cannindah resource between the end the financial year and the date of this statement.

SHAREHOLDER INFORMATION

TWENTY LARGEST SHAREHOLDERS at 17 OCTOBER 2018

Holder Name	Shares	%
EKG LIMITED	22,500,000	14.3%
AQUIS FINANCE PTY LTD	19,915,070	12.7%
MR JOHN HAMILTON	14,840,000	9.5%
MR THOMAS JON PICKETT	7,292,027	4.6%
RIVER STREET SF PTY LTD <RIVER STREET S/F A/C>	5,486,925	3.5%
MS EMILY ADAMERO	5,000,000	3.2%
MR SALVATORE COSTANZO <S & T COSTANZO FAMILY A/C>	5,000,000	3.2%
MR KERRY WILLIAM JOHN HARRIS & MISS KATRINA FOURRO <DIG DEEP S/F A/C>	4,650,000	3.0%
MR ANTONIO NIRTA & MRS MARIANNE NIRTA	4,000,000	2.6%
MR KERRY WILLIAM JOHN HARRIS	3,686,098	2.4%
BNP PARIBAS NOMINEES PTY LTD	3,518,182	2.2%
MR GARY STANLEY SWIFT & MRS KAYLEEN LESLIE SWIFT <THE SWIFT SUPER FUND A/C>	2,283,871	1.5%
G & P REDFEARN INVESTMENTS P/L <G & P REDFEARN S/F A/C>	2,164,562	1.4%
MR ROBERT CAMERON GALBRAITH	2,000,000	1.3%
APC MANAGEMENT SERVICES PTY LTD <COLRAIN SUPER FUND A/C>	1,668,846	1.1%
RESPITE PTY LTD <TWENTY TWO SUPER FUND A/C>	1,666,846	1.1%
TROMSO PTY LIMITED	1,575,169	1.0%
MR NICHOLAS DAVID CRESSWELL	1,550,000	1.0%
DUNHEATH PTY LTD <WYARALONG SUPER FUND A/C>	1,503,871	1.0%
MR HENRY HUME TURNBULL	1,283,870	0.8%
TOTAL	**111,585,337**	**71.1%**

DISTRIBUTION OF SHAREHOLDERS

Range	Total Holders	Shares	% Issued Capital
1 – 1,000	159	30,738	0.020
1,001 – 5,000	50	142,101	0.091
5,001 – 10,000	24	170,751	0.109
10,001 – 100,000	176	6,868,489	4.379
100,001 – 9,999,999,999	123	149,640,533	95.402
Total	**532**	**156,852,612**	**100.000**
Unmarketable Parcels	246	499,075	0.032

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares	%
EKG LIMITED	22,500,000	18.1%
AQUIS FINANCE PTY LTD	19,915,070	14.3%
MR JOHN HAMILTON	15,840,000	10.0%
MR KERRY WILLIAM JOHN HARRIS	9,241,828	5.9%
MR THOMAS JON PICKETT	8,461,957	5.4%

Voting Rights - ***Ordinary Shares***

Every holder of ordinary shares has the right to receive notices of, to attend and to vote at general meetings of the Company. On a show of hands every shareholder present at a meeting in person or by proxy, attorney or representative is entitled to one vote and upon a poll each share is entitled to one vote.

CORPORATE DIRECTORY

Company
Cannindah Resources Limited
ABN 35108 146 694
PO Box 3543
Australia Fair,
Southport, Queensland, 4215
www.cannindah.com.au

Registered Office and Place of Business
Level 3, 50 Marine Parade,
Southport, Queensland, 4215
Telephone: +61 7 3357 3988

Directors

Thomas Pickett	Executive Chairman
Laurie Johnson	Non-Executive Director
Geoffrey Missen	Non-Executive Director

Company Secretary
Garry Gill

Auditors
Grant Thornton Audit Pty Ltd
145 Ann Street
Brisbane, Queensland 4000
Telephone: +61 7 3222 0200
Facsimile: +61 7 3222 0444

Share Registry
Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
Level 12, 225 George St
Sydney NSW 2000 Australia
Enquiries (within Australia): (02) 9290 9655
Enquiries (outside Australia): + 61 2 9290 9655
www.boardroomlimited.com.au

Stock Exchange Listing
Australian Securities Exchange Limited
Home Exchange – Sydney
ASX code: CAE

Competent Person's Statement

Information in this report that refers to Mineral Resources has been reviewed by Mr Laurie Johnson B.Sc (Geology) F.AusIMM who is a Director of Cannindah Resources Limited. Mr Johnson is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and is bound by and follows the Institute's codes and recommended practices. Mr Johnson has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Persons as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Johnson consents to the inclusion of this information in the form and context in which it appears in this report.

CANNINDAH RESOURCES LIMITED

ACN 108 146 694

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

Date of Meeting:	Friday 23 November 2018
Time of Meeting:	10:00 am (Brisbane time)
Place of Meeting	Crowne Plaza Hotel, 2807 Gold Coast Hwy, Surfers Paradise 4217

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of **Cannindah Resources Limited ACN 108 146 694 (Cannindah Resources or Company)** will be held at Crowne Plaza Hotel, 2807 Gold Coast Hwy, Surfers Paradise 4217 on Friday 23 November 2018 commencing at 10:00 am (Brisbane time)**.**

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

1. Resolution 1: Remuneration Report.

2. Resolution 2: Re-election of Mr. Geoffrey Missen.

3. Resolution 3: Ratify the Issue of Shares under Previous Placements

4. Resolution 4: Approval to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A.

Ordinary Business

Audited Financial Statements and Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report in respect of the year ended 30 June 2018 (Audited Financial Statements) which were released to the ASX on 28 September 2018. The Audited Financial Statements may be viewed on the Company's website at www.cannindah.com.au and by selecting the link titled "Audited Financial Statements".

Neither the Corporations Act nor the Company's Constitution requires Shareholders to vote on such reports. However, Shareholders will be given ample opportunity to raise questions about the Reports at the meeting.

1. Resolution 1: Remuneration Report

To consider and, if thought fit, to pass the following advisory resolution as an Ordinary Resolution*:*

"That for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company be authorised to adopt the Remuneration Report for the year ended 30 June 2018".

Advisory Vote

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

  (i) does not specify the way the proxy is to vote on the resolution; and

  (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2: Re-election of Mr. Geoffrey Missen as a Director

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

"That Mr Geoffrey Missen, who retires in accordance with and for the purposes of Article 40.1 of the Company's Constitution and Listing Rule 14.5, and being eligible, be re-elected as a Director of the Company from the conclusion of the meeting."

3. Resolution 3: Ratify the Issue of Shares under Previous Placements

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

"That in accordance with the provisions of Listing Rule 7.4, and for all other purposes, the Shareholders ratify the previous issue of fully paid ordinary shares in the Company to the Placement Participants as described in the Explanatory Memorandum"

Voting exclusion statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- any Placement Participant; or
- an Associate of a Placement Participant.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

4. Resolution 4: Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

To consider and, if thought fit, pass the following resolution as a Special Resolution:

*"That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, the Shareholders approve the issue of Equity Securities in a number which is up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of this Annual General Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Memorandum (**10% Securities**)."*

Voting exclusion statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Special Resolution by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- an associate of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Important Note:

The proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and as such there is no reason to exclude their votes.

By order of the Board

Garry Gill
Company Secretary

25 October 2018

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is provided to Shareholders of Cannindah Resources Limited ACN 108 146 694 (**Cannindah Resources** or **Company**) in connection with the business to be considered at the Annual General Meeting of Shareholders to be held at Crowne Plaza – 2807 Gold Coast Hwy, Surfers Paradise 4217 on Friday 23 November 2018 commencing at 10:00 am (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

ORDINARY BUSINESS

1. Resolution 1 - Remuneration Report

Remuneration Report

The Remuneration Report which details the remuneration of the Company's Directors, Company Secretary and senior executives is set out in the Cannindah Resources Limited 2018 Financial Report, which may be viewed on the Company's website (www.cannindah.com.au).

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory resolution. This resolution shall be determined as if it were an Ordinary Resolution, although under section 250R(3) of the Corporations Act, the vote does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Voting Exclusion Statement

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting on Resolution 1, details of which are set out in the Voting Restriction Statement included in Resolution 1 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1 subject to compliance with the Corporations Act.

Directors' Recommendations

The Board unanimously recommends that Shareholders vote in favour of this Ordinary Resolution. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

2. Resolution 2 – Re-election of Mr. Geoffrey Missen as a Director

Article 40.1 of the Company's Constitution requires that at each AGM, one-third of the Directors in office for the time being (rounded down) must stand for re-election, with Directors required to retire based upon length of tenure. Where 2 or more Directors have been in office an equal length of time, the Director(s) to retire is determined by agreement between them (or failing that, by lot).

Listing Rule 14.4 however prohibits a Director from holding office past the third Annual General Meeting following their appointment.

Listing Rule 14.5 requires that where an entity has directors an election of directors must be held each year.

Mr Geoffrey Missen retires in accordance with the Company's Constitution and Listing Rule 14.5 and being eligible, offers himself for re-election as a Director.

Details of Mr Missen's qualifications and experience are set out in the Company's Annual Report a copy of which is available on the website at www.cannindah.com.au.

Recommendation

The Directors (with Mr Missen abstaining) recommend that Shareholders vote in favour of this Ordinary Resolution.

3. Resolution 3 – Ratify the Issue of Shares under Previous Placements

Introduction

During the period since the previous Annual General Meeting on 24 November 2017, the Company successfully raised $614,500 to fund working capital and project expenditure by placing 21,133,334 fully paid ordinary shares **(Previous Shares)** at an average price of $0.029 per Previous Share to sophisticated investors **(Placement Participants)** under Section 708 of the Corporations Act.

The Previous Shares issued ranked equally with the existing Shares on issue and represented 15.57% of the number shares in the Company prior to their issue. The Company issued the Previous Shares under its ASX Listing Rule 7.1 and 7.1A capacity.

Listing Rules7.1, 7.1A and 7.4

Under Listing Rule 7.1, a listed company is prohibited from issuing or agreeing to issue Equity Securities without shareholder approval if doing so would result in the number of Equity Securities issued in the preceding 12-month period exceeding 15% of the number of Shares on issue at the beginning of the period:

- plus the Shares issued with Shareholder approval;
- plus the Shares issued under an exception in Listing Rule 7.2;
- plus the partly paid Shares which became fully paid Shares; and
- minus cancelled Shares,

during the 12-month period.

This is referred to as a company's '**15% Placement Capacity**'.

ASX Listing Rule 7.1A provides that, in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity which is eligible and obtains approval under ASX Listing Rule 7.1A may, during the period for which the approval is valid, issue a number of securities which represents up to 10% of the number of ordinary fully paid securities on issue at the commencement of that 12-month period:

- plus the Shares issued with Shareholder approval;
- plus the Shares issued under an exception in Listing Rule 7.2;
- plus the partly paid Shares which became fully paid Shares; and
- minus cancelled Shares,

during the 12-month period.

This is referred to as a company's '**Additional 10% Issue'**.

Under Listing Rule 7.4, an issue of Equity Securities made without specific Shareholder approval under Listing Rule 7.1 **(Previous Issue)** is treated as having been made with approval for the purpose of Listing Rule 7.1 if:

- the Previous Issue did not breach Listing Rule 7.1 when the Equity Securities were issued; and
- the Previous Issue is subsequently approved by Shareholders **(Shareholder Ratification)**.

Shareholder Ratification

The issue of securities made relying on ASX Listing Rules 7.1 and 7.1A can, after they have been made, be ratified under ASX Listing Rule 7.4.

By ratifying the issue which is the subject of Resolution 3, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 and the 10% placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval. It would also have the effect of increasing the base figure upon which the Company's 15% placement capacity and the 10% placement capacity are calculated earlier than would otherwise be the case.

For the purposes of ASX Listing Rule 7.4 and 7.5, and for all other purposes, the Company advises:

- A total number of 20,357,891 Previous Shares were issued pursuant to the 15% Placement Capacity and 775,443 Previous Shares were issued pursuant to the 10% Placement Capacity.
- The Previous Shares issued pursuant to the 15% Placement Capacity were issued for an average cash consideration of $0.029 per Share. The Previous Shares issued pursuant to the 10% Placement Capacity were issued for a consideration of $0.03 per Share
- The Previous Shares were issued on the same terms and rank pari passu with all other existing Shares on issue.
- The Previous Shares were issued and allotted to sophisticated investors under Section 708 of the Corporations Act.
- The funds raised from the issue were applied to working capital and project expenditure.

Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

4. Resolution 4: Approval to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

Introduction

Pursuant to Resolution 4, the Company is seeking shareholder approval to issue an additional 10% of issued capital over a 12-month period pursuant to Listing Rule 7.1A. If passed, this resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**10% Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the 10% Securities are to be issued is agreed, or if the 10% Securities are not issued within 5 trading days of that date, the date on which the 10% Securities are issued) (**10% Securities Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1 A small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at the AGM, are permitted to issue an additional 10% of issued capital over a 12-month period from the date of the annual general meeting (**Additional 10% Issue**). The Additional 10% Issue under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12-month period pursuant to Listing Rule 7.1.

The Company may issue the 10% Securities to raise funds for the Company and for non-cash consideration (further details of which are set out below).

If undertaken, funds raised from the issue of 10% Securities would be applied to progress the objectives of Company including the funding of exploration activities, working capital, acquisitions and the payment of any costs of the issue of the 10% Securities.

Listing Rule 7.1A

a) **General**

- **Eligibility**

An entity is eligible to undertake an Additional 10% Placement if at the time of its AGM it has a market capitalisation of $300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 18 October 2018 the Company's market capitalisation was $4.7 million based on the Closing Trading Price on 18 October 2018. The calculation of market capitalisation will be based on the Closing Market Price of the Shares, on the last Trading Day on which trades in the Shares were recorded before the date of the AGM, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is not included in the S&P/ASX300 Index as at the time of this AGM, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

The Company is therefore an Eligible Entity and able to undertake an Additional 10% Issue under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholders' approval pursuant to this Resolution 4, the approval obtained will not lapse and the Company will still be entitled to issue the 10% Securities.

- **Special Resolution**

Listing Rule 7.1A requires this Resolution 4 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the resolution. Pursuant to Listing Rule 7.1A, no 10% Securities will be issued until and unless this Special Resolution is passed at the Meeting.

- **Shareholder approval**

The ability of the Company to issue the 10% Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

b) **Issue Period – Listing Rule 7.1A.1**

Assuming Resolution 4 is passed, Shareholder approval of the Additional 10% Issue under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- the date that is 12 months after the date of the AGM; or
- the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX.

If approval is given for the issue of the Additional 10% Issue then the approval will expire, on 23 November 2019, (unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date, in which case the approval will expire at that earlier time).

c) **Calculation for Additional 10% Issue – Listing Rule 7.1A.2**

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4. (Note: This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity under Listing Rule 7.1 without Shareholder approval);
- less the number of fully paid ordinary securities cancelled in the 12 months.

D is 10 percent.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

d) **Listing Rule 7.1A.3**

- **Equity Securities**

  Any Equity Securities issued under the Additional 10% Placement must be in the same class as an existing quoted class of Equity Securities of the Company.

  As at the date of this Notice of Meeting, the only class of Equity Securities in the Company quoted on the ASX are 'Ordinary Shares (ORD)'. The Company presently has 156,852,612 Shares on issue as at the date of this Notice of Meeting.

- **Minimum Issue Price**

  The issue price for the Placement Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

  - the date on which the price at which the relevant Placement Securities are to be issued is agreed; or

  - if the 10% Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the relevant 10% Securities are issued.

e) **Information to be given to ASX – Listing Rule 7.1A.4**

If Resolution 4 is passed and the Company issues any 10% Securities under Listing Rule 7.1A, the Company will give to ASX:

- a list of allottees of the 10% Securities and the number of 10% Securities allotted to each (this list will not be released to the market); and

- the following information required by rule 3.10.5A, which will be released to the market on the date of issue:

  - details of the dilution to the existing holders of Equity Securities caused by the issue;

  - where the Equity Securities are issued for cash consideration, a statement of the reasons why the Company issued the Equity Securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;

  - details of any underwriting arrangements, including any fees payable to the underwriter; and

  - any other fees or costs incurred in connection with the issue.

f) **Listing Rule 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 156,852,612 Shares. The Company will have the capacity to issue the following Equity Securities on the date of the Meeting:

- Subject to shareholder approval of Resolution 3 - 23,527,891 Equity Securities under Listing Rule 7.1; and

- subject to Shareholder approval being obtained under Resolutions 4 - 15,685,261 Shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

Specific Information required by Listing Rule 7.3A

a) **Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.1**

Pursuant to and in accordance with Listing Rule 7.1A.3, the 10% Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 Trading Days immediately before:

i. the date on which the price at which the Placement Securities are to be issued is agreed; or

ii. if the 10% Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the 10% Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the 10% Securities.

b) **Risk of economic and voting dilution – Listing Rule 7.3A.2**

As provided by Listing Rule 7.3A.2, if Resolution 4 is passed and the Company issues the 10% Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 156,852,562 Shares. The Company could issue 15,685,261 Shares on the date of the Meeting (however, it is important to note that the exact number of Equity Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 details of which are set out above). Any issue of 10% Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

i. the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any 10% Securities than it is on the date of the Meeting; and

ii. the 10% Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued capital has doubled and the Market Price of the Shares has halved. Table 1 also shows additional scenarios in which the number of issued Shares has increased and the Market Price of the Shares has decreased.

Table 1

Issued Share Capital	**50% decrease in Market Price -0.015**		**Current Market Price $0.030**		**100% increase in Market Price - $0.060**	
	10 % Voting Dilution (Shares)	**Capital Raised**	**10 % Voting Dilution (Shares)**	**Capital Raised**	**10 % Voting Dilution (Shares)**	**Capital Raised**
Present Issued Share Capital = 156,852,562 Shares	15,685,256	$235,279	15,685,256	$470,558	15,685,256	$941,115
50% Increase in Share Capital = 237,278,843 Shares	23,527,884	$352,918	23,527,884	$705,837	23,527,884	$1,411,673
100% Increase in Share Capital = 313,705,124 Shares	31,370,512	$470,558	31,370,512	$941,115	31,370,522	$1,882,231

Assumptions and explanations

- The Market Price is based on the closing price of the Shares on ASX on 18 October 2018.
- The above table only shows the dilutionary effect based on the issue of the 10% Securities (assuming only shares are issued) and not any Shares issued under the 15% under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate dilution against the issued share capital at the time of issue.
- The Company issues the maximum number of the 10% Securities.
- The Issued Share Capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 18 October 2018 and assuming all resolutions affecting share capital presented to the Annual General Meeting are passed.
- The issue price of the 10% Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

c) **Final date for issue – Listing Rule 7.3A.3**

As required by Listing Rule 7.3A.3, the Company will only issue and allot the 10% Securities during the 12 months after the date of this Meeting which will end on 23 November 2019. The approval under Resolution 4 for the issue of the 10% Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the AGM.

d) **Purpose – Listing Rule 7.3A.4**

As noted above, the purpose for which the 10% Securities may be issued include to raise funds for the Company and for non-cash consideration (further details of which are set out below). Any funds raised from the issue of 10% Securities, if undertaken, would be applied to progress the objectives of Company including the funding of exploration activities, working capital, acquisitions and the payment of any costs of the issue of the 10% Securities.

e) **Shares Issued for Non-cash consideration – Listing Rule 7.3A.4**

The Company may issue 10% Securities for non-cash consideration, such as the acquisition of new assets or investments or the payment of expenses of the Company. If the Company issues 10% Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the 10% Securities complies with Listing Rule 7.1A.3.

f) **Company's Allocation Policy – Listing Rule 7.3A.5**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the 10% Securities. The identity of the allottees of 10% Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

i. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing Shareholders can participate;

ii. the effect of the issue of the 10% Securities on the control of the Company;

iii. the financial situation and solvency of the Company; and

iv. advice from corporate, financial and broking advisers (if applicable).

The allottees of the 10% Securities have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new Shareholders who are not related parties or Associates of a Related Party of the Company.

Further, if the Company is successful in acquiring new assets or investments for which 10% Securities are issued as consideration, it is likely that the allottees of some of the 10% Securities will be the vendors of the new assets or investments.

g) **Details of all equity securities issued where previously obtained shareholder approval under listing rule 7.1A – Listing Rule 7.3A.**

The Company obtained Shareholder approval under Listing Rule 7.1A at the previous Annual General Meeting held on 24 November 2017. During the 12-month period preceding the Meeting, the Company issued 15,000,000 Convertible Notes pursuant to Listing Rule 7.1 and 10,000,000 Previous Shares pursuant to Listing Rule 7.1A.

As the Company previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6 regarding the total number of equity securities (quoted and unquoted) issued in the past 12 months preceding the date of the Meeting (that is, since 24 November 2017):

	Shares issued pursuant to LR 7.1	**Convertible Notes issued pursuant to LR 7.1A**	**Total Equity Securities Issued**
Number of equity securities on issue at commencement of 12-month period			135,719,278
Equity securities issued in prior 12-month period	20,357,891	775,443	21,133,334
Percentage previous issues represent of total number of equity securities on issue at commencement of 12-month period	15.00%	0.57%	15.57%

Specific details that are required to be provided for each issue of equity securities in the prior 12-month period are as follows:

Terms / Type of Security	Fully Paid Ordinary Shares					
Details of Issue	Placements					
Issue Date	7/02/2018	12/04/2018	28/05/2018	11/06/2018	30/07/2018	14/08/2018
Number Issued	6,000,000	5,000,000	3,000,000	1,500,000	4,633,334	1,000,000
Name of recipient or basis on which recipient determined	Sophisticated and professional investors					
Issue price of Equity Securities	0.028	0.030	0.028	0.029	0.030	0.030
Discount to market price on the trading day prior to issue	nil	40%	38%	42%	33%	21%
If issued for cash – the total consideration,	168,000	150,000	84,000	43,500	139,000	30,000
If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds. If issued for non-cash consideration – a description of the consideration and the current value of the consideration.	Proceeds from the issues were spent or to be spent on working capital, the Piccadilly Project and for other project expenses					

Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting, the proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Recommendation

The Directors of the Company unanimously recommend that Shareholders vote in favour of this Special Resolution.

4. Information for Shareholders

Voting Intention of the Chair for all Resolutions

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Eligibility to vote - Record Date

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before the Meeting, at which time a 'snap shot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting. The Directors have determined such time will be 7:00pm Sydney time on Wednesday 21 November 2018 (**Record Date**).

Voting Instructions

Registered holders of the ordinary shares of the Company on the Record Date will be entitled either to attend the Meeting in person to vote the securities held by them or, provided a completed and executed Proxy Form has been delivered to the Company as indicated below, vote their securities by proxy.

Proxy Forms for the Meeting are enclosed with this Notice of Meeting. These Proxy Forms provide further details on appointing a Proxy. Proxy Forms (and the original or a certified copy of the power of attorney if the Proxy Form is signed by an attorney) must be received by the Company, by no later than 10:00 am (AEST) on Wednesday 21 November 2018, in accordance with the lodgement instructions detailed on the applicable Proxy Form.

Any Proxy Form received after the relevant time noted above will not be valid for the Meeting.

Proxy Votes

A member entitled to attend and vote at the meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate. If entitled to cast two or more votes, the member may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. If the proportion is not specified, each proxy may exercise half of the member's voting rights. Fractional votes will be disregarded. Please read carefully the instructions on the Proxy Form and consider how you wish to direct the proxy to vote on your behalf. You may direct the proxy to vote "for", "against" or "abstain" from voting on each resolution or you may leave the decision to the appointed proxy after discussion at the meeting.

A proxy need not be a member of the Company.

The Proxy Form must be signed by the member or the member's attorney. Proxies given by corporations must be signed in accordance with the corporation's constituent documents, or as authorised by the Corporations Act.

To be valid, the Proxy Form must be lodged at least 48 hours before the time for holding the meeting by one of the following methods:

(a) in person or by mail to the share registry:

Share Registry:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Level 12, 225 George St Sydney NSW 2000

(b) by facsimile +61 2 9290 9655

(c) by online https://www.votingonline.com.au/caeagm2018

If the Proxy Form is executed under a power of attorney that has not been noted by the Company, the power of attorney must accompany the Proxy Form

In the case of joint shareholders, the names of all joint shareholders should be shown and all joint shareholders should sign the Proxy Form.

5. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

AGM means annual general meeting;

ASX means the ASX Limited;

Associate:

a) where the reference is used in the context of the Listing Rules, has the meaning given by Chapter 19 of the Listing Rules; and

b) otherwise, has the meaning given by section 9 of the Corporations Act.

Business Day means a day on which all banks are open for business generally in Brisbane;

Chair means the person chairing the Meeting.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

a) a spouse or child of the member; or

b) a child of the member's spouse; or

c) a dependant of the member or the member's spouse; or

d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or

e) a company the member controls; or

f) a person prescribed by the regulations for the purposes of the definition of closely related party;

Closing Market Price has the meaning given in the Listing Rules.

Company or **Cannindah Resources** means Cannindah Resources Limited ACN 108 146 694 (ASX:CAE);

Constitution means the constitution of the Company from time to time;

Convertible Notes means convertible notes with a face value of $0.015 issued by the Company to EKG Limited and having the terms and conditions set out in the Explanatory Memorandum.

Convertible Note Placement Participant has the meaning given in the Explanatory Memorandum in respect of Resolution 3;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors mean the board of Directors of the Company as at the date of the Notice of Meeting and from time to time;

Eligible Entity has the meaning given to that term in the Listing Rules;

Equity Securities has the meaning given to that term in the Listing Rules;

Explanatory Memorandum means the explanatory statement accompanying this Notice;

Issue Date means the date of the Meeting or within one (1) month thereafter;

Key Management Personnel or **KMP** has the definition given in the Accounting Standard AASB 124 *Related Party Disclosure* as 'those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity';

Listing Rules means the official listing rules of the ASX as amended from time to time;

Market Price has the meaning given to that term in the Listing Rules; and

Meeting means the Annual General Meeting to be held on 23 November 2018 as convened by the accompanying Notice of Meeting;

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

Options means options to acquire Shares;

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

Placement Participants has the meaning given in the Explanatory Memorandum in respect of Resolution 4;

Related Party has the meaning given in section 228 of the Corporations Act.

Remuneration Report means the section of the Directors' Report in the 2018 Financial Report dealing with the remuneration of the Company's Directors, Company Secretary and senior executives described as 'Remuneration Report'.

Resolutions means the resolutions set out in the Notice of Meeting;

Securities has the meaning given to that term in the Listing Rules;

Shares means fully paid ordinary shares in the Company from time to time;

Shareholder means a shareholder of the Company;

Special Resolution means a resolution:

a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and

b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Trading Day has the meaning given to that term in the Listing Rules.

Cannindah Resources Limited

All Correspondence to:

By Mail Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

By Fax: +61 2 9290 9655

Online: www.boardroomlimited.com.au

By Phone: (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (Brisbane time) on Wednesday 21 November 2018.**

TO VOTE ONLINE

STEP 1: VISIT https://www.votingonline.com.au/caeagm2018

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

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BY SMARTPHONE

Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (Brisbane time) on Wednesday, 21 November 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

Online	https://www.votingonline.com.au/caeagm2018
By Fax	+ 61 2 9290 9655
By Mail	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
In Person	Boardroom Pty Limited Level 12, 225 George Street, Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Cannindah Resources Limited
ACN 108 146 694

Your Address
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Cannindah Resources Limited** (Company) and entitled to attend and vote hereby appoint:

☐ the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Crowne Plaza Hotel, 2807 Gold Coast Hwy, Surfers Paradise QLD 4217 on Friday, 23 November 2018 at 10:00am (Brisbane time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption the Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Mr. Geoffrey Missen as a Director	☐	☐	☐
Resolution 3	Ratify the Issue of Shares under Previous Placements	☐	☐	☐
Resolution 4	Approval to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name…………………………………………….... Contact Daytime Telephone…………………….............................. Date / / 2018