

Cannindah Resources Ltd

Developing three Cu-Au projects in central Queensland

Cannindah Resources Ltd (ASX:CAE) is developing three copper-gold prospects in central Queensland including the Mt Cannindah project which has an existing JORC estimate currently being extended with the company's drilling programme. The company has a long history with the Mt Cannindah project, having previously held it as Planet Metals on a farm-in arrangement with Drummond Gold before taking full control of the project in 2014. Since then, the company has added to its asset base with the Piccadilly and Percy Marlow prospects near Charters Towers. Field activity has been focused on drilling the Mt Cannindah project which has recorded highly promising copper and gold intercepts across multiple drill holes. The company recently raised capital in February 2023, with a \$2.75mn share placement (13.75mn shares at \$0.20/share) from sophisticated investors to accelerate Mt Cannindah's exploration programme.

Project description

Cannindah Resources is developing three copper-gold projects in central Queensland – Mt Cannindah, Piccadilly, and Percy Marlow. Mt Cannindah has a 2012 JORC estimate of 5.5Mt at 0.92% Cu Eq, which the company is seeking to extend through its current drilling programme. Covered by nine contiguous mining leases and two exploration permits, the Mt Cannindah project represents a large porphyry-style, Cu-Au-Ag mineralised system estimated at more than 9km². Mt Cannindah is close to infrastructure, situated 100km south of Gladstone and west of Bundaberg, just three minutes from the nearest town, Kalpowar, and 35 minutes' drive from the larger township of Monto via sealed road. The Piccadilly prospect is a large intrusive related gold system located approximately 100km from Townsville and near the Charters Towers gold district. The company has so far completed 31 RC drill-holes across the target. Percy Marlow is the least developed project, which abuts the Piccadilly tenement package and is covered by Piccadilly's two exploration permits and one mining lease. The company is currently assessing historical geophysical data around Percy Marlow to determine drilling targets.

Promising recent drilling results

The company has announced several drilling successes at Mt Cannindah in CY2023 including 110m of 0.8%-1.2% Cu from a depth of 156m in hole 19, 104m at 1.46g/t Au including 20m at 5.5g/t Au at hole 18, and two wide, copper-bearing Breccia zones with one at 216m at 0.70% Cu Eq and the second at 70m @ 0.31% CuEq. The company completed hole 20 in late May with results still to be announced and has commenced drilling hole 21 at Cannindah East. The 2023 results are consistent with earlier drilling which has produced significant intercepts of copper mineralisation. CAE has indicated in its last quarterly report that it will be drilling at Mt Cannindah for some time yet with the view to further establishing the continuity of the Cu grade, building a more thorough understanding of the geological model and increasing the size of the JORC resource.

Well positioned to deliver into increasing demand for copper

Mt Cannindah and Piccadilly are both well-located projects with access to existing infrastructure to get production to market. While still in an exploration stage, the projects play well into the demand growth dynamic. The demand for copper is expected to remain strong well into the next decade with the long-term supply gap forecast to widen as nations seek to attain net-zero emissions through a shift to renewable electrification.

Share Details

ASX code	CAE
Share price (28-Jun)	\$0.165
Market capitalisation	\$92.7M
Number of shares	562.0M
Net cash at 31-Mar-2023	\$1.8M

Share Price Performance (12 months)



Upside Case

- Drilling programme substantially extends the 2012 JORC estimate at Mt Cannindah
- Drilling success at projects shifts the focus from evaluation to development
- Faster shift to net-zero accelerates demand for copper

Downside Case

- Current drilling programme fails to extend the Mineral Resource at Mt Cannindah
- Commodity prices collapse changing the economics of developing Cu-Au projects
- Additional capital raises likely before reaching development stage

Catalysts

- Updated Mineral Resource at Mt Cannindah
- Further drilling results from Piccadilly and Percy Marlow
- Capital raising activity

Comparative Companies (Australia & NZ)

CBY, CEL, CYM, HCH, KCC, MAG, NWC

Company Contact

Tom Pickett (Executive Chair) +61 7 5557 8791
tpickett@cannindah.com.au

RaaS Contacts

Andrew Williams +61 417 880 680
andrew.williams@raasgroup.com

Finola Burke +61 414 354 712
finola.burke@raasgroup.com

FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

Effective Date: 6th May 2021

About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License ("AFSL") number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as

- **who we are**
- **our services**
- **how we transact with you**
- **how we are paid, and**
- **complaint processes**

Contact Details, BR and RaaS

BR Head Office: Suite 5GB, Level 5, 33 Queen Street, Brisbane, QLD, 4000

RaaS. 20 Halls Road Arcadia, NSW 2159

P: +61 414 354712

E: finola.burke@raasgroup.com

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- **provide general advice to retail and wholesale clients in relation to**
 - **Securities**
- **deal on behalf of retail and wholesale clients in relation to**
 - **Securities**

The distribution of this FSG by RaaS is authorized by BR.

Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities

Our dealing service

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application form if needed.

How are we paid?

RaaS earns fees for producing research reports. Sometimes these fees are from companies for producing research reports and/or a financial model. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report.

We may also receive a fee for our dealing service, from the company issuing the securities.

Associations and Relationships

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS's representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

Complaints

If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR's internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren't satisfied with an outcome, you may contact AFCA, see below.

BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

DISCLAIMERS and DISCLOSURES

This report has been prepared and issued by RaaS Advisory Pty Ltd. RaaS Advisory's principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report. This research is issued in Australia by RaaS Advisory and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Advisory at the time of publication. RaaS Advisory provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Advisory in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Advisory has no obligation to update the opinion unless RaaS Advisory is currently contracted to provide such an updated opinion. RaaS Advisory does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Advisory does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Advisory shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Advisory limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. Copyright 2023 RaaS Advisory Pty Ltd (A.B.N. 99 614 783 363). All rights reserved.