



CANNINDAH RESOURCES SHAREHOLDER UPDATE

Cannindah Resources Limited (**CAE**) would like to provide shareholders with a clear path forward with respect to the ongoing corporate and operational plans of the company.

Results of Annual General Meeting

The results of the recent AGM on 27 November 2024 detailed in the CAE Announcement dated 2 December 2024 are summarised as follows:

Resolution	Description	Result
1	Remuneration Report	Not passed
2	Re-election of Geoff Missen	Withdrawn prior to meeting
3	Ratify past issue of 81.67M shares under LR7.1 and LR7.4	Passed
4	Ratify past issue of 43.32M shares under LR7.1A and LR7.4	Not passed
5	Approval to issue 62.5M options to placement participants	Not passed
6	Approval to issue additional 10% placement capacity (up to 25%) under LR7.1A	Not passed
7	Approval to issue 25M shares to Terra Search	Passed
8	Approval to issue 12.5M options to Terra Search	Failed by reason of Resolution 5 not passing
9	Ratify the issue of 5.0M Lead Manager Options	Passed

The Board recognises that a number of the resolutions at the AGM were not supported by shareholders, including the company's major shareholder, and has undertaken to address a number of concerns expressed by certain security holders. This update outlines several actions taken by the Board to date.



Board changes

There have been a number of Board changes.

Geoff Missen has elected to retire from the Board after many years of dedicated service on the Board of CAE. The Board wishes to formally recognise and thanks Mr Missen for the experience and expertise he provided to the company throughout his tenure.

John Morrison has been invited to join the Board, as a nominee of major shareholder Aquis Finance. Mr Morrison is CEO and co-founder of Swilken Capital (alternative asset investment firm) and Executive Chairman and co-founder of Portside Credit Partners (private credit investment firm). He has over 30 years' experience in investment banking and an adviser to many companies in the resources industry. He has been a director of several ASX listed companies, including a mining company. He holds a B.E. (Hons) and an MBA.

Dr Simon Beams has agreed to retire from Board as technical director as soon as a replacement is confirmed, but by no later than 31 March 2025. Dr Simon Beams will remain integrally involved with the company through the ongoing relationship with Terra Search Pty Ltd and will remain the company's principal consulting geologist at Terra Search.

The Board has established a new sub-committee to identify a replacement technical director and to consider other matters such as a revised performance plan for the company and its officers and management and future capital raising initiatives. The sub-committee will be comprised of Michael Hansel (Chair) and John Morrison.

The company will be moving forward into 2025 with a different looking Board which will remain focused on creating further value for all shareholders. The Board will comprise 4 directors going forward.

Terra Search

Terra Search was owed a total of \$2.63M at 30 June 2024 in relation to geological services provided to the company. The company repaid \$1.0M of this debt in November 2024 using cash proceeds from the recent equity placement and will repay a further \$1.0M through the issuance of 25M new shares that were approved at the recent AGM. The balance of the amount owing to Terra Search will be repaid by agreement with Terra Search in Q1 2025.

Terra Search is a fantastic supporter of the company and the company's projects and will remain focussed on delivery of CAE's exploration outcomes. The Board looks forward to the continuing involvement of Terra Search.



Use of proceeds from recent equity placement

The recent equity placement undertaken by the company in October 2024 raised gross cash proceeds of \$5.0M, which will be applied as follows:

- i) Exploration drilling program at Mt Cannindah - \$2.3M
- ii) Repayment of amounts owing to Terra Search - \$1.0M
- iii) Costs associated with the recent equity placement - \$0.3M
- iv) Repayment of accounts payable and working capital for the company - \$1.4M

The above allocation is the current intention of the Board and is subject to re-allocation as required.

Mt Cannindah exploration activity

CAE intends to undertake an exploration programme between now and Q2 2025 with 5 holes planned depending on exploration outcomes. The initial exploration programme may be subject to change if for example a second rig is added to the project or drilling intensifies. The drilling to expand the resource and explore the SW IP anomaly is imminent with the recent arrival of the diamond drill rig and we look forward to providing these exploration results to the market in the very near future.

Exploration Manager

The company will seek to appoint a dedicated exploration manager to assist the company in exploration activities in both the current drilling program at Mt Cannindah and the Piccadilly assets. The company expects that the exploration manager will be engaged the end of Q1 2025.

Performance Rights

At the recent AGM, the remuneration report resolution was not passed and as a result the company has suffered a "first strike". The Board has determined to review its remuneration policies.

The Board has cancelled all existing performance rights and will not issue any further rights under the existing performance plan. The existing performance rights had an expiry date of 17 December 2024 and were not likely to be vested in any event.

The new Board sub-committee will develop a new performance plan that better aligns with the interests of shareholders and will review other matters.

Equity placement capacity and options to equity placement participants

At the recent AGM, shareholders voted against resolutions 4, 5 and 6 which concerned the company's future equity placement capacity under LR7.1A (resolutions 4 and 6) and the issue of options to equity placement participants (resolution 5).

The company is considering ways to deliver a non-dilutive issuance of securities to align the interests of all shareholders as part of its capital raising initiatives. The company will update shareholders on this plan once it has been finalised and signed off by the Board. In addition, the company will seek to provide an opportunity for all shareholders to participate in future capital raising initiatives, to the extent possible.



Message To All Shareholders

Cannindah Resources wishes to thank its loyal shareholders for their continued support and welcomes new shareholders who come into the company at a time where a new-look board will oversee the next phase of drilling exploration at the world class Mt Cannindah copper gold project. The company is looking forward to working with the re-constituted Board (inclusive of the major shareholder nominee) and adding value to the company's assets and its shareholders through its exploration programme of its flagship Mt Cannindah.

There has been a lot of activity in your company since October of this year and we intend to keep this pace going well into 2025.

Yours faithfully,

Tom Pickett

Managing Director

Cannindah Resources Limited