



Cannindah Resources
Limited

ASX RELEASE

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Shareholder Update

On 14 March 2016 Cannindah Resources Limited (Cannindah) announced it had entered into a Memorandum of Understanding with the owners of the Little Treasure infant (**LTI**) formula brand (**MoU**) <http://cannindah.com.au/wp-content/uploads/2016/01/Memorandum-of-Understanding.pdf>.

Cannindah Resources advises that the negotiations with the owners of the Little Treasure brand are continuing. To date there has been no completion of the due diligence enquiries by Cannindah Resources. The company is continuing enquiries relating to the recent Chinese regulatory changes to ensure there is no substantial effect on the contemplated transaction. The exclusivity period will continue until the end of June by agreement.

The Mt Cannindah project gold opportunity provides the company with potential to benefit from high gold pricing at present. The company is reviewing the data from exploration at the Mt Cannindah project to establish any readily accessible gold targets within the existing mining lease areas. Targets with shallow depth extent and grades sufficient to provide economic outcomes will be prioritised over the coming months. As outlined in the announcement of 23rd March 2015 (*"Cannindah Resources Continues to Follow Up Anomalous Gold Results at Mt Cannindah"*) gold grade from a dump sample located at Little Wonder returned a high grade of 111g/t Au. As outlined in the company's announcement on the 23rd of March 2015 channel sampling at Little Wonder identified a shallowly buried gold mineralised zone where significant gold grades occur over minable widths. The Channel sampling in this area returned grades in the range of 0.5g/t to 7.4g/t Au (see announcement 14th October 2014 – *"Mt Cannindah focus yields High Grade Gold results"*).

The company is also pleased to inform shareholders that it has received \$366,456 as a tax refund under the Federal Government's Research and Development ("R&D") Tax Incentive program. The R&D Tax Incentive program helps businesses offset a portion of costs relating to certain R&D activities. The incentive is jointly administered by AusIndustry (on behalf of Innovation Australia) and the Australian Taxation Office.

The company will advise the market of progress in relation to the contemplated transaction with Little Treasure in due course.

For further information, please contact:

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