



CANNON

RESOURCES

CANNON RESOURCES LIMITED
ACN 646 149 902

PROSPECTUS

For a pro-rata priority offer to eligible Rox Resources Limited (ASX: RXL) shareholders of up to 30,000,000 Shares at an issue price of A\$0.20 each, together with one Attaching Option for every three Shares issued to raise A\$6,000,000 (before costs) (Priority Offer).

This Prospectus also includes an offer of any Shortfall Shares under the Priority Offer on the terms set out in Section 1.2 of the Prospectus (Shortfall Offer) (together with the Priority Offer, the Offers).

It is proposed that the Priority Offer will close at 5.00pm (AWST) on 2 July 2021. The Directors reserve the right to close the Priority Offer earlier or to extend this date without notice. Applications must be received before that time.

The Offers pursuant to this Prospectus are conditional upon the Demerger Conditions set out in Section 1.5 of this Prospectus being satisfied.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the Securities offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to the Investment Overview below and Section 8 for a summary of the key risks associated with an investment in the Securities.

This Prospectus may not be released to US wire services or distributed in the United States.

Joint Lead Managers to the Offers

cg/Canaccord
Genuity



TAYLOR COLLISON

Sharebrokers and Investment Advisers
www.taylorcollison.com.au

Australian legal adviser to Cannon

THOMSON GEER
LAWYERS

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IMPORTANT NOTICES

General

This Prospectus is dated, and was lodged with ASIC on 26 May 2021. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5:00pm AWST on that date which is thirteen (13) months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within seven (7) days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offers.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Offers subject to Demerger Conditions

The Offers under this Prospectus are subject to the Demerger Conditions described in the Investment Overview and set out in Section 1.5 of this Prospectus. No Securities will be issued under this Prospectus until such time as the Demerger Conditions are satisfied. In the event that the Demerger Conditions are not met then the listing of Cannon on ASX will not proceed and all Application Monies received will be returned to applicants without interest.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.cannonres.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the period of the Offers by contacting the Company. Contact details for the Company and details of the Company's registered office are detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and the relevant Application Form within Australia, New Zealand and Cayman Islands (unless otherwise determined by the Board, subject to applicable laws). The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include an Application Form. On request, the Company will provide the Prospectus together with the relevant Application Form to Eligible Rox Shareholders who decide to participate in the Priority Offer. Applicants must complete and return the relevant Application Form with the requisite Application Monies (or pay your Application Monies electronically (for Australian residents through BPAY®)) by following the instructions detailed on the relevant Application Form.

By returning an Application Form with the requisite Application Monies or making a payment of Application Monies you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offers detailed in this Prospectus.

Foreign Investors

No action has been taken to register or qualify the Securities offered pursuant to this Prospectus, or the Offers, or otherwise to permit the offering of the Securities, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. See Section 1.20 for information on international selling restrictions.

In particular, this Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Securities have not been, and will not be, registered under the *US Securities Act of 1933* or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Speculative Investment

The Securities offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Securities or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to the Investment Overview section below and to Section 8 for details relating to the key risks applicable to an investment in the Securities.

Using this Prospectus

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Privacy Statement

To apply for Securities you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold, use, disclose and otherwise handle your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request, and to carry out appropriate administration in relation to your Application and your needs as an investor. The Corporations Act and taxation law require some of this personal information to be collected. If you do not provide the information requested, the Company may not be able to accept or process your Application.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities and as otherwise permitted or required by law.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

In some cases, your personal information may be disclosed by the Company to recipients located in the United States of America, such as storage of subscribers' data for the purpose of web mail broadcasts. Otherwise, your personal information is not generally disclosed to recipients located overseas except with your consent or where otherwise permitted or required by law.

The Company's Privacy Policy at www.cannonres.com.au includes additional information about the way the Company handles personal information, including how to seek access or correction of your personal information, and how to complain if you believe we have breached our privacy obligations and how we will handle your complaint. For further information you may also contact the Share Registry by phone on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Not Investment Advice

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

Consider risks of investment

It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the Company's financial performance. Some of the key risk factors that should be considered by prospective investors are set out in the Investment Overview section below and in Section 8 of this Prospectus. However, there may be risk factors in addition to these that should be considered in light of your personal circumstances. You should carefully consider these factors in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

No cooling off rights

Cooling off rights do not apply to an investment in Securities offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a

number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Past performance is not a guide to future performance. Key risk factors associated with an investment in the Company are detailed in the Investment Overview section below and in Section 8. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Photographs and Diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are or, will be, owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Documents available on website

Any references to documents included on the Company's website at www.cannonres.com.au are for convenience only, and none of the documents or other information available on that website is incorporated in this Prospectus by reference.

Competent Person Statements

The information in the Investment Overview, Company Overview in Section 2 of the Prospectus and the Independent Technical Assessment Report included in Section 6 of the Prospectus which relates to exploration targets and exploration results is based on information compiled by Mr Paul Dunbar. Mr Dunbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Dunbar is a full time employee of Valuation and Resource Management Pty Ltd. Mr Dunbar consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

The information in the Investment Overview, Company Overview in Section 2 of the Prospectus and the Independent Technical Assessment Report included in Section 6 of the Prospectus which relates to the Mineral Resources for the Fisher East Project nickel sulphide deposits (Camelwood, Cannonball and Musket) is based on information compiled by Mr Mick McKeown B.Sc. (Geology), Grad. Dip. Mining, M.Eng.Sci, who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr McKeown has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr McKeown is Senior Geologist/Mining Engineer at consulting firm Mining One Pty Ltd, and consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

The information in the Investment Overview, Company Overview in Section 2 of the Prospectus and the Independent Technical Assessment Report included in Section 6 of the Prospectus which relates to the Mineral Resource for the Olympia deposit at the Collurabbie Project is based on information compiled by Mr Lauritz Barnes and Mr Will Belbin. Both Mr Barnes and Mr Belbin are members of the Australian Institute of Geoscientists (AIG) and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Barnes is Principal Geologist at consulting firm Trepanier Pty Ltd and Mr Belbin was at the time the resource estimate was undertaken employed full-time by Rox Resources Limited. Both Mr Barnes and Mr Belbin consent to the inclusion in the Prospectus of the matters based on information in the form and context in which it appears.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "\$" or "A\$" are references to Australian dollars.

Time

All references to time in this Prospectus are references to AWST, being the time in Perth, Western Australia, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 12.

CORPORATE DIRECTORY

Directors

Trevor Benson – Non-Executive Chairman
Alex Passmore – Non-Executive Director
Richard Bevan – Non-Executive Director

Chief Executive Officer

Stephen Lynn

Company Secretary

Matthew Worner

Chief Financial Officer

Silfia Morton

Registered Office

Level 2, 87 Colin Street
West Perth, WA 6005
Telephone: +61 8 9226 0044
Email: admin@cannonres.com.au

Auditor

Pitcher Partners BA&A Pty Limited
Level 11, 12-14 The Esplanade
Perth, WA 6000

Investigating Accountant

Pitcher Partners BA&A Pty Limited
Level 11, 12-14 The Esplanade
Perth, WA 6000

Independent Technical Specialist

Valuation and Resource Management Pty Ltd
PO Box 1506
West Perth 6872

Proposed Stock Exchange Listing

Australian Securities Exchange (ASX)
Proposed ASX Code: CNR

Share Registry

Automic Group
Level 2, 267 St Georges Terrace
Perth, WA 6000

Email: hello@automic.com.au

Website: www.automic.com.au

Legal Advisers and Tenement Solicitors

Thomson Geer
Level 27, Exchange Tower
2 The Esplanade
Perth, WA 6000

Joint Lead Managers

Canaccord Genuity (Australia) Limited
Level 23, Exchange Tower
2 The Esplanade
Perth, WA 6000

Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide, SA 5000

Company Website

www.cannonres.com.au

INDICATIVE TIMETABLE

Lodgement of Prospectus with ASIC	26 May 2021
Exposure Period begins	26 May 2021
Priority Offer Record Date	31 May 2021
Exposure Period ends (unless extended)	2 June 2021
Opening Date of the Offers (unless the Exposure Period is extended)	2 June 2021
Priority Offer Closing Date	2 July 2021
Shortfall Offer Closing Date	16 July 2021
In-Specie Record Date	22 July 2021
Completion of In-Specie Distribution	28 July 2021
Issue of Securities under the Offers	28 July 2021
Despatch of holding statements	28 July 2021
Admission to the Official List of ASX	10 August 2021

The above timetable is indicative only and subject to change. The Company reserves the right to vary the dates and times of the Offers, including (without limitation) to extend the Offers, close the Offers early or to accept late Applications, without notifying any recipient of this Prospectus or any Applicants. Admission to the official list of ASX is subject to ASX's discretion and is not guaranteed.

KEY DETAILS OF THE OFFERS

Information	
Shares on issue as at the date of this Prospectus*	1
Shares to be transferred to pursuant to In-Specie Distribution	45,000,000
Offer price per Share	\$0.20
Shares offered under the Offers	30,000,000
Total Shares on issue on completion of the Offers	75,000,001
Gross proceeds of the Offers	\$6,000,000
Pro-forma Net Cash (post estimated costs of the Offers)	\$5,300,461
Attaching Options issued under the Offers	10,000,000
Incentive Options to be issued to the Directors and CEO	6,750,000
Total Options on issue on completion of the Offers	16,750,000

*As at the date of this Prospectus, the Company has 1 Share on issue. Pursuant to the Demerger Agreement dated 13 May 2021, the Company will issue a further 45,000,000 Shares as consideration for the acquisition of the Projects. Of these, approximately 36,450,000 Shares will be transferred to Eligible Rox Shareholders pursuant to the In-specie Distribution, with approximately 8,550,000 Shares to be retained by Rox. See Section 9.1 for further details on the Demerger Agreement. Please refer to Section 1.7 for further details relating to the proposed capital structure of the Company.

CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors of Cannon Resources Limited (**Company** or **Cannon**), it gives me great pleasure to present this Prospectus for the Company's pro-rata priority offer to eligible Rox Resources Limited (**Rox**) shareholders of up to 30,000,000 Shares at an issue price of A\$0.20 each, together with one Attaching Option for every three Shares issued to raise A\$6,000,000 (before costs) (**Priority Offer**).

Cannon is a mineral exploration company, established to implement the demerger currently being undertaken by Rox (**Demerger**) for the purpose of maximising the value of the Fisher East Nickel Project (**Fisher East Project**) and the Collurabbie Nickel Project (**Collurabbie Project**) (together, the **Projects**).

Both the Fisher East Project and Collurabbie Project represent excellent exploration opportunities and Cannon, through the Demerger, will be able to place a sharp focus on delivering value from these assets against a backdrop of strengthening demand and pricing for nickel.

Fisher East Project

The Fisher East Project is located approximately 430km north of Kalgoorlie and includes eleven granted exploration licences in the North-eastern Goldfields region of Western Australia. Historical exploration at the project has focussed on three nickel deposits, being Camelwood, Cannonball and Musket where a combined Mineral Resource estimate of 4.2Mt at 1.9% nickel has been estimated. The Fisher East Project also hosts significant additional nickel exploration targets at multiple prospects on the basal contact of the greenstone belt, with mineralisation identified to date consisting of massive, matrix and disseminated nickel sulphides. These additional targets include the partly drilled Sabre prospect where an exploration target has been defined based on wide spaced drilling and geophysical surveys. Planned exploration activity will focus on the drilling out of these exciting opportunities.

Collurabbie Project

The Collurabbie Project is located approximately 65km to the east of the Fisher East Project and consists of three granted exploration licences. Previous exploration has resulted in a JORC 2012 intrusive nickel copper cobalt PGE Mineral Resource estimate of 0.573Mt at 1.63% Nickel; 1.19% Copper; 0.082% Cobalt; 1.49g/t Palladium and 0.85g/t Platinum. The Collurabbie Project presents considerable potential for additional intrusion related base metal mineralisation along with exploration potential for gold.

Offers subject to Demerger Conditions

The Offers under this Prospectus are subject to the Demerger Conditions described in the Investment Overview and set out in Section 1.5 of this Prospectus.

No Securities will be issued under this Prospectus until such time as the Demerger Conditions are satisfied. In the event that the Demerger Conditions are not met then the listing of Cannon on ASX will not proceed and all Application Monies received will be returned to applicants without interest.

Next steps

The key purpose of the Offers is for Cannon to raise funds to advance exploration at the Projects. The Company has in place a well-qualified and experienced Board and management team with a strong mix of technical, financial, and commercial skills to progress the Projects targeting exploration success and shareholder value.

I encourage you to read this Prospectus in its entirety before making your investment decision. Investors should note that Cannon's assets are still in the exploration and evaluation phase. Accordingly, any investment made in the Company should be considered highly speculative. Information on certain risks relevant to the Company and its activities is set out in Section 8 of this Prospectus. Before you decide to invest, the Company recommends that you also seek professional investment advice.

I look forward to you adding to your existing shareholding or joining Cannon as a new Shareholder and participating in what we believe to be exciting times ahead for the Company.

Yours faithfully,



Mr Trevor Benson
Non-Executive Chairman

INVESTMENT OVERVIEW

The information below is a selective overview only. Prospective investors should read this Prospectus in full before deciding whether to invest in the Securities the subject of the Offers.

Topic	Summary	More Information
A. Company and Business Overview		
Who is issuing this Prospectus?	Cannon Resources Limited (Company or Cannon), a public company incorporated in Australia with Australian Company Number 646 149 902.	Section 2.1
Who is the Company?	The Company is a minerals exploration company which, subject to the satisfaction of the Demerger Conditions (defined below), will hold an 100% interest in the Fisher East Project and a 100% interest in the Collurabbie Project (together, the Projects) following the transfer of the Projects from its current parent company, Rox Resources Limited (Rox).	Section 2.1
What are the Projects?	<p>The Fisher East Project, located approximately 430km north of Kalgoorlie, 223km north of Leonora and 145km northeast of Leinster, includes eleven granted exploration licences in the North-Eastern Goldfields region of Western Australia.</p> <p>The Collurabbie Project, located 65km to the east of the Fisher East Project, consists of three granted exploration licences in the North-Eastern Goldfields region of Western Australia.</p>	Sections 2.2 to 2.4
What is the Demerger?	<p>On 31 March 2021, the Company's parent company, Rox, announced that it would undertake a demerger (Demerger), subject to Rox shareholder approval, pursuant to which:</p> <ul style="list-style-type: none"> it will transfer the tenements comprising the Projects from Rox to Cannon in consideration for 45,000,000 Cannon Shares (Internal Restructure); and undertake an equal reduction of capital of Rox (Capital Reduction) to be satisfied by way of an in-specie distribution of approximately 36,450,000 Cannon Shares (In-specie Cannon Shares) to Rox Shareholders (In-specie Distribution). <p>Pursuant to the Demerger, Rox Shareholders (other than ineligible Rox Shareholders) will receive their pro-rata entitlement to In-specie Cannon Shares in respect of each Rox Share held on the record date for the In-Specie Distribution, which will occur on or around 28 July 2021 (In-specie Record Date).</p> <p>In-Specie Cannon Shares that would otherwise be transferred to ineligible Rox Shareholders (being Rox Shareholders with an address outside of Australia, New Zealand and the Cayman Islands or who will receive a parcel of In-specie Cannon Shares totalling less than \$500) will be transferred to the Joint Lead Managers, who will sell the In-specie Cannon Shares and remit the cash proceeds to the relevant ineligible Rox Shareholders.</p>	Section 9.1

Topic	Summary	More Information
What is the effect of the Demerger?	<p>On implementation of the Demerger:</p> <ul style="list-style-type: none"> approximately 36,450,000 Cannon Shares will be distributed in-specie to Rox Shareholders, representing approximately 48% of the Company's total pro forma issued Share capital assuming A\$6 million is raised pursuant to the Offers; and Rox will retain approximately 8,550,000 Cannon Shares, representing approximately 11.4% of the Company's total pro forma issued Share capital assuming A\$6 million is raised pursuant to the Offers. <p>Subject to ASX approving the admission of the Company to the Official List of ASX (Admission) and for the Official Quotation of the Shares, the In-Specie Cannon Shares will be quoted on ASX.</p>	Section 9.1
What is the Company's strategy?	<p>The Company's strategy is to explore and develop the Projects and, where appropriate, generate, earn into, or acquire new assets with the aim of creating value for Shareholders (although no such new assets have been identified as at the date of this Prospectus).</p> <p>Cannon's strategy will be to:</p> <ul style="list-style-type: none"> continue to progress and develop the Projects, subject to any corporate, divestment or co-funding opportunities involving the Projects that the Cannon Board considers deliver better value; and pursue other opportunities in the resources sector including pursuing any acquisition opportunities that may arise. <p>Refer to Section 2.7 for further information on the Company's strategy and objectives upon completion of the Offers.</p>	Section 2.7
What are the key strengths of the Company?	<p>The Board considers that the Company has a number of key strengths:</p> <ul style="list-style-type: none"> New exploration focussed company – following completion of the Offers and the Demerger, the Company will be able to focus on progressing the Projects by exploring for minerals at the tenements comprising the Projects and evaluating the results, whilst considering any potential new project opportunities and potential joint ventures (if and when available) for the Company (although no such new assets have been identified as at the date of this Prospectus). Experienced Board and leadership team – Cannon has a well credentialed and experienced board of directors and management team, with exploration, corporate, funding and M&A experience. Strong financial position – upon completion of the Offers, the Company will have a strong financial position, with a pro forma net cash balance of approximately A\$5.3 million to carry out its stated objectives. 	Section 2.8

Topic	Summary	More Information
Why is the Company issuing this Prospectus?	<p>The purpose of this Prospectus is:</p> <ul style="list-style-type: none"> to raise A\$6 million under the Offers (before costs); and to assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List. 	Section 1.3
What are the Company's financial prospects and position?	<p>The pro forma historical consolidated statement of financial position of the Company as at 31 December 2020 is set out in Section 4.</p> <p>The Independent Limited Assurance Report is included in Section 5.</p>	Sections 4 and 5
How will the Company report to Shareholders on the performance of its activities?	<p>The Company will send its Shareholders an annual report and will also release information to Shareholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules.</p> <p>Further information regarding the Company will be available on the ASX announcements platform at www.asx.com.au and will also be available on the Company's website at www.cannonres.com.au.</p>	Section 10.12
Will the Company pay dividends?	<p>As an early-stage minerals exploration company, the Company has no source of revenue or profits and makes no forecast of whether it will generate revenue or profits in future. Accordingly, at the date of this Prospectus, the Company does not intend, or expect, to declare or pay any dividends in the foreseeable future.</p> <p>The Company has no dividend reinvestment plan.</p>	Section 2.11
What are Cannon's objectives which it is seeking to achieve from admission to ASX and the Offers?	<p>The Company's management strategy and purpose of the Offers is to provide the Company with funding to:</p> <ul style="list-style-type: none"> systematically explore and progress the Projects; focus on exploration of mineral opportunities that have the potential to deliver growth for Shareholders; and provide working capital for the Company. <p>See Section 2.5 for details of the proposed exploration programs on the Projects.</p> <p>The Company may consider any potential new project opportunities and potential joint ventures (if and when available) for the Company (although no such new assets have been identified as at the date of this Prospectus).</p>	Sections 1.3, 2.5 and 2.7
Will the Company be adequately funded after completion of the Offers?	<p>The Board believes that the funds to be raised from the Offers will provide the Company with sufficient working capital at the time of its Admission to carry out the Company's initial exploration objectives at the Projects as detailed in Section 2.5.</p> <p>Please refer also to the Future Capital Requirements part of the Key Risks section of this Investment Overview (below).</p>	Sections 1.6 and 2.5

Topic	Summary	More Information
What is the Company's business model?	<p>Upon completion of the Offers and Admission, the Company will be a publicly listed junior explorer with a 100% interest in the Projects.</p> <p>The Company aims to progressively transition from being a junior explorer to, subject to the results of exploration activities, technical studies and the availability of suitable funding, exploiting the value of mineral assets by undertaking project development, construction and mining activities by:</p> <ul style="list-style-type: none"> conducting exploration activities on mineral assets, with the aim of discovering a mineral deposit; following discovery, delineating a Mineral Resource estimate on the mineral deposit; undertaking economic and technical assessments of the Projects in line with standard industry practice (for example completion of a scoping study, then a prefeasibility study followed by a definitive feasibility study); undertaking project development and construction; and ultimately exploitation of the Projects through mining operations. 	Section 2.6
How does Cannon propose to generate revenue and what is its strategy?	<p>Cannon's strategy is to explore and progress the existing mineral exploration tenure comprising the Projects, and where possible, generate, earn in to, or acquire new assets with the aim of creating value for Shareholders (although no such new assets have been identified as at the date of this Prospectus).</p> <p>However, as an early-stage exploration company, Cannon has no present source of revenue and makes no forecast of whether any revenue will be generated in future.</p>	Section 2.7
Where is the financial information in relation to the Company?	<p>Please see Section 4 for the financial information regarding the Company.</p> <p>Please see Section 5 for the Independent Limited Assurance Report on the Company.</p>	Sections 4 and 5
B. Key Risks		
What are the key risks of investing in the Company?	<p>The key risks of investing in the Company are detailed below and in Section 8 of this Prospectus (which list is non-exhaustive).</p> <ul style="list-style-type: none"> Conditional Prospectus – Completion of the Offers is subject to the Demerger Conditions. There can be no certainty, nor can Cannon provide any assurance, that the Demerger Conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of conditions precedent to the Demerger which are outside the control of Cannon including, but not limited to, approval of the Capital Reduction and In-specie Distribution by Rox Shareholders. 	Section 8

Topic	Summary	More Information
	<ul style="list-style-type: none"> • Future Capital Requirements – Mineral exploration companies do not generate cash revenue. The Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. • Title Risk and Native Title – The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans. A number of the Tenements comprising Projects overlap with one registered native title claim and two determinations of native title. The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act. This engagement could cause delays to the Company's plans and/or the Company may incur higher than anticipated costs. The presence of Aboriginal sacred sites and cultural heritage artefacts on the mining tenements is protected by Western Australian and Commonwealth laws. Any destruction or harming of such sites and artefacts may result in Cannon incurring significant fines and Court injunctions. The existence of such sites may limit or preclude exploration or mining activities on those sites, which may cause delays and additional expenses for Cannon in obtaining clearances. • Nature of mineral exploration and mining – The business of mineral exploration, development and production is subject to a high level of risk. The Projects are at an early stage of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Projects or any other tenements that may be acquired in the future, will result in the discovery of any economic deposits. Even if the Company identifies a viable deposit at the Projects or elsewhere, there is no guarantee that such ore deposits will be capable of being exploited economically. • No profit to date and limited operating history – The Company has no significant history of business operations. The Company is also a mineral exploration 	

Topic	Summary	More Information
	<p>company, has no history of earnings, and does not have any producing mining operations. The Company will likely experience losses from exploration activities until such time (if ever) as the Company commences mining production activities. No assurance can be given that the Company will ever identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.</p> <ul style="list-style-type: none"> • Key personnel – The Company's key personnel consists of three non-executive Directors and a Chief Executive Officer. Responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its Board. There can be no assurance given that there will be no detrimental impact on Cannon if one or more of these personnel leave Cannon. • New assets and acquisitions – Cannon may make acquisitions in the future as part of future growth plans (although no such new assets have been identified as at the date of this Prospectus). There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Cannon Shareholders. Such acquisitions may result in the use of Cannon's cash resources and/or the issuance of equity securities, which will dilute shareholdings. 	
C. Summary of the Offers		
What is the Priority Offer?	<p>The Company is offering Eligible Rox Shareholders up to 30,000,000 Shares at an issue price of A\$0.20 each together with one free attaching unquoted Option (Attaching Option) for every three Shares issued to raise A\$6 million (Priority Offer).</p> <p>Further details of the Priority Offer are detailed in Section 1.1.</p>	Section 1.1
Who are Eligible Rox Shareholders?	<p>The Priority Offer is made to Eligible Rox Shareholders only. Eligible Rox Shareholders are those Rox Shareholders who:</p> <ul style="list-style-type: none"> • are the registered holder of Rox Shares as at 5.00pm (AWST) on the Priority Offer Record Date; and • have a registered address in Australia, New Zealand or the Cayman Islands. 	Section 1.1
What is the Shortfall Offer?	<p>A separate offer under this Prospectus will be made for Shortfall Shares (on the same basis as the Priority Offer i.e. 1 Attaching Option for every 3 Shortfall Shares issued) (Shortfall Offer) to:</p> <ul style="list-style-type: none"> • Eligible Rox Shareholders who have applied for Shares in excess of their Entitlement under the Priority Offer; and • new investors who are not Eligible Rox Shareholders located in Australia, New Zealand, the Cayman Islands, Hong Kong and the United Kingdom who apply for Shortfall Shares by completing an Application Form. 	Section 1.2

Topic	Summary	More Information
	<p>Each of the Shortfall Shares to be granted under the Shortfall Offer shall be granted on the same terms and conditions as the Shares being offered under the Priority Offer (including the issue price).</p> <p>Shortfall Shares will be allocated as agreed between the Company and the Joint Lead Managers between Eligible Rox Shareholders who subscribe for Securities above their Entitlement under the Priority Offer and to investors who are not Eligible Rox Shareholders located in Australia, New Zealand, the Cayman Islands, Hong Kong and the United Kingdom introduced by the Joint Lead Managers who apply for Shortfall Shares by completing an Application Form.</p> <p>Further details of the Shortfall Offer are detailed in Section 1.2.</p>	
What are the conditions to the Offers?	<p>The Offers remain conditional upon the following conditions being satisfied (the Demerger Conditions):</p> <ul style="list-style-type: none"> Rox obtaining all necessary regulatory approvals for the transfer of 100% legal and beneficial interest of the Tenements to Cannon; Rox and Cannon entering into a split commodity agreement for Rox to retain gold rights and Cannon to retain rights to all other minerals in respect of E53/1218; Rox obtaining all necessary shareholder approvals required by the Corporations Act, the Listing Rules and its Constitution to give effect to the Capital Reduction and In-specie Distribution; Cannon raising \$6,000,000 under the Offers; Cannon receiving a letter from ASX confirming that ASX will admit Cannon to the Official List of ASX, subject to the satisfaction of terms and conditions acceptable to Cannon; and no regulatory intervention occurring that would otherwise prevent the Demerger from proceeding. <p>If the Demerger Conditions are not satisfied then the Offers will not proceed and the Company will repay (without interest) all Application Monies received under the Offers in accordance with the Corporations Act.</p>	Section 1.5
What is the effect of the Offers on the capital structure of the Company?	<p>The Shares issued under the Offers will represent approximately 40% of the issued share capital of the Company immediately following completion of the Offers.</p> <p>The Company will also issue an aggregate of 6,750,000 Incentive Options to the Directors and Chief Executive Officer with an exercise price of A\$0.30 and an expiry date of 30 June 2024 from the date of their issue prior to Admission for nil cash consideration, subject to the approval of its current shareholder, the terms of which are detailed in Section 10.3.</p>	Section 1.7
What is the minimum subscription?	The minimum amount to be raised under the Offers is A\$6 million.	Section 1.9

Topic	Summary	More Information
What is the allocation policy under the Offers?	<p>Any Securities not allocated under the Priority Offer will be allocated as agreed between Cannon and the Joint Lead Managers between Eligible Rox Shareholders who have subscribed for Securities above their Entitlement under the Priority Offer and to new investors in Australia, New Zealand, Cayman Islands, Hong Kong and the United Kingdom.</p> <p>There is no guarantee that subscribers will be found for the Shortfall Shares.</p> <p>The allocation of Shortfall Shares will be determined by the Company in consultation with the Joint Lead Managers. The Company retains an absolute discretion to allocate Shortfall Shares and reserves the right, in its absolute discretion, to allot to an Applicant a lesser number of Shortfall Shares than the number for which the applicant applies or to reject an Application Form.</p> <p>No Shortfall Shares will be allocated or issued to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.</p> <p>Any decisions on allocations will be made after the Exposure Period.</p>	Sections 1.2 and 1.18
Are the Offers underwritten?	The Offers are not underwritten.	Section 1.10
What is the Company's proposed use of funds raised under the Prospectus?	The Company proposes to use the funds raised under the Offers as set out in Section 1.6.	Section 1.6
What is the proposed program of works?	<p>To achieve its exploration strategy in respect of the Fisher East Project, Cannon intends to undertake the following work program:</p> <ul style="list-style-type: none"> • validation of the existing exploration data including drilling, geology and geochemical samples; • field mapping and digital capture of all historical exploration; • geophysical surveys; • drilling to test along strike, up-dip and at depth of the nickel mineralisation identified in the existing deposits; • drilling to test along strike, up-dip and at depth of the known mineralisation identified in previous drilling; • Fisher East Project resource upgrade which will include a maiden Mineral Resource estimate for the Sabre deposit; • AC and RC drill testing of conceptual VMS targets; and • AC and RC drilling of other targets including Cutlass, Mt Tate, Tomahawk and Horatio prospects. 	Section 2.5

Topic	Summary	More Information												
	<p>At the Collurabbie Project, Cannon intends to undertake the following work program:</p> <ul style="list-style-type: none">validation of the existing exploration data including drilling, geology and geochemical samples;field mapping and digital capture of all historical exploration;detailed airborne Geophysical surveys;drilling to test along strike, up-dip and at depth of the known mineralisation identified in previous drilling; anddrilling of the Olympia, Olympia North and Ortus Prospects.													
D. Directors and related party interests and arrangements and other significant interests														
Who are the Directors and key management?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none">Trevor Benson, Non-Executive Chairman;Alex Passmore, Non-Executive Director; andRichard Bevan, Non-Executive Director. <p>Stephen Lynn is Chief Executive Officer.</p> <p>Matthew Worner is Company Secretary.</p> <p>Silfia Morton is Chief Financial Officer.</p> <p>The profiles of each of the Directors and management are detailed in in Section 3.2 of this Prospectus.</p>	Sections 3.1 and 3.2												
What benefits are being paid to Directors and Chief Executive Officer?	<p>The Directors and Chief Executive Officer are entitled to the following annual fees (exclusive of superannuation, where applicable):</p> <ul style="list-style-type: none">Stephen Lynn - \$260,000Trevor Benson - \$60,000Alex Passmore - \$45,000Richard Bevan - \$45,000 <p>Refer to the information immediately below and in Section 10.7 for further information in relation to benefits being provided to the Directors.</p>	Section 10.7												
What interests do Directors have in the securities of the Company?	<p>On completion of the Offers, based on the intentions of the Directors as at the date of this Prospectus, the direct and indirect interests of the Directors in securities of the Company is anticipated to be as follows (including any participation in the Offers):</p> <table><tr><th></th><th>Shares</th><th>Attaching Options</th><th>Incentive Options</th></tr><tr><td>Trevor Benson and his associates</td><td>250,000</td><td>83,333</td><td>1,500,000</td></tr><tr><td>Alex Passmore and his associates</td><td>925,064</td><td>139,130</td><td>1,500,000</td></tr></table>		Shares	Attaching Options	Incentive Options	Trevor Benson and his associates	250,000	83,333	1,500,000	Alex Passmore and his associates	925,064	139,130	1,500,000	Section 10.6
	Shares	Attaching Options	Incentive Options											
Trevor Benson and his associates	250,000	83,333	1,500,000											
Alex Passmore and his associates	925,064	139,130	1,500,000											

Topic	Summary	More Information
	<p>Richard 250,000 83,333 750,000 Bevan and his associates</p> <p>Refer to Section 10.6 for further details.</p>	
Who are the significant existing shareholders of the Company and what will their interests be after completion of the Offers?	<p>As at the date of this Prospectus, Rox owns 100% of the Company, being 1 Share issued at \$0.20.</p> <p>Upon completion of the In-specie Distribution and assuming A\$6 million is raised pursuant to the Offers:</p> <ul style="list-style-type: none"> Rox will hold approximately 8,550,000 Shares in Cannon, representing approximately 11.4% of the Company's total pro forma issued Share capital; and Hawke's Point (RRL) L.P. will hold approximately 4,910,714 Shares in Cannon, representing approximately 6.55% of the Company's total pro forma issued Share capital. <p>Other persons who may hold an interest in 5% or more of the Shares upon admission of the Company to the Official List (if any) are currently unknown.</p>	Section 10.11
What fees are payable to the Joint Lead Managers?	<p>Canaccord and Taylor Collison have been appointed as the Joint Lead Managers to the Offers (Joint Lead Managers).</p> <p>The Company will pay the following fees (plus GST) to the Joint Lead Managers in connection with the Offers:</p> <ul style="list-style-type: none"> a fee of \$30,000, to be paid to Canaccord only (Corporate Advisory Fee); a fee of 4.0% of the gross proceeds raised under the Priority Offer (IPO Issue Management Fee); a fee of 6.0% of the gross proceeds raised under the Shortfall Offer (if any) (Shortfall Capital Raising Fee); and a fee of 6.0% on the amount of the cash that ineligible Rox Shareholders receive in lieu of their entitlement to Cannon Shares under the In-Specie Distribution (Unmarketable Parcel Sell Down Fee). 	Sections 1.12 and 9.4
E. Applications and Other Information		
How do I apply for Securities?	<p>Eligible Rox Shareholders can apply online using their priority code to log-in and submit an Application and pay their Application Monies by BPAY® or Electronic Funds Transfer.</p> <p>Applications under the Offers can also be made by completing an Application Form, in accordance with the instructions accompanying the relevant Application Form.</p>	Sections 1.13 and 1.14
What are the Offers terms and conditions?	<p>The terms and conditions of the Offers are set out in this Prospectus, primarily in Section 1 and in the Application Form.</p> <p>Section 1.17 sets out information in relation to the Company's application to ASX for admission to the Official List and the Company's application for the Shares, including those offered by this Prospectus, to be granted Official Quotation.</p>	Section 1

Topic	Summary	More Information						
What is the cost of the Offers?	The expenses of the Offers (including ASX listing fees) are estimated to be approximately A\$699,539.	Section 10.10						
What material contracts is the Company a party to?	<p>The material contracts of the Company are detailed in Section 9 of this Prospectus. These material contracts include:</p> <ul style="list-style-type: none"> • Demerger Agreement; • Executive Services Agreement – Chief Executive Officer; • Non-Executive Director Appointment Letters; • Joint Lead Manager Mandate; • Deeds of Indemnity, Insurance and Access; • Company Secretary Services Agreement; • Rio Tinto Exploration Agreement; • Delta Exploration Agreement; • Goldex Agreement; and • Collurabbie Agreement. 	Section 9						
Will any securities be subject to escrow?	<p>The following Securities will be subject to ASX escrow for a period of 24 months commencing on the date on which quotation of the Company's Securities commences on ASX:</p> <ul style="list-style-type: none"> • approximately 8,550,000 Shares held by Rox; and • 6,750,000 Incentive Options to be issued to the Directors and Chief Executive Officer. <p>None of the Securities to be issued pursuant to the Offers will be subject to any ASX imposed escrow restrictions. In addition, the Company has received in-principle confirmation from ASX that the approximately 36,450,000 Shares to be transferred to existing Rox Shareholders pursuant to the In-Specie Distribution will also not be subject to any ASX imposed escrow restrictions.</p>	Section 1.21						
When will the Shares commence trading?	It is anticipated that the Shares may commence trading on ASX on or about 12 August 2021, but that timing is subject to ASX's discretion and cannot be guaranteed by the Company.	Indicative Timetable and Section 1.17						
What are the terms of the Securities offered under the Offers?	<p>A summary of the material rights and liabilities attaching to Shares in the Company is set out in Section 10.1.</p> <p>A summary of the terms and conditions attaching to Attaching Options in the Company is set out in Section 10.2.</p>	Sections 10.1 and 10.2						
What will Cannon's capital structure look like after the Offers?	<p>The Company's indicative capital structure following completion of the Offers is outlined below:</p> <table> <tr> <th>Description</th><th>Shares</th><th>Options</th></tr> <tr> <td>On issue prior to the Offers</td><td>1¹</td><td>-</td></tr> </table>	Description	Shares	Options	On issue prior to the Offers	1 ¹	-	Section 1.7
Description	Shares	Options						
On issue prior to the Offers	1 ¹	-						

Topic	Summary	More Information
	<p>Securities to be transferred pursuant to the In-Specie 36,450,000^{2 3} -</p> <hr/> <p>Securities to be held by Rox 8,550,000^{2 3} -</p> <hr/> <p>Securities to be issued pursuant to the Offers 30,000,000 10,000,000</p> <hr/> <p>Incentive Options to be issued to the Directors and Chief Executive Officer - 6,750,000</p> <hr/> <p>Total 75,000,001 16,750,000</p> <hr/> <p>Notes:</p> <ol style="list-style-type: none"> 1 fully paid ordinary share issued at \$0.20 held by Rox. These numbers are approximate only. Collectively, these Shares comprise the 45,000,000 Shares to be issued to Rox in consideration for the transfer of the Projects to Cannon. <p>The Company reserves the right to issue further Securities from time to time, such as (without limitation) to raise further capital or pursuant to its Employee Share Option Plan.</p>	
Will the Securities be quoted on the ASX?	<p>Application for quotation of all Shares to be issued under the Offers will be made to ASX no later than 7 days after the date of this Prospectus.</p> <p>If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by law) the Offers will be withdrawn and all Application Monies received by the Company (if any) will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>The Company will not seek Official Quotation for the Attaching Options to be issued under the Offers.</p>	Section 1.17
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Securities pursuant to the Offers.	Sections 1.13 and 1.14
What are the tax implications of making an investment?	The tax consequences of any investment in Securities will depend on your personal circumstances. You should obtain your own tax advice before deciding to invest.	Section 2.10
Can the Offers be withdrawn?	The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will refund all Application Monies in full (without interest) in accordance with the Corporations Act.	Section 1.22
F. Further Information		
How can I obtain further information?	Further information can be obtained by reading this Prospectus and consulting your professional advisors. You can also contact the Company Secretary on +61 8 9226	Corporate Directory

Topic	Summary	More Information
	0044 or visit the Company's website at www.cannonres.com.au .	

1. Details of the Offers

1.1 Priority Offer

This Prospectus invites Eligible Rox Shareholders to participate in a pro-rata priority offer of up to 30,000,000 Shares at an issue price of A\$0.20 each, together with one Attaching Option for every three Shares issued to raise A\$6,000,000 (before costs) (**Priority Offer**).

The Priority Offer is made to Eligible Rox Shareholders only. Eligible Rox Shareholders are those Rox Shareholders who:

- (a) are the registered holder of Rox Shares as at 5.00pm (AWST) on the Priority Offer Record Date; and
- (b) have a registered address in Australia, New Zealand or the Cayman Islands.

The Priority Offer will operate as follows:

- (a) Each Eligible Rox Shareholder's maximum entitlement under the Priority Offer is calculated pro-rata to their shareholding in Rox as at the Priority Offer Record Date (rounded to the nearest multiple of 1,000 Shares) (**Entitlement**). Eligible Rox Shareholders may apply for all or part of their Entitlement.
- (b) Eligible Rox Shareholders may apply for Shares in excess of their Entitlement but the excess Shares applied for will be considered as an Application under the Shortfall Offer and subject to the terms of the same outlined in Section 1.2. There is no guarantee that Eligible Rox Shareholders applying for Shares in excess of their Entitlement will be issued such excess Shares applied for.

Where the determination of the Entitlement of any Eligible Rox Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

Refer to Section 10.1 for details of the rights attaching to Shares and Section 10.2 for the rights attaching to Attaching Options offered under the Priority Offer.

Refer to Section 1.13 for details on how to apply for Securities under the Priority Offer.

1.2 Shortfall Offer

A separate offer under this Prospectus will be made for Shortfall Shares on the same basis as the Priority Offer (i.e. 1 Attaching Option for every 3 Shortfall Shares issued) (**Shortfall Offer**) to:

- (a) Eligible Rox Shareholders who have applied for Shares in excess of their Entitlement under the Priority Offer; and
- (b) new investors who are not Eligible Rox Shareholders located in Australia, New Zealand, the Cayman Islands, Hong Kong and the United Kingdom who apply for Shortfall Shares by completing an Application Form.

Each of the Shortfall Shares to be issued under the Shortfall Offer shall be issued on the same terms and conditions as the Shares being offered under the Priority Offer (including the issue price).

Shortfall Shares will be allocated as agreed between the Company and the Joint Lead Managers between Eligible Rox Shareholders who subscribe for Shares above their Entitlement under the Priority Offer and to investors who are not Eligible Rox Shareholders located in Australia, New Zealand, the Cayman Islands, Hong Kong and the United Kingdom introduced by the Joint Lead Managers who apply for Shortfall Shares by completing an Application Form.

The Offers are not underwritten but the Joint Lead Managers will use reasonable efforts to procure subscribers for Shortfall Shares.

Where the number of Shortfall Shares issued to Applicants is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Shortfall Offer Closing Date. There is no guarantee that applications by Eligible Rox Shareholders in excess of their Entitlement will be satisfied.

No Shortfall Shares will be allocated or issued to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.

Refer to Section 1.14 for details on how to apply for Securities under the Shortfall Offer.

1.3 Purpose of the Offers

The purpose of this Prospectus and the Offers is to assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission.

Under the Offers, an amount of A\$6 million (before associated costs) is sought to be raised. The funds raised will provide working capital and funding for future exploration and other initiatives at the Company's Projects. Refer to Section 1.6 in respect of the proposed use of funds and Section 2.7 for details of the Company's objectives and strategy.

1.4 Incentive Options

Prior to the Company's admission to ASX, 6,750,000 Options with an exercise price of \$0.30 and an expiry date of 30 June 2024 are proposed to be issued by the Company to the Directors and Chief Executive Officer (**Incentive Options**) as described in the Investment Overview and Sections 1.7 and 10.3.

1.5 Conditions to the Offers

The Offers remain conditional upon the following events occurring (together, the **Demerger Conditions**):

- (a) Rox obtaining all necessary regulatory approvals for the transfer of 100% legal and beneficial interest of the Tenements to Cannon;
- (b) Rox and Cannon entering into a split commodity agreement for Rox to retain gold rights and Cannon to retain rights to all other minerals in respect of E53/1218;
- (c) Rox obtaining all necessary shareholder approvals required by the Corporations Act, the Listing Rules and its Constitution to give effect to the Capital Reduction and In-specie Distribution;
- (d) Cannon raising \$6,000,000 under the Offers;
- (e) Cannon receiving a letter from ASX confirming that ASX will admit Cannon to the Official List of ASX, subject to the satisfaction of terms and conditions acceptable to Cannon; and
- (f) no regulatory intervention occurring that would otherwise prevent the Demerger from proceeding.

If the Demerger Conditions are not satisfied then the Offers will not proceed and the Company will repay (without interest) all Application Monies received under the Offers in accordance with the Corporations Act.

1.6 Use of Funds

The Offers will have an effect on the Company's financial position, being receipt of funds of A\$6,000,000.

The Company's expected use of funds in the 24-month period following completion of the Offers is as follows:

Indicative Allocation of Funds	Year 1 post-Admission	Year 2 post-Admission	Total Allocation	Percentage of Funds
Exploration – Fisher East Project ¹	\$1,260,000	\$1,650,000	\$2,910,000	49%

Exploration – Collurabbie Project ¹	\$530,000	\$650,000	\$1,180,000	20%
Working capital ²	\$605,231	\$605,230	\$1,210,461	19%
Repayment of Rox Expenses Loan ^{3, 4}	\$309,539	-	\$309,539	5%
Estimated costs of the Offers, excluding amount paid by Rox ^{3, 4}	\$390,000	-	\$390,000	7%
Total	\$3,094,770	\$2,905,230	\$6,000,000	100%

Notes:

1. Refer to Section 2.5 for further information.
2. Working capital costs include the general costs associated with the management and operation of the business including administration expenses, management salaries, Directors' fees, rent and other associated costs.
3. Refer to Sections 4.4 and 9.1 for further information.
4. Refer to Section 10.10 for further information.

The Board believes the funds to be raised from the Offers will provide the Company with sufficient working capital at the time of Admission to carry out the Company's objectives at the Projects as detailed in Section 2.7.

The above estimated expenditures are indicative only and will be subject to modification on an on-going basis depending on the results obtained from the Company's activities and other factors relevant to the Board's discretion as to usage of funding. Due to market conditions and the development of new opportunities or any number of other factors (including the risks outlined in the Investment Overview and Section 8), actual expenditure levels may differ significantly to the above estimates.

To continue activities on the Projects beyond the work programs detailed in Section 2.5 or to capitalise on future opportunities (and depending on the success of its activities) the Company will likely require debt or further equity fundraisings.

1.7 Capital Structure

On the basis that the Company completes the Offers on the terms in this Prospectus, the Company's anticipated capital structure upon Admission will be as follows:

Description	Shares	Options
On issue prior to the Offers	1 ¹	-
Securities to be transferred pursuant to the In-Specie Distribution	36,450,000 ^{2 3}	-
Securities to be held by Rox	8,550,000 ^{2 3}	-
Securities to be issued pursuant to the Offers	30,000,000	10,000,000 ⁴
Incentive Options to be issued to the Directors and Chief Executive Officer	-	6,750,000 ⁵
Total⁶	75,000,001	16,750,000

Notes:

1. One fully paid ordinary share held by Rox.
2. These numbers are approximate only.

3. Collectively, these Shares comprise the 45,000,000 Shares to be issued to Rox in consideration for the transfer of the Projects to Cannon.
4. Unquoted Attaching Options to be issued under the Offers will be on the terms detailed in Section 10.2.
5. Unquoted Incentive Options with an exercise price of \$0.30 and an expiry date of 30 June 2024 on the terms detailed in Section 10.3 to be issued to Cannon's Directors and Chief Executive Officer, subject to the approval of Cannon's current shareholder, as follows:
 - (i) 3,000,000 Incentive Options to Mr Stephen Lynn;
 - (ii) 1,500,000 Incentive Options to Mr Trevor Benson;
 - (iii) 1,500,000 Incentive Options to Mr Alex Passmore; and
 - (iv) 750,000 Incentive Options to Mr Richard Bevan.
6. On a fully diluted basis, assuming all of the Options detailed above convert into Shares, the Company's issued capital detailed above would increase by up to 16,750,000 Shares. No forecast is made of whether any Options will be converted into Shares.

The Company reserves the right to issue further securities from time to time, such as (without limitation) to raise further capital or pursuant to its Employee Share Option Plan.

The maximum number of securities proposed to be issued under the Employee Share Option Plan (in addition to the Incentive Options to be issued to the Directors and Chief Executive Officer referred to above) within the three-year period from the date of Admission is indicatively proposed to be 15,000,000 additional securities in the Company. However, this figure is only an estimate and there are no agreements to issue such additional 15,000,000 securities, as at the date of this Prospectus. That maximum number is not intended to be a prediction of the actual number of securities to be issued under the Employee Share Option Plan, but rather is simply an indicative ceiling for the purposes of giving flexibility for the Board to issue up to that number of additional securities in the Company during the three years from Admission, without utilising the Company's 15% placement capacity under Listing Rule 7.1.

The Company additionally reserves the right to also utilise its 15% annual placement capacity under Listing Rule 7.1 after Admission, and to seek Shareholders' approval to issue further Securities from time to time.

1.8 Forecasts

Due to the nature of the Company's business activities and the uncertainty of minerals exploration, there are significant uncertainties associated with forecasting future outcomes from the Company's activities.

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe they do not have a reasonable basis to forecast future financial performance of the Company, as such performance is inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

1.9 Minimum Subscription

The minimum subscription for the Offers is A\$6 million.

None of the Securities offered under this Prospectus will be issued if Applications are not received for the minimum subscription. Should Applications for the minimum subscription not be received within three months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest) in accordance with the requirements of the Corporations Act.

1.10 Underwriting

The Offers are not underwritten.

1.11 Additional Assets

If future opportunities that the Board consider appropriate arise, the Company may apply for or acquire additional assets. No such additional assets have been identified by the Board as at the date of this Prospectus.

1.12 Interests of Joint Lead Managers in the Offers

Canaccord and Taylor Collison have been appointed as Joint Lead Managers to the Offers. The terms of the Joint Lead Manager Mandate are summarised in Section 9.4 of this Prospectus.

There are, as at the date of this Prospectus, no ongoing mandates between the Company and the Joint Lead Managers for services beyond the Offers.

The Company will pay the following fees (plus GST) to the Joint Lead Managers in connection with the Offers:

- (a) a Corporate Advisory Fee of \$30,000, to be paid to Canaccord only;
- (b) an IPO Issue Management Fee of 4.0% of the gross proceeds raised under the Priority Offer;
- (c) a Shortfall Capital Raising Fee of 6.0% of the gross proceeds raised under the Shortfall Offer (if any); and
- (d) a Unmarketable Parcel Sell Down Fee 6.0% on the amount of the cash that ineligible Rox Shareholders receive in lieu of their entitlement to Cannon Shares under the In-Specie Distribution.

As at the date of this Prospectus, the Joint Lead Managers do not have a relevant interest (or voting power) in the Securities of the Company.

1.13 How to apply – Priority Offer

Only Eligible Rox Shareholders who are registered as a Rox Shareholder on the Priority Offer Record Date may apply to participate in the Priority Offer.

Cannon will provide each Eligible Rox Shareholder with further details of how to apply under the Priority Offer via letter or email, which will include a priority code to submit an Application under the Priority Offer and details of how to download the Electronic Prospectus.

Eligible Rox Shareholders can make an online application at:

<https://investor.automic.com.au/#/ipo/cannonresourcespriority> using their priority code to log-in, review the Electronic Prospectus and submit an Application and pay their Application Monies by BPAY® or EFT by 5:00pm (AWST) on the Priority Offer Closing Date.

Alternatively, Eligible Rox Shareholders can contact the Share Registry on 1300 288 664 (within Australia), +61 2 9698 5414 (outside Australia) or email corporate.actions@automic.com.au and request that a personalised Application Form and a copy of the Prospectus be provided to them directly. That Application Form must be completed in accordance with its accompanying instructions. Once completed, please lodge your Application Form and cheque to pay the Application Monies (in accordance with the instructions on the Application Form) so that they are received at either of the following addresses by 5:00pm (AWST) on the Priority Offer Closing Date.

POSTED TO:	DELIVERED TO: (during business hours only - 9am to 5pm (AWST))
Cannon Resources Limited c/- Automic Group GPO Box 5193 Sydney NSW, 2001	Cannon Resources Limited Automic Group Level 2, 267 St Georges Terrace, Perth, WA 6000

The Priority Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms and pay their

Application Monies as early as possible. However, the Company reserves the right to extend the Priority Offer or accept late Applications.

Eligible Rox Shareholders may apply for as many Shares as they wish up to their Entitlement. In addition, if you are an Eligible Rox Shareholder and you wish to apply for Shares in excess of your Entitlement by applying for Shortfall Shares, complete the relevant section online or of the personalised Application Form in accordance with the instructions in this Section 1.13, including the number of Shortfall Shares you wish to apply for.

No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Shares pursuant to the Offers.

There is no guarantee that your Application will be accepted. Refer to Section 1.18 for further information.

By returning the Application Form under the Priority Offer with the requisite Application Monies or making a payment of Application Monies under the Priority Offer you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Priority Offer detailed in this Prospectus and in accordance with the Application Form. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Securities (which is at the Board's Discretion).

1.14 How to apply – Shortfall Offer

New investors who wish to apply for Shortfall Shares under the Shortfall Offer can make an online application at <https://investor.automic.com.au/#/ipo/cannonresourceesshortfall>. Payment for online applications can be made through BPAY® (where available) or EFT by 5:00pm (AWST) on the Shortfall Offer Closing Date.

Alternatively, new investors can contact the Share Registry on 1300 288 664 (within Australia), +61 2 9698 5414 (outside Australia) or email corporate.actions@automic.com.au and request that an Application Form and a copy of the Prospectus be provided to them directly. That Application Form must be completed in accordance with the instructions set out in the Application Form. Once completed, please lodge your Application Form and cheque to pay the Application Monies (in accordance with the instructions on the Application Form) so that they are received at either of the following addresses by 5:00pm (AWST) on the Shortfall Offer Closing Date.

POSTED TO:	DELIVERED TO: (during business hours only - 9am to 5pm (AWST))
Cannon Resources Limited c/- Automic Group GPO Box 5193 Sydney NSW, 2001	Cannon Resources Limited Automic Group Level 2, 267 St Georges Terrace, Perth, WA 6000

The Shortfall Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms and pay their Application Monies as early as possible. However, the Company reserves the right to extend the Shortfall Offer or accept late Applications.

Applications under the Shortfall Offer must be for a minimum of A\$2,000 (10,000 Shortfall Shares) and then in multiples of A\$500 (2,500 Shortfall Shares), including Applications from Eligible Rox Shareholders who apply for Shares in excess of their Entitlement.

No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Shares pursuant to the Shortfall Offer.

There is no guarantee that your Application will be accepted. Refer to Section 1.18 for further information.

By returning an Application Form under the Shortfall Offer with the requisite Application Monies or making a payment of Application Monies under the Shortfall Offer you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Shortfall Offer detailed in this Prospectus and in accordance with the Application Form. The Application Form

does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Securities (which is at the Board's Discretion).

1.15 Exposure Period

Refer also to the information in the Important Notices section (above) regarding the Exposure Period for the Offers.

1.16 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Settlement Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register.

The Company will not issue certificates of title to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Securities issued to them. A holding statement will also provide details of a Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Securities held by Shareholders. Shareholders may also request statements at any other time (although the Company may charge an administration fee).

1.17 ASX Listing and Official Quotation

Within 7 days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation.

It is anticipated that the Shares may commence trading on ASX on or about 12 August 2021, but that timing is subject to ASX's discretion and cannot be guaranteed by the Company.

If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by law) the Offers will be withdrawn and all Application Monies received by the Company (if any) will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will not seek Official Quotation for the Attaching Options issued under the Offers.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Securities offered pursuant to this Prospectus.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the ASX Listing Rules.

1.18 Issue and Allocation of Securities

Subject to the Demerger Conditions being satisfied and the minimum subscription under the Offers being met, Eligible Rox Shareholders who apply for their full Entitlement under the Priority Offer will receive their full Entitlement of Shares.

The allocation of Shortfall Shares will be determined by the Company in consultation with the Joint Lead Managers between Eligible Rox Shareholders who subscribe for Shares above their Entitlement under the Priority Offer and to investors who are not Eligible Rox Shareholders located in Australia, New Zealand, the Cayman Islands, Hong Kong and the United Kingdom introduced by the Joint Lead Managers. The Company retains an absolute discretion to allocate Shortfall Shares and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shortfall Shares than the number for which the Applicant applies or to reject an Application Form.

No Shares will be issued to any Applicant pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Applicant's voting power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

Any decision on allocation will be made after the Exposure Period has ended. The Directors will have full discretion in relation to the allocation of Securities under the Offers.

There is no assurance that any Applicant for Shortfall Shares will be allocated any Securities, or the number of Securities for which the Applicant applied.

There is no guaranteed allocation of Securities under the Shortfall Offer. The Company's decision on the number of Securities to be allocated to an Applicant will be final.

Application Monies will be held in trust for Applicants until the allotment of the Securities. Any interest that accrues will be retained by the Company.

The Company reserves the right to reject any Application or to issue a lesser number of Securities than those applied for. Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Shortfall Offer Closing Date.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities issued under the Offers. Applicants who sell Securities before they receive their holding statements do so at their own risk.

1.19 Risk Factors of an Investment in the Company

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company. The Investment Overview (above) and Section 8 detail (non-exhaustively) key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as they provide information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.20 Foreign jurisdictions

(a) General

No action has been taken to register or qualify the Securities, or the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the Securities may not be offered or sold in any country outside Australia except to the extent permitted below.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form or payment of Application Monies will be taken by the Company to constitute a representation and warranty that there has been no breach of such law.

(b) Cayman Islands

No offer or invitation to subscribe for Securities may be made to the public in the Cayman Islands or from within the Cayman Islands.

(c) Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of

Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Securities may sell, or offer to sell, such Securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such Securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this document, you should obtain independent professional advice.

(d) **New Zealand**

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the "**FMC Act**"). The Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(e) **United Kingdom**

Neither this Prospectus nor any other document relating to the Offers has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended ("**FSMA**")) has been published or is intended to be published in respect of the Securities.

The Securities may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005* ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated

associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

1.21 Restricted Securities

Chapter 9 of the Listing Rules prohibits holders of securities in the Company which ASX classifies as 'restricted securities' from disposing or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods (being escrow restrictions).

None of the Securities to be issued pursuant to the Offers will be subject to any ASX imposed escrow restrictions.

As at the date of this Prospectus the Company expects the:

- (a) approximately 8,550,000 Shares held by Rox; and
- (b) 6,750,000 Incentive Options to be issued to the Directors and Chief Executive Officer, (each as described in Section 1.7) to be subject to 24 months escrow from the date of Official Quotation, in accordance with the Listing Rules (as restricted securities).

1.22 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.

1.23 Paper Copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Application Form to eligible investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the Company Secretary via +61 8 9226 0044 and/or admin@cannonres.com.au.

1.24 Nature of Applications and Requirements

Applications must comply with this Prospectus and the instructions on the relevant Application Form or online. An Application is an offer by the Applicant to the Company to apply for all or any of the amount of Shares specified in the Application Form (at \$0.20 per Share) on the terms set out in this Prospectus.

All applications must be for a whole number of Shares. There is no minimum Application under the Priority Offer. Applications under the Shortfall Offer must be for a minimum of A\$2,000 (10,000 Shortfall Shares) and then in multiples of A\$500 (2,500 Shortfall Shares), including Applications from Eligible Rox Shareholders who apply for Shares in excess of their Entitlement.

To the extent permitted by law, an Application is irrevocable. Acceptance of an Application by the Company will give rise to a binding contract on allocation of Securities to successful Applicants.

1.25 Powers of the Company in relation to Applications

There is no assurance that any Applicant will be allocated any Securities, or the number of Securities for which the Applicant has applied. The Board may in its absolute discretion, without notice to any Applicant and without giving any reason:

- (a) withdraw the Offers at any time before the issue of Securities to successful Applicants;
- (b) decline an Application;
- (c) accept an Application for its full amount or any lower amount;
- (d) determine a person to be eligible or ineligible to participate in the Offers (including the Priority Offer);
- (e) waive or correct any errors made by an Applicant in completing their Application Form;

- (f) amend or waive the application procedures or requirements in compliance with applicable laws; or
- (g) aggregate any Applications that they believe may be multiple Applications from the same person.

1.26 Application Monies

The Company will hold Application Monies received in trust until Securities are issued to successful Applicants pursuant to the Offers. Applicants whose Applications are not accepted, or who are allocated a lesser number of Securities than the amount applied for, will be mailed a refund of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

1.27 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Company Secretary via +61 8 9226 0044 and/or admin@cannonres.com.au.

2. Company Overview

2.1 Background

The Company was incorporated in Australia on 25 November 2020. It is currently a wholly-owned subsidiary of Rox.

The Company is a minerals exploration company which, following the Internal Restructure with Rox, will hold a 100% interest in the Fisher East Project and Collurabbie Project. Following admission, the Company intends to progress exploration at the Projects.

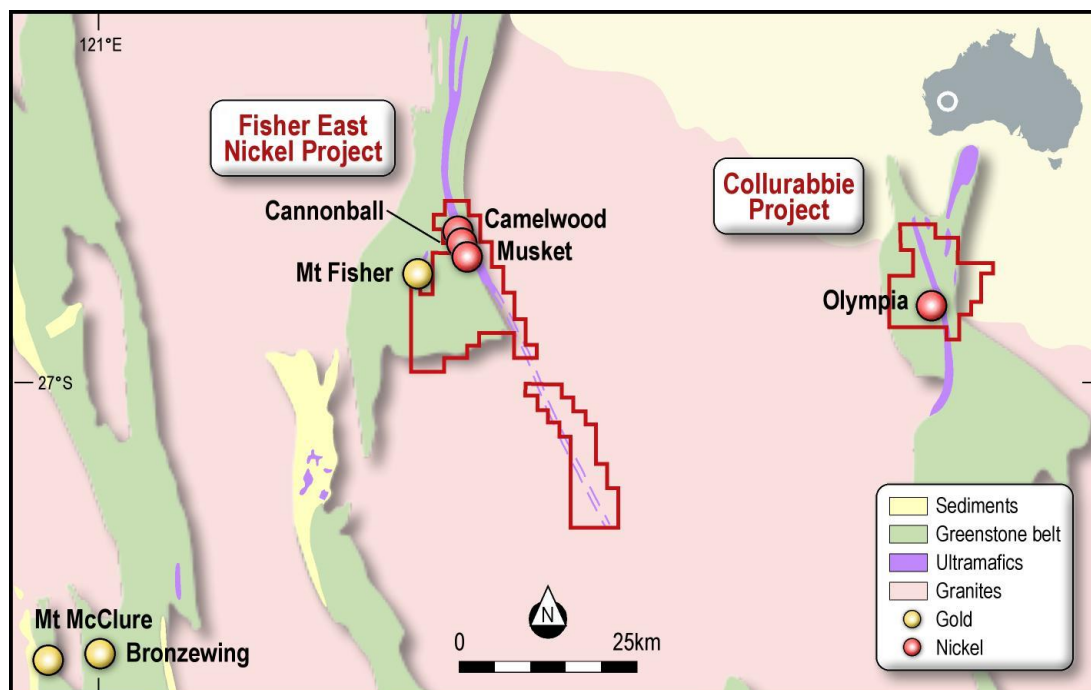
Refer also to Sections 6 (Independent Technical Assessment Report) and 7 (Solicitor's Report on Tenements) of this Prospectus for further information.

2.2 Overview of the Company's Projects

(a) Overview

The Independent Technical Assessment Report in Section 6 provides details of the Projects, which will be the main assets of the Company following the Internal Restructure. The Independent Technical Assessment Report contains (among other things) information regarding the location, ownership, geology and previous exploration undertaken at the Projects.

Section 7 of this Prospectus contains a Solicitor's Report on Tenements which details information about the tenements comprising the Projects (**Tenements**) and certain relevant legal matters.



(b) Location and access

The Projects are both located within the North-Eastern Goldfields of Western Australia. Access from Perth is via Kalgoorlie using the sealed Great Eastern Highway.

The Fisher East Project is located about 430km north of Kalgoorlie with access via the main northern Kalgoorlie-Wiluna highway. The turnoff onto the Wonganoo road is located about 60km north of Leonora. A series of station tracks and fence lines facilitates access throughout the project area. The central part of the project area is located 34km north of the Wonganoo homestead.

The Collurabbie Project is located approximately 220km east of Wiluna and 240km north of Laverton in the North Eastern Goldfields Province of Western Australia. Access to Laverton is via the main northern Kalgoorlie-Wiluna highway then by turning east at

Leonora along the Laverton-Leonora road. Southern access is gained from Laverton along the Bandy Road and then north along the Urarey – Warren Bore road and related fence line tracks. An alternative access route is from Wiluna via the Gunbarrel Highway and Old Windidda Station.

Kalgoorlie Boulder is serviced by daily commercial flights to a sealed all-weather airport. There are several smaller sealed and unsealed airstrips within the region including at Laverton, Leonora, Leinster, specific mine site related airstrips and several smaller pastoral airstrips.

(c) **Tenements**

Details of the Tenements are set out in the table below:

Project	Tenement	Type	Status	Expiry	Area (km ²)
Collurabbie	E38/2009	Exploration Licence	Granted	19/10/2022	27.57
Collurabbie	E38/2912	Exploration Licence	Granted	11/09/2024	21.4
Collurabbie	E38/3193	Exploration Licence	Granted	27/07/2022	98.0
Fisher East	E53/1218 ¹	Exploration Licence	Granted	07/01/2023	110.3
Fisher East	E53/1318	Exploration Licence	Granted	20/09/2021	21.46
Fisher East	E53/1716	Exploration Licence	Granted	02/04/2023	3.066
Fisher East	E53/1802	Exploration Licence	Granted	17/08/2024	30.6
Fisher East	E53/1884	Exploration Licence	Granted	23/01/2022	3.066
Fisher East	E53/1885	Exploration Licence	Granted	30/10/2021	3.066
Fisher East	E53/1886	Exploration Licence	Granted	30/10/2021	3.065
Fisher East	E53/1887	Exploration Licence	Granted	23/05/2022	3.065
Fisher East	E53/1950	Exploration Licence	Granted	13/12/2022	104.0
Fisher East	E53/2018	Exploration Licence	Granted	16/09/2024	3.06
Fisher East	E53/2090	Exploration Licence	Granted	02/16/2025	45.9
Total					477.6

Note:

1. Rox to retain gold rights.

2.3 Fisher East Project

(a) **Fisher East Project overview**

The Fisher East Project, located approximately 430km north of Kalgoorlie, 223km north of Leonora and 145km northeast of Leinster, includes eleven granted exploration licences in the North-Eastern Goldfields region of Western Australia.

(b) **Exploration History**

Prior to Rox commencing exploration work in 2011, the Fisher East Project had undergone almost no historical exploration other than remote airborne regional surveys and minor prospecting. During 2011, Rox conducted airborne magnetics on 50m line spacing and

VTEM surveys over three areas one of which covered the northern most part of the prospective ultramafic package.

In October 2012 Rox drilled 34 RAB holes and 5 follow up RC holes to test the MFA-04 and MFA-05 VTEM targets. The RAB drilling assay results announced on 5 October 2012 returned up to 12 metres grading 0.12% Ni from 32 metres downhole at MFA-05 with the best nickel geochemistry lying directly over the VTEM anomaly. RAB results at MFA-04 returned shallow intercepts such as 28m at 0.28% Ni and 8m at 0.4% Ni with anomalous copper and PGEs.

Results from the follow up RC drilling confirmed a nickel discovery at MFA-04 on the 19 December 2012 with semi massive and strongly disseminated sulphide intersections observed in all 5 RC holes. The results returned an intersection of 20m at 1.1% Ni in hole MFEC004, including 6m at 1.4% Ni and 5m at 1.5% Ni. The other holes returned 2m at 1.6% Ni in hole MFEC001, 4m at 2.0% Ni in hole MFEC002, 2m at 2.2% Ni in hole MFEC003 and 1m at 3.0% Ni in hole MFEC005 with anomaly MFA-04 renamed Camelwood.

The first diamond hole MFED001 returned 11.4m at 2.9% Ni from 282.6m including 2.9m at 4.7% Ni indicating high tenor nickel mineralisation. Ground EM and further AEM surveys were subsequently conducted over the ultramafic package and the mineralisation was drilled extensively over the next year to define a maiden combined Indicated and Inferred resource in 2013 of 1.6Mt at 2.2% Ni at Camelwood.

In September 2014, Rox announced a maiden Mineral Resource estimate (**MRE**) for Musket which added another 2.1Mt at 1.8% Ni (for 37,500 tonnes of Nickel) bringing the total Fisher East MRE to 3.6Mt at 2.0% Ni for 72,100 tonnes of Nickel. This included a very high grade zone of 100,000t at 10.1% Ni with Indicated Resources accounting for 52% of the total resource.

During 2015 the Sabre Discovery was made around 7km to the south of Camelwood with initial intercepts of 10m at 1.9% Ni and 16m at 1.3 % Ni.

In February 2016 further MRE upgrades were announced of 4.2Mt at 1.9% Ni. An external review by Mining One and prefeasibility studies commenced, however the Fisher East Project did not progress further due to the prevailing low nickel price conditions.

The most recent drilling was conducted in 2018 following up DHEM targets.

Results included:

- 4.3m at 2.0% Ni from 701.7m in hole MFED080 at Musket, including 0.3m of massive sulphides at 8.1% Ni from 701.7m.
- 2.4m at 2.4% Ni from 718.3m in hole MFED076W1 at Camelwood, including 0.2m of massive sulphides at 5.2% Ni from 718.9m, and 0.3m at 7.5% Ni of massive sulphides from 288.8m in hole MFED081.

A conceptual scoping study was completed by Rox on the Fisher East Project in 2015. This study was subsequently updated in 2018. The results of both the original study and the updated study were released on ASX. The Directors of Cannon are of the opinion that the cost and revenue assumptions used in the updated study are out of date. Further, they also consider that the underground mine design parameters in the scoping study are likely to change significantly in the event Cannon commissions a scoping study on the Fisher East Project. Accordingly, the Directors of Cannon do not consider the results of the historical scoping studies completed by Rox to be current nor material, and investors should disregard those results.

For more information on the previous exploration history of the Fisher East Project, refer to the Independent Technical Assessment Report in Section 6 of this Prospectus.

(c) **Local Geology and Mineralisation**

The geology represents the eastern most margin of the Mt Fisher Greenstone Belt with the nickel prospective ultramafic package forming a north east trending magnetic high ridge in the airborne magnetic data. Detailed drilling indicates the geological sequence is overturned, dipping steeply to the north east and younging to the west.

The Fisher East Project deposits consisting of Camelwood, Cannonball and Musket, are typical Archean komatiite-associated deposits having affinities with Kambalda-style Type 1 contact ores.

The mineralisation at The Fisher East Project sees the mineralisation at Camelwood extending over several hundred metres along the basal contact with a typical sequence of massive sulphides stratigraphically overlain by matrix and disseminated sulphides.

At Cannonball, mineralisation is variable with zones of stringers, disseminated and blebby sulphides over thicknesses of 1m to 5m.

For more information on the local geology and mineralisation of the Fisher East Project, refer to the Independent Technical Assessment Report in Section 6 of this Prospectus.

(d) **Mineral Resource Estimates**

Currently, the Fisher East Project has the following JORC 2012 Mineral Resource estimates:

Deposit	Category	Tonnes (Mt)	Grade Ni %	Contained Metal Nickel (kt)
Camelwood	Indicated	1.7	2.0	34.0
	Inferred	0.3	1.5	5.0
	TOTAL	2.0	1.9	39.0
Cannonball	Indicated	0.24	2.9	7.0
	Inferred	0.02	1.9	0.3
	TOTAL	0.26	2.8	7.3
Musket	Indicated	1.8	1.7	30.0
	Inferred	0.1	1.5	1.6
	TOTAL	1.9	1.7	31.6
TOTAL	Indicated	3.7	1.9	71.0
	Inferred	0.5	1.5	7.0
	TOTAL	4.2	1.9	78.0

Refer to the Independent Technical Assessment Report in Section 6 for further information regarding the Mineral Resource estimates for the Fisher East Project.

2.4 Collurabbie Project

(a) **Collurabbie Project overview**

The Collurabbie Project, located approximately 430km to the north northeast of Kalgoorlie, 195km north of Laverton and 65km to the east of the Fisher East Project. The project consists of three granted exploration licences in the North-eastern Goldfields region of Western Australia.

(b) **Exploration History**

Prior to 2004, work at Collurabbie Project focussed on gold exploration in the northern half of the project area. A range of work was undertaken including aeromagnetic surveys, soil and auger sample assaying, geophysical surveys and RC drilling.

In July 2003, Falcon Minerals Limited (**Falcon**) and Western Mining Corporation (**WMC**) announced the discovery of nickel, copper and PGE sulphide mineralisation associated with ultramafic horizons at a number of locations along the length of the belt. AC drilling in 2004 and 2005 led to the discovery of further strongly anomalous nickel, copper, and PGE mineralisation within the regolith profile. Deeper RC and diamond drilling beneath the anomalies in 2005 confirmed the presence of massive nickel copper and PGE sulphides at the Olympia prospect with a discovery intercept of 5.77m at 3% Ni, 1.96% Cu and 5.29 g/t PGE from 279.43m.

Outside of Olympia a number of prospects were developed using a combination of airborne and ground based EM and first pass AC drill testing to define prospective geology and geochemistry.

Post the acquisition of the Collurabbie Project by Rox in October 2016, Rox conducted AC drilling of selected targets and discovered a new zone of mineralisation at the Olympia North prospect, located less than 1km north of the Olympia deposit and completed follow up RC drilling.

This exploration drilling several positive results, which will be the subject of a continued exploration effort by the Company.

See the Independent Technical Assessment Report in Section 6 for further information regarding the exploration history at the Collurabbie Project.

(c) **Local Geology and Mineralisation**

The geology in the project area comprises a north-northwest striking greenstone sequence known as the Gerry Well Greenstone Belt. Monzogranite batholiths are interpreted to flank the greenstone sequence in the eastern and western extremities of the project area. The greenstone sequence comprises felsic, mafic, ultramafic, and sedimentary units, although the only units to crop out at surface are chert and BIF ridges. Regional metamorphism is typical of mid greenschist to lower amphibolite facies.

Locally the stratigraphic sequence consists of footwall basalt and hanging wall dolerite to basalt which has been intruded by mafic to ultramafic rocks including gabbro, peridotite and various pyroxenitic units which host the nickel sulphides. The intrusion geometry is mostly sill like.

In 2004 Falcon's joint venture partner WMC announced the intersection of high-grade massive nickel-copper-sulphide mineralisation at the Olympia Prospect including 5.77m at 3.0% Ni, 1.9% Cu, 5.3g/t PGE.

Nickel sulphide mineralisation was identified in two parallel ultramafic sills, known as Beta and Gamma. The Olympia massive sulphide mineralisation occurs in the Gamma Sill. Disseminated nickel sulphide mineralisation occurs in the Beta Sill. The two north north-west trending horizons extend over 20km in strike and are covered by alluvial sands in the south and Proterozoic sediments in the north.

Refer to the Independent Technical Assessment Report in Section 6 for further information regarding the local geology and mineralisation at the Collurabbie Project.

(d) **Mineral Resource Estimate**

In 2017, a JORC 2012 Inferred Mineral Resource was estimated at Olympia by Trepanier Pty Ltd for Rox as follows:

Deposit	Category	Tonnes (kt)	Grade Ni %	Grade Cu %	Grade Co %	Grade Pd g/t	Grade Pt g/t
Olympia	Inferred	573	1.63	1.19	0.082	1.49	0.85

Refer to the Independent Technical Assessment Report in Section 6 for further information regarding the Mineral Resource estimate for the Collurabbie Project.

2.5 Proposed Exploration Budget and Programs

(a) **Exploration Budget**

The table below outlines the current proposed expenditures in relation to exploration activities at the Projects for the next two years. Further details on the exploration programs

and budgeted expenditures are also outlined in the Independent Technical Assessment Report included in Section 6.

Item	Expenditure (A\$ million)		
	Year 1	Year 2	Total
Fisher East Project			
Data Compilation	0.01		0.01
Geochemistry	0.025		0.025
Geophysics	0.025		0.025
Drilling & Analysis			
AC drilling	0.2	0.3	0.5
RC drilling	0.2	0.25	0.45
Diamond drilling	0.8	1.1	1.9
Total – Fisher East	1.26	1.65	2.91
Collurabbie Project			
Data Compilation	0.01		0.01
Geophysics	0.02		0.02
Drilling & Analysis			
AC drilling	0.1	0.15	0.25
RC drilling	0.1	0.15	0.25
Diamond drilling	0.3	0.35	0.65
Total – Collurabbie	0.53	0.65	1.18
Total Funds Allocated	1.79	2.3	4.09

The above table is a statement of current intentions as of the date of this Prospectus. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 8), actual expenditure levels may differ significantly to the above estimates. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the way funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results from the respective exploration activities. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain Projects reflecting a change in emphasis.

(b) **Exploration Program – Fisher East Project**

At the Fisher East Project, Cannon is targeting a continuation and expansion of historical exploration activities undertaken by Rox with a view to confirming the potential for a viable nickel project. To achieve its exploration strategy in respect of the Fisher East Project, Cannon intends to undertake the following program:

- (i) validation of the existing exploration data including drilling, geology and geochemical samples;
- (ii) field mapping and digital capture of all historical exploration;
- (iii) geophysical surveys;
- (iv) drilling to test along strike, up-dip and at depth of the nickel mineralisation identified in the existing deposits;

- (v) drilling to test along strike, up-dip and at depth of the known mineralisation identified in previous drilling (including intersections of 16.9m at 2% Ni at Musket; 5.3m at 2.7% Ni at Cannonball; 13m at 1.3% Ni at Sabre and 3.4m at 2.7% Ni at Camelwood);
 - (vi) Fisher East resource upgrade which is targeting a maiden resource estimate for the Sabre deposit;
 - (vii) AC and RC drill testing of conceptual VMS targets;
 - (viii) AC and RC drilling of other targets including Cutlass, Mt Tate, Tomahawk and Horatio prospects; and
 - (ix) review the potential for gold mineralisation in the project tenements excluding E53/1218 where Rox will retain rights to gold.
- (c) **Exploration Program – Collurabbie Project**
- The Collurabbie Project presents considerable potential for additional intrusion related base metal mineralisation along with exploration potential for gold. Within the Collurabbie Project, Cannon intends to undertake the following program:
- (i) validation of the existing exploration data including drilling, geology and geochemical samples;
 - (ii) field mapping and digital capture of all historical exploration;
 - (iii) detailed airborne Geophysical surveys;
 - (iv) drilling to test along strike, up-dip and at depth of the known mineralisation identified in previous drilling (including the historical intersections of 5.77m at 3% Ni, 1.96% Cu, 5.29g/t PGE in CLD159 and 12.86m at 1.33% Ni, 0.95% Cu, 2.69g/t PGE in CLD139); and
 - (v) drilling of the Olympia, Olympia North and Ortus prospects.

2.6 Business Model

The Company is a speculative mineral exploration company. Upon completion of the Offers and admission of the Company to the Official List, the Company will be a publicly listed junior explorer with a 100% interest in the Projects.

Although the Company will be well funded to conduct its stated objectives for the next two years, the Company has no history of earnings, and does not have any producing mining operations. The Company has experienced losses from exploration activities and until such time as the Company carries on mining production activities, it expects to continue to incur losses. It is likely that the Company will require additional funding in the future, and as such the intention is to add Shareholder value and also progressively reduce risks associated with its current or any new mineral projects that may be acquired.

The Company aims to progressively transition from being a junior explorer to, subject to the results of exploration activities, technical studies and the availability of suitable funding, exploiting the value of mineral projects by undertaking project development, construction and mining activities by:

- (a) conducting exploration activities on mineral projects, with the aim of discovering a mineral deposit;
- (b) following discovery, delineating a Mineral Resource estimate on the mineral deposit;
- (c) undertaking economic and technical assessments of the Projects in line with standard industry practice (for example completion of a scoping study, then a prefeasibility study followed by a definitive feasibility study);
- (d) undertaking project development and construction; and
- (e) ultimately exploitation of the project through mining operations.

As the development of relevant projects progress, the Company may also consider other opportunities to increase Shareholder value such as joint ventures, asset sales (whole or part), strategic partnerships or product off-take arrangements.

The Company also intends to continue identifying, evaluating and, if warranted, acquiring additional resource projects and assets, if the Board considers that they have the potential to add Shareholder value. The Company will consider acquiring these additional interests by way of direct project acquisition, farm in, joint venture or direct equity in the project owners.

2.7 Strategy & Objectives

The primary objective of the Company is to create value for Shareholders and the Company's overarching strategy to achieve this will be to explore and progress the Projects and where appropriate, generate, earn-in to or acquire new opportunities in the resources sector (although no such new projects have been identified as at the date of this Prospectus).

Following admission of the Company to the Official List, the Company proposes to undertake the exploration programs discussed in Section 2.5 and further explained in the Independent Technical Assessment Report in Section 6. The results of the exploration programs will determine the economic viability and potential timing for the commencement of additional technical studies, including studies that assess the economic viability of the Projects, and ultimately the commencement of mining operations.

No forecast is made of whether the Projects will be economically viable or that the below objectives will be realised and further funding would be required before studies can be conducted to assess that.

More specifically, the Company's growth strategy and objectives are as follows:

(a) **Strategy**

- (i) Advance the Projects using best practice exploration techniques.
- (ii) Identify opportunities for strategic partnerships with mid-tiers/majors.
- (iii) Setting out clear Project decision points.
- (iv) Realising the value of the Projects by development, or joint venturing and/or partial/full sale.
- (v) Maintain a safe working environment for its employees and contractors and apply high environmental standards during all exploration and mining activities.

(b) **Objectives**

- (i) Determine the potential for a near-term development opportunity at the Fisher East Project with an initial focus on the possible extension of the Camelwood, Cannonball, and Musket deposits.
- (ii) Determine the potential for economic mineralisation of Sabre and other advanced prospects within the Fisher East Project.
- (iii) Develop additional nickel prospects via systematic exploration along the basal contact of the Mt Fisher Greenstone Belt.
- (iv) Advance exploration for conceptual VMS style mineralisation at Fisher East.
- (v) Systematically explore existing and develop new prospects at the Collurabbie Project.
- (vi) Evaluation of the gold potential within the Collurabbie Project.

2.8 Key Strengths

The Board considers that the Company has a number of key strengths:

- (a) **New exploration focused company** – following completion of the Offers, the Company will be able to focus on progressing the Projects by exploring for minerals at the tenements comprising the Projects and evaluating the results, whilst considering any potential new project opportunities and potential joint ventures (if and when available) for the Company (although no such new projects or joint ventures have been identified as at the date of this Prospectus). Refer to Sections 2.5 and 6 for details of the Company's proposed exploration plans at the Projects.

- (b) **Experienced Board and leadership team** – Cannon has a well credentialed and experienced board of directors and management team, with exploration, corporate, funding and M&A experience. Refer to section 3.2 for details in relation to Cannon's Board and management.
- (c) **Strong financial position** – upon completion of the Offers, the Company will have a strong financial position, with a pro forma net cash balance of approximately A\$5.3 million to carry out its stated objectives of conducting minerals exploration at the Projects. Refer to Section 4 for financial information in relation to the Company and its consolidated group.

2.9 Financial Information

The Company was incorporated on 25 November 2020 and has no operating history independent of Rox. Accordingly, the Company is not in a position to disclose key financial ratios or other financial information, other than its statement of profit or loss and other comprehensive income, statement of cash flows and pro-forma statement of financial position which is included in Section 4.

Relevant financial information in respect of the Company, including a pro forma statement of financial position detailing the effect of the Offers, is in Section 4.

Refer to Section 5 for the Independent Limited Assurance Report.

2.10 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities, pursuant to the Offers, from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

2.11 Dividend Policy

As an early-stage minerals exploration company, the Company has no source of revenue or profits and makes no forecast of whether it will generate revenue or profits in future. Accordingly, at the date of this Prospectus, the Company does not intend, or expect, to declare or pay any dividends in the foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

The Company has no dividend reinvestment plan.

2.12 Employee Share Option Plan

The Company has adopted an employee incentive scheme to align the interests of key employees, Directors and other personnel of the Company with the interests of Shareholders for their long-term mutual benefit. See Section 10.4 for further information.

2.13 Corporate Social Responsibility

The Company recognises the importance of managing and developing human capital and that a positive work environment would attract, motivate and retain talent. The Company is an equal opportunity employer that adopts fair employment practices in recruitment.

3. Board, Management and Corporate Governance

3.1 Board of Directors and Management

The following persons are the Directors of the Company:

- (a) Trevor Benson, Non-Executive Chairman;
- (b) Alex Passmore, Non-Executive Director; and
- (c) Richard Bevan, Non-Executive Director;

Stephen Lynn is Chief Executive Officer.

Matthew Worner is Company Secretary.

Silfia Morton is Chief Financial Officer.

The Directors confirm that they will have availability to perform their respective roles for the Company.

3.2 Directors' and Management Profiles

Refer to the below for profiles of the board and management of the Company

(a) **Stephen Lynn – Chief Executive Officer**

Mr Lynn is a geologist with over 25 years' experience in exploration and development of a range of commodities including nickel, gold, and base metals. He has worked extensively within Australia, South America and Russia, including 15 years in Western Australia previously for Great Central Mines, Gold Fields Limited and IGO Limited. He has played a key role in the discovery of both nickel and VMS style base metal deposits within Western Australia. Mr Lynn is a member of the Australian Institute of Geoscientists and holds Bachelor of Geology (App) and Master of Economic Geology degrees.

(b) **Trevor Benson – Independent Non-Executive Chairman**

Mr Benson has extensive experience as an investment banker and has served on a number of ASX listed company boards as both Chairman and Director. He has specialised in cross border transactions within the natural resources sector across China, Africa and South East Asia, and has been an adviser to Chinese State-Owned Enterprises. His specialist activities include corporate funding solutions and off-take agreement negotiations within the natural resources domain. Mr Benson holds a Bachelor of Science Degree from the University of Western Australia. Mr Benson was recently Chairman and Executive Director of Walkabout Resources Limited (ASX: WKT) (from 13 September 2016 to 19 October 2020) and is a non-executive director of Ionic Rare Earths Limited (appointed 1 August 2020).

(c) **Alex Passmore – Non-independent Non-Executive Director**

Mr Passmore is a qualified geologist with extensive corporate experience. He holds a Bachelor of Science degree with First Class Honours in Geology from the University of Western Australia and a Graduate Diploma of Applied Finance from the Securities Institute of Australia. Mr Passmore is an experienced corporate executive and company director with recent appointments including Chief Executive Officer of Cockatoo Iron NL, Non-Executive Director of Aspire Mining Ltd, Non-Executive (and Executive) Director of Equator Resources Ltd/Cobalt One Ltd (which merged with TSX-listed First Cobalt Corp), and CEO of Draig Resources (now Bellevue Gold Ltd). Mr Passmore is currently Managing Director of Rox Resources Limited.

(d) **Richard Bevan – Independent Non-Executive Director**

Mr Bevan has experience as a Chief Executive Officer and non-executive director and Chairman for listed and unlisted companies. He brings experience in the execution and integration of mergers, acquisitions and other major corporate transactions and has been involved in a number of business areas as diverse as healthcare, construction and engineering, mining technology and information services. His roles within these businesses have included operational management, implementing organic growth strategies and acquisitions and assisting with capital raisings. Mr Bevan is a member of the Australian Institute of Company Directors and is currently a Non-Executive Director of

Empired Ltd (ASX: EPD) (Non-Executive Director since 2008, including a period as Chairman from 29 November 2016 to 30 June 2018). Mr Bevan was also recently Managing Director of Cassini Resources Limited (ASX: CZI) (from 10 March 2011 to 5 October 2020).

(e) **Matthew Worner – Company Secretary**

Mr Worner is a Corporate Advisor at Grange Consulting Group Pty Ltd, where he specialises in corporate advisory, company secretarial and financial management services. Mr Worner is a former lawyer, with a broad experience in IPOs, capital raisings, Listing Rules and Corporations Act issues. Mr Worner has held management, company secretarial and board positions with various ASX and AIM listed companies. Mr Worner was previously company secretary for Tap Oil Limited (ASX: TAP) and is currently a director of Talon Petroleum Limited (ASX: TPD).

(f) **Silfia Morton – Chief Financial Officer**

Ms Morton is a corporate advisor at Grange Consulting Group Pty Ltd and specialises in financial management, financial reporting services, and risk compliance and management. She spent twelve years as senior audit manager at one of the leading international Audit Tax & Advisory firms where she was focused on engagements across the mining, technology and manufacturing sectors. She has experience in both the local and international markets and was responsible for managing the assurance and compliance requirements of a diversified group of large, medium, and small size companies in a range of industries.

3.3 ASX Corporate Governance Council Principles and Recommendations

(a) **Background**

Cannon has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Cannon Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with Cannon's needs. In light of Cannon's size and nature, the Cannon Board considers that the current Cannon Board composition and structure is a cost effective and practical method of directing and managing Cannon.

The Cannon Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles and Recommendations 4th Edition) (**ASX Recommendations**) where considered appropriate for Cannon's size and nature.

Cannon's main corporate governance policies and practices as at the date of this Prospectus are detailed below. Cannon's full Corporate Governance Plan is available in a dedicated corporate governance information section of Cannon's website at www.cannonres.com.au.

(b) **Board of Directors**

The Cannon Board is responsible for corporate governance of Cannon. The Cannon Board develops strategies for Cannon, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and protect Shareholder value;
- (ii) adopt and apply appropriate ethical standards in relation to the management of the Company and the conduct of its business; and
- (iii) monitor the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements.

Consistent with these goals, the Cannon Board assumes the following responsibilities (amongst others):

- (i) provide leadership and develop and approve the Company's corporate strategy, investment and performance objectives;
- (ii) appoint, monitor and manage the performance of the Company's executive directors;
- (iii) acting on behalf of, and being accountable to, Shareholders; and

- (iv) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

Cannon is committed to the circulation of relevant materials to Cannon Directors in a timely manner to facilitate Cannon Directors' participation in Cannon Board discussions on a fully-informed basis.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. The Board comprises three non-executive Directors (a majority of whom are considered independent).

(d) **Independence of the Board**

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

In accordance with the Board Charter, it is intended that the Board will comprise a majority of independent directors. The Board considers an independent Director to be a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent and unfettered exercise of their judgement. The Board has adopted a definition of independence that is based on the definitions in the ASX Recommendations. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board assesses independence of Directors upon appointment and annually through attestation from each Director.

The Board considers that each of Mr Trevor Benson (proposed Non-Executive Chairman) and Mr Richard Bevan (proposed Non-Executive Director) are free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Given Mr Alex Passmore is also Managing Director of Rox, a substantial shareholder of the Company, the Board considers that Mr Alex Passmore is not an independent Director.

Accordingly, the Board will consist of a majority of independent Directors. The Board considers that each of the independent non-executive Directors brings an objective and independent judgement to the Board's deliberations and that each of the independent non-executive Directors makes a valuable contribution to the Company through the skills they bring to the Board and their understanding of the Company's business.

(e) **Roles and responsibilities of the Cannon Board**

In addition to matters it is expressly required by law to approve, the Cannon Board has the following specific responsibilities:

- (i) appointment, and where necessary, the replacement, of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (ii) driving the strategic direction of Cannon, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (iii) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (iv) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (v) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (vi) approving the annual, half yearly and quarterly accounts;

- (vii) approving the issue of any shares, options, equity instruments or other securities in Cannon (subject to compliance with the Listing Rules if applicable);
- (viii) approving Cannon's remuneration framework; and
- (ix) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.

(f) **Ethical Standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(g) **Remuneration and Nomination Committee**

The remuneration of any Executive Director will be decided by the Board following the recommendation of the Remuneration and Nomination Committee, without the affected Executive Director participating in that decision-making process. The Remuneration and Nomination Committee comprises Mr Trevor Benson, Mr Alex Passmore and Mr Richard Bevan. Mr Richard Bevan is the chair of the Remuneration and Nomination Committee.

In compliance with the ASX Recommendations, the Remuneration and Nomination Committee comprises three members, a majority of whom are considered independent and is chaired by an independent Director.

The Constitution provides that the non-executive Directors will be paid by way of remuneration for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company or pursuant to a resolution passed at a general meeting of the Company (subject to complying with the Listing Rules).

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Remuneration and Nomination Committee reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Remuneration and Nomination Committee is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Risk and Audit Committee**

The Company has a Risk and Audit Committee which operates under a Risk and Audit Committee Charter which includes, but is not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and the Company's risk management systems, the identification and management of business, economic, environmental and social sustainability risk and the external audit function.

The Risk and Audit Committee comprises Mr Trevor Benson, Mr Alex Passmore and Mr Richard Bevan. Mr Trevor Benson is chair of the Risk and Audit Committee. In compliance with the ASX Recommendations, the Risk and Audit Committee comprises only non-executive Directors, a majority of whom are considered independent and is chaired by an independent Director.

(i) **External Audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors following the recommendation from the Risk and Audit Committee.

(j) **Internal Audit**

The Company does not currently have an internal audit function. The Board considers the Risk and Audit Committee and financial control function in conjunction with its risk management policy is sufficient for a Company of its size and complexity.

(k) **Cannon Board processes**

The Cannon Board processes will be governed by the Constitution.

The Chairman of the Board is an ex-officio member of each Board committee and the Chief Executive Officer is a standing invite to Board committee meetings.

3.4 Corporate Governance Policies

The Company has adopted the following policies, each of which has been prepared having regard to the ASX Recommendations, and is available on the Company's website at www.cannonres.com.au.

- (a) **Code of Conduct** - This policy details the standards of ethical behaviour that the Company expects from its Directors, officers and employees.
- (b) **Continuous Disclosure Policy** - Once listed on the ASX, the Company will need to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Securities. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.
- (c) **Risk Management Policy** - This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.
- (d) **Securities Trading Policy** - The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its officers and key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading in Company securities.
- (e) **Shareholder Communications Policy** - This policy details the practices which the Company will implement to ensure effective communication with its shareholders.
- (f) **Diversity Policy** - The Board values diversity and recognises the benefits it can bring to the Company's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.
- (g) **Whistleblowing Policy** - This policy details the practices which the Company will implement to ensure any malpractice, impropriety, statutory non-compliance or wrongdoing is appropriately reported without fear of adverse consequences.
- (h) **Anti-bribery and anti-corruption policy** - This policy details the practices which the Company will implement to ensure any malpractice, impropriety, statutory non-compliance or wrongdoing is appropriately reported without fear of adverse consequences.

3.5 Compliance with ASX Recommendations

The ASX Recommendations are not prescriptions but guidelines. However, under the Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation it must identify the recommendations that it has not followed and provide reasons for not following it.

As at the date of this Prospectus, the Company's compliance and non-compliance with the fourth edition of the ASX Recommendations is as detailed in the following table.

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS	COMPLY (Yes/No)	EXPLANATION
1.	Lay solid foundations for management and oversight	
1.1	<p>Companies should have and disclose a board charter:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>Yes</p> <p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chairman and management and includes a description of those matters expressly reserved to the Board and those delegated to management. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.</p>
1.2	<p>Companies should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Yes</p> <p>The process for selection, appointment, and re-appointment of directors is detailed in the Remuneration and Nomination Committee Charter.</p> <p>The Company's Remuneration and Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Remuneration and Nomination Committee to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. Under the Remuneration and Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director. Information in respect to each Directors experience and qualifications will be outlined in the Annual Report. Directors will be put</p>

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION												
			forward for re-election at the Company's Annual General Meeting.												
1.3	Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	<p>Detailed in the Remuneration and Nomination Committee Charter. The Company requires each Director and senior executive to execute a written agreement setting out the terms of their appointment.</p> <p>The Company has written agreements with each of its Directors and executive service agreements with key management personnel.</p>												
1.4	The company secretary should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.												
1.5	<p>Companies should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the <i>Workplace Gender Equality Act</i>, the entity's most recent "Gender Equality Indicators",</p>	Yes	<p>The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives if considered appropriate, and to assess annually both the objectives if any have been set and the Company's progress in achieving them. The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website. The respective proportions of men and women on the Board, key management personnel and across the whole organisation is outlined below:</p> <table><tr><td></td><td>Male</td><td>Female</td></tr><tr><td>Directors</td><td>100%</td><td>0%</td></tr><tr><td>Senior Executives</td><td>100%</td><td>0%</td></tr><tr><td>Other employees</td><td>100%</td><td>0%</td></tr></table>		Male	Female	Directors	100%	0%	Senior Executives	100%	0%	Other employees	100%	0%
	Male	Female													
Directors	100%	0%													
Senior Executives	100%	0%													
Other employees	100%	0%													

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
	as defined in and published under that Act.		
1.6	<p>Companies should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>The Board is responsible for evaluating the performance of the Board, its committees and individual Directors and senior executives on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Board Charter, which is available on the Company's website. The Board should ensure that an evaluation of the Board, its committees and individual directors is undertaken in accordance with the Board Charter in future years. The Company will provide details as to its compliance with these recommendations in its future annual reports.</p>
1.7	<p>Companies should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>Under the Board Charter, the Board (with the advice and assistance of the Remuneration and Nomination Committee) should be responsible for reviewing and approving the performance of the members of the executive leadership team. The Board should ensure that an evaluation of the members of its executive leadership team is undertaken in accordance with the Board Charter in future years and should make disclosure as to whether the performance evaluation was undertaken in the reporting period.</p>
2.	Structure the board to add value		
2.1	<p>The board should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number</p>	Yes	<p>The Board has established a Remuneration and Nomination Committee to oversee the selection and appointment practices of the Company.</p> <p>The Remuneration and Nomination Committee is governed by a Remuneration and Nomination Committee Charter. The Remuneration and Nomination Committee has three members, a majority of whom are considered independent Directors.</p> <p>The Remuneration and Nomination Committee is chaired by an independent Director for ASX purposes. The Remuneration and Nomination Committee Charter prohibits a member of the Committee from being present for discussions at a Committee meeting on,</p>

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS	COMPLY (Yes/No)	EXPLANATION
	<p>of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>or to vote on a matter regarding, his or her election, re-election, or removal.</p> <p>The Company will provide details as to the number of times the Committee met and the individual attendances of the members at those meetings in its future annual reports</p>
2.2	Companies should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>The Company's Remuneration and Nomination Committee is responsible for regularly reviewing the size, composition and skills of the Board to ensure that the Board is able to discharge its duties and responsibilities effectively and to identify any gaps in the skills or experience of the Board. The Company should disclose details of any board skills matrix it adopts.</p> <p>The Company has reviewed the skills, experience and expertise of each of its Directors across the following categories: Finance, Industry, Investor/Public Relations, Health, Safety/Environment, Legal, Risk & Compliance, Corporate Governance and Strategy. The Remuneration and Nomination Committee following review of the matrix have not identified any material weakness in the Board's ability to discharge its duties and responsibilities effectively.</p>
2.3	<p>Companies should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an</p>	<p>The Company should assess the independence of its Directors against the requirements for independence in the Board Charter which should reflect the independence criteria detailed in the ASX Corporate Governance Principles.</p> <p>Director independence should initially be assessed upon each Director's appointment and reviewed each year, or as required when a new personal interest or conflict of interest is disclosed. Directors should disclose all actual or potential conflicts of interest on an ongoing basis.</p>

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
	<p>explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>		<p>The Board considers Mr Trevor Benson and Mr Richard Bevan to be independent Directors.</p> <p>The Company's annual report will disclose the length of service of each Director, as at the end of the financial year.</p>
2.4	A majority of the board should be independent directors.	Yes	<p>The Board Charter requires that, where practical, the majority of the Board be comprised of independent Directors.</p> <p>The Board has considered independence and a majority of the Directors are considered independent.</p>
2.5	The chair of the board should be an independent director and, in particular, should not be the same person as the CEO.	Yes	<p>The Board should appoint a chair that is independent as outlined in the Board Charter.</p> <p>The Chairman of the Company is Mr Trevor Benson, who is an independent Director and has not been the Chief Executive Officer.</p>
2.6	Companies should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	<p>Upon appointment, new Directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively.</p> <p>In accordance with the Company's Board Charter, the Remuneration and Nomination Committee is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.</p>
3	Act ethically and responsibly		
3.1	A listed entity should articulate and disclose its values.	Yes	The Board has articulated and disclosed its statement of values in accordance with Recommendation 3.1 on the Company's website: www.cannonres.com.au .
3.2	Companies should:	Yes	The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. Any material breaches

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
	(a) have a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.		should be disclosed to the Board or to the Remuneration and Nomination committee. The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.
3.3	A listed entity should: (a) have and disclose a whistle blower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	The Company's Whistle Blower Policy (which forms part of the Company's Corporate Governance Plan) is available on the Company's website. Any material breaches should be disclosed to the Board or to the Risk and Audit Committee.
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	Yes	The Company's Anti-Bribery and Corruption Policy (which forms part of the Company's Corporate Governance Plan) is available on the Company's website. Any material breaches should be disclosed to the Board or to the Risk and Audit Committee.
4	Safeguard integrity in corporate reporting		
4.1	The board should: (a) have an audit committee which: <ol style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: <ol style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or 	Yes	The Company has a Risk and Audit Committee comprising Mr Trevor Benson, Mr Alex Passmore and Mr Richard Bevan. The Board is of the view that the experience and professionalism of the persons on the Risk and Audit Committee are sufficient to ensure that all significant financial reporting matters are appropriately addressed and actioned. The Company's Corporate Governance Plan contains a Risk and Audit Committee Charter that provides for the creation of a Risk and Audit Committee (if it is considered that it will benefit the Company). A copy of the Corporate Governance Plan is available on the Company's website. The qualification of the Risk and Audit Committee members and number of meetings attended during the financial year will be outlined in the Company's Annual Report.

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
	(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		
4.2	The board should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Company's Risk and Audit Committee Charter requires the Chief Executive Officer and Chief Financial Officer to provide a sign off on these terms.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor	Yes	Under the Board's Charter, the Board, with the assistance of the Risk and Audit Committee should ensure that there is a process to verify the integrity of any periodic report it releases to the market that is not audited or reviewed by an external auditor. The Board should be responsible under the Charter for the disclosure of this process to the market for the benefit of investors.
5	Make timely and balanced disclosure		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	Yes	<p>The Company is committed to taking a proactive approach to continuous disclosure and creating a culture within the Company that promotes and facilitates compliance with the Company's continuous disclosure obligations.</p> <p>The Company has adopted a written policy to ensure compliance with their ASX Listing Rule disclosure obligations. A copy of the Company's Continuous Disclosure Policy is available on the Company's website.</p>
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Company will ensure, as part of its Continuous Disclosure Policy that there is a nominated person responsible for the delivery of all material market

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
			announcements to the Board after they have been made. It is the Company Secretary's responsibility under the Company's Continuous Disclosure Policy.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company's Continuous Disclosure Policy will ensure that the Company makes timely disclosure of any presentation to new and substantive investors or analysts irrespective of whether the information contained in it is material. This is to ensure the equality of information among investors. It is the Company Secretary's responsibility under the Company's Continuous Disclosure Policy.
6	Respect the rights of security holders		
6.1	Companies should provide information about itself and its governance to investors via its website.	Yes	The Company's website www.cannonres.com.au provides information about the Company including information relevant to investors including the Company's Corporate Governance Plan, Constitution, ASX Announcements, Financial Report and Directors/Management.
6.2	Companies should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors. The Policy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan. Investors are encouraged to attend the Company's security holder meetings, and are able to contact the Company's management by email at admin@cannonres.com.au .
6.3	Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Refer to the Company's Shareholder Communications Policy available on the Company's website as part of the Company's Corporate Governance Plan.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of	Yes	As part of the Board Charter, the Company should ensure that all

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
	security holders are decided by a poll rather than by a show of hands.		substantive resolutions at a meeting of security holders are decided by poll rather than by hand. This should be the responsibility of the person chairing the meeting to ensure certainty.
6.5	Companies should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company's share register is currently maintained by Automic. Shareholders have the option of receiving shareholder communications from the Company and Automic electronically, unless an original signature or documents is required. Shareholders can register on the Company's website to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports.
7	Recognise and manage risk		
7.1	<p>Companies should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, <p>and disclose:</p> <ol style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	Yes	<p>The Company's Corporate Governance Plan contains a Risk and Audit Committee Charter that provides for the creation of a Risk and Audit Committee, with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>The Company's Risk and Audit Committee is comprised of Mr Trevor Benson, Mr Alex Passmore and Mr Richard Bevan, a majority of whom are independent Directors. Mr Trevor Benson is chair of the Risk and Audit Committee and is an independent Director.</p> <p>In conjunction with the other corporate governance policies, the Company has adopted a Risk Management Policy which is designed to assist the Company to identify, assess, monitor and manage its business risk, including any material changes to its risk profile.</p> <p>The Risk and Audit Committee should be responsible for ensuring that the Company maintains effective risk management and internal control systems and processes and provides regular reports to the Board on these matters.</p>

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS	COMPLY (Yes/No)	EXPLANATION
		<p>A copy of the Corporate Governance Plan is available on the Company's website.</p> <p>The Company will provide details as to the number of times the committee met and the individual attendances of the members at those meetings in its future annual reports.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Risk and Audit Committee Charter requires that the Risk and Audit Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound.</p> <p>The Board did not complete a formal risk assessment framework review during the period ended 30 June 2020 due to the Company being incorporated on 25 November 2020, however the Board of Directors reviews the key risks facing the Company on an ongoing basis.</p> <p>Management is currently however preparing a formal risk register which will be reviewed by the Board as part of its risk assessment framework in the 2021 and 2022 financial years.</p>
7.3	<p>Companies should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>The Risk and Audit Committee Charter provides for the Risk and Audit Committee to monitor the need for an internal audit function.</p> <p>The Company does not currently have an internal audit function given the stage and size of the Company's operations. The Risk and Audit Committee is responsible for ensuring that sound risk management policies are in place for the Company, and reporting to the Board as appropriate.</p> <p>Management is further responsible for undertaking and assessing risk management and internal control effectiveness, and the Board assumes the responsibility to establish and implement effective management and internal control processes.</p>
7.4	<p>Companies should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Risk and Audit Committee Charter requires the Risk and Audit Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to</p>

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
			<p>economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company will disclose any material risk exposures in its Annual Report, through ASX announcements and on its ASX website as part of its continuous disclosure obligations.</p>
8	Remunerate fairly and responsibly		
8.1	<p>Companies should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	<p>The Company's Corporate Governance Plan contains a Remuneration and Nomination Committee Charter that provides for the creation of a Remuneration and Nomination Committee, with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>The Company has a Remuneration and Nomination Committee, comprising a majority of independent Directors. Mr Richard Bevan is chair of the Remuneration and Nomination Committee and is not Chairman of the Board.</p> <p>The Company will provide details as to the number of times the Remuneration and Nomination Committee met and the individual attendances of the members at those meetings in its future annual reports.</p>
8.2	Companies should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	The Remuneration and Nomination Committee is responsible for setting and reviewing the policies and practices of the Company regarding the remuneration of non-executive Directors and the remuneration of

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
			<p>executive Directors and other senior executives, separately. The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed on the Company's website.</p> <p>The Non-Executive Directors are paid a fixed annual fee for their service to the Company as Non-Executive Directors. Executive Directors of the Company typically receive remuneration comprising a base salary component and equity based remuneration incentive. Directors and senior executives are entitled to participate in the Company's equity based incentive plans such as the Employee Share Option Plan, having regard to their role, experience and contribution to the Company.</p> <p>Details of the remuneration of the Directors and key management personnel will be outlined in the Company's Annual Report.</p>
8.3	<p>A company which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company has adopted a Securities Trading Policy which provides that participants must not, without prior written approval by the relevant person specified in the Policy, engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Company's securities.</p> <p>The Company's Securities Trading Policy is available on the website.</p>
9	Additional recommendations that apply only in certain cases		
9.1.	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Not applicable	The Company, as part of its Risk Management Policy will ensure that there are appropriate processes in place for Directors who do not speak or read in the language of the Board to ensure understanding, contribution and discharge of their duties. Whilst it should be the ultimate responsibility of the Company's Management, the Risk and Audit Committee should assist in developing these processes.
9.2	A listed entity established outside Australia should ensure that meetings of	Not applicable	

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
	security holders are held at a reasonable place and time.		
9.3	Companies should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company will require its external auditor to attend its AGM to answer any questions from shareholders relevant to the audit and this is specifically detailed in the Company's Shareholder Communication Policy which is available on the Company's website.

4. Financial Information

4.1 Introduction

This Section outlines the financial information of the Company in connection with the Offers and the Company's application for admission to the Official List.

The financial information in this Section 4 consists of:

- (a) historical statement of financial position as at 31 December 2020, historical statement of profit or loss and other comprehensive income for the period since incorporation on 25 November 2020 to 31 December 2020, and historical statement of cash flows for the period then ended of the Company (the **Historical Financial Information**);
 - (b) the pro forma historical financial information, which comprises the pro forma historical statement of financial position as at 31 December 2020 (the **Pro Forma Historical Financial Information**); and
 - (c) related notes as set out in this Section 4 of the Prospectus,
- (together, the **Financial Information**).

The Pro Forma Historical Financial Information has been prepared based on the Historical Financial Information as at 31 December 2020, adjusted for the pro forma transactions as detailed in Section 4.4, as if they had occurred as at 31 December 2020.

The Directors are responsible for the inclusion of the Financial Information in the Prospectus.

The purpose of the inclusion of the Financial Information is to illustrate the effects of the Demerger Agreement and the relevant pro forma transactions. The effect of the Demerger Agreement is that the Company will acquire the Projects for 45,000,000 Shares at a deemed issue price of \$0.20 per Share (**Consideration Shares**), and amongst other things, addresses:

- (a) the conditions precedent for the Demerger;
- (b) the Priority Offer process; and
- (c) funding of Cannon during the Demerger and the Priority Offer process.

The information presented in this 4 should be read in conjunction with the risk factors as detailed in Section 8 and other information included in this Prospectus.

4.2 Historical Financial Information

(a) Historical Consolidated Statement of Financial Position

Unaudited At 31 December 2020 \$		
Current assets		
Cash and cash equivalents	Note 1	-
Other Assets	Note 2	-
TOTAL CURRENT ASSETS		-
Non-current assets		
Exploration expenditure	Note 3	-
TOTAL NON CURRENT ASSETS		-

		Unaudited At 31 December 2020 \$
TOTAL ASSETS		-
Current liabilities		
Trade and other payables		(114,000)
TOTAL CURRENT LIABILITIES		(114,000)
Non-current liabilities		
Related party loan	Note 4	-
TOTAL NON CURRENT LIABILITIES		-
TOTAL LIABILITIES		(114,000)
NET ASSETS		(114,000)
Equity		
Contributed equity	Note 5	-
Share based payment reserve	Note 6	-
Accumulated losses	Note 7	(114,000)
TOTAL EQUITY		(114,000)

The above consolidated statement of financial position income is to be read in conjunction with Section 4.3.

(b) **Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Unaudited At 31 December 2020 \$
Revenue and other income	
Interest income	-
Other income	-
Finance income	-
Expenses	
Corporate expenses	(114,000)
Share based payments	-
LOSS BEFORE INCOME TAX	(114,000)
Income tax benefit/(expense)	-

	Unaudited At 31 December 2020 \$
LOSS AFTER INCOME TAX	(114,000)
Other comprehensive income	
Other comprehensive income, net of tax	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(114,000)

The above historical consolidation statement of profit or loss and other comprehensive income is to be read in conjunction with Section 4.3.

(c) **Historical Consolidation Statements of Cash Flows**

	Unaudited At 31 December 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES	
Interest Received	-
Payments to Suppliers and Employees	-
Net Cash Used in Operating Activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Mineral Properties	-
Purchase of Equipment	-
Net Cash Used in Investing Activities	
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Issue of Ordinary Shares	-
Share Issue Cost	-
Net Cash Provided by Financing Activities	
Net Decrease in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of Period	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	-

The above historical consolidated statements of cash flows are to be read in conjunction with Section 4.3.

4.3 Basis of Preparation

The Pro Forma Historical Financial Information has been prepared derived from the Historical Financial Information in Section 4.2, and assumes the completion of the pro forma adjustments, as detailed in Section 4.4 as if those adjustments had occurred as at 31 December 2020.

The Financial Information contained in this Section 4 is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

4.4 Pro Forma Historical Financial Information Adjustments

For the purposes of the Pro Forma Historical Financial Information, the Demerger and the Offers together comprise the **Transaction**.

The Pro Forma Historical Financial Information has been compiled by adjusting the Statement of Financial Position of the Company as at 31 December 2020 and reflecting the impact of the following items and pro forma transactions which are yet to occur, but are proposed to occur immediately before or following completion of the Transaction.

The following adjustments have been made:

- (a) the transfer of the Projects from Rox to the Company in exchange for the Consideration Shares;
- (b) the payment of cash costs related to Priority Offer expenses by Rox deemed to be loaned to Cannon interest free, estimated to be approximately \$309,539 (**Rox Expenses Loan**);
- (c) the issue of 30,000,000 Shares in the Company at A\$0.20 per Share together with 1 Attaching Option for every 3 Shares issued to raise A\$6,000,000 (before costs);
- (d) the payment of the Joint Lead Manager fees, totaling \$390,000, from the proceeds of the raising;
- (e) the issue of 6,750,000 Incentive Options to the Board and Management prior to admission for nil cash consideration (as described in the Investment Overview, Sections 1.7 and 10.6); and
- (f) the repayment by the Company, within 5 Business Days of completion of the Priority Offer, of the Rox Expenses Loan.

The pro forma cash and cash equivalents in the Pro Forma Financial Information takes into account the transactions above.

4.5 Pro Forma Historical Financial Information

		Unaudited At 31 December 2020 \$	Pro-Forma adjustments \$	Pro-Forma adjustments \$	Unaudited At 31 December 2020 Pro-Forma after issue \$
Current assets					
Cash and cash equivalents	Note 1	-	-	5,300,461	-
Other Assets	Note 2	-	3,206	(3,206)	-
TOTAL CURRENT ASSETS		-	3,206	5,297,255	5,300,461

		Unaudited At 31 December 2020 \$	Pro-Forma adjustments \$	Pro-Forma adjustments \$	Unaudited At 31 December 2020 Pro-Forma after issue \$
Non-current assets					
Exploration expenditure	Note 3	-	9,000,000	-	9,000,000
TOTAL NON CURRENT ASSETS		-	9,000,000	-	9,000,000
TOTAL ASSETS		-	9,003,206	5,297,255	14,300,461
Current liabilities					
Trade and other payables		(114,000)	114,000	-	-
TOTAL CURRENT LIABILITIES		(114,000)	114,000	-	-
Non-current liabilities					
Related party loan	Note 4	-	(309,539)	309,539	-
TOTAL NON-CURRENT LIABILITIES		-	(309,539)	309,539	-
TOTAL LIABILITIES		(114,000)	(195,539)	309,539	-
NET ASSETS		(114,000)	8,807,667	5,606,794	14,300,461
Equity					
Contributed equity	Note 5	-	9,000,000	5,606,794	14,606,794
Share based payment reserve	Note 6	-	720,486	-	720,486
Accumulated losses	Note 7	(114,000)	(912,819)	-	(1,026,819)
TOTAL EQUITY		(114,000)	8,807,667	5,606,794	14,300,461

The above pro forma historical consolidation statement of financial position is derived from the historical consolidated statement of financial position adjusted for the pro forma transactions noted in Section 4.4 and is to be read in conjunction with Sections 4.6 and Section 4.7.

4.6 Notes to and formulating part of the Historical and Pro Forma Historical Financial Information

This Prospectus does not include all the notes of the type normally included in an annual financial report. The significant accounting policies which have been adopted in the preparation of the historical and pro forma historical financial information are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) **Reporting framework**

The pro forma historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements specified by all the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**) and the Corporations Act.

The pro forma historical financial information has been prepared on an accruals basis and is based on historical costs. The pro forma historical financial information is presented in Australian dollars.

(b) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) **Deferred exploration and evaluation expenditure**

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

(d) **Issued capital**

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction, net of tax, of the share proceeds received.

(e) **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that the Company commits itself to either purchase or sale of assets.

(f) **Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

An instrument is a financial liability when an issuer is, or can be required, to deliver either cash or another financial asset (e.g. ordinary shares in the Company) to the holder.

Where the Company has the choice of settling a financial instrument in cash or otherwise is contingent on the outcome of circumstances beyond the control of both the Company and the holder, the Company accounts for the instrument as a financial liability. All financial liabilities are initially recognised at fair value.

(g) **Financial assets**

Financial assets are initially recognised at fair value.

The Company applies the AASB 9 Financial Instruments (**AASB 9**) simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Where the simplified approach to measuring the expected credit loss does not apply, the Company recognises a loss allowance on initial recognition based on the 12 month expected credit losses. The Company thereafter continues to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in the credit risk since initial recognition of the financial asset. Specifically, AASB

9 requires the Company to measure the loss allowance at an amount equal to the lifetime expected credit loss.

(h) **Share based payment transactions**

The Company provides benefits to employees (including Directors) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the shares at the grant date.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions').

The cost of equity-settled transactions is recognised in the Statement of Profit or Loss, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance sheet date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transactions a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were modification of the original award, as described in the previous paragraph.

NOTE 1 - CASH AND CASH EQUIVALENTS	Unaudited As at 31 December 2020 A\$	Pro forma A\$
Issue of one ordinary share at A\$0.20 on incorporation (25 November 2020)		
As at 31 December 2020	-	5,300,461
<i>Pro forma adjustments</i>		
Capital raising		6,000,000
Cash costs related to the Offers and admittance of the Company to the Official List of the ASX		(699,539)
Pro forma balance		5,300,461

NOTE 2 – OTHER ASSETS	Unaudited As at 31 December 2020 A\$	Pro forma A\$
As at 31 December 2020	-	-
<i>Pro forma adjustments</i>		
Prepayments - cash costs incurred related to the Offers of Shares in the Company		3,206
Recognition of cash costs incurred pre Offers in equity upon completion of the offer of Shares in the Company		(3,206)
Pro forma balance		-

NOTE 3 – EXPLORATION AND EVALUATION	Unaudited As at 31 December 2020 A\$	Pro forma A\$
As at 31 December 2020	-	9,000,000
<i>Pro forma adjustments</i>		
The acquisition by the Company of the Projects from Rox in exchange for the Consideration Shares		9,000,000
Pro forma balance		9,000,000

NOTE 4 – RELATED PARTY LOAN	Unaudited As at 31 December 2020 A\$	Pro forma A\$
As at 31 December 2020	-	-
<i>Pro forma adjustments</i>		
Cash costs incurred related to the Offers and Admittance of the Company to the Official List of the ASX deemed to be loaned to the Company interest free pre Priority Offer (Rox Expenses Loan)		(309,539)
Repayment of the Rox Expenses Loan within 5 Business days of completion of the Priority Offer		309,539
Pro forma balance		-

NOTE 5 - CONTRIBUTED EQUITY	Unaudited As at 31 December 2020 A\$	Pro forma A\$
As at 31 December 2020 (1 share at \$0.20)	-	14,606,794
<i>Pro forma adjustments</i>		
The transfer of the Projects from Rox to the Company in exchange for the Consideration Shares		9,000,000
The issue of 30,000,000 Shares in the Company at A\$0.20 per share together with 1 Attaching Option for every 3 Shares issued to raise A\$6,000,000 (before costs)		6,000,000
Less: Cash costs incurred related to the Offers		(393,206)
Pro forma balance		14,606,794

	Unaudited As at Incorporation and 31 December 2020 Number	Pro forma Number
Number of Shares	1	75,000,001
<i>Pro forma adjustments</i>		
The transfer of the Projects from Rox to the Company in exchange for the Consideration Shares		45,000,000
The issue of 30,000,000 Shares in the Company at A\$0.20 per share together with 1 Attaching Option ¹ for every 3 Shares issued to raise A\$6,000,000 (before costs)		30,000,000
Pro forma balance		75,000,001

¹The Free Attaching Options represent a transaction “with shareholders as shareholders” and are not accounted for under AASB 2 Share Based Payments. Accordingly, no value has been ascribed to these options.

NOTE 6 – SHARE BASED PAYMENT RESERVE	Unaudited As at 31 December 2020 A\$	Pro forma A\$
As at 31 December 2020	-	720,486
<i>Pro forma adjustments</i>		
The issue of Incentive Options to the Board and management with a A\$0.30 strike price and an expiry date of 30 June 2024 ¹		720,486
Pro forma balance		720,486

¹ The Incentive Options were valued using Black-Scholes option pricing model, utilising the following inputs:

Number of options	6,750,000
Grant date share price	\$0.20
Exercise price	\$0.30
Expected volatility	100%
Option life	3 years
Risk-free interest rate	0.10%
Fair value per option granted	\$0.10674

NOTE 7 – ACCUMULATED LOSSES	Unaudited As at 31 December 2020 A\$	Pro forma A\$
As at 31 December 2020	(114,000)	(1,026,819)
<i>Pro forma adjustments</i>		
At incorporation on 25 November 2020		-
Costs relating to the Admittance of the Company to the Official List of the ASX incurred:		
- pre 31 December 2020		(114,000)
- post 31 December 2020		(192,333)
Share based payment expense recognised in respect of Incentive Options issued to the Board and Management		(720,486)
Pro forma balance		(1,026,819)

NOTE 8 - COSTS OF THE OFFERS	Unaudited As at 31 December 2020 A\$	Pro forma A\$
Costs of the Offers ¹	114,000	699,539
<i>Comprising</i>		
Legal fees	50,000	
Independent Geologist Fees	40,000	
Investigating Accountant's Fees	14,000	
Transaction management fees	10,000	
<i>Pro forma adjustments</i>		
Legal fees		50,000
ASIC Lodgement Fee		3,206
ASX Listing Fee		82,233
Transaction management fees		40,000
Share Registry, Printing and Miscellaneous Costs		20,000
Joint Lead Managers Fees ²		390,000
Pro forma balance		699,539

	Pro forma A\$
¹ <i>Split between equity and profit and loss</i>	
Contributed Equity – Transaction costs	393,206
Profit and loss – Corporate expenses	306,333
Pro forma balance	699,539

² The Joint Lead Manager Fees include the maximum amount payable in connection with the Offers for the **Corporate Advisory Fee**, the **IPO Issue Management Fee** and the **Shortfall Capital Raising Fee**.

The amount excludes the **Unmarketable Parcel Sell Down Fee**, being 6% of the amount of cash that Shareholders receive in lieu of their in-specie distribution for unmarketable parcels, as the number of Shareholders likely to take up this offer cannot be reliably estimated.

4.7 Taxation

Rox has sought a ruling from the ATO in respect of the grant of Demerger Relief in respect of the intended distribution of 36,450,000 Cannon Shares to Eligible Rox Shareholders.

Furthermore, in accordance with the Demerger Agreement, while Rox is responsible for all taxes and associated liabilities arising in connection with the Demerger, Cannon remains responsible for all taxes and associated liabilities arising in connection with the Offers.

5. Independent Limited Assurance Report

Pitcher Partners BA&A Pty Ltd

ABN 76 601 361 095

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Perth WA 6000

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PO Box 5622
St Georges Terrace
Perth WA 6831

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26 May 2021

PRIVATE & CONFIDENTIAL

The Directors
Cannon Resources Limited
Level 2, 87 Colin Street
WEST PERTH, WA 6005

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON CANNON RESOURCES LIMITED HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

5.1 INTRODUCTION

The directors ("*Directors*") of Cannon Resources Limited ("*Company*") have engaged Pitcher Partners BA&A Pty Ltd ("*Pitcher Partners*") to report on the historical and pro forma historical financial information ("*Financial Information*") of the Company to be included in the prospectus of the Company ("*Prospectus*") for a priority offer to eligible Rox Resources Limited shareholders of up to 30,000,000 Shares at an issue price of A\$0.20 per share, together with one free attaching Option for every three Shares issued to raise \$6,000,000 (before costs) ("*Priority Offer*").

The purpose of the inclusion of the Financial Information in the Prospectus is to illustrate the effect of the Demerger Agreement such that the Company will acquire Projects for 45,000,000 Shares at a deemed issue price of \$0.20 per Share ("*Consideration Shares*"), and for the subsequent Priority Offer.

We have prepared this Independent Limited Assurance Report ("*Report*") to be included in a Prospectus dated on or around 26 May 2021 relating to the Priority Offer.

Unless stated otherwise, expressions defined in the Prospectus (in which this Report is included) have the same meaning in this Report and section references are to sections of the Prospectus.

5.2 SCOPE

This Report deals with the Financial Information included in Section 4 of the Prospectus. The Financial Information consists of:

- historical statement of financial position as at 31 December 2020, historical statement of profit or loss and other comprehensive income for the period since incorporation on 25 November 2020 to 31 December 2020, and historical statement of cash flows for the period then ended of the Company (the “*Historical Financial Information*”);
- pro forma historical statement of financial position as at 31 December 2020 of the Company, (the “*Pro Forma Historical Financial Information*”); and
- related notes as set out in Section 4 of the Prospectus.

The Pro forma Historical Financial Information in Section 4 has been prepared to illustrate the financial position of the Company as at completion of the Priority Offer and has been prepared on the basis of the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events to which the pro forma assumptions relate, as described in Section 4 of the Prospectus, as if those events had occurred as at 31 December 2020. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial information.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports.

Pitcher Partners disclaims any responsibility for any reliance on this Report or the Financial Information to which it relates for any purpose other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus and has been prepared for inclusion in the Prospectus.

5.3 DIRECTORS’ RESPONSIBILITIES

The Directors of the Company are responsible for the preparation and presentation of:

- the Historical Financial Information and Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of pro forma adjustments made to the statutory historical financial information and included in the Pro Forma Historical Financial Information.

This includes responsibility for its compliance with applicable laws and regulations and such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

5.4 OUR RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the Financial Information included in Section 4 of the Prospectus based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion on the Financial Information of the Company.

Our engagement did not involve updating or re issuing any previously issued audit or review report on any Financial Information used as a source of the Financial Information.

5.5 CONCLUSION

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical Financial Information, comprising:

- the Historical Statement of Financial Position as at 31 December 2020, as set out in Section 4 of the Prospectus;
- Historical Statements of Profit or Loss and Other Comprehensive Income for the period since incorporation to 31 December 2020, as set out in Section 4 of the Prospectus; and
- Historical Statements of Cash Flows for the period since incorporation to 31 December 2020, as set out in Section 4 of the Prospectus,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus being the recognition and measurement principles described under Australian Accounting Standards and the Company adopted accounting policies applied to the Historical Financial Information.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, comprising:

- the Pro Forma Historical Statement of Financial Position as at 31 December 2020, as set out in Section 4 of the Prospectus,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company adopted accounting policies applied to the Pro Forma Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 4 of the Prospectus, as if those events or transactions had occurred as at the date of the Pro Forma Historical Financial Information.

5.6 RESTRICTION ON USE

Without modifying our conclusions, we draw attention to Section 4 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

Investors should consider the risks factors set out in Section 8 of the Prospectus.

5.7 LEGAL PROCEEDINGS

The Company is not, and has not been, since its establishment to the date of this Prospectus, involved in any legal or arbitration proceedings that have had a significant effect on the financial position of the Company.

As far as the Directors are aware, no such proceedings are threatened against the Company.

5.8 NO OTHER EVENTS

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no other material transactions or events outside of the ordinary business of the Company have come to our attention, that would require comment on, or adjustment to the information referred to in our Report, or that would cause such information to be misleading or deceptive.

5.9 SOURCES OF INFORMATION

Pitcher Partners has made enquiries of the Directors, selected management of the Company and other parties as considered necessary during the course of our analysis of the Financial Information of the Company. We have also referred to the Prospectus and material documents which relate to the proposed operations of the Company.

We have no reason to believe the information supplied is not reliable.

5.10 INDEPENDENCE OR DISCLOSURE OF INTEREST

Pitcher Partners has no financial or other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion on the matters that are subject of this Report for which normal professional fees will be received.

Neither Pitcher Partners BA&A Pty Ltd, any director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of this Priority Offer, other than a fee payable to Pitcher Partners in connection with the preparation of our Report for which normal professional fees will be received.

5.11 LIABILITY

Pitcher Partners has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report, this consent has not been withdrawn.

The liability of Pitcher Partners is limited to the inclusion of this Report in the Prospectus. Pitcher Partners has not authorised the issue of the Prospectus. Accordingly, Pitcher Partners makes no representation regarding, and takes no responsibility for, any other Statements or material in or omissions from, the Prospectus.

Yours faithfully

PITCHER PARTNERS BA&A PTY LTD



JOANNE PALMER
Executive Director

6. Independent Technical Assessment Report

INDEPENDENT TECHNICAL ASSESSMENT REPORT


Presented To:
Cannon Resources Limited



Rox Resources Limited



Date Issued:
24 May 2021

Document Reference	ITAR- Cannon Resources Limited Final	
Distribution	Cannon Resources Limited Rox Resources Limited Valuation and Resource Management Pty Ltd	
Principal Author	Paul Dunbar BSc Hons (Geology) MSc (MINEX) M AusIMM M AIG	
		Date: 24 May 2021
Contributors	D Lord L Burnett	
Report Date	24 May 2021	

Executive Summary

Cannon Resources Limited (**Cannon** or **the Company**) commissioned Valuation and Resource Management Pty Ltd (**VRM**) to prepare an Independent Technical Assessment Report (**ITAR** or **the Report**). The ITAR is to be included in a prospectus to be issued by the Company and dated 26 May 2021 for a priority offer of 30,000,000 shares, together with one free attaching option for every three shares issued, to eligible shareholders of Rox Resources Limited (**Rox Resources**) each at an issue price of \$0.20 each to raise up to a total of \$6,000,000 (before costs) (**Prospectus**) on the Australian Securities Exchange (**ASX**).

This Report has been prepared as a Public Document, in the format of an independent specialist's report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (**VALMIN**) and the exploration results, Exploration Target and Mineral Resource estimates have been prepared and reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**).

This Report is a technical review of two mineral projects which consist of Exploration Licences in the North-Eastern Goldfields regions, specifically the Fisher East Nickel Project (**Fisher East Project**) and the Collurabbie Nickel Project (**Collurabbie Project**) (together, the **Nickel Assets**) within the Eastern Goldfields Superterrane of the Yilgarn Craton, Western Australia (Figure 1). The Nickel Assets are being acquired by the Company from Rox Resources with Rox Resources receiving shares in Cannon and existing eligible Rox Resources shareholders being provided with the opportunity to participate in a priority offer to acquire shares in the Company as detailed in the Prospectus. There are 14 granted tenements, 11 within the Fisher East Project and three constitute the Collurabbie Project. The combined projects cover approximately 477.6km² and the general location of these projects is shown in Figure 1.

Fisher East Project

The Fisher East Project is located approximately 430km north of Kalgoorlie, 223km north of Leonora and 145km northeast of Leinster in the North-Eastern Goldfields region of Western Australia. The Fisher East Project consists of eleven granted exploration licences covering a total of 330.6km². While the project has had considerable historical exploration, this has mainly been focused on the three nickel deposits of Camelwood, Cannonball and Musket where a combined total Mineral Resource estimate of 4.2Mt at 1.9% Nickel has been estimated (Table 3). There are also significant targets for nickel exploration within the project at multiple prospects on the basal contact of the ultramafic komatiite flow units within the greenstone belt. The mineralisation identified to date consists of massive, matrix and disseminated nickel sulphides. A significant target has been identified and partly drilled at the Sabre prospect where an Exploration Target has been defined in accordance with the JORC Code, as detailed in this Report, based on wide spaced drilling and geophysical surveys. Cannon has developed an exploration budget and strategy based on the previous exploration and existing targets at multiple prospects. The proposed exploration is dominated by drilling the existing targets with \$2.91 million budgeted for exploration over the next two years. In VRM's opinion this budget and work program is justified and recommended.

Collurabbie Project

The Collurabbie Project is located approximately 430km to the north northeast of Kalgoorlie, 195km north of Laverton and 65km to the east of the **Fisher East Project** also in the North-Eastern Goldfields region of Western Australia. The project consists of three exploration licences covering a total of 147km². The previous exploration has resulted in an intrusive related nickel copper cobalt PGE total Mineral Resource estimate of 0.573Mt at 1.63% Ni, 1.19% Cu, 0.082% Co, 1.49g/t Pd, 0.85g/t Pt reported under the guidelines of JORC (Table 7). While in VRM's opinion there is limited potential to expand this resource there is considerable potential within the project for additional intrusion related base metal mineralisation along with exploration potential for gold within the project. Cannon has proposed an exploration program for the project totalling \$1.18 million over the next two years. In VRM's opinion, this exploration budget is justified given the exploration potential.

Exploration Budget

Cannon has proposed an exploration budget of \$4.09 million to test the targets within the granted tenements (assuming the maximum subscription is raised). This is the primary use of funds from the proposed capital raising. The exploration budget consists of \$1.79 million in the first year and \$2.3 million in the second year. VRM has reviewed the budget and work program and considers the gold and base metal targets justify additional work and considers the budgets reasonable, appropriate and in line with the current exploration costs. It is, in the opinion of VRM, considered likely that ongoing, targeted, and modern exploration activities would delineate extensions to the known mineralisation and identify additional mineralisation. It is recommended, subject to Cannon obtaining sufficient funding, that it proceeds with the proposed work programs.

A summary of the exploration budgets of the Company's projects is presented in section 9.

Should the capital raising be successful, VRM considers that the Company will have sufficient working capital to carry out its stated objectives and maintain the tenements in good standing by meeting or exceeding tenement expenditure commitments.

The Company has prepared staged exploration programs and budgets, specific to the projects, which are consistent with the findings of this report. VRM considers that the identified targets have sufficient technical merit to justify the proposed programs, and associated expenditure. The proposed exploration budget exceeds the minimum statutory annual expenditure commitments for the tenements for two years, which is \$0.51 million per year.

Conclusions

Cannon holds 477.6km² of tenure across two prospective projects within the North Eastern Goldfields region of Western Australia. There is current strong market interest in high-quality nickel assets for the medium to long term electric vehicle / battery market. The Nickel Assets offer the opportunity for ongoing exploration to quickly build upon the current known nickel resources and new prospect areas.

There are JORC 2012 Mineral Resource estimates within the Nickel Assets. At this time, it is uncertain if the proposed exploration programs would result in additional JORC 2012 Mineral Resources being estimated or

new Mineral Resources being delineated however the current interpretation indicates that the current Mineral Resources, particularly at Fisher East, are open and additional drilling may extend the current Resources at Fisher East.

The Nickel Assets contain or are adjacent to known mineral systems and prospects that have been actively explored by Rox Resources and previous owners with encouraging recent results.

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1. Introduction

Valuation and Resource Management Pty Ltd (**VRM**) was engaged by Cannon Resources Limited (**Cannon** or **the Company**) to prepare an Independent Technical Assessment Report (**Report** or **ITAR**). The ITAR is to be included in a prospectus to be issued by the Company for a priority offer of 30,000,000 shares, together with one free attaching option for every three shares issued, to eligible Rox Resources shareholders at an issue price of \$0.20 each to raise up to a total of \$6,000,000 (before costs) (**Prospectus**). The Mineral Assets include two projects being the **Fisher East Project** and the Collurabbie Project (**Nickel Assets**). The Nickel Assets are both located in the North Eastern Goldfields region of Western Australia (see Figure 1).

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR is prepared applying the guidelines and principles of the 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**). These codes are also requirements under Australian Securities and Investments Commission (**ASIC**) rules and guidelines and the listing rules of the Australian Securities Exchange (**ASX**).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Cannon and previous owners and associated Competent Persons as referenced in this ITAR and additional publicly available information.

1.2. Scope of Work

VRM's primary obligation in preparing an ITAR is to independently describe mineral projects applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the projects.

VRM has compiled the ITAR based upon the principle of reviewing and interrogating both the documentation of Cannon and other previous exploration within the area. This Report is a summary of the work conducted, completed, and reported by the various explorers to 15 December 2020 based on information supplied to VRM by Cannon and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

VRM understands that its review and report will be included in the Prospectus, and as such, it is understood that VRM's review and valuation will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the VALMIN and JORC Codes.

1.3. Statement of Independence

VRM was engaged to undertake an ITAR of the Nickel Assets in which Cannon will have an interest. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory Guide 111 Content of Expert Reports (**RG111**) and ASIC Regulatory Guide 112 Independence of Experts (**RG112**).

Mr Paul Dunbar, Ms Deborah Lord and Ms Lynda Burnett of VRM have not had any association with Cannon, their individual employees, or any interest in the securities of the company or potential interest nor are they expected to be employed by the company post the IPO, which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be \$40,000.

1.4. Competent Persons Declaration and Qualifications

This Report was prepared by Mr Paul Dunbar as the primary author with significant contributions by Ms Lynda Burnett and peer reviewed by Ms Deborah Lord.

This Report and the information in it that relates to geology, exploration results, Exploration Target and the technical assessment of the mineral assets and review is based on information compiled by and conclusions derived by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a Competent Person who is a member of the AusIMM and the AIG. Mr Dunbar is a Director of VRM and has sufficient experience that is relevant to the style of mineralisation and type of deposit and technical assessment under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

This Report and the information in it that relates to geology and exploration results is based on information compiled by Ms Lynda Burnett, BSc (Hons), MSc, a Competent Person who is a member of the AusIMM and the AIG. Ms Burnett is an associate of VRM and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Ms Burnett consents to the inclusion in this Report of the matters based on her information in the form and context in which it appears.

This Report and the information in it that relates to the mineral assets technical assessment and review was peer reviewed by Ms Deborah Lord, BSc (Hons), a Competent Person who is a fellow of the AusIMM and a member of the AIG. Ms Lord is a Director of VRM, consultants in valuation and economic geology and has sufficient experience that is relevant to the style of mineralisation and type of deposit and technical assessment under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code. Ms Lord consents to the inclusion in this Report of the matters based on her information in the form and context in which it appears.

The information in this Report that relates to the Mineral Resource for the Fisher East nickel sulphide deposits (viz. Camelwood, Cannonball and Musket) is based on information compiled by Mr Mick McKeown B.Sc. (Geology), Grad. Dip. Mining, M.Eng.Sci, a Competent Person who is a Fellow of the AusIMM. Mr McKeown has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McKeown is Senior Geologist/Mining Engineer at consulting firm Mining One Pty Ltd, and he consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to Mineral Resources for the Olympia deposit (Collurabbie project) is based on information compiled by Mr Lauritz Barnes and Mr Will Belbin. Both Mr Barnes and Mr Belbin are Competent Persons who are members of the AIG and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Barnes is Principal Geologist at consulting firm Trepanier Pty Ltd and Mr Belbin was at the time the resource estimate was undertaken employed full-time by Rox Resources Limited. Both Mr Barnes and Mr Belbin consent to the inclusion in this Report of the matters based on their information in the form and context in which it appears.

1.5. Reliance on Experts

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the tenure of the Nickel Assets or the compliance with the legislative environment and permitting in Western Australia. In relation to the tenement standing, VRM has relied on the information publicly available from the Department of Mines, Industry Regulation and Safety (**DMIRS**). On this basis VRM has confirmed the tenements are in Western Australia government records and understands that the tenements are in good standing and has confirmed as such with Cannon. Regarding the legal standing of the tenements that constitute the projects, VRM directs the reader to the Solicitor's Report included in the Cannon Prospectus.

For Cannon's projects, VRM has relied upon:

- Information and Reports obtained from Cannon or Rox Resources including but not limited to:
 - Presentation material including several cross sections and plans,
 - Annual Technical Reports for the tenements,
 - WAMEX Reports for each of the project areas, and
 - Cannon internal reports.
- Various ASX releases including from previous owners and neighbouring companies.
- Publicly available information including several publications on the regional geology of the North eastern Goldfields and the Kurnalpi and Burtville Terrane's of the Eastern Goldfields Superterrane; and

- Government Regional WA datasets including Memoir 3, several bulletins published by the Western Australian Geological Survey (GSWA) and other regional datasets including geological mapping and explanatory notes.

The reader is referred to the Solicitor's Report within the Prospectus for further information on mineral tenure and the status of material contracts.

1.6. Sources of Information

All information and conclusions within this Report are based on information made available to VRM to assist with this report by Cannon and other relevant publicly available data to 15 May 2021. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary.

Various statements in this Report attributable to third parties have been included without the consent of those parties and are publicly available from either government sources or the ASX or are otherwise geological information which is exempt from consent requirements in the Corporations Act, each in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72.

VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Cannon as detailed in the reference list. A draft of this Report was provided to Cannon to identify and address any factual errors or omissions prior to finalisation of the Report.

No information is incorporated by reference into this Report pursuant to section 712 of the Corporations Act.

1.7. Site Visit

A site visit to the Fisher East Project was conducted on 7 to 9 December 2020 by Mr Paul Dunbar and Mr Gregor Bennett of Rox Resources. Several of the drill collar locations were checked via a hand-held GPS to validate the company database. No site visit was undertaken to the Collurabbie project as VRM considered that no material information would be obtained from a site visit that would change the opinion or exploration targeting or strategy that has been proposed by the company for the Collurabbie Project.

During the last 25 years Ms Lord and Mr Dunbar have undertaken site visits to several nickel mines and exploration sites similar in geological setting to the mineralisation delineated at the Fisher East and Collurabbie Projects. Previous site visits have occurred to nickel projects including komatiitic hosted nickel exploration prospects, deposits, and mines at the Kambalda and Widgiemoltha domes, intrusive nickel deposits in Northern Western Australia and several nickel sulphide prospects deposits and mines in Canada.

During the Site Visits the following areas were observed:

Fisher East Project:

- The Camelwood, Cannonball, Musket, Sabre and several other prospects including those with recent drilling.
- Validated RC and Diamond drill collars, status of rehabilitation and core storage yard at the Camelwood core yard and Exploration camp.
- Confirmed the wide spaced nature of the bedrock exploration drilling along the basal contact of ultramafic komatiitic flow units within the greenstone belt.
- As expected, confirmed the lack of outcrop or any surficial geology due to the shallow regolith cover which is interpreted to be dominated by transported cover including lateritic material and alluvial sands.
- Reviewed recent RC drilling targeting Volcanic Hosted Massive Sulphide (VMS) mineralisation.



Fisher East Project Core Yard



Rehabilitated drill pads - Camelwood



Partly Rehabilitated Drill Collars - Cannonball



Recent RC Drill Collar

As shown in the photographs above the site visit indicated that the exploration activities at the Fisher East Project have been undertaken to a high standard with all core marked up and securely stored in a dedicated fenced core yard, rehabilitation has been undertaken to the extent possible for an active exploration site. Drill collars have been capped or plugged as possible. Additional hole plugging is required especially where the drill holes have been cased to allow future down hole geophysical testing, but it is recommended that the drill collars are capped while retaining the ability to access the casing for later geophysical surveys. Rehabilitation of the drill sites has been done at a high standard, no sample bags have been used in the exploration, and shallow ripping has occurred on most drill pads however deep ripping will still be required when exploration activities cease.

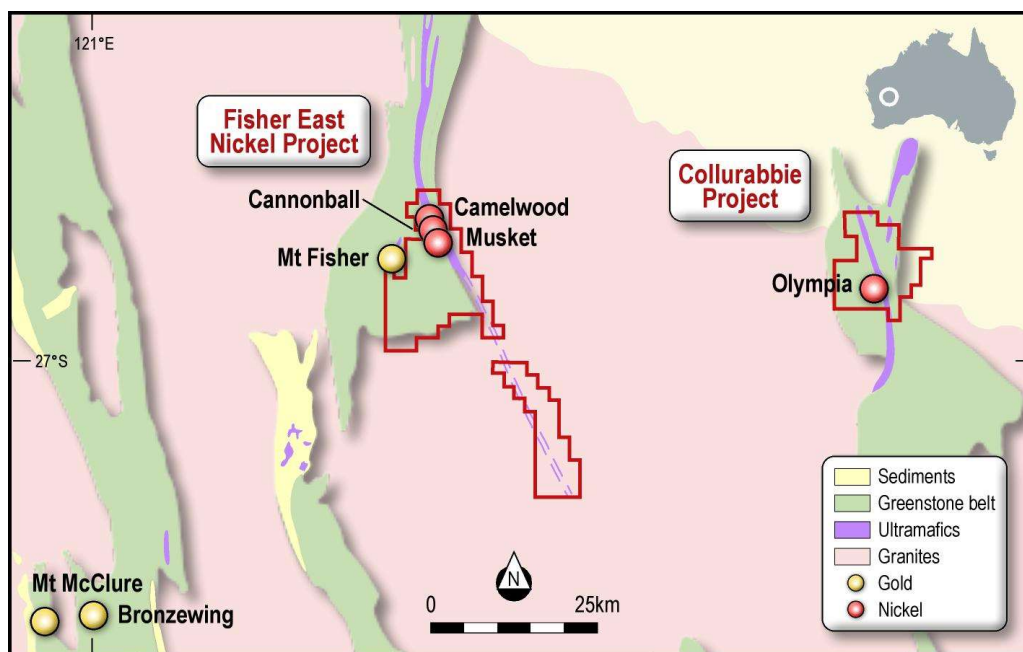
2. Mineral Assets

The Mineral Assets in this review include two projects being the North Eastern Goldfields Projects of Fisher East and Collurabbie. The Mineral Assets are summarised below in Table 1 and shown in Figure 1.

2.1. Mineral Tenure

Details of the Cannon tenements are included in Table 1 and the project locations are shown in Figure 1. The tenements have been validated via checking with the DMIRS Mineral Titles Online database. Figure 2 and Figure 3 detail the tenements for each project.

VRM has made all reasonable enquiries regarding the status of these tenements and confirms that to the best of VRM's knowledge these tenements remain in good standing with all statutory filings, reports and documentation including renewals supplied to the various government departments. As VRM and the authors of this report are not experts in the mining acts for Western Australia, no warranty or guarantee, be it expressed or implied, is made by VRM with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure. VRM relies on the various government databases and websites which confirm Cannon's tenements are, at the time of this report, in good standing. Refer to the Solicitor's Report within the Prospectus for further information.



(Supplied by ROX)

Figure 1 - Location of the Cannon Nickel Projects

Table 1 - Tenement schedule as at 10 May 2021

Tenement	Registered Holder ⁵	Project	Area	Status	Grant Date	Expiry Date	Interest
E38/2009	Rox	Collurabbie	9 BL	Granted	20-Oct-08	19-Oct-22	100% legal and beneficial interest
E38/2912	Rox	Collurabbie	7 BL	Granted	12-Sep-14	11-Sep-24	100% legal and beneficial interest
E38/3193	Rox	Collurabbie	32 BL	Granted	28-Jul-17	27-Jul-22	100% legal and beneficial interest
E53/1218	Rox	Fisher East	36 BL	Granted	8-Jan-07	7-Jan-23	100% legal and beneficial interest
E53/1318	Rox	Fisher East	7 BL	Granted	21-Sep-09	20-Sep-21	100% legal and beneficial interest
E53/1716	Rox	Fisher East	1 BL	Granted	3-Apr-13	2-Apr-23	100% legal and beneficial interest
E53/1802	Rox	Fisher East	10 BL	Granted	18-Aug-14	17-Aug-24	100% legal and beneficial interest
E53/1884	Rox	Fisher East	1 BL	Granted	24-Jan-17	23-Jan-22	100% legal and beneficial interest
E53/1885	Rox	Fisher East	1 BL	Granted	31-Oct-16	30-Oct-21	100% legal and beneficial interest
E53/1886	Rox	Fisher East	1 BL	Granted	31-Oct-16	30-Oct-21	100% legal and beneficial interest
E53/1887	Rox	Fisher East	1 BL	Granted	24-May-17	23-May-22	100% legal and beneficial interest
E53/1950	Rox	Fisher East	34 BL	Granted	14-Dec-17	13-Dec-22	100% legal and beneficial interest
E53/2018	Rox	Fisher East	1 BL	Granted	17-Sept-19	16-Sept-24	100% legal and beneficial interest
E53/2090	Rox	Fisher East	15 BL	Granted	3-Jun-20	2-Jun-25	100% legal and beneficial interest

Notes

1. All of the tenements are granted Exploration Licences.
2. Upon the transfer of the tenements from Rox Resources to Cannon being completed, Cannon will hold mineral rights for all minerals within the tenements excluding E53/1218 where Rox Resources will retain the gold rights and Cannon will have rights to all other minerals pursuant to a split commodity agreement between Rox Resources and Cannon
3. See the Solicitor's Report in the NoM for details on tenure related agreements.
4. VRM understands that the tenements will all be transferred from Rox Resources to Cannon Resources as a part of the Initial Public Offer (IPO).
5. Rox - Rox Resources Limited

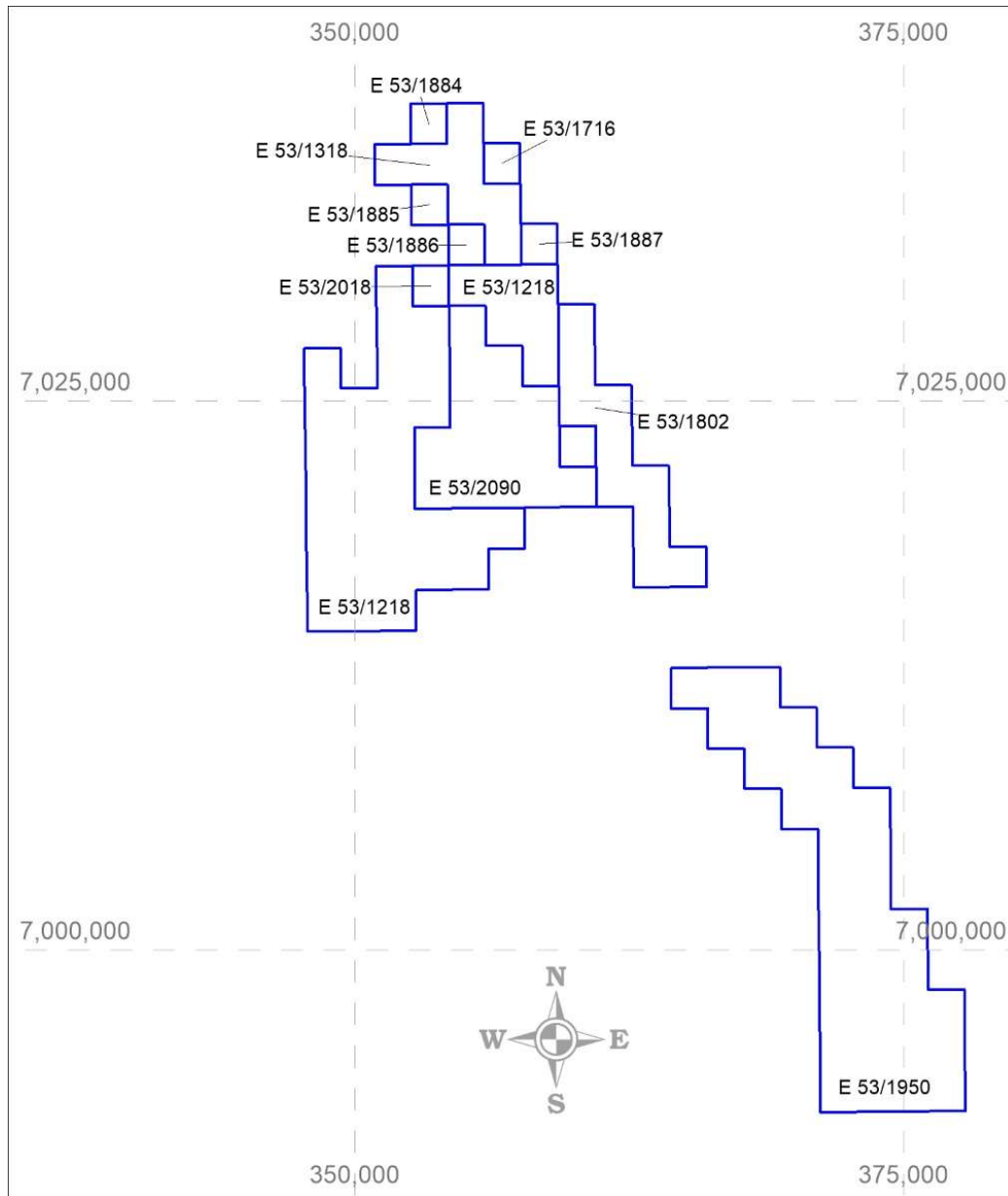
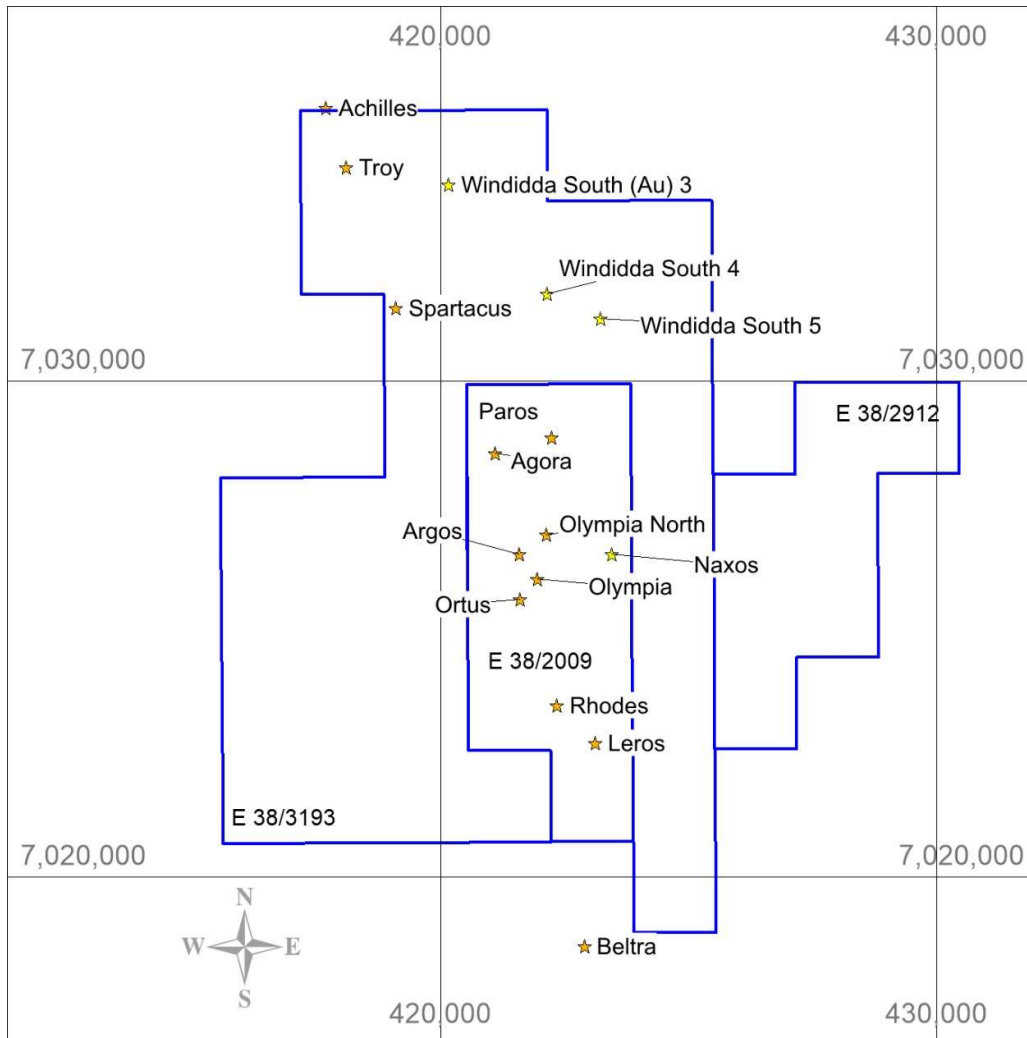


Figure 2 - Fisher East Project – Tenement layout as at 10 May 2021



Note Nickel prospects in orange and gold prospects in yellow.

Figure 3 - Plan of the Collurabbie Project Tenements and Prospects as at 10 May 2021

3. Combined North Eastern Goldfields Projects

The Nickel Assets are located over 400km to the north east of Kalgoorlie and have similar access, infrastructure, climatic conditions, topography, and regional geology, therefore information on these sections have been combined and are detailed in section 3.1 to section 3.4 while the project specific geology and exploration are detailed in separate sections below. JORC Tables for the project areas are appended to this report.

3.1. Location and Access – North Eastern Goldfields Projects

The combined Nickel Assets, being the Fisher East and Collurabbbie Projects, consist of 13 tenements as detailed in Table 1 above, within the North Eastern Goldfields of Western Australia. Access from Perth is via Kalgoorlie, via the sealed Great Eastern Highway.

The Fisher East Project is located about 430km north of Kalgoorlie with access via the main northern Kalgoorlie-Wiluna highway. The turnoff onto the Wonganoo road is located about 60km north of Leonora. A series of station tracks and fence lines facilitate access throughout the project area. The central part of the project area is located 34km north of the Wonganoo homestead.

The Collurabbbie Project is located approximately 220km east of Wiluna and 240km north of Laverton in the North - Eastern Goldfields Province of Western Australia. Access to Laverton is via the main northern Kalgoorlie-Wiluna highway then by turning east at Leonora along the Laverton-Leonora road. Southern access is gained from Laverton along the Bandya Road and then north along the Urarey – Warren Bore road and related fence line tracks. An alternative access route is from Wiluna via the Gunbarrel Highway and Old Windidda Station access road.

Figure 1 shows the regional location of the Nickel Assets and prospects within the projects, while Figure 4 shows tenement outlines and access.

Kalgoorlie Boulder is serviced by daily commercial flights to a sealed all-weather airport. There are several smaller sealed and unsealed airstrips within the region including at Laverton, Leonora, Leinster, specific mine site related airstrips and several smaller pastoral airstrips.

3.2. Climate – North Eastern Goldfields Projects

The North-eastern Goldfields region has a semi-arid climate with hot summers and mild winters. The climatic information, sourced from the Bureau of Meteorology (www.bom.gov.au), is for the Leinster Aero weather station. During January, the mean maximum temperatures is 37.3°C with, on average, more than 10 days over 40°C. In July, the average maximum is 19.0°C and mean low is 6.1°C. It is rare for the minimum to fall below zero. Most of the rainfall, which averages 259.3mm per year, occurs in the December to April period with an average of approximately five to six days of rain per month.

Rainfall during the summer period is dominated by scattered thunderstorms with occasional tropical rain bearing depressions (ex-tropical cyclones) that commonly impact the Pilbara region of Western Australia with these systems often affecting the North-Eastern Goldfields region several days after crossing the Pilbara coast. The bulk of the winter rainfall occurs as cold frontal associated rain which impacts the southern half of Western Australia.

Generally, in VRM's opinion and based on experience working in the area, the climatic conditions do not have a significant impact on the ability to undertake exploration throughout the year.

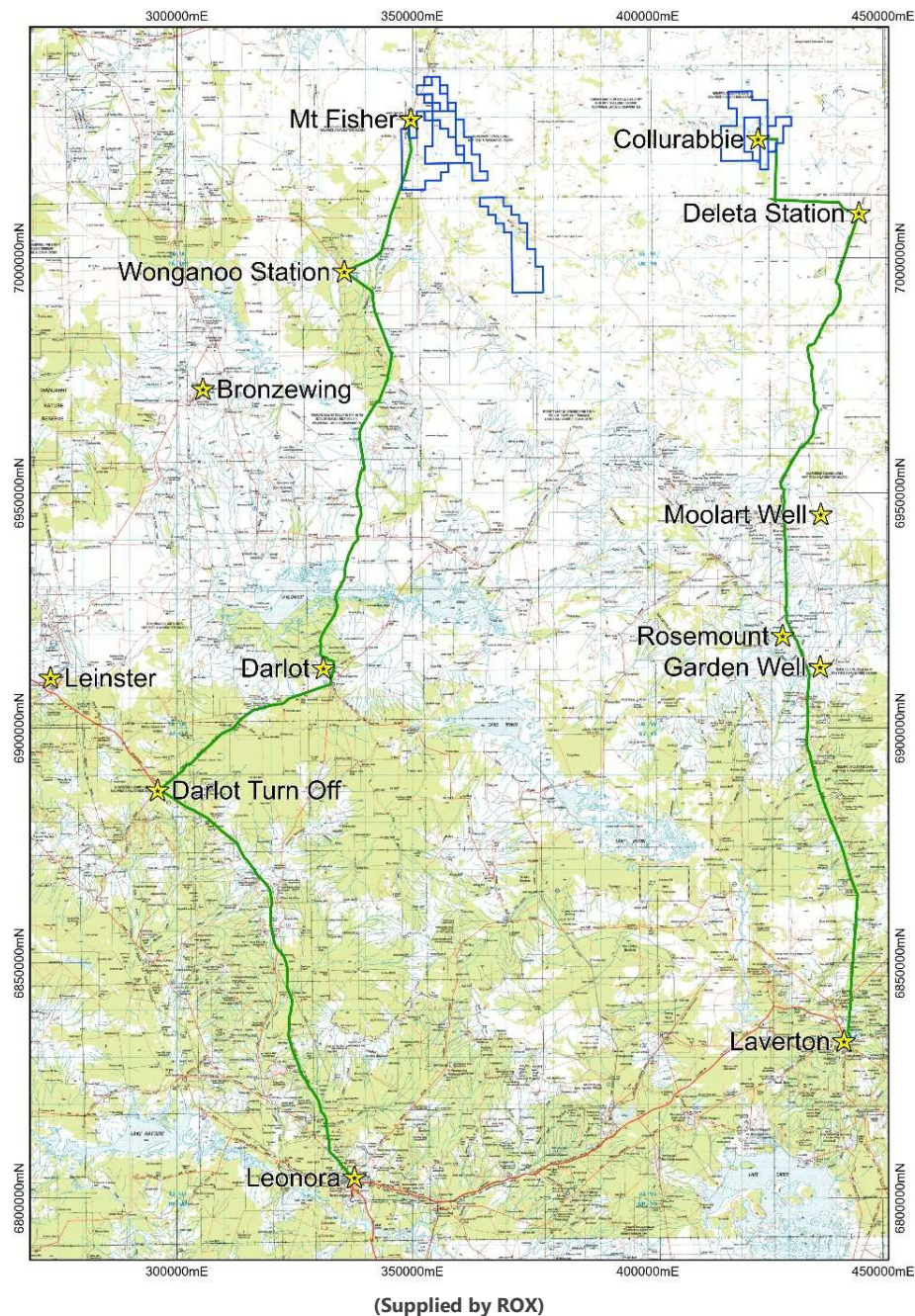
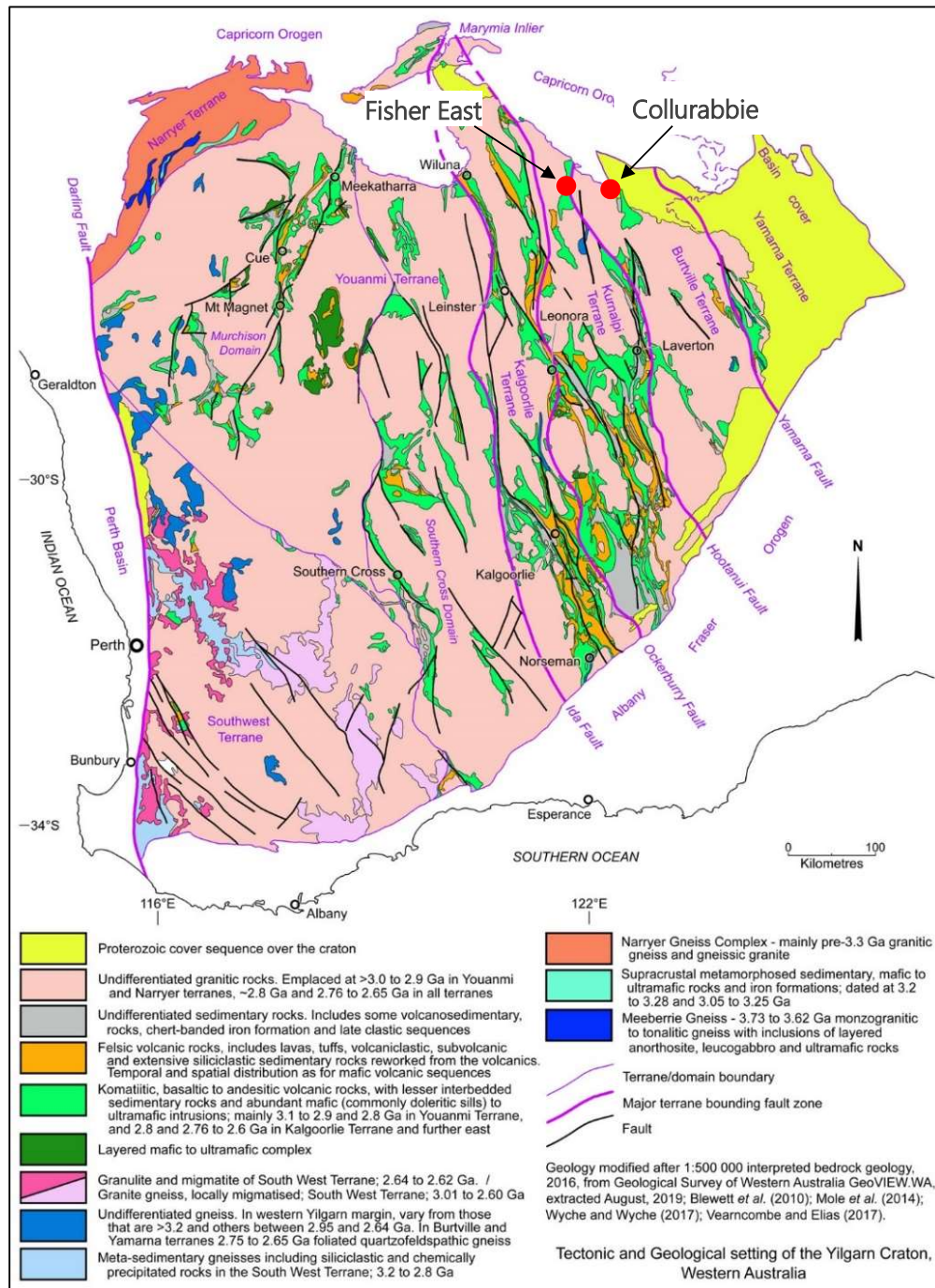


Figure 4 - Location and Access of the North-eastern Goldfields Project Tenements

3.3.Regional Geology – North Eastern Goldfields Projects

Located within the Eastern Goldfields Superterrane of the Yilgarn Craton, the Fisher East Project is part of the north eastern Kurnalpi Terrane. The Kurnalpi Terrane lies to the east of the Kalgoorlie Terrane, and is bounded to the west by the Ockerburry Shear Zone and bounded to the east by the Hootanui Fault, both crustal scale faults (Figure 5).



Source Blewett *et al.* (2010) (referenced throughout this Report without consent)

Figure 5 - Regional geological setting of the Fisher East and Collurabbie Projects, Yilgarn Craton Western Australia

The geology of the Fisher East Project area is dominated by a north south to north northwest – south southeast trending Archean greenstone belt known as the Mt Fisher Greenstone Belt. The belt, which outcrops sporadically along the eastern edge of the Wiluna 1:250,000 map sheet (Farrell, 1999) (referenced throughout this Report without consent), is interpreted as the eastern limb of the Wonganoo Anticline.

The greenstone belt is a complex sequence of refolded tholeiitic to high magnesium basalts with numerous dolerite to gabbroic intrusives and lesser felsic volcanoclastics, intrusives, interflow sediments and talc-chlorite ultramafics. The Wonganoo Anticline is truncated by a major north-south trending structure which lies immediately to the west of the Fisher East Project tenements. Regional metamorphism throughout the project area is interpreted to have peaked at mid-greenschist, with higher contact metamorphic grade occurring proximal to the eastern greenstone / granite contact (Hill et al, 2001) (referenced throughout this Report without consent).

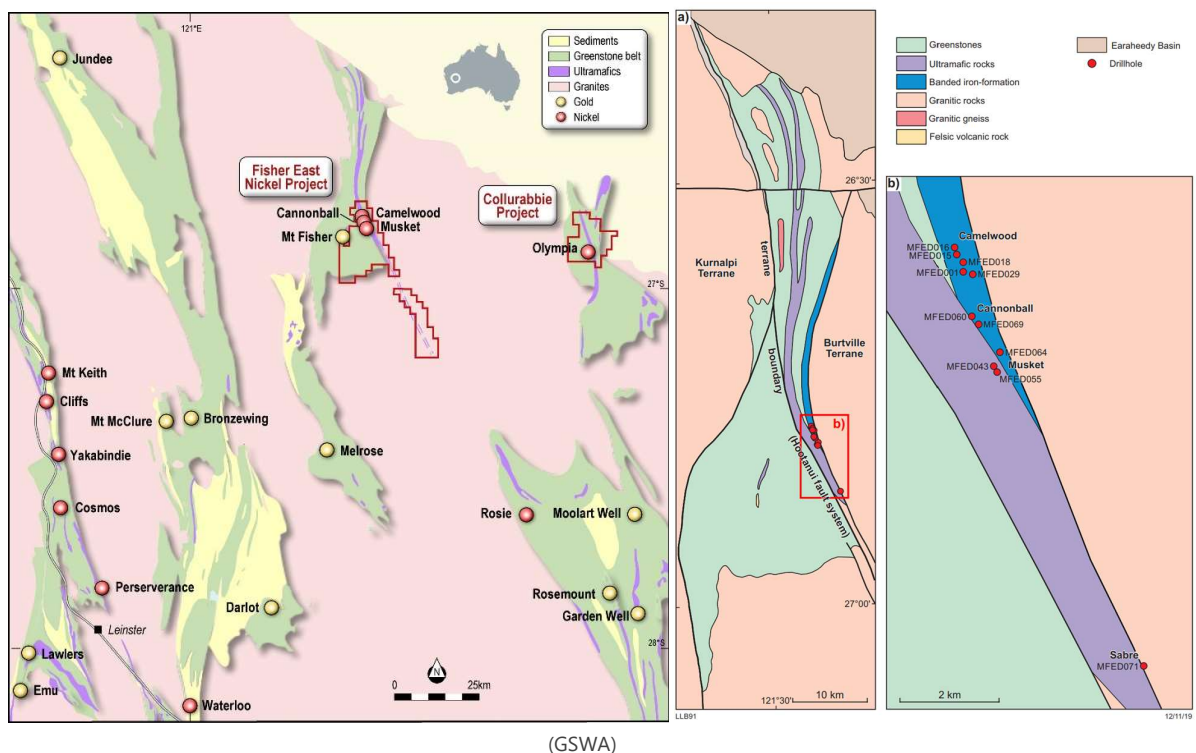


Figure 6 - Regional Geological Setting of the Fisher East Nickel and Collurabbie projects North-Eastern Goldfields Superterrane

The regolith profile is well developed with cover from 10m to 80m with defined paleochannels draining to the north west. Outcrop of chert and banded iron formation occurs locally around the Mt Fisher gold mine but is rare elsewhere.

The Collurabbie Project area is located within the Burtville Terrane of the Eastern Goldfields Superterrane, which lies east of the Kurnalpi Terrane (Figure 6). Bunting (1980) (referenced throughout this Report without consent) describes the Eastern greenstone belt which hosts the Collurabbie Project as follows.

"The Archean geology in the district comprises a north-northwest striking greenstone sequence and voluminous granitoid batholiths. The greenstone sequence comprises felsic, mafic, ultramafic, and sedimentary units, although the only units to crop out at surface are chert and BIF ridges. The Archean sequence is exposed at surface in the southern part of the tenement but becomes progressively buried by the onlapping Proterozoic sediments of the Earraheedy Basin to the northeast. The Proterozoic sedimentary package consists of a basal peletal haematitic chert horizon overlain by quartzite, dolomite, and siltstones. Proterozoic dykes transect the area with a broadly east-west orientation. The dykes are easily identified using aeromagnetic imagery and also out-crop to form pronounced east-west trending ridges within the district. The Archean stratigraphy in the area has been metamorphosed to upper greenschist/lower amphibolite facies."

Mineralisation

The Kurnalpi and Burtville Terranes host one previous nickel mine, with the Mt Windarra nickel deposits which operated from the early 1970s until the mid-1990s processing 5.3Mt of ore at 1.5% Ni. The Windarra deposit is outside the Cannon tenure. Other nickel prospects and deposits occur in both Terranes however none have proven economic to date.

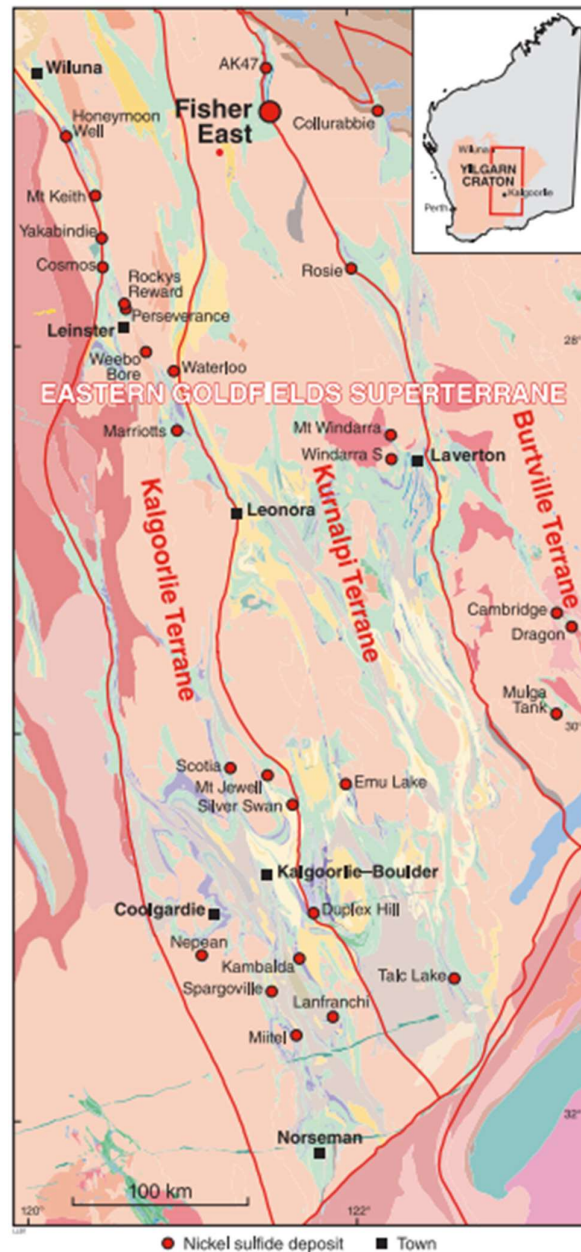
More recently, exploration by Rox Resources has further defined the north east trending eastern-most ultramafic Fisher East belt as overturned talc-carbonate altered high MgO meta-komatiites. The main package of mineralised ultramafic rocks (termed the Camelwood Ultramafic) varies in thickness from just a few metres to 80m wide and is bounded by hanging wall basalts and meta-amphibolite's with a footwall felsic schist of sedimentary or volcanoclastic origin. Nickel sulphide mineralisation occurs primarily on the eastern basal stratigraphic footwall contact and is semi-continuous for over 2km. Nickel resources of 4.2Mt at 1.9% Ni are currently defined at Camelwood, Cannonball and Musket (Rox ASX release 5 February 2016 and Rox 2020 Annual Report ASX release 30 September 2020).

Many of the nickel sulphide deposits of the Eastern Goldfields Superterrane are hosted by ultramafic volcanic rocks including those at Fisher. They are best developed at, or close to, the base of komatiite lava flows, generally concentrated in depressions that were probably scoured by the lava flows through thermal erosion. The Fisher, Rosie and AK47 discoveries all lie adjacent to the Kurnalpi Burtville Terrane Boundary. Mt Windarra, Emu Lake, and Talc Lake all lie within the Kurnalpi Terrane (Burley et al, 2016) (referenced throughout this Report without consent) (Figure 7).

The Burtville Terrane hosts a number of nickel prospects in addition to Collurabbie including Talc Lake, Cambridge Dragon and Mulga Tank. The mineralisation at Collurabbie is more typical of intrusion related nickel deposits with strongly anomalous associated copper and platinum group elements (PGE).

Orogenic gold mineralisation occurs in all domains in a variety of structural and metamorphic settings. The structures can, in virtually all cases, be late in the deformation history. Faults related to granitoid emplacement are mineralised in places. Mineralisation is broadly contemporaneous with peak regional

metamorphism, and associated alteration assemblages correlate broadly with regional metamorphic grade. Alteration assemblages are controlled locally by increasing CO₂ content of the auriferous hydrothermal fluids towards the centre of the mineralised structure (Swager et al, 1995) (referenced throughout this Report without consent). In the Kurnalpi terrane a number of examples of proximal intrusion-related orogenic gold deposits in sub to mid-greenschist facies settings are also noted (Witt et al 2017) (referenced throughout this Report without consent) such as Carosue Dam and Wallaby.



(Burley et al, 2016)

Figure 7 - Regional Geology of the Eastern Goldfields Superterrane with location of nickel deposits and prospects

3.4. Regional Exploration History – Eastern Goldfields Projects

The Kalgoorlie region has been the focus for mineral exploration in Western Australia since the discovery of gold in the region in the 1890's. Continued prospecting and modern exploration has led to the discovery of some of the largest gold deposits in the world including the now +60 million ounce Golden Mile deposits at Kalgoorlie and discovery of the world class nickel deposits in the Kambalda region in the 1960's.

In the 1980s and 1990s open pit gold mining commenced at Mt Fisher and around Duketon and Laverton further to the south of the Nickel Assets. Many of the deposits were discovered drilling beneath "old timers" old workings from the early 1900s. Nickel sulphides in the Mt Fisher area were first discovered by WMC Resources Limited (**WMC**) in the early 2000s, 20km immediately north of the Fisher East Project northern tenement boundary. The first nickel sulphides at the Collurabbie Project were identified by WMC in joint venture with Falcon Minerals Limited (**Falcon Minerals**) in 2003 (ASX: WMC 15 July 2003 Quarterly Report) (referenced throughout this Report without consent).

4. Fisher East Project

Prior to Rox Resources acquiring the project in 2011 the Fisher East Project tenements had minor historical exploration for gold. The nickel potential in the ultramafic stratigraphy was initially confirmed when massive nickel sulphide mineralisation was drilled by WMC 2003. This drilling was 20km to the north and along strike of the tenements.

4.1. Local Geology

The geology represents the eastern most margin of the Mt Fisher Greenstone Belt with the nickel prospective ultramafic package forming a north east trending magnetic high ridge in the airborne magnetic data. Detailed drilling indicates the geological sequence is overturned, dipping steeply to the north east and younging to the west.

The Fisher East Project deposits consisting of Camelwood, Cannonball and Musket, are typical Archean komatiite-associated deposits having affinities with Kambalda-style Type 1 contact ores (Leshner, 1989; Barnes, 2006; Burley and Barnes, 2019) (referenced throughout this Report without consent).

Belbin et al, (2017) WAMEX A115165 (referenced throughout this Report without consent) describes the mineralisation at Camelwood as extending over several hundred metres along the basal contact with a typical sequence of massive sulphides (pyrrhotite + pentlandite ± pyrite ± violarite ± chalcopyrite) stratigraphically overlain by matrix and disseminated sulphides (pyrite + pentlandite ± pyrrhotite ± violarite). The massive to semi-massive sulphide layer is mostly thin (<0.5 m) but thickens up to 2–3 m around the main ore zone. The basal footwall-sulphide contact is fairly uniform, although evidence of mixing between the two units is seen in drill core with rip-up clasts within massive sulphide and sulphide veins up to several metres into the footwall. The massive sulphide zone at Musket (0.5–1 m thick) occurs as a small, discrete steeply north-

plunging high-grade shoot (10–20% Ni) with a thick zone (>10 m) of matrix and disseminated mineralisation. At Cannonball, mineralisation is variable with zones of stringers, disseminated and blebby sulphide mineralisation over thicknesses of 1–5m.

Using U-Pb zircon secondary ion mass spectrometry (**SIMS**) via sensitive high resolution ion microprobe (**SHRIMP II**), felsic volcanic and metasedimentary footwall rocks to the mineralised komatiites were dated as between ca 2960 and 2940 Ma, indicating the komatiites and Ni-Cu-PGE mineralisation are <2940 Ma (Mole, Burley and Barnes, 2016) (referenced throughout this Report without consent). The concordant nature of the felsic rocks and komatiites indicates the komatiites are close in age to the footwall rocks. A single date from the hanging wall volcanoclastic rocks at Camelwood constrains the age of komatiite volcanism at Mt Fisher to 2940 Ma – ca 2840 Ma.

4.2.Previous Exploration

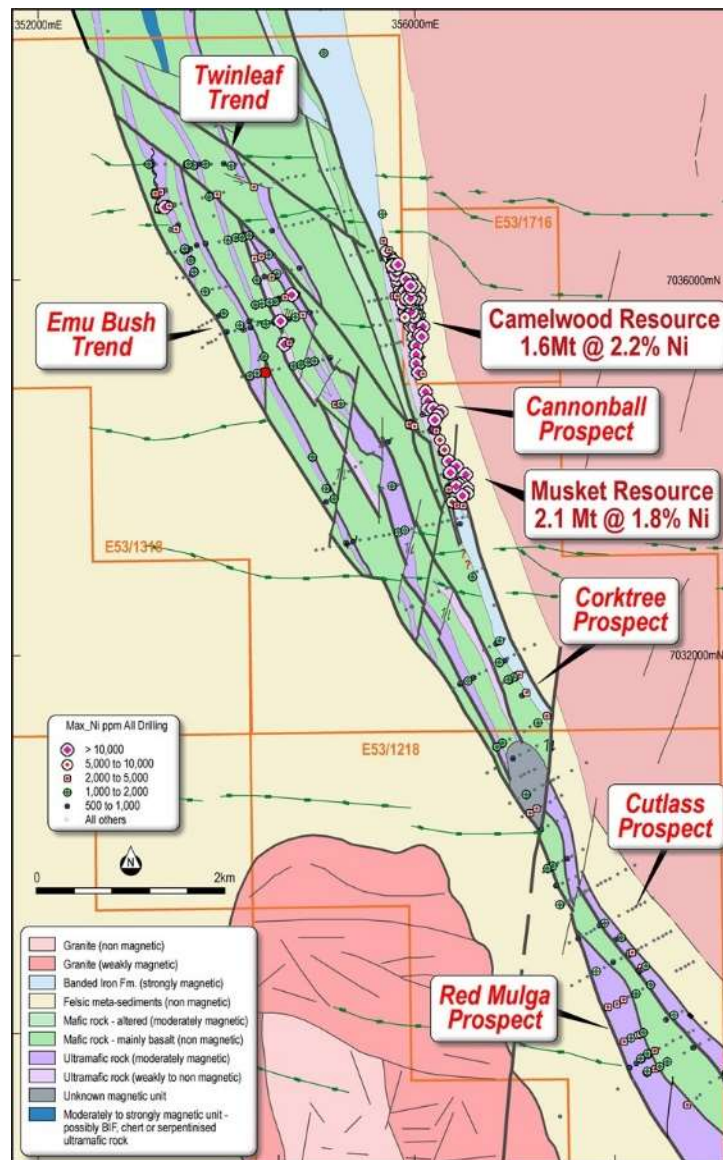
Prior to Rox Resources commencing work in 2011, the project had undergone almost no historical nickel exploration other than remote airborne regional surveys and minor prospecting. During 2011 Rox Resources conducted airborne magnetics on 50m line spacing and VTEM surveys over three areas one of which covered the northern most part of the prospective ultramafic package.

In October 2012 Rox drilled 34 Rotary Air Blast (**RAB**) holes and five follow up Reverse Circulation (**RC**) holes to test the MFA-04 and MFA-05 VTEM targets. The RAB results announced on 5 October 2012 returned 12 metres grading 0.12% Ni from 32 metres downhole at MFA-05 with the best nickel in RAB geochemistry lying directly over the VTEM anomaly. RAB results at MFA-04 returned shallow intercepts such as 28m at 0.28% Ni and 8m at 0.4% Ni with anomalous copper and PGEs.

On 19 December 2012 Rox Resources announced a nickel discovery at MFA-04 with semi massive and strongly disseminated sulphide intersections observed in five RC holes. The results returned an intersection of 20m at 1.1% Ni in hole MFEC004, including 6m at 1.4% Ni and 5m at 1.5% Ni. The other holes returned 2m at 1.6% Ni in hole MFEC001, 4m at 2.0% Ni in hole MFEC002, 2m at 2.2% Ni in hole MFEC003 and 1m at 3.0% Ni in hole MFEC005. MFA-04 was renamed Camelwood.

The first diamond hole MFED001 returned 11.4m at 2.9% Ni from 282.6m including 2.9m at 4.7% Ni. Ground electromagnetic (**EM**) and further airborne EM surveys were subsequently conducted over the ultramafic package and the mineralisation was drilled extensively over the next year to define a maiden Mineral Resource at Camelwood in 2013. In the following years, mineralisation was identified at Cannonball and Musket with Mineral Resources also defined at those prospects. The current Mineral Resource estimate for the project is detailed in the Resource section below.

During 2015 the Sabre Discovery was made around 7km to the south of Camelwood with initial intercepts of 10m at 1.9% Ni and 16m at 1.3 % Ni and preliminary metallurgical studies were completed for the Camelwood, Cannonball and Musket deposits.



(Rox Combined Annual report to Mines Dept 2014 WAMEX A103986).

Figure 8 - Geology of the Fisher East nickel belt as known in 2014 showing drilling, Camelwood and Musket Resources (as at 2014) and nickel prospects.

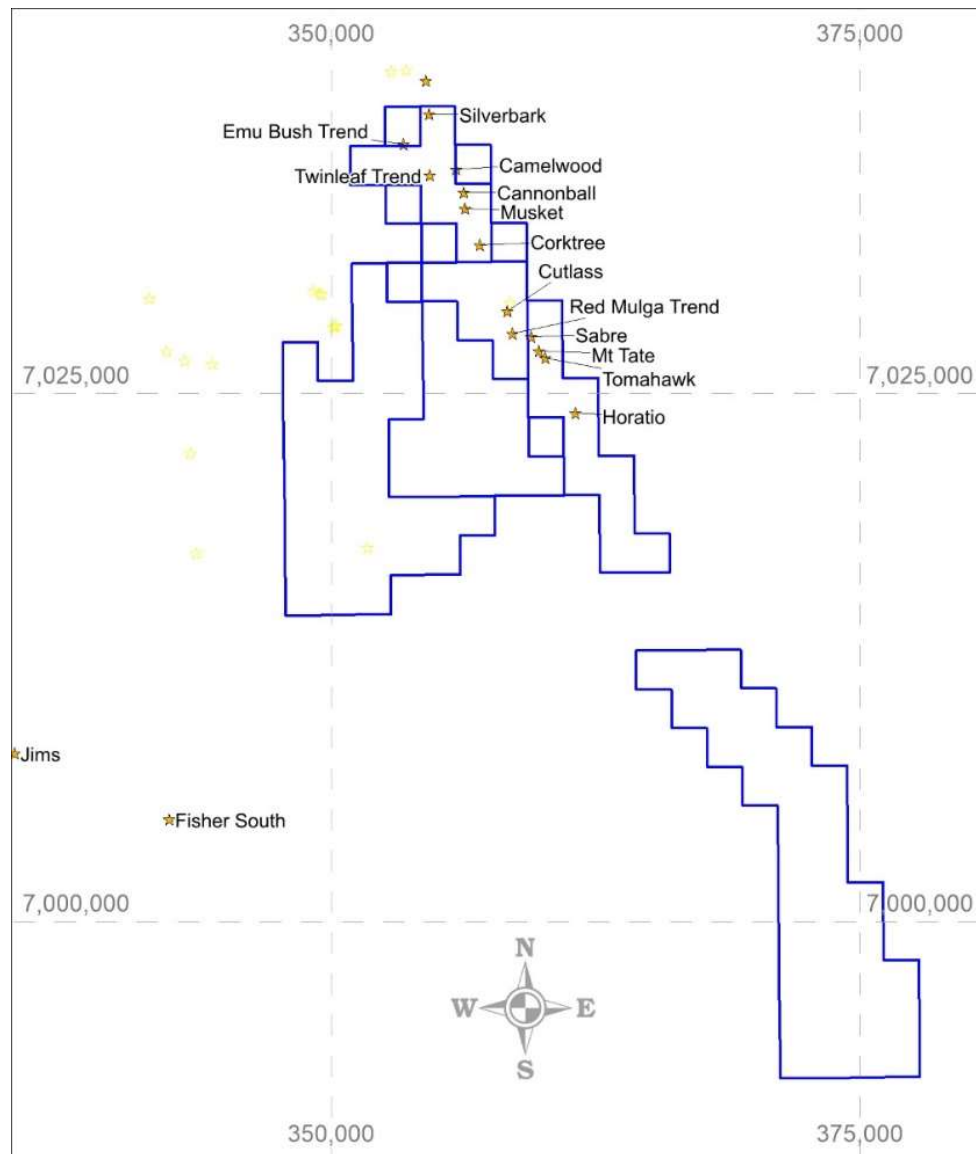
The most recent drilling was conducted in 2018 following up DHEM targets.

Results included:

- 4.3m at 2.0% Ni from 701.7m in hole MFED080 at Musket, including 0.3m of massive sulphides at 8.1% Ni from 701.7m.
- 2.4m at 2.4% Ni from 718.3m in hole MFED076W1 at Camelwood, including 0.2m of massive sulphides at 5.2% Ni from 718.9m, and
- 0.3m at 7.5% Ni of massive sulphides from 288.8m in hole MFED081.

Mineralisation remains open down dip at Camelwood, Cannonball and Musket as shown in Figure 11 which also shows several modelled EM conductors based on downhole EM surveys conducted at each of the prospects.

Figure 9 shows the locations of the various prospects within the Fisher East Project. Since the initial discovery at Camelwood additional prospects have been identified along the basal contact of the ultramafic units on the eastern portion of the greenstone belt. These prospects, shown in Figure 9 have been identified by shallow Aircore or RAB drilling, geophysics with sparse deeper RC and Diamond drilling at selected prospects.



Note nickel prospects in orange and gold prospects in yellow.

Figure 9 - Plan of the various nickel prospects within the Fisher East Project as at 10 May 2021.

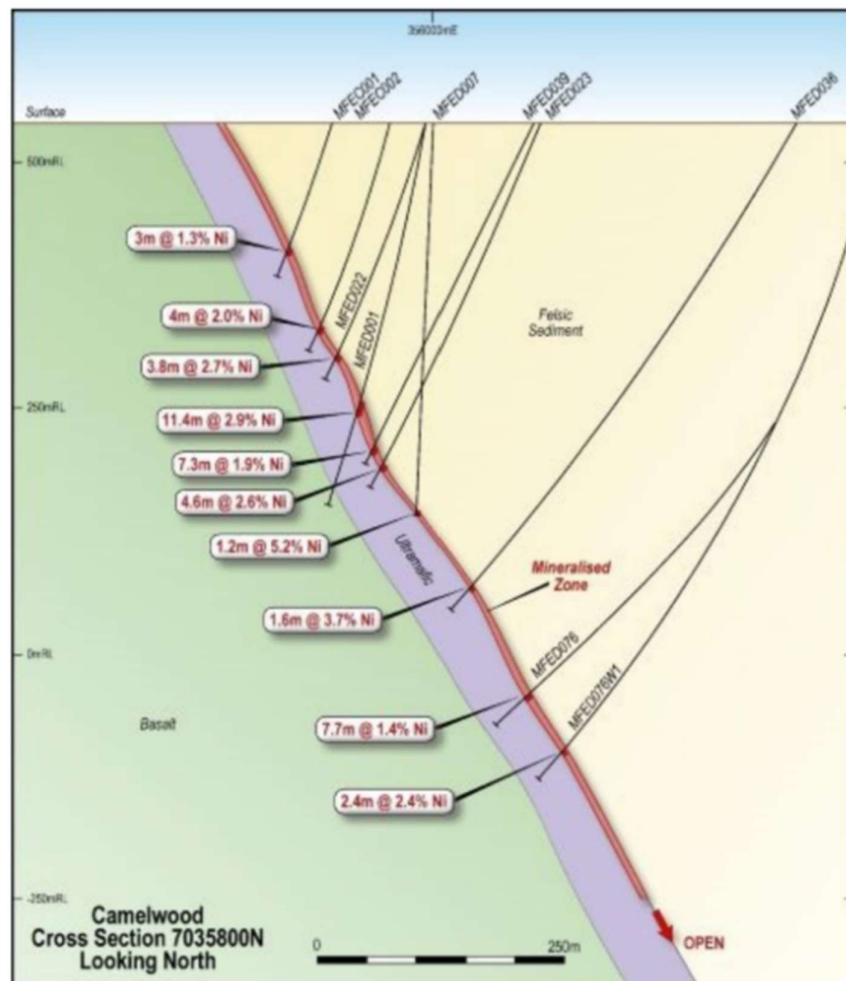
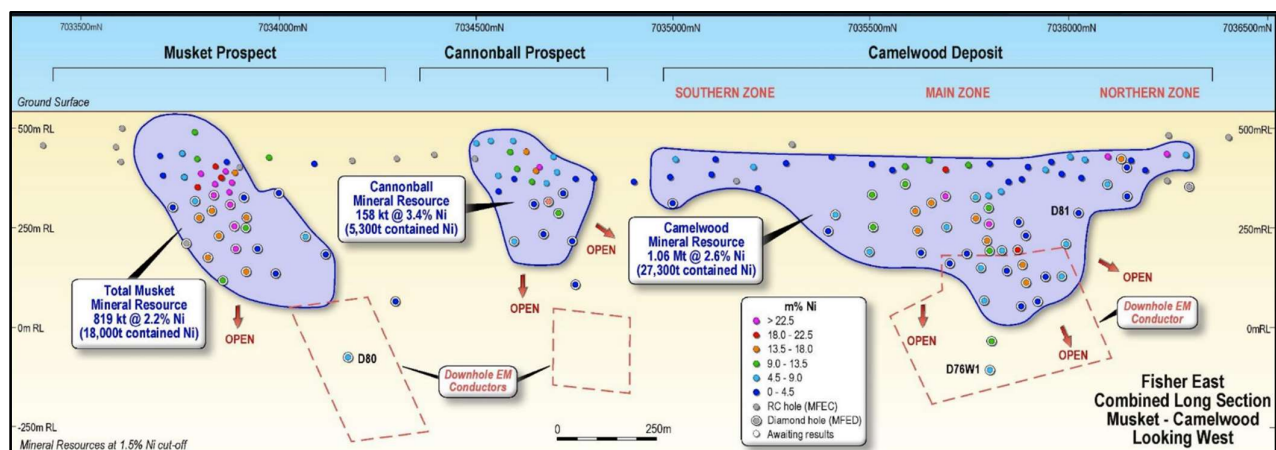


Figure 10 - Cross Section at Camelwood, showing intercept in MFED076W of 12.4m at 2.4% Ni from 718.3m

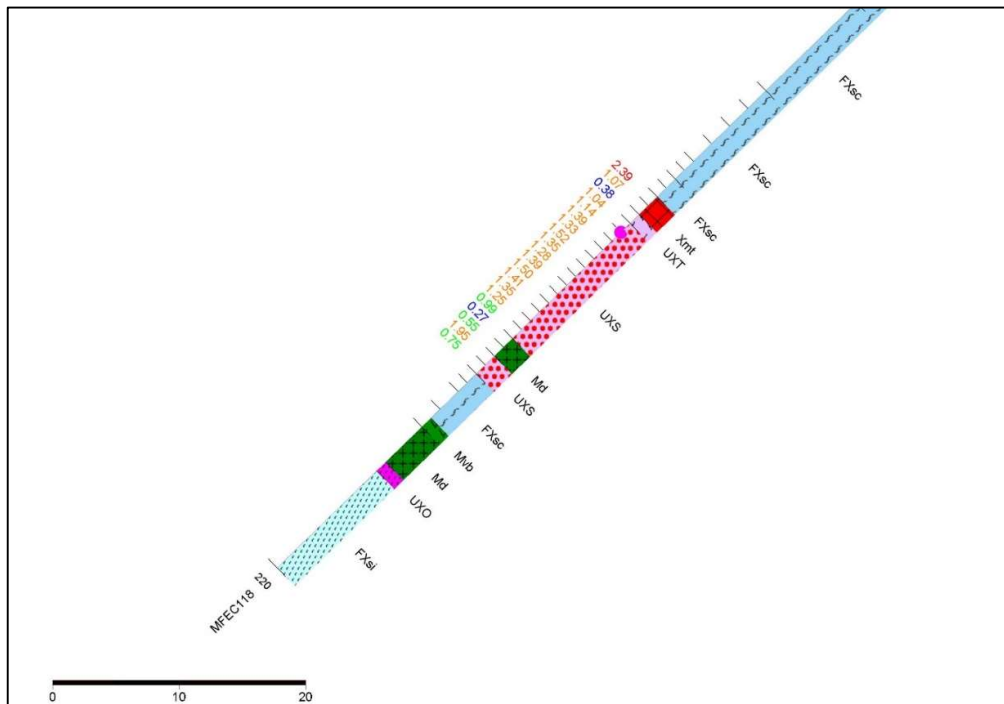


Source Rox Resources ASX release 10 October 2018.

Figure 11 - Long section Fisher East Deposits, showing most recent drilling and Down Hole EM conductors

The Sabre prospect, 7km to the south of Camelwood, consists of mineralised high MgO ultramafic rocks tabular lenses of mostly disseminated mineralisation ranging from 2m to over 20m thick with a strike length

of over 500m. Commonly the ultramafic unit is mineralised between mostly felsic margins (Figure 12) with narrow intervals of massive sulphides in multiple holes at or near the eastern basal contact.



Note Blue lithologies are felsic, green mafic intrusives and pink are ultramafic rocks with nickel grades labelled.

Source: Rox Resources

Figure 12 - Sabre prospect cross-section showing the broad disseminated nickel mineralisation.

Drilling is mostly very wide-spaced except for some of the upper-southern part of the deposit where RC drilling has been undertaken on a nominal 50m x 80m spacing. Figure 13 shows a long section of the mineralisation and DHEM conductor plates.

An Exploration Target at Sabre of 2.0 – 2.5 Mt at 1.5 - 2.5% Nickel has been identified based on RC and diamond drilling and geophysics (EM) with significant additional work required in this prospect. VRM has reviewed the work that has been used to determine the Exploration Target which has been determined by 3D modelling of the known mineralisation from drilling and the geological interpretation. The model excludes weathered material which is considered standard for estimation of sulphide mineralisation. VRM however cautions that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration undertaken to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. To seek to confirm the Exploration Target tonnage and grade range it is considered likely that focussed exploration over at least two years would be required. VRM understands that Cannon are planning additional exploration and drilling at the Sabre prospect.

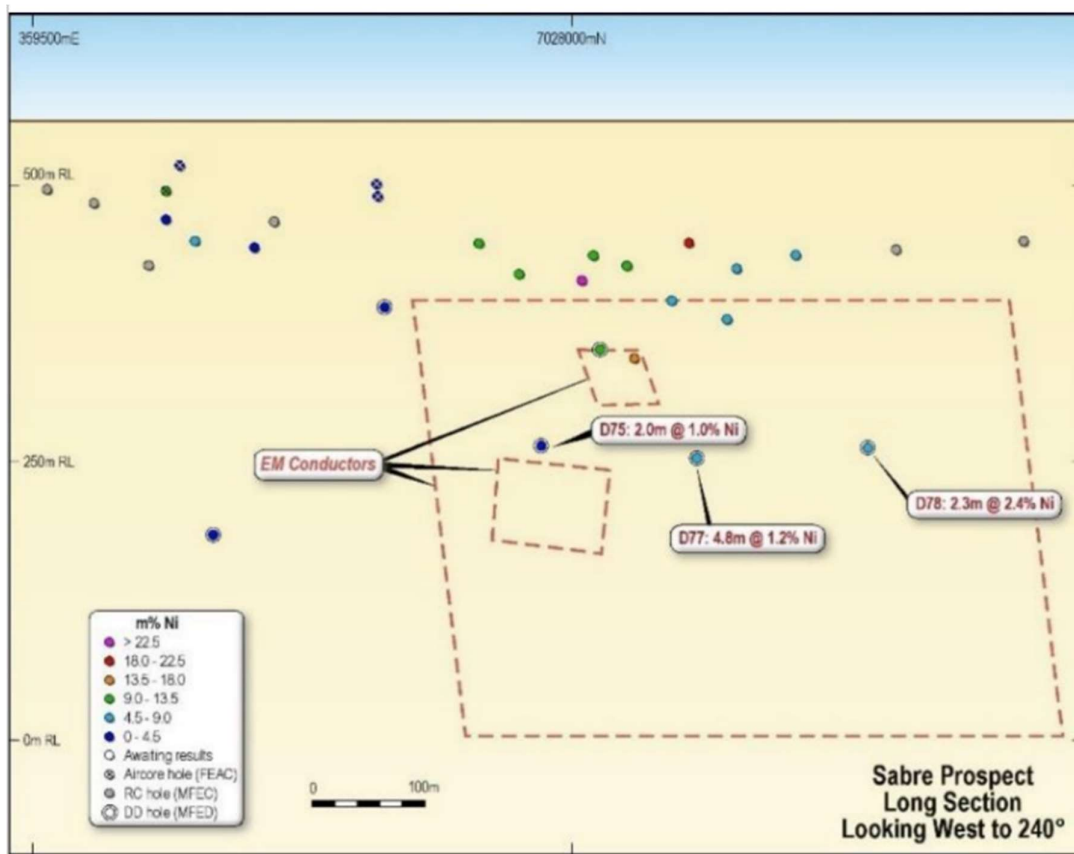


Figure 13 - Long section Sabre Prospect, showing most recent drilling and Down Hole EM conductors

Other Regional Targets

In 2016 and 2017 new zones of nickel mineralisation were intersected from RC and aircore drilling at the Cutlass to Claymore prospects from 2 to 10km south of the existing deposits along the south east trending prospective ultramafic package (Figure 14). The drilling largely tested EM anomalies.

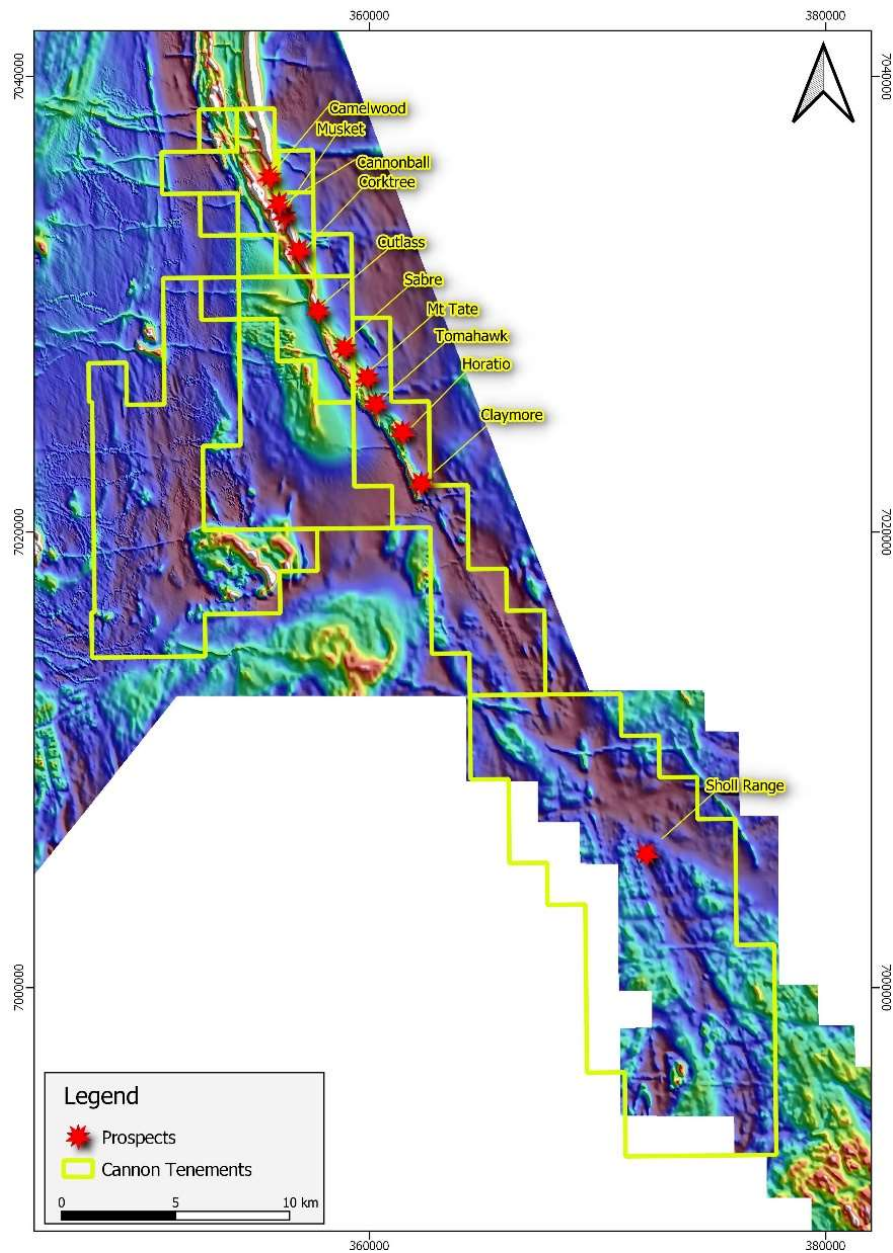
Figure 15 shows the location of the detailed in Table 2 with the results overlain on the grey scale magnetic images along the prospective basal ultramafic trend.

Sholl Range

The Sholl Range prospect is located approximately 20km south of the main Fisher East deposits. Aircore drilling in 2018 identified ultramafic rocks under shallow cover in an area previously interpreted as granite. Anomalous nickel and copper values were intersected near surface over substantial thicknesses and over at least 800m of strike.

Highlights include:

- 17m at 0.52% Ni, 67ppm Cu, 308ppm Co from 4m depth in hole SRAC036,
- 16m at 0.62% Ni, 43ppm Cu, 267ppm Co from 16m depth in hole SRAC037, and
- 13m at 0.45% Ni, 34ppm Cu, 221ppm Co from 8m depth in hole SRAC049



Note The tenement outlines have changed due to a partial surrender to E53/1802.

Figure 14 - Detailed Airborne Magnetics (RTP) with tenements and Nickel Deposits and Prospects

Table 2 Significant drill intersections from 2016 and 2017 regional exploration drilling

Prospect	Hole Id	Hole Type	From	To	Interval	Ni(%)	Cu (ppm)	PGE Pd+Pt+Au (ppm)
Sabre North	FEAC447	Aircore	58	70	12	0.20	213	0.115
	Inc		58	64	6	0.17	344	0.184
Mt Tate	FEAC402	Aircore	64	68	4	0.28	179	0.043
	FEAC406	Aircore	60	62	2	0.29	195	0.035
Horatio	FEAC408	Aircore	35	50	15	0.24	64	0.032
	FEAC415	Aircore	24	40	16	0.35	109	0.023
Claymore (MTVTEM-06)	FEAC379	Aircore	48	65	17	0.38	46	0.011
	FEAC421	Aircore	19	42	23	0.52	45	0.008

From Rox ASX releases 25 August 2015 and 11 October 2016,

Figure 15 shows the location of these results overlain on the grey scale magnetic images along the prospective basal ultramafic trend.

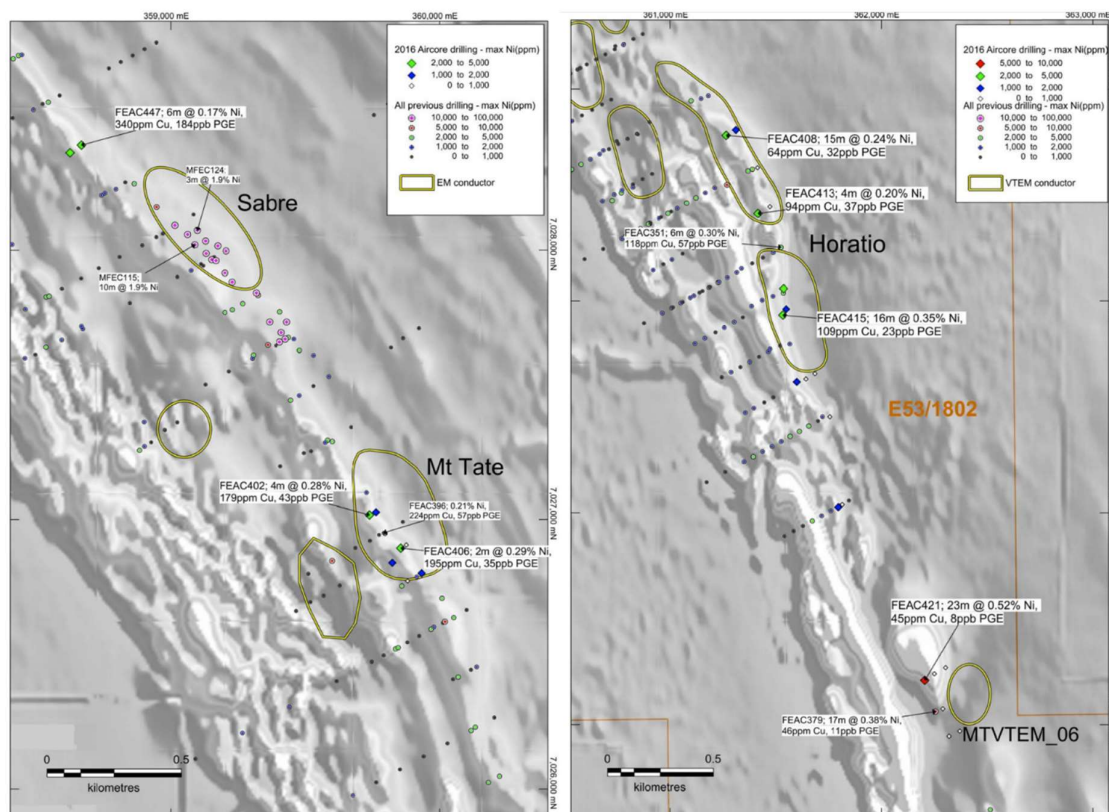


Figure 15 - Plan view of regional along strike prospects showing Aircore and RC anomalies

4.3. Mineral Resource Estimates

The most recent JORC 2012 Mineral Resource Estimates on the Fisher East Project were conducted by Mining One (McKeown, 2015 and Rox ASX release 5 February 2016) The following is a summary from that report.

The deposits are layered with three layers having been identified:

- highest grade Ni in massive and semi-massive sulphide.
- higher grade Ni in matrix and minor disseminated sulphide.
- lower grade Ni in sparse disseminated sulphide.

Mineral Resources were estimated for the three deposits. The highest grade layer does not occur at the Cannonball prospect. Block models with a parent block size of 25m (north-south) X 10m (east-west) X 5m (vertical) with sub-celling allowed to a minimum block size of 1.562m X 0.625m X 0.312m to allow for good representation of the geological interpretation.

The total sulphide content of the mineralisation has the most influence on the density. Bulk densities for the three deposits were based on the correlation between sulphur content and densities measured on drill core. Bulk densities in the mineralisation ranged from 2.8 to about 4.5 tonnes per cubic metre. All tonnage estimates were made in dry tonnes. A cut-off grade of 1% nickel was applied. Table 3 shows the estimates of the individual bodies as described above.

Table 3 - Mineral Resource estimate Fisher East Project

Deposit	Category	Tonnes (Mt)	Grade Ni %	Contained Metal Nickel (kt)
Camelwood	Indicated	1.7	2.0	34.0
	Inferred	0.3	1.5	5.0
	TOTAL	2.0	1.9	39.0
Cannonball	Indicated	0.24	2.9	7.0
	Inferred	0.02	1.9	0.3
	TOTAL	0.26	2.8	7.3
Musket	Indicated	1.8	1.7	30.0
	Inferred	0.1	1.5	1.6
	TOTAL	1.9	1.7	31.6
Total	Indicated	3.7	1.9	71.0
	Inferred	0.5	1.5	7.0
	TOTAL	4.2	1.9	78.0

Extracted from Rox Resources 2020 Annual Report and as reported in Rox Resources ASX release of 5 February 2016.

Below is a summary of the resource information, extracted from the Rox ASX release of 5 February 2016 as required by the JORC code including the grade tonnage curves (Figure 16) and the breakdown of the grade

tonnage by deposit (Figure 17). For more detail, please refer to Appendix: Table 1, Sections 1 to 3 included below.

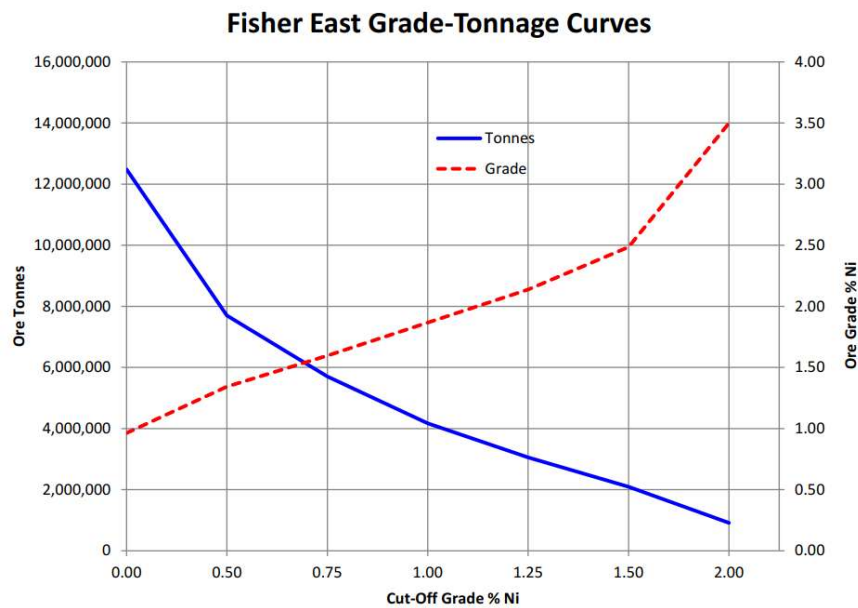


Figure 16 Grade Tonnage Curve for the combined Camelwood, Cannonball and Musket Deposits

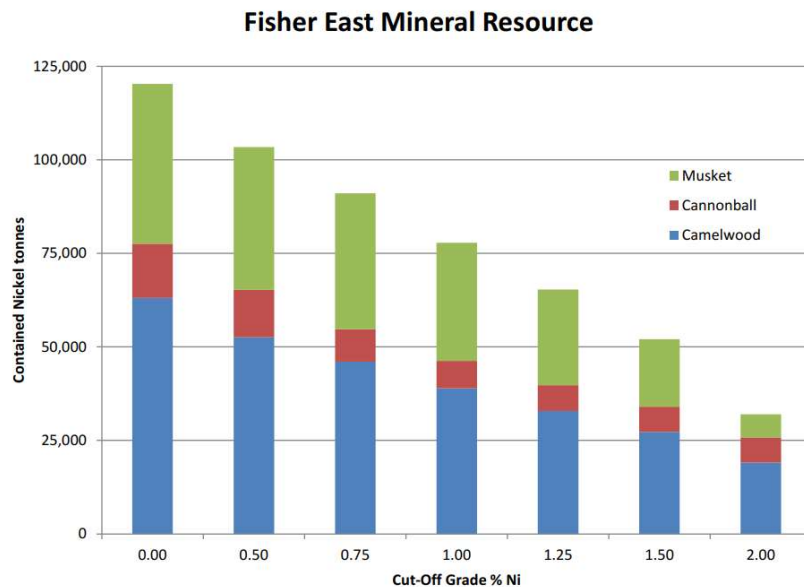


Figure 17 Total Resource Camelwood, cannonball and Musket based on Cut-off grade and deposit.

Geology and Geological Interpretation

The Camelwood, Cannonball and Musket deposits are located within the Fisher East Project, situated in an Archaean terrain metamorphosed to upper greenschist/lower amphibolite facies and comprises a N-NNW striking greenstone sequence flanked by large granitoid. The greenstone comprises felsic, mafic, ultramafic and sediments in an overturned stratigraphic sequence. The Archaean sequence is partly exposed at surface and is often obscured by deep weathering. Several later (Proterozoic) diorite dykes dissect the area with a

broadly E-W orientation. Nickel mineralisation is located within the ultramafic sequence of the greenstone belt, with three layers of sulphides recognised within the deposits being massive and semi massive sulphide with these being the highest grade, higher grade mineralisation described as matrix with minor disseminated sulphide and sparse disseminated (lower grade) mineralisation.

Drilling Techniques and Drill-hole Spacing

Several phases of drilling have been in the Camelwood, Cannonball and Musket deposits within the Fisher East Project. With the drilling at a nominal 40 m by 40m to 80m by 80 m spacing using a combination of 5.5" (140 mm) face sampling reverse circulation percussion (RC) and diamond drill (DD) holes. Core size was dominantly NQ2 size diameter. The following drilling were used for this resource estimation:

- Camelwood: 38 RC holes for 6470.0m and 41 DD holes for 15,56.2m.
- Cannonball: 21 RC holes for 3,618.0m and 10 DD holes for 3,566.0m.
- Musket: 25 RC holes for 4,594.0m and 20 DD holes for 7,565.1m.

Holes were drilled towards grid west at varying dips to intersect the mineralised zones at close to perpendicular.

Sampling and Sub-Sampling Techniques

Sample information used in the resource estimation was derived from both RC and diamond core drilling. RC drilling was sampled in one metre intervals. Diamond drilling was sampled to geological intervals, resulting in samples between a minimum of 0.1m up to a maximum of 1.5m. QC procedures involve the use of Certified Reference Materials (CRM's) as assay standards, along with duplicates and barren waste samples. The insertion rate of these was approximately 1:20.

Sample Analysis Method

Drill core was cut in half on site using a core saw. All samples were collected from the same side of the core, preserving the orientation mark in the retained core. RC samples were collected on the drill rig using a cone splitter.

Sample preparation followed industry best practice. This involved oven drying, coarse crushing of diamond core to ~10mm, followed by pulverisation of the entire sample to a grind size of 85% passing 75 microns. The analytical techniques involved a four-acid digest followed by multi-element ICP/OES analysis, and a 25g fire assay with a mass spectrometer finish for Au-Pt-Pd.

Cut-off Grades

A cut-off grade of 1.0% N was used based on a nickel price of \$14,000/t which implies that material with a contained metal value of about AUD\$140 could be treated at a profit, which seems reasonable. This was also the cut-off grade used for previous resource estimates.

Estimation Methodology

Grade estimation by Ordinary Kriging (OK) and nearest neighbour was completed for nickel and sulphur using Surpac software. Samples were composited to 1m. Successful variography for Ni and S allowed Ni and S grade estimation of the higher and lower grade zones using OK. While the massive sulphide zones

(with the highest grade) the use of ordinary kriging was not possible, therefore the grades of these zones were attributed to the blocks based on the average grades of nearest neighbour estimates. The block model was constructed created using a 10m E by 25m N by 5m RL parent block size with sub-celling to 0.625m E by 1.562m N by 0.312m RL to achieve reasonable three dimensional modelling of the mineralisation. Estimation was completed at the parent cell scale. The parent cell size in the north-south direction was about half the nominal cross-section spacing. Validation of grade estimates were made by comparing average global grades made by ordinary kriging with average global grades estimated by a nearest neighbour method, and average global grades based on the averages of composited grades. There was reasonable to excellent agreement among all average global grades. No top-cutting was required as all high grade samples were accounted for within highest grade zone of massive and semi-massive sulphide and the data contain no outliers. Search ellipse sizes were set to ensure that Ni and S grades were estimated for all blocks in the model; this required a maximum search distance of 300m.

Classification Criteria

Classification of the Mineral Resources was based on the geological continuity of the mineralisation. For parts of the deposits, where drilling intensity was adequate to define the zone shapes and extents reasonably reliably were classified as Indicated Mineral Resources, generally where the general drilling pattern was at a nominal 50m X 50m spacing. Beyond the Indicated Mineral Resource, the resource was classified as Inferred.

Mining and Metallurgical Methods and Parameters

Based on the orientations, thickness and depths to which the nickel mineralisation has been modelled, as well as the estimated nickel grades, the potential mining method is considered to be underground mining. There has been systematic metallurgical test work carried out for the deposits however there have been no assumptions build into the resource model. Based on comminution and flotation test work of samples from the key Fisher East deposits, a processing flowsheet has been developed consisting of three-stage crushing, grinding, flotation, concentrate handling and tailings disposal. Metallurgical recoveries from the test work included 97 to 100% recovery into 12% Ni concentrate from massive sulphide material and 74 to 81% recovery into 12% Ni concentrate from disseminated sulphide.

4.4. Metallurgy

Rox has undertaken multiple metallurgical studies on the mineralisation from Camelwood, Cannonball and Musket. Table 4 summarises all of the metallurgical test work conducted on the Fisher East Project. .

Key observations of the Fisher East Project mineralogy include:

- The main nickel minerals are pentlandite and violarite.
- Pentlandite is the dominant nickel bearing mineral in the primary mineralogical zone.
- Violarite is the dominant nickel bearing mineral in the transitional mineralogical zone.
- Chalcopyrite is present in low quantities.
- The main sulphide gangue minerals are pyrrhotite and pyrite.
- The non-sulphide gangue minerals include talc and carbonates (magnesite/siderite/dolomite).

The implications of the mineralogy detailed above on the metallurgy include:

- Violarite can have slower flotation kinetics than primary sulphides such as pentlandite. However, slower flotation kinetics of the transitional nickel minerals has not been observed in the test work.
- Pyrite and pyrrhotite will require depression in order to prevent them reporting to the flotation concentrate.
- Pyrrhotite can contain between 0.6% and 1.5% by mass nickel in solid solution, which is a nickel recovery loss if the pyrrhotite is rejected to the final tailings.
- Talc (MgO bearing) is considered to be the most problematic non-sulphide gangue mineral due to its hydrophobicity and the associated difficulty in separating it from the sulphide concentrate.

Table 4 - Summary of Metallurgical Test work

Resource Zone	Nickel Head Grade (%)	Primary Grind Size (µm)	Rougher Nickel Grade (%)	Rougher Nickel Rec. (%)	Fe : MgO Ratio	Bond Ball Mill Work Index (kWh/tonne)	Bond Abrasion Index
Camelwood Primary Disseminated	2.4	75	6.3	86.2	12:1	10.9	0.027
Camelwood Primary Massive	6.7	53	12.2	96.7	13:1	-	-
Cannonball Transitional Semi-Massive	5.4	32	11.7	79.9	4:1	-	-
Musket Transitional Disseminated	2.5	32	4.1	46.5	0.5:1	-	-
Musket Primary Disseminated	2.1	75	10.3	84.2	4:1	-	-
Musket Primary Massive	20.0	75	23.0	99.7	111:1	-	-

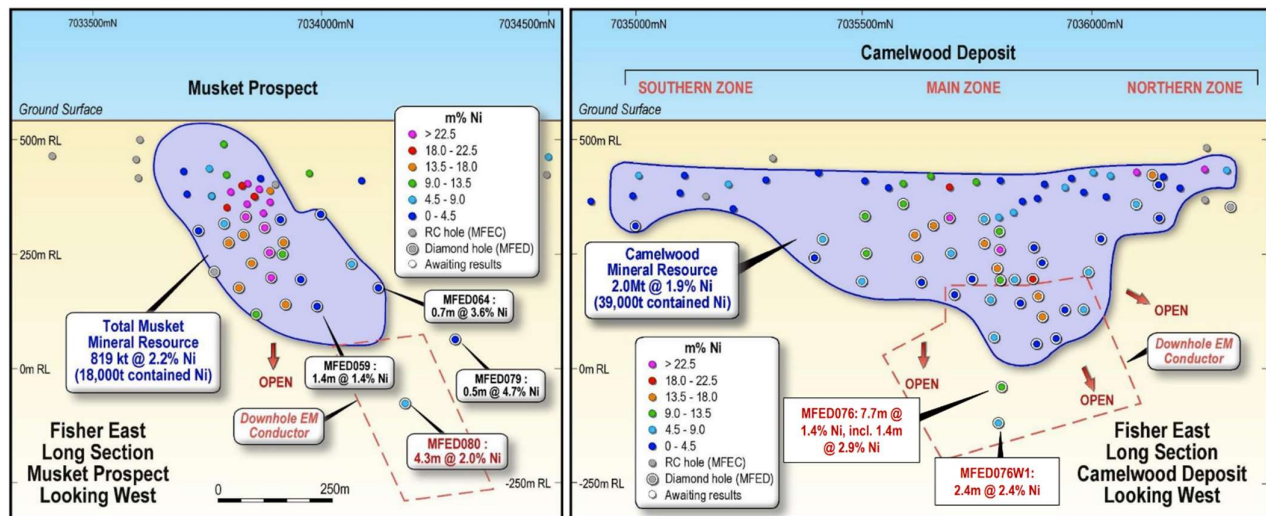
Based on the metallurgical studies a potential nickel flotation flowsheet for the Fisher East was developed.

4.5.Scoping Studies

A conceptual scoping study was completed by Rox Resources Limited on the Fisher East Nickel Project in 2015. This study was subsequently updated in 2018. The results of both the original study and the updated study were released on ASX. The Directors of Cannon are of the opinion that the cost and revenue assumptions used in the updated study are out of date. Further, they also consider that the underground mine design parameters in the scoping study are likely to change significantly in the event Cannon commissions a scoping study on the Fisher East Nickel Project. Accordingly, the Directors of Cannon do not consider the results of the historical scoping studies completed by Rox to be current nor material, and investors should disregard those results.

4.6.Exploration Potential

Further diamond drilling is considered warranted targeting shallow mineralisation at the northern end of Musket (Figure 18) and to follow-up intersections at depth from MFED076W1 at Camelwood and MFED080 at Musket where down hole EM indicates further mineralisation (Figure 18). In addition to the aim of seeking to identify extensions to the current resources there are significant shallow aircore anomalies that warrant additional deeper drilling.



(Source Rox Resources)

Figure 18 - Long section detail of Musket and Camelwood deposits showing Down Hole EM conductors and mineralisation open down dip and plunge.

South of the known deposits many of the aircore anomalies and EM targets from Cutlass to Claymore require further drilling with mineralisation open north south and down dip.

VMS potential

During 2020, Rox Resources commissioned an external consultant to undertake a structural assessment and review of the nickel mineralisation at the Fisher East Project. During the review quartz-pyrite-pyrrhotite-chalcopryrite and sphalerite veining with associated chert bands were noted in footwall and hanging wall volcanic sediments immediately adjacent to the nickel mineralisation. This work noted that these zones had the similarities to exhalative VMS style mineralisation and recommended assessing the project area for VMS potential. Additional work was undertaken and a consulting geologist with specialist VMS experience identified four potential VMS prospects / targets. There has been no dedicated follow-up work undertaken within these targets however it was identified that the entire Mt Fisher Greenstone belt should be considered prospective for VMS mineralisation with multiple stratigraphic positions being potentially targeted. Additionally, while there has been extensive historical drilling much of that has ignored the potential for VMS mineralisation and quality multi-element assay data is scarce.

VRM considers the VMS potential a significant early stage exploration opportunity, especially given the extensive landholding, lack of previous exploration, multiple potential stratigraphic targets and the historical drilling samples which could be cost effectively re assayed for VMS pathfinder elements.

5. Collurabbie Project

5.1. Local Geology

The geology in the project area comprises a north-northwest striking greenstone sequence known as the Gerry Well Greenstone Belt. Monzogranite batholiths are interpreted to flank the greenstone sequence in the eastern and western extremities of the project area. The greenstone sequence comprises felsic, mafic, ultramafic, and sedimentary units, although the only units to crop out at surface are chert and BIF ridges. Regional metamorphism is typical of mid greenschist to lower amphibolite facies. Dating of a tonalite to the south west of the project within the interpreted belt, Lu et al (2020) (referenced throughout this Report without consent) indicates that the rocks are of Archean age at 2713Ma.

The structural framework of the Collurabbie Project comprises several generations of disruption beginning with an east west extensional phase D_e followed by a north south compressional fold and thrust D_1 event and an east west compressional fold and thrust D_2 event.

- The D_e – east west regional extension event is evident in north south to north northwest-south south east trending rift and normal fault structures.
- The D_1 – north south compressional event is evident in south verging, recumbent F_1 folds and low angle reverse thrust fault structures.
- The D_2 – an east west compressional event with resulting upright F_2 folds form a major east verging synclinal fold structure. F_1 fold axes and thrust faults are now sub-vertical in orientation, having been folded into F_2 . D_e rift structures are now evident as low angle reverse faults. (Merriner 2005, BHPB Internal Report) (referenced throughout this Report without consent)

Locally the stratigraphic sequence consists of footwall basalt and hanging wall dolerite to basalt which has been intruded by mafic to ultramafic rocks including gabbro, peridotite and various pyroxenitic units which host the nickel sulphides. The intrusion geometry is mostly sill like.

In 2004 Falcon Mineral's joint venture partner Western Mining Corporation (WMC) announced the intersection of high-grade massive nickel-copper-sulphide mineralisation at the Olympia Prospect including 5.77m at 3.0% Ni, 1.9% Cu, 5.3g/t PGE (WMC/FCN ASX release of 17 November 2004).

Nickel sulphide mineralisation was identified in two parallel ultramafic sills, known as Beta and Gamma. The Olympia massive sulphide mineralisation occurs in the Gamma Sill. Disseminated nickel sulphide mineralisation occurs in the Beta Sill. The two north north-west trending horizons extend over 20km in strike and are covered by alluvial sands in the south and Proterozoic sediments in the north.

The Gamma sill at Olympia has average thickness of 20m and generally consists of a basal peridotite unit (+/- massive and/or matrix sulphide), overlain by a variably mineralised wehrlite that has a sharp but conformable transition to an olivine clinopyroxenite. The olivine clinopyroxenite displays a gradational transition to an overlying gabbro norite of varying thickness. The gabbro norite unit terminates into the

country rock hanging wall succession; this contact is often non distinct in diamond core but is pronounced in downhole geochemical plots of Al_2O_3 and MgO .

The massive and matrix sulphide mineralisation predominantly comprises pyrrhotite, pentlandite, chalcopyrite and platinum-palladium group metals with thickness varying from 1m to 9.65m over a strike length of approximately 300m.

The country rock hanging wall and footwall succession comprise massive and pillowed tholeiitic basalts and associated gabbros and dolerites. The ultramafic sequence is cut by a felsic porphyry that transgresses the ultramafic unit from south west to north west. The porphyry transgresses the ultramafic at a very low angle and where contacts are not structurally modified, they are very sharp and show no evidence of interaction with the ultramafic package. The apparently limited interaction between these units and the continuity of ultramafic stratigraphy on either side of the felsic intrusion implies that the intrusion has created space by inflating the ultramafic sequence rather than stoping it out (Information Memorandum 2019 Rox Resources).

In the south of the project highly anomalous VMS style Zn-Pb-Cu-As sulphide veins and exhalative barren massive sulphides were intersected in drilling (Collurabbie Annual Report Falcon Minerals 2010) (referenced throughout this Report without consent).

5.2.Previous Exploration

Prior to 2004, work conducted by BHP, MIM and North Ltd concentrated on gold exploration. Gold exploration was primarily focused on the northern half of the project area with BHP drilling 49 RAB holes totalling 1,311 metres in 1989, and MIM drilling 46 RAB holes totalling 2,108 metres in 1995.

Between 1996 and 1999, North Ltd completed various work programs as part of their gold exploration strategy. These included detailed aeromagnetic surveys, soil and auger sample assaying, dipole-dipole induced polarisation geophysical surveys and RC drilling. Statistics include 166 soil samples, and drill hole assays for 529 RC holes, 6 diamond holes, 10 aircore holes and 25 auger holes. Drilled intercepts are discussed further in the Gold Exploration Section below.

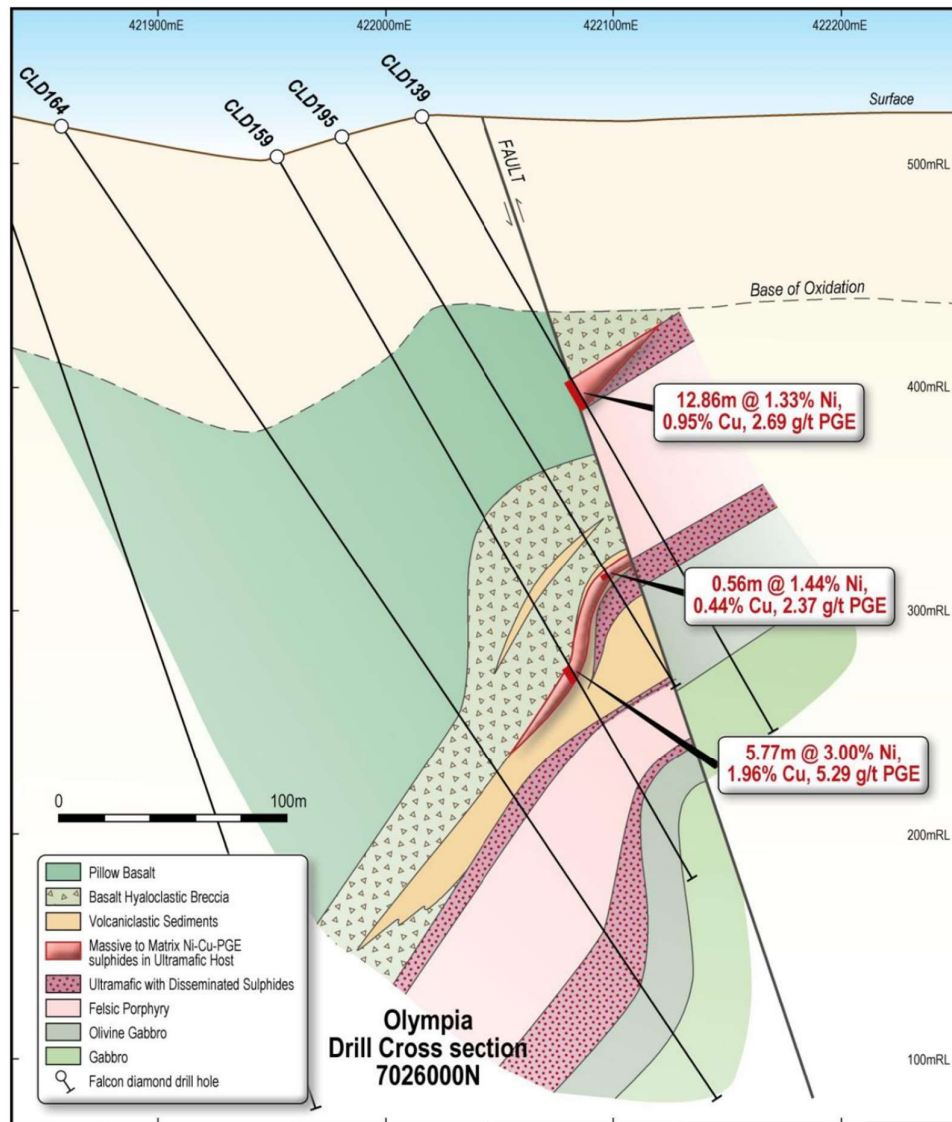
In 2001 WMC (WMC/YDR ASX 21 June 2001 (previously named Yardarino Ltd)) commenced exploration as part of an earn in with BHPB and continued the partnership with Falcon Minerals (renamed from Yardarino) after their takeover of WMC in 2005. Work by WMC and BHPB on the Collurabbie project included regional and detailed geological mapping, aerial photography and remote sensing ASTER, Landsat and TM, geochemical surveys – lags, soils, rock chips, geophysical surveys – fixed loop electromagnetics (**FLEM**), moving loop ground electromagnetics (**MLEM**), regional gravity and aeromagnetic surveys, down-hole electromagnetics, airborne gravity surveys and a helicopter-borne magnetic and radiometric survey.

A total of 230 reconnaissance AC holes, 83 RC holes and 108 diamond holes were drilled. On 15 July 2003 WMC/Falcon announced (ASX release of 15 July 2003) the discovery of nickel, copper and PGE sulphide

mineralisation associated with ultramafic horizons at a number of locations along the length of the belt. AC drilling in 2004 and 2005 led to the discovery of further strongly anomalous nickel, copper, and PGE mineralisation within the regolith profile. Deeper RC and diamond drilling beneath the anomalies in 2005 confirmed the presence of massive nickel copper and PGE sulphides at the Olympia prospect (see Table 5, summarising the significant intersection of the discovery diamond drilling program) with a discovery intercept of 5.77m at 3% Ni, 1.96% Cu and 5.29 g/t PGE from 279.43m in CLD159. No further drilling was conducted after 2006 by BHPB (Collurabbie Annual Technical Report Falcon 2010) (referenced throughout this Report without consent). Figure 19 shows a cross section through the main part of the deposit showing the CLD159 intersection and interpreted geology while Figure 20 shows a long section of the Olympia mineralisation and significant drill intersections from Falcon ASX release 25 July 2011. A plan of the drilling in the Olympia prospect is shown in the Resource Section below (Figure 25).

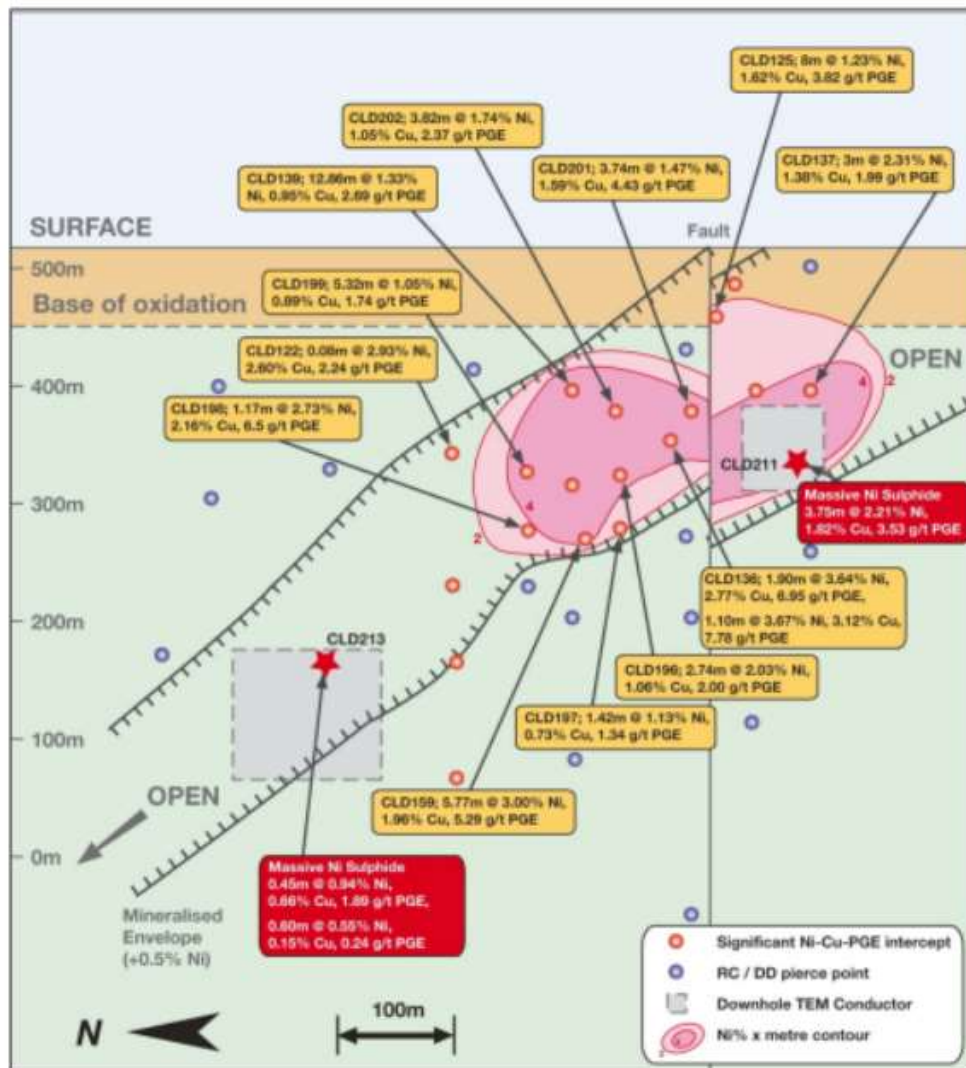
Table 5 - Significant intersections drilled by BHPB at Olympia.

Hole ID	MGA94_z51_East	MGA94_z51_North	From (m)	To (m)	Width (m)	Ni %	Cu %	Total PGE (g/t)
CLD122	421952	7026102	200.18	200.26	0.08	2.93	2.60	2.24
CLD125	422141	7025902	64.00	72.00	8.00	1.23	1.62	3.82
CLD127	421914	7026500	82.00	86.00	4.00	1.00	0.55	0.97
CLD136	421999	7025899	176.00	177.90	1.90	3.64	2.77	6.95
	and		184.90	186.00	1.10	3.67	3.12	7.78
CLD137	422120	7025799	136.00	138.00	2.00	2.85	1.77	2.52
CLD139	422019	7026000	131.64	144.50	12.86	1.33	0.95	2.69
CLD159	421946	7026000	279.43	285.20	5.77	3.00	1.96	5.29



(Source Rox Resources 18 August 2017 ASX release)

Figure 19 - Cross Section 7026000N through Olympia



(Source FCN Quarterly Report 25 July 2011)

Figure 20 - Long Section of the Olympia Mineralisation

Outside of Olympia a number of prospects were developed using a combination of airborne and ground based EM and first pass aircore drill testing to define prospective geology and geochemistry. Figure 21 shows the location of these prospects and some of the more significant drill intercepts.

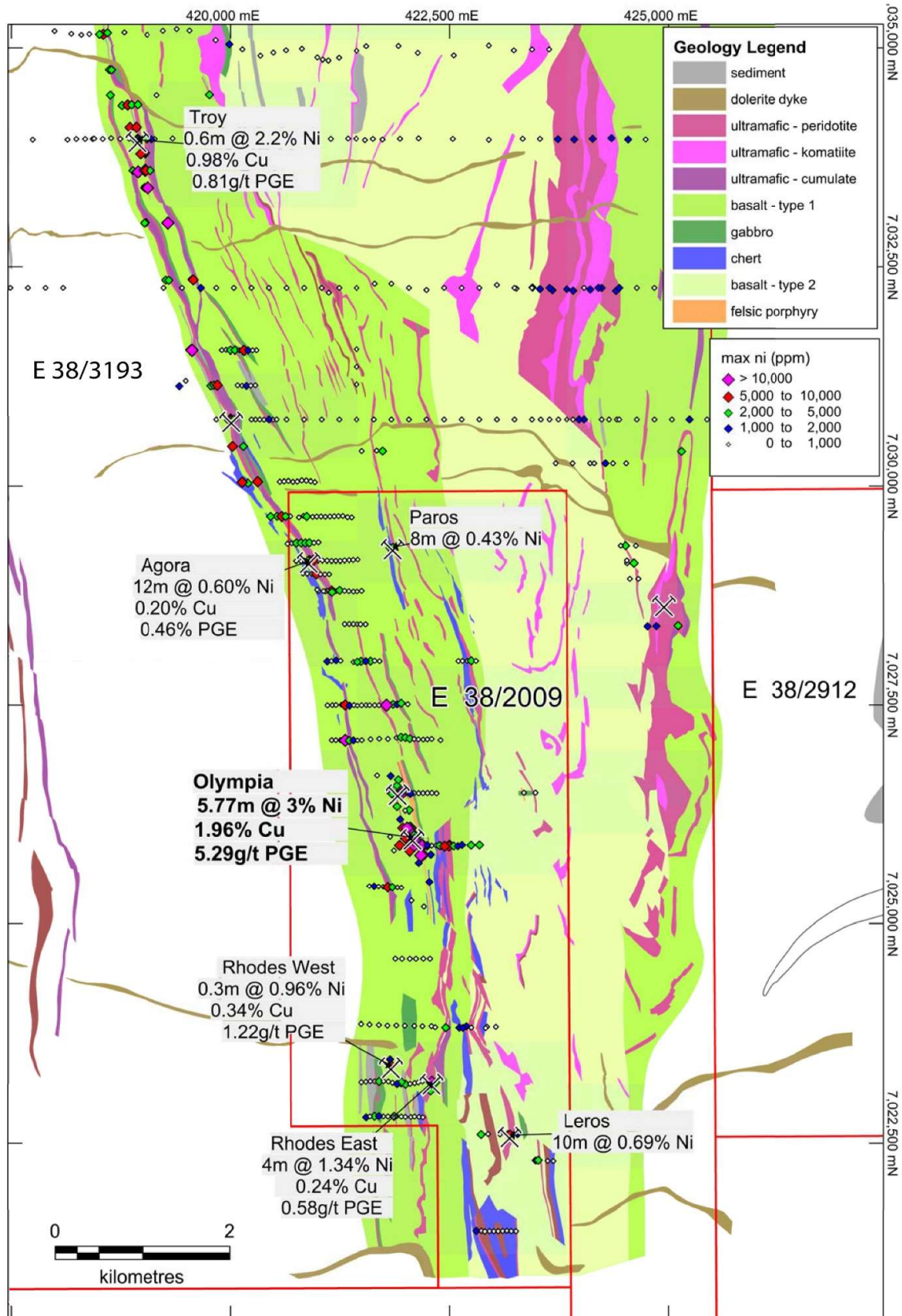


Figure 21 - Location of significant Ni intercepts including the discovery intercept at Olympia.

On 20 October 2016, Rox acquired the Collurabbie Project from Falcon Minerals in a mostly share based transaction of \$25,000 cash and 7,500,000 shares (Rox ASX 20 October 2016). The tenements acquired by Rox and included in the Cannon IPO are detailed in Figure 3 above.

Rox conducted aircore drilling of selected targets and discovered a new zone of mineralisation at the Olympia North prospect, located less than 1km north of the Olympia deposit and completed follow up RC drilling (Figure 22). Downhole EM surveys were completed for CXDD002 and CXDD003 with a strong off-hole response in CXDD003. Modelling indicated a highly conductive small thin plate located below and west of the hole. The off hole conductor from CXDD003 has not been tested.

Significant RC and Diamond drill intersections are appended to this Report.

Anomalous geochemistry was also obtained from drilling at the Ortus prospect, located west south west of Olympia, along the western ultramafic and magnetic high unit previously called the Beta Sill, Troy, and Zeus South (Figure 22 and Figure 23).

Table 6 details some of the significant Rox Resources drill results for the Collurabbie project.

Table 6 - Collurabbie Significant Drilling Results Rox Resources

Prospect	Hole	Hole Type	From	To	Interval	Ni %	Cu %	Co %	Pt ppm	Pd ppm	ASX Release Date
Olympia North	CXAC086	Aircore	8	28	20	0.70	0.40	-	0.305	0.464	10/10/17
	CXAC156	Aircore	4	8	4	0.24	0.0056	0.0209	-	-	26/7/2018
	CXRC001	RC	64	96	32	0.48	0.28	0.03	0.218	0.347	21/11/17
	CXRC003	RC	76	81	5	0.63	0.3	0.03	0.239	0.422	21/11/17
	CXRC013	RC	57	62	5	0.83	0.55	0.04	0.98		25/9/2018
	CXDD002	Diamond	167.29	167.45	0.16	0.48	0.25	0.02	0.529		18/10/18
	CXDD003	Diamond	202.87	203.07	0.2	0.91	0.81	0.03	0.621		18/10/18
Ortus	CXAC008	Aircore	16	40	24	0.56	0.12	-	0.178	0.212	10/10/17
	inc		20	32	12	0.74	0.19	-	0.309	0.315	10/10/17
	CXAC046*	Aircore	16	40	24	0.56	0.04	-	0.078	0.084	10/10/17
Ortus Nth / Beta Sill	CXAC011**	Aircore	4	31	27	0.45	0.090	-	0.012	0.012	10/10/17 -
	CXAC041**	Aircore	4	24	20	0.39	0.204	-	-	-	10/10/17
Troy	CXAC123	Aircore	28	40	12	0.80	0.0259	0.0567	-	-	26/7/2018
	CXAC124	Aircore	28	52	24	0.47	0.0113	0.0230	-	-	26/7/2018
Zeus South	CXAC186	Aircore	16	36	20	0.33	0.0049	0.0188	-	-	26/7/2018
	CXAC187	Aircore	8	36	28	0.48	0.0035	0.0290	-	-	26/7/2018

Note Where the Pt and Pd assays are combined the ASX releases only detail combined Pt+Pd assay results, where assays are not reported a “-” has been inserted, < = less than detection. * Did not reach target depth.** Laterite enrichment – significance undetermined.

The Olympia mineralisation is open at depth, down plunge and there is limited drilling along strike. The deeper drilling has however only intersected narrow (<1m wide) low grade (<1%) nickel and copper mineralisation, for example CLD213 0.45m at 0.94%Ni, 0.66%Cu, 1.89g/t PGE from 319.95m and 0.6m at 0.55%Ni, 0.15%Cu and 0.24g/t PGE from 383.05m (Falcon ASX release 25 July 2011). Therefore, in VRM’s

opinion, there appears limited potential to extend further the existing high grade mineralisation. There is however significant potential along strike within the Gamma Sill which hosts the mineralisation at Olympia.

In VRM's opinion, many of the regional nickel anomalies remain open along strike and down dip, along with bulk tonnage low grade disseminated potential within the Beta Sill 500m to the west of Olympia which is a long magnetic feature in the regional magnetic images (Figure 22 and Figure 23).

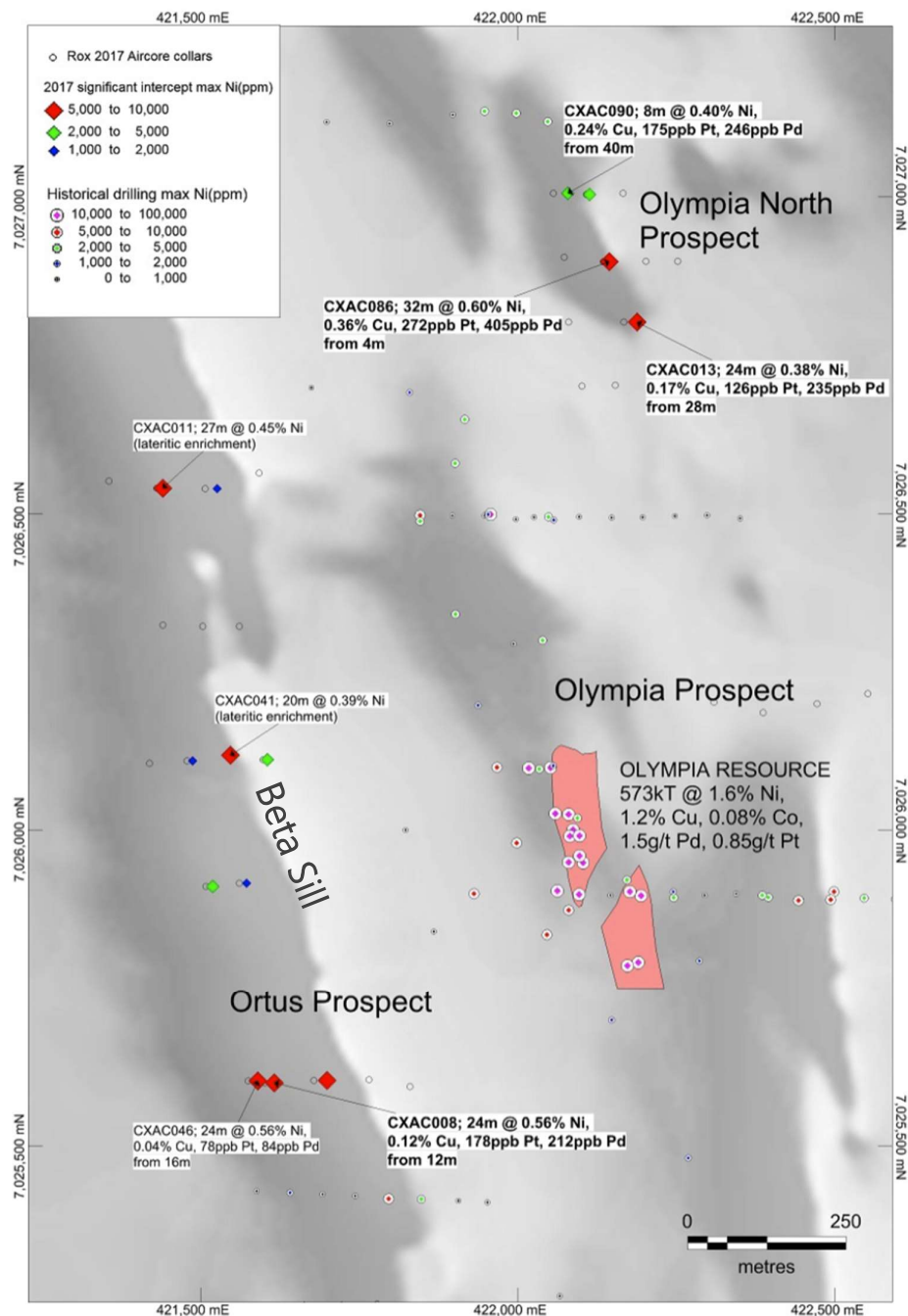


Figure 22 - Rox drilling Ni anomalies in near vicinity of Olympia resource.

Gold Exploration

The review of historical drill data from MIM, BHP, North Ltd and WMC has identified a number of gold prospects with many of the anomalous drill results occurring in covered terranes where little or no surface geochemistry exists. The anomalies were identified in the mid 1990's by wide-spaced aircore and RC drilling. The gold intercepts occur beneath shallow to thick Proterozoic cover (20-120m). Anomalous intercepts are listed below:

- CHRC04 2m at 1.7 g/t Au from 28m saprock after basalt.
- KRC364 2m at 2.5 g/t Au from 70m altered basalt.
- KRC424 6m at 0.7 g/t Au from 142m altered veined and sulphidic ultramafic rock.
- KRC463 2m at 5.2 g/t Au from 30m saprock after ultramafic rock and quartz veins.
- KRC485 2m at 1.0 g/t Au from 156m sheared ultramafic.

BHPB's internal review of gold potential in 2005 concluded that significant gold mineralisation in most cases occurs adjacent to and/or in close proximity to north and northwest trending major structural zones, structural intersections, and along lithological contacts. In addition, gold mineralisation is hosted predominantly within greenstone stratigraphy and is strongly associated with chlorite / sericite / quartz / carbonate alteration and commonly occurs within quartz/carbonate veining.

The mineralisation appears coincident with pyrite and pyrrhotite, and commonly is associated with elevated arsenic (Merriner 2005 BHPB Internal Report) (referenced throughout this Report without consent). BHPB also observed the separate gold event at the Olympia deposit, suggesting that the nickel sulphides may have acted as a chemical trap for the gold.

Gold intercepts obtained by BHPB included:

- CLD12 0.4m at 2.55g/t Au from 280.9m dolerite, arsenopyrite logged.
- CLD159 2m at 0.56 g/t Au from 280m massive sulphide within ultramafic (Olympia).
- CLD136 2m at 0.57 g/t Au from 184.00m mafic breccia host at massive sulphide contact (Olympia).
- CLAC153 2m at 0.55 g/t Au from 36m clay saprolite, elevated Arsenic.

In 2017 Rox conducted gold exploration drilling at the Naxos prospect (Figure 23) returning anomalous results (Rox ASX release 10/10/2017) such as:

- CXAC020 4m at 0.15g/t Au from 44m.
- CXA0C31 4m at 0.25g/t Au from 44m.
- CXAC033 4m at 0.58g/t Au from 52m.
- CXAC037 4m at 0.21g/t Au from 32m, and 4m at 0.22g/t Au from 40m.
- CXAC038 4m at 0.22g/t Au from 80m.

Figure 23 shows the location of the anomalous gold intercepts and named prospects.

It is VRM's opinion that potential for economic gold mineralisation at Collurabbie has not been fully evaluated and additional work is recommended.

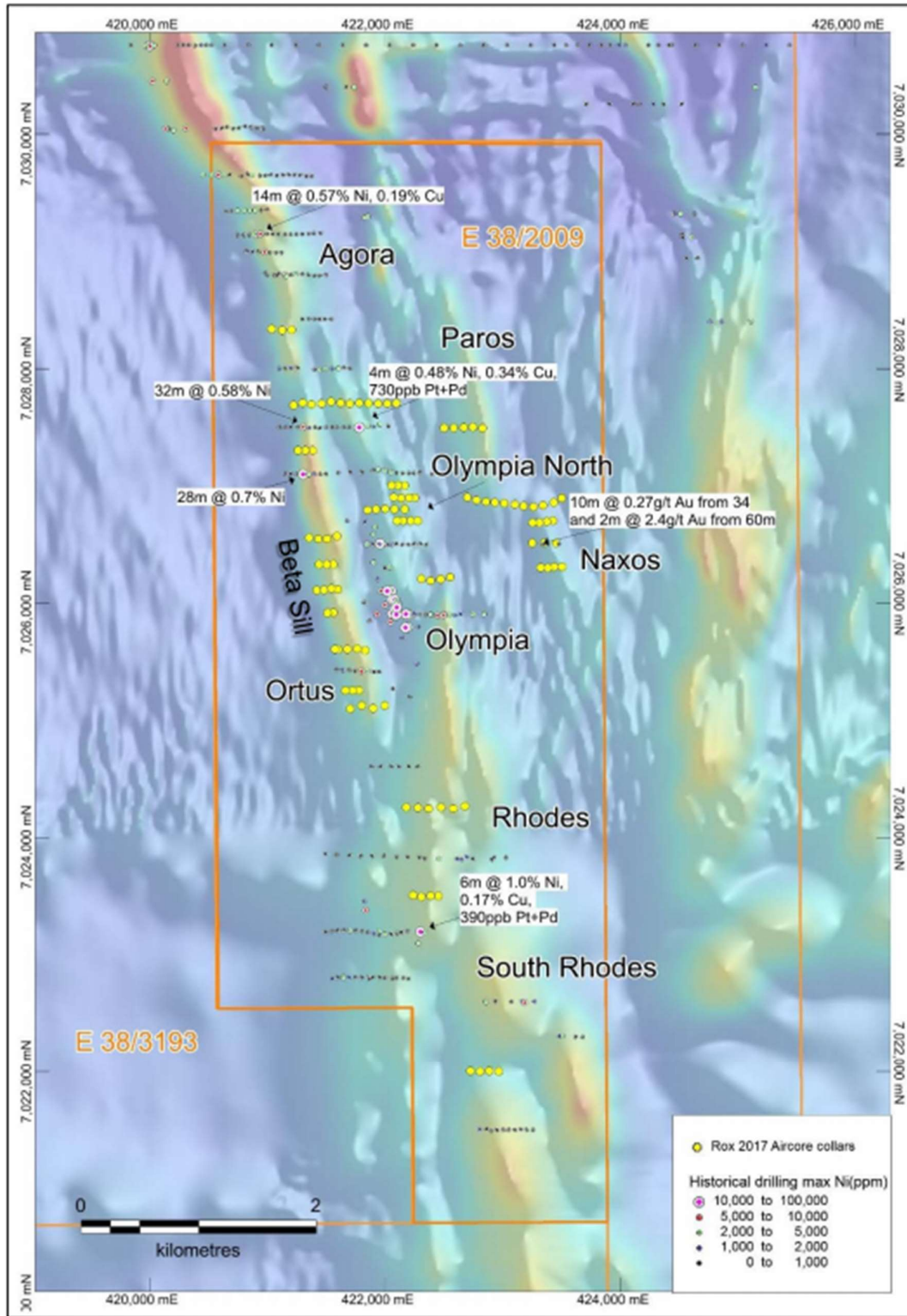


Figure 23 - Location of gold prospects and significant anomalies

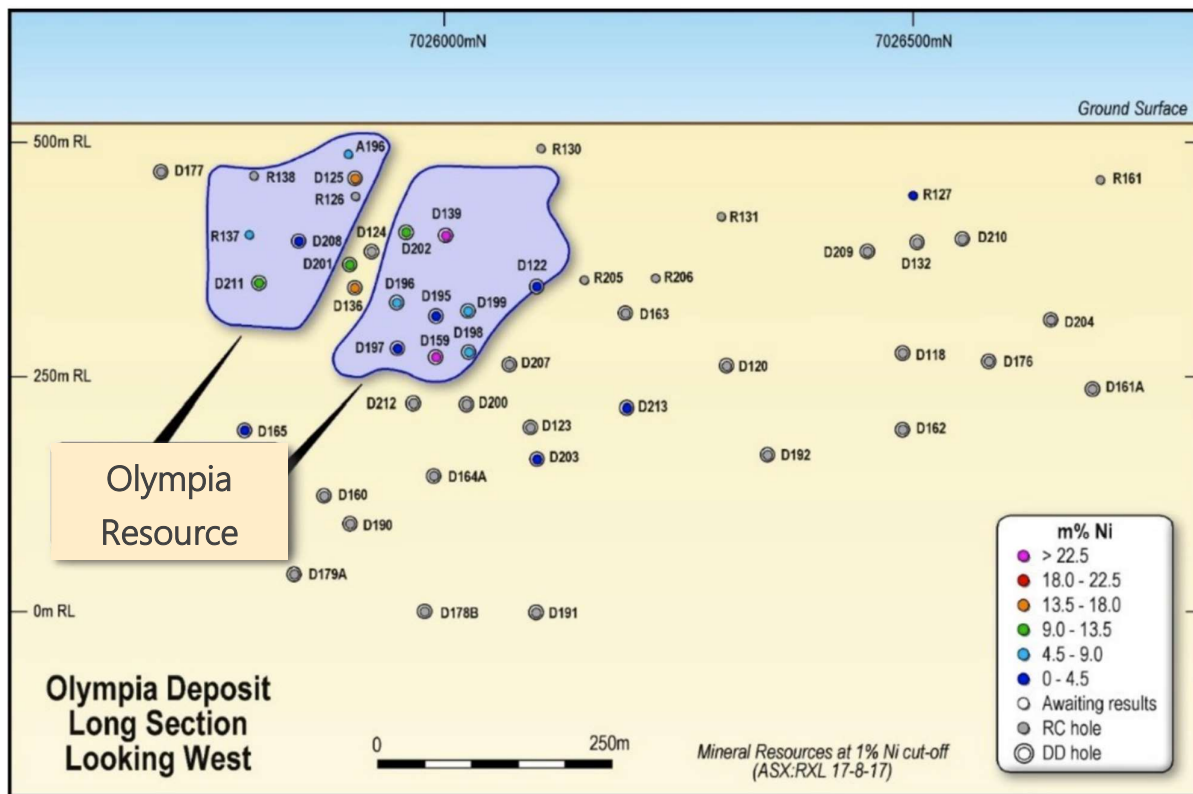
5.3.Mineral Resource Estimates

In 2017 a JORC 2012 Inferred Mineral Resource was estimated at Olympia by Trepanier Pty Ltd, for Rox Resources Ltd at a cut-off grade of 1% Nickel (Trepanier (2017) and Rox ASX release of 18 August 2017)). This Mineral Resource estimate is detailed in Table 7 below and should be viewed as approximate given that, as an inferred category Mineral Resource estimate, it is in the lowest level of confidence of the three categories of Mineral Resource. The Mineral Resource estimate is reported in accordance with JORC 2012 and has considered the reasonable basis of eventual economic extraction.

Table 7 - Olympia Mineral Resource Estimate

Deposit	Category	Tonnes (kt)	Grade Ni %	Grade Cu %	Grade Co %	Grade Pd g/t	Grade Pt g/t
Olympia	Inferred	573	1.63	1.19	0.082	1.49	0.85

From Rox Resources 2020 Annual Report (ASX release 30 September 2020 and original ASX release 18 August 2017)



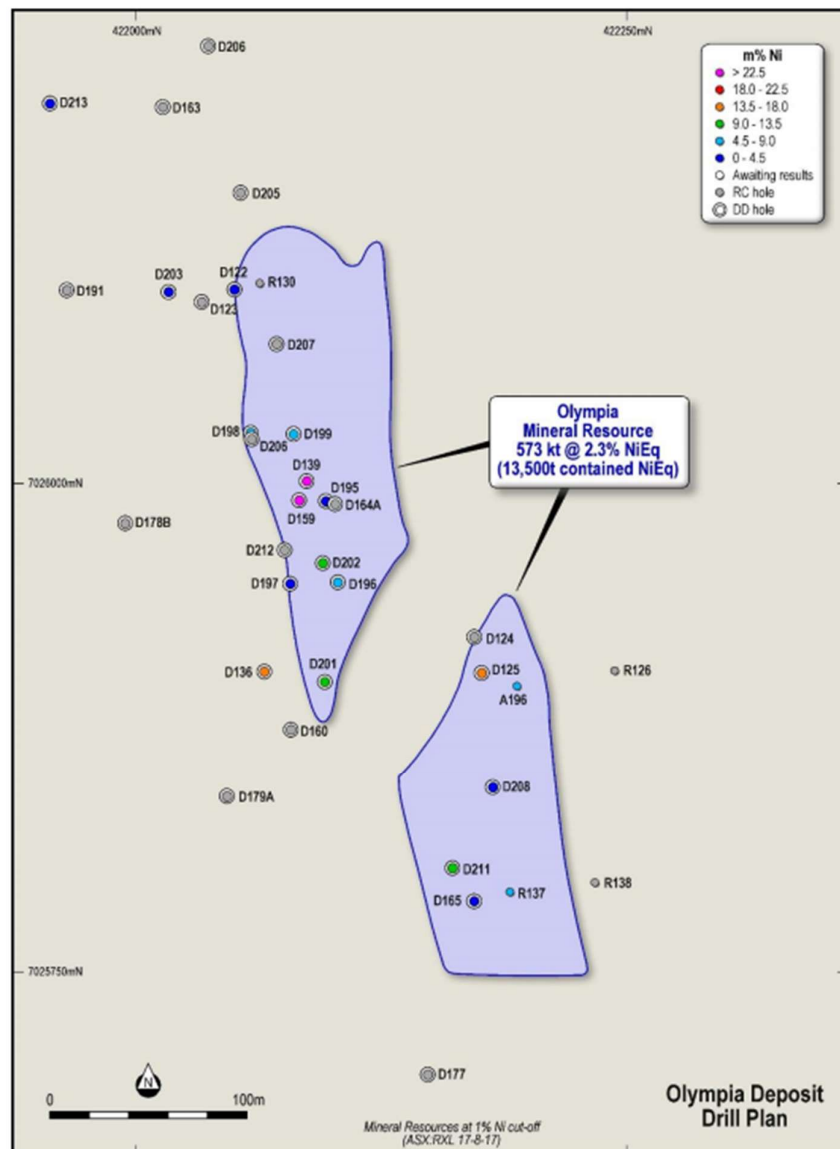


Figure 25 - Olympia Resource drill plan

The mineralisation has been separated into two distinctly different zones separated by a fault as per the interpretation shown in Figure 20.

Below is a summary of the Mineral Resource estimate information extracted from the Rox ASX release of 18 August 2017 including the grade tonnage curves (Figure 26) and the breakdown of the resource by depth (Figure 27). For more detail, please refer to Appendix: Table 1, Sections 1 to 3 included below.

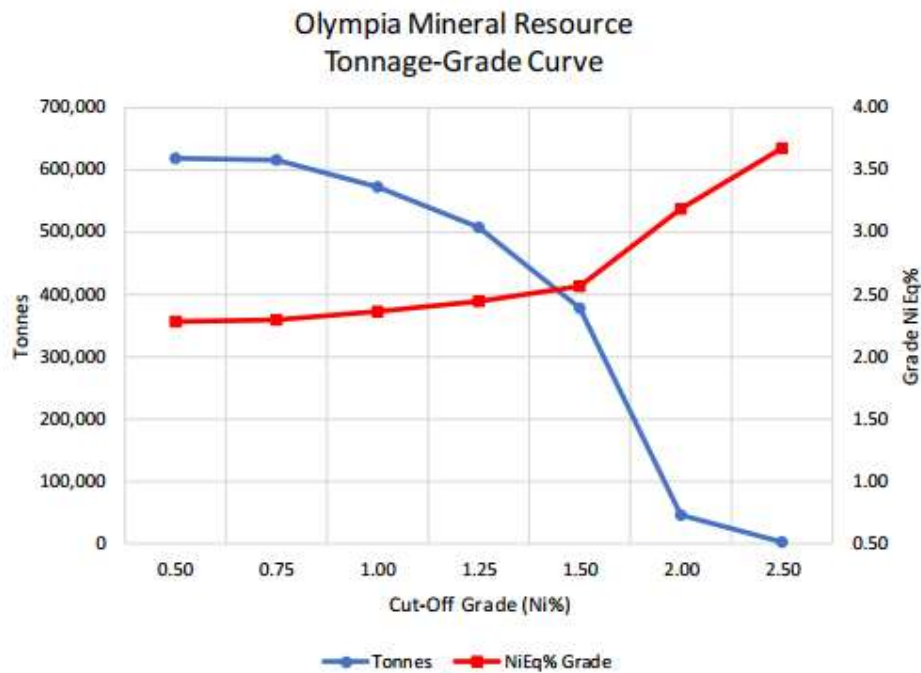


Figure 26 - Olympia Resource Grade Tonnage Curve

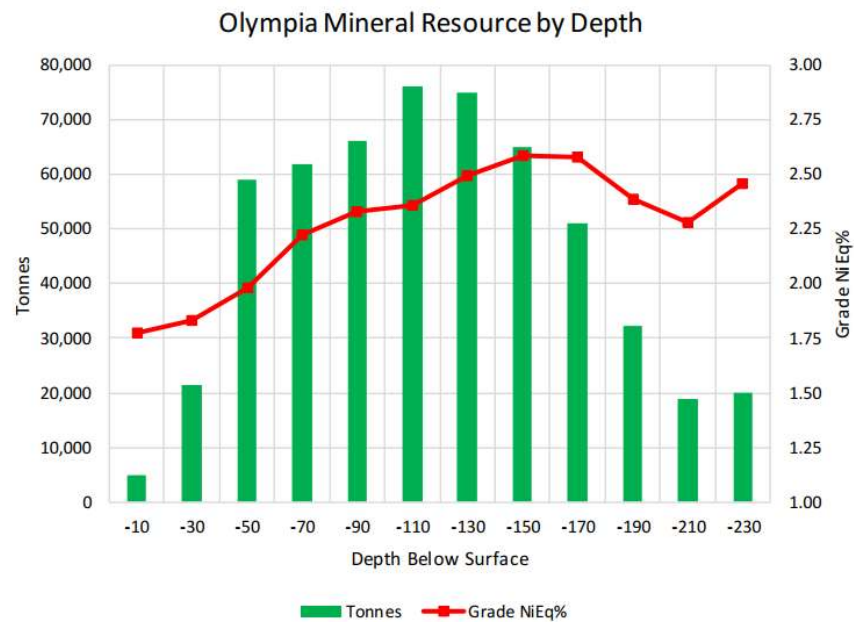


Figure 27 - Olympia Mineral Resource by Depth.

Geology and Geological Interpretation

The Olympia Deposit is located within the Collurabbie Project area, situated in an Archaean terrain metamorphosed to upper greenschist/lower amphibolite facies and comprises a N-NNW striking greenstone sequence flanked by large granitoid (dominantly monzogranite) batholiths. The greenstone sequence comprises felsic, mafic, ultramafic and sedimentary units. The Archaean sequence is exposed at surface but

becomes progressively buried by the onlapping Proterozoic sediments of the Earraheedy Basin to the north. Several Proterozoic diorite dykes transect the area with a broadly E-W orientation. Up to four phases of deformation, with principal strike directions NNW, NW and NE, have been previously identified. Nickel mineralisation is located within the ultramafic sequence of the greenstone belt, with the higher grades comprising matrix \pm massive Ni-sulphide mineralisation within the basal peridotite. These units have been transgressed from SW to NW by a low-angle felsic porphyry; the limited interaction between the units suggest the intrusion has inflated the ultramafic sequence rather than stopping it out.

Drilling Techniques and Drill-hole Spacing

Several phases of historic drilling were completed in the region of the Collurabbie Project. In 1989, BHP completed 49 RAB holes (1,311m). In 1995, MIM completed 46 RAB holes (2,108m). Between 1996 and 1999, North Ltd completed several exploration programmes including auger drilling (25 drill-holes for 42.5m), aircore (AC) drilling (10 drill-holes for 202m), RC drilling (546 drill-holes for 49,858m) and diamond (DD) drilling (6 drill-holes for 587.5m). In 2004 to 2006, WMC/BHPB completed 230 AC drill-holes (15,728m), 79 RC drill-holes (9,812.3m) and 91 diamond drill-holes (31,213m). More recently, between 2010-2011 Falcon Minerals Ltd, formerly a JV-partner with WMC/BHPB on the project, solely completed 25 diamond (and mud/diamond) drill-holes for 7,525.25m.

The Mineral Resource outline interpretation was based on 13 AC drill-holes (746m), 11 RC drill holes (1,686m) and 35 diamond (and mud/diamond) drill-holes (13,279.25m). All assays used for grade interpolation, except one AC hole, were RC or DD (see Table 2: Significant Drill Intercepts). RC drilling was undertaken with 5" and 5 1/2" face sampling bits (resulting in a minimum drill-hole diameter of 5"). Diamond drilling was predominately NQ2 core size, with mud-rotary or RC pre-collars and HQ upper hole portions.

The drill-hole spacing along section lines is variable however the central part of the Resource has been drilled to an approximate a 50m by 50m drill pattern. The deeper zones (up to 550-600m vertical) and southern and northern extents have been drilled to lesser depths at a spacing up to 300m.

Sampling and Sub-Sampling Techniques

Sample information used in the resource estimation was derived from both RC and diamond core drilling. RC drilling was sampled in one metre intervals. Diamond drilling was sampled to geological intervals, resulting in samples between a minimum of 0.1m up to a maximum of 4.2m, but predominantly 1-2m. QC procedures involve the use of Certified Reference Materials (CRM's) as assay standards, along with duplicates and barren waste samples. The insertion rate of these was approximately 1:20.

Sample Analysis Method

Drill core was cut in half on site using a core saw. All samples were collected from the same side of the core, preserving the orientation mark in the kept core half. RC samples were collected on the drill rig using a cone splitter.

Sample preparation followed industry best practice. This involved oven drying, coarse crushing of diamond core to ~10mm, followed by pulverisation of the entire sample to a grind size of 85% passing 75 microns.

The analytical techniques involved a four-acid digest followed by multi-element ICP/OES analysis, and a fire assay with a mass spectrometer finish for Au-Pt-Pd.

Cut-off Grades

Continuity of the nickel mineralisation was visually analysed at different grade cut-offs. A broader interpretation using an approximate 0.2% (sulphidic) Ni cut-off focused on zone continuity and includes significant sub-grade material. A more selective sub-set zone of this focussed on potentially economic higher grade material (at a cut-off of approximately 0.5% Ni) whilst still maintaining geological continuity. It was therefore decided that a 0.5% Ni lower cut-off grade would be applied to the primary interpretation for use in an Ordinary Kriging (OK) model.

Estimation Methodology

Grade estimation by Ordinary Kriging (OK) and Inverse Distance Squared (ID2– for comparison) was completed for nickel (%Ni) using a combination of Geovia Surpac™ and Leapfrog™ software. Sample data were composited to 1m using a best fit method with a minimum of 100% required. The block model was constructed with parent blocks of 4m (E) by 10m (N) by 10m (RL) and sub blocked to 0.5m (E) by 1.25m (N) by 1.25m (RL). OK was used to estimate the block grades within the mineralised envelope to represent a selective mining unit of 0.5m (E) by 1.25m (N) by 1.25m (RL). Inverse squared distance (ID2) was also used to estimate the nickel mineralisation as a validation check of the OK model. Estimation parameters were based on the variogram models, data geometry and kriging estimation statistics. Top-cuts were not required, decided after completing an outlier analysis using a combination of methods including grade histograms, log probability plots and other statistical tools. Search ellipse sizes were based primarily on a combination of the variography and the trends of the wireframed mineralised zones.

Classification Criteria

The Mineral Resource has been classified on the basis of confidence in the geological model, continuity of mineralised zones, drilling density, confidence in the underlying database and the available bulk density information. The Olympia Mineral Resource has been assigned entirely to the Inferred Resources category according to JORC (2012).

Mining and Metallurgical Methods and Parameters

Based on the orientations, thickness and depths to which the nickel mineralisation has been modelled, as well as the estimated nickel grades, the potential mining method is considered to be underground mining. There has not been any systematic metallurgical test work carried out for this deposit; it has been assumed that nickel recoveries would be similar to those in other ultramafic hosted nickel deposits in Western Australia.

5.4. Metallurgical Test Work

Rox engaged an external metallurgical consultant to undertake a metallurgical test work program for material derived from the Olympia deposit in support of the ongoing development and assessment of the Collurabbie Project. The results of this test work are detailed below.

The work involved a metallurgical test work aimed at producing both bulk and separate copper/nickel flotation concentrates from a sample of core provided by Rox. The primary objective of this work was to determine the feed characteristics, determine the flotation response and base metal recoveries and produce both bulk and separate copper and nickel flotation concentrates by sequential flotation.

The composite head grades are provided in the table below. Each indicates a higher than average Cu : Ni ratio for typical Western Australian nickel deposits. Despite being high in MgO, the composites had negligible arsenic.

Table 8 - Olympia composite head grades.

Metallurgical Composite	Cu (%)	Ni (%)	NSN (%)	Co (%)	Mg (%)	As (%)
Massive	1.90	2.11	0.33	0.11	2.92	<50
Disseminated	0.73	0.90	0.13	0.05	10.8	<50
Net	0.53	0.78	0.04	0.04	8.53	<50

NSN – non sulphide nickel

The net textured and disseminated composites are dominated by talc/ carbonate gangue mineralogy, whilst the nickel and copper are hosted in violarite and chalcopyrite, respectively. Conversely, the massive gangue component is dominated by pyrite and siderite with minor talc. The massive composite required a high lime dose, which indicates a degree of reactivity and the sample may have partially oxidised. All samples exhibited a significant degree of non-sulphide nickel ranging from 5-15%.

Copper recoveries were moderately high with 88%, 90% and 93% achieved for disseminated, massive and net textured composites, respectively. Conversely nickel recoveries were poor, with 76%, 71% and 77% achieved respectively and is due to a number of issues, namely: non-sulphide nickel, low initial head grade and potential mineral locking in silicate host at 75µm.

Separate copper concentrates were demonstrable in all composites with saleable concentrates achieved from disseminated samples (>24% Cu). Nickel concentrates produced were low grade due to both MgO and iron sulphide mineral dilution.

No work on PGE metallurgy has been conducted and no work on the Beta Sill disseminated mineralisation has been conducted.

6. Exploration Strategy

The Company's exploration strategy and objectives are summarised below.

Strategy:

- Advance projects using best practise exploration techniques.
- Identify opportunities for strategic partnerships with mid-tier / major mining companies.
- Have clear project decision points.
- Realise value of projects by development, joint venture farm-out and/or partial/full sale.
- Maintain a safe working environment for its employees and contractors and apply high environmental standards during all exploration and mining activities.

Project Objectives:

- Determine the potential for a near-term development opportunity at the Fisher East Project with an immediate focus on assessing the possible extensions of the Camelwood, Cannonball and Musket resources.
- Determine the potential for economic mineralisation at Sabre and other advanced prospects within the Fisher East Project.
- Develop additional nickel prospects via systematic exploration along the basal contact of the Mt Fisher Greenstone Belt.
- Advance exploration for conceptual VMS style mineralisation at Fisher East Project.
- Systematically explore existing and develop new prospects at the Collurabbie Project.
- Evaluation of the gold potential within the Collurabbie project.

7. Risks and Opportunities

The data included in this report and the basis of the interpretations herein have been derived from a compilation of data included in annual technical reports sourced from the Western Australian Mineral Exploration reports (**WAMEX Reports**) compiled by way of historical tenement database searches. There are two potential sources of uncertainty associated with this type of compilation, the first is that significant material information may not have been identified in the data compilation while the second potential risk is associated with the timely release of the exploration reports. Under the current regulations associated with annual technical reporting any report linked to a current tenement that is less than five years old remains confidential and the company can also make submissions to ensure the reports remain confidential for longer periods. Finally, the historic reports are not all digitally available, therefore, to obtain the historical reports often requires time consuming and costly searches in the DMIRS library. There is also duplication and compilation errors associated with several of the publicly available data compilations; this is commonly associated with multiple reporting of the exploration activities by different tenement managers using different grid references for the exploration activities. As such, this data may not be available and may have material errors that could have a material impact on potential exploration decisions.

Often the historical exploration reports do not include or discuss the use of quality assurance and quality control (**QAQC**) procedures as part of the sampling programs. For both the Collurabbie and Fisher East Projects there are very few historical drill holes or geochemical samples compared to the extensive work

conducted by Rox Resources. Therefore, it is difficult to determine the validity of several of the regional early stage samples, especially associated with the gold exploration within the Collurabbie Project. There has been extensive validation of the QAQC for the drilling by Rox Resources and previous owners of the Collurabbie Project especially for the drilling within the current Mineral Resources. The inability to properly validate all the exploration activities on the tenements increases the exploration risk however due to the extensive work done on the projects since 2003, where there has been better QAQC reporting and the sparse pre 2003 exploration this risk is considered by VRM to be minimal. Additionally, much of the exploration on the projects since 1995 has been undertaken by BHP / North / WMC at Collurabbie or Rox Resources within the Fisher East project.

There are environmental, safety and regulatory risks associated with exploration within an area where there has been historical exploration including the potential rehabilitation liabilities.

While there are JORC 2012 compliant Mineral Resources Estimates within the Nickel Assets, mineral exploration by its very nature has significant risks, especially for early stage projects. Based on the industry wide exploration success rates it is possible that no additional significant mineralisation will be located within the projects. Even in the event significant mineralisation does exist within the projects, factors both in and out of the control of Cannon may prevent the definition or development of such mineralisation.

This may include, but is not limited to, factors such as community consultation and agreements, metallurgical, mining and environmental considerations, availability and suitability of processing facilities or capital to build appropriate facilities, regulatory guidelines and restrictions, ability to develop infrastructure appropriately, and mine closure processes. In addition, variations in commodity prices, saleability of commodities and other factors outside the control of the Company may have either negative or positive impacts on the projects that may be defined.

While there are currently no registered heritage sites that are likely to impact the exploration activities it is possible that additional surveys may identify heritage sites. However, VRM does note that there have previously been heritage surveys undertaken in the area with no sites registered and that exploration has been undertaken within the projects in the past.

Finally, at the time of writing this Report the impact of COVID-19 is being felt globally with a second wave of infections causing renewed lock-down in many parts of the world, including hotspots in Australia. While to date the mining industry and resources sector has adapted quickly and largely continued business activities throughout this time, the potential risks for future exploration in the near future remains unclear. Changes to commodity prices and access to capital to fund exploration can be considered as both risks and opportunities. For example, in 2020, the Western Australia Government released a WA Recovery Plan document that highlighted 'unlocking future mining opportunities' as a priority area with government initiatives announced to build on geoscience knowledge as well as amendments to mining regulations to fast-track exploration opportunities.

Within both the Fisher East Nickel and the Collurabbie Projects there are also several opportunities that have been recently identified. These include the stratigraphic similarities of the Fisher East Project region to the geology in the area surrounding the currently producing VMS mine at Teutonic Bore in the Norseman – Wiluna greenstone belt. There has been minor work undertaken by Rox to validate this interpretation. The exploration understanding of the VMS deposit formation and exploration is well understood and if the stratigraphic interpretation is correct and a VMS base metal system is identified then this would be a significant opportunity within the project. An additional exploration opportunity, especially in the Collurabbie project is the low level of previous gold exploration.

8 Proposed Exploration

To achieve the exploration strategy, it is expected that Cannon will undertake distinctly different exploration activities within each of the projects as summarised below.

8.1 Fisher East Project

Within the Fisher East Project Cannon has proposed the following:

- Validation of the existing exploration data including drilling, geology, and geochemical samples.
- Field mapping and digital capture of all historical exploration.
- Geophysical surveys.
- Drilling to test along strike, up dip and at depth of the nickel mineralisation identified in the existing deposits.
- Drilling to test along strike, up dip and at depth of the known mineralisation identified in previous drilling (including intersections of 16.9m at 2% Ni in MFED049 at Musket, 5.3m at 2.7% Ni in MFED056 at Cannonball, 13m at 1.3% Ni in MFEC125 at Sabre and 3.4m at 2.7% Ni in MFED025 at Camelwood).
- Fisher East Project resource update which is targeting a resource estimate for the Sabre deposit.
- Aircore and RC drill testing of conceptual VMS targets.
- Aircore and RC drilling of other targets including Cutlass, Mt Tate, Tomahawk and Horatio prospects; and
- Review the potential for gold mineralisation in the project tenements excluding E53/1218 where Rox Resources will retain the gold rights pursuant to a split commodity agreement between Rox Resources and Cannon

8.2 Collurabbie Project

Within the Collurabbie Project Cannon has proposed the following:

- Validation of the existing exploration data including drilling, geology, and geochemical samples.
- Field mapping and digital capture of all historical exploration.
- Detailed airborne geophysical surveys.
- Drilling to test along strike, up dip and at depth of the known mineralisation identified in historical drilling (including the historical intersections of 5.77m at 3% Ni, 1.96% Cu, 5.29g/t PGE in CLD159 and 12.86m at 1.33% Ni, 0.95% Cu, 2.69g/t PGE in CLD139); and
- Drilling of the Olympia, Olympia North and Ortus prospects.

9. Proposed Exploration Budget

The exploration strategy and targets are discussed in more detail within the project sections above with Table 9 providing a summary of expenditure by activity and project. At Fisher East the majority of the expenditure is proposed to be drilling targeting existing Aircore anomalies with RC and diamond drilling along with deeper diamond drilling of the existing mineralisation at Camelwood, Cannonball and Musket to ascertain whether resource extensions can be estimated, along with drilling at Sabre with the aim of delineation of a Mineral Resource. The majority of the drilling is proposed to be diamond drilling and given the depth of some of the mineralisation at Camelwood, Cannonball and Musket the depth and drilling costs appear reasonable. The drilling proposed for Collurabbie would be targeting existing Aircore targets and extensions to the known mineralisation along with diamond drilling depending on the exploration success of the initial RC drilling. All the costs are shown as an all-in inclusive cost, which includes the cost of drilling, sampling, assaying, personnel and all other on costs. Also included in the drilling budget is downhole geophysics (EM) which would be undertaken on most of the RC and Diamond holes depending on the geological units that are intersected. The geophysical budget is mainly for re-processing of existing datasets and analysis of the downhole EM surveys. All costs are included in Australian dollars (A\$).

Table 9 - Summary of Exploration Expenditure.

Project	\$6 M Subscription		
	Year 1 (\$ million)	Year 2 (\$ million)	Total (\$ million)
Fisher East Nickel			
Data Compilation	0.01		0.01
Geochemistry	0.025		0.025
Geophysics	0.025		0.025
Drilling & Analysis			
Aircore Drilling	0.2	0.3	0.5
RC drilling	0.2	0.25	0.45
Diamond drilling	0.8	1.1	1.9
Total Fisher East Nickel	1.26	1.65	2.91
Collurabbie			
Data Compilation	0.01		0.01
Geophysics	0.02		0.02
Drilling & Analysis			
Aircore Drilling	0.1	0.15	0.25
RC drilling	0.1	0.15	0.25
Diamond drilling	0.3	0.35	0.65
Total Collurabbie	0.53	0.65	1.18
TOTAL BUDGET	1.79	2.30	4.09

Note:

* Activities are subject to relevant approvals being received

** Drilling in year two is dependent on positive results from year one activities

In VRM's opinion the proposed exploration budget and work programs are valid, consistent with the exploration potential within Cannon's projects and broadly in-line with the current exploration costs in

Western Australia. The exploration budget as presented includes exploration drilling at all tenements, however the exact number and depth of these drill holes is not sufficiently advanced to document in this Report. The proposed exploration budget is sufficient to meet the statutory minimum exploration expenditure on the tenements, which is currently \$510,000 per year.

10. References

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Fisher Nickel Project WAMEX Reports. Only reports which reported drilling on the project and digital data has been uploaded to the digital drilling database are included. Other reports are available on the DMIRS WAMEX database.

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115165	Belbin W.	2017	Mt Fisher Project Combined Technical Report for the period 1st November 2016 to 31st October 2017, C145/2005	Rox Resources Limited
110399	Belbin W.	2016	Mt Fisher Project Combined Technical Report for the period 1st November 2015 to 31st October 2016, C145/2005	Rox Resources Limited
	Belbin W, Bennett G	2015	Mt Fisher Project Combined Technical Report for the period 1st November 2014 to 31st October 2015, C145/2005	Rox Resources Limited
104317	HAWKER A	2014	Dingo Range Project, Annual Report for the period 04/09/2013 to 03/09/2014, E53/1732.	Mining Projects Group
103986	BELBIN W	2014	Mt Fisher Project Combined Technical Report for the period 1st November 2013 to 31st October 2014, C145/2005	Rox Resources Limited
97798	CORNELIUS M; RINGROSE C	2013	Irwin Bore Project E53/1209 P53/1264, 1265 Annual Technical Report Reporting Period 13th February 2012 to 12th February 2013	Cullen Exploration Pty Ltd
97348	GILES M	2013	Annual Report on Mt Fisher Project 53/1467 For the Period 8/01/2012 to 7/01/2013	JML Resources Pty Ltd
99059	BELBIN W; BENNETT G	2013	Mt Fisher Project, Prospecting Lease P53/1497, Annual Report for the period 9th July 2012 to 8th July 2013	Rox Resources Limited
99885	BELBIN W; BENNETT G	2013	Mt Fisher Project Annual Mineral Exploration Report E53/1319. 21st September 2012 to 20th September 2013	Rox Resources Limited
100000	BELBIN W; BENNETT G	2013	Mt Fisher Project Combined Technical Report C145/2005 E53/1061, E53/1106, E53/1218, E53/1219, E53/1250, E53/1386 & M53/09 1 November 2012 to 31 October 2013	Rox Resources Limited
98672	BELBIN W	2013	Mount Fisher Project Annual Mineral Exploration Report M53/127 6th June 2012 to 5th June 2013	Rox Resources Limited
100030	BELBIN W	2013	Mount Fisher E53/1465 Annual Mineral Exploration Report for the period 19th November 2012 to 18th November 2013	Rox Resources Limited
93533	CORNELIUS M; RINGROSE C	2012	Irwin Bore Project E53/1209, P53/1264, 1265 Annual Technical Report for the period 13th February 2011 to 12th February 2012, C82/2008	Cullen Exploration Pty Ltd
94600	BELBIN W	2012	Mt Fisher Project, Prospecting License P53/1496, Annual Report for the period 9th July 2011 to 8th July 2012	Rox Resources Limited
95830	BELBIN W; MULHOLLAN D I	2012	MT FISHER PROJECT Combined Technical Report C145/2005 E53/1061, E53/1106, E53/1218, E53/1219, E53/1250, E53/1386 & M53/09 1 November 2011 to 31 October 2012	Rox Resources Limited
94338	BELBIN W	2012	Mt Fisher Project Annual Mineral Exploration Report M53/127. 6th June 2011 to 5th June 2012	Rox Resources Limited

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92330	BELBIN W	2011	Mt Fisher Project, Exploration License E53/1465; Annual Report for the period 19th October 2010 to 18th November 2011	Rox Resources Limited
86107	CORNELIUS M; RINGROSE C	2010	Irwin Bore Project E53/1040, 1137, 1209, P53/1154, 1219, 1251, 1264, 1265, C82/2008 Annual Technical Report - Period 13th February 2009 to 12th February 2010	Cullen Exploration Pty Ltd
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74136	DAY J	2007	Gunbarrel Project E53/925 Annual Report for the Period 9th Nov 2005 to 8th Nov 2006 Report No. NEG/IB/07/2A (Kingston)	Cullen Exploration Pty Ltd
75894	CORNELIUS M	2007	North Eastern Goldfields Irwin Bore Project E53/1137 East Murchison Mineral Field, WA Annual Technical Report Reporting Period 9 August 2006 to 8 August 2007. Report No: NEG/IB/07/4A.	Cullen Exploration Pty Ltd
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10.3.Collurabbie Project Specific References (referenced throughout this Report without consent)

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118432	BENNETT G	2018	Collurabbie Nickel Project, Final Report Co-funded drilling program, DAG2018/01093837 (R#16)	Rox Resources Limited
115224	Belbin W; Bennett G	2017	ANNUAL REPORT For the Period 20 October 2016 to 19 October 2017 Collurabbie Project Combined Technical Report C103/2017	Rox Resources Limited
109059	SMIT R	2016	E38/2009 ANNUAL REPORT for the Period 20 October 2015 to 19 October 2016 Collurabbie Project	Falcon Minerals Ltd
104701	SMIT R	2015	Collurabbie Project Annual Report for the period 1 February 2014– 31 January 2015, E38/1598, E38/1986, E38/2009, M38/974, P38/3398, C53/2001	Falcon Minerals Ltd
104200	Smit R	2014	Collurabbie Project Annual Report for the period 1 February 2013 – 31 January 2014, E38/1986, E38/2009, M38/974, P38/3398, C53/2001	Rox Resources Limited
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93909	FRENCH T	2012	Annual Combined Group Report for the period 30 April 2011 to 29 April 2012 Project Collurabbie C32/1999	Regis Resources NL
92989	SMIT R	2012	Collurabbie Project: Annual Report – 2011 Field Season, 1 February 2011 – 31 January 2012, E38/1598, 1986, 1987, 2009, M38/974, 975, 976, 3390, 3398	Falcon Minerals Ltd
94448	SMIT R	2012	Collurabbie P38/3876, Annual Report for the Period: 01/11/2010 to 31/10/2011	Falcon Minerals Ltd
89193	CRASKE T	2011	Collurabbie Project Exploration Licence E38/2171 Lawlers Nickel JV Annual Report 29 October 2009 to 28 October 2010	Sirius Resources NL
92254	STAUBMANN M	2011	Collurabbie Project, Exploration Licence E38/2171, Lawlers Nickel JV, Annual Report, 29 October 2010 to 28 October 2011	Sirius Resources NL
89328	HADEN M	2011	Collurabbie Project, 1 February 2010 – 31 January 2011, C53/2001, Tenement Numbers: E38/1598, E38/1985, E38/1986, E38/1987, E38/2009, M38/974, M38/975, M38/976, P38/3390, P38/3398	Falcon Minerals Ltd
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78701	BALKAU J	2008	Combined Annual Report on Exploration for the period 30/04/2007 to 29/04/2008; Collurabbie Project C32/1999: E38/241, E38/423, E38/464, E38/465, E38/510, E38/511, E38/1021, E38/1104, E38/1135, E38/1182, E38/1307, E38/1308, E38/1314, E38/1412, E38/141	Regis Resources NL
77982	O'NEILL D	2008	Collurabbie Project Annual Technical Report Period 1 February 2007 - 31 January 2008 Tenements: E38/1057, E38/1357, E38/1358, E38/1359, E38/1598, M38/976, M38/975, M38/974 Kingston 1:250,000 Sheet SG51-10 Collurabbie 1:100,000 Sheet 3344	BHP Billiton Minerals Pty Ltd
75356	JONES J A	2007	Combined Annual Report on Exploration for the period 30/04/2006 to 29/04/2007 Collurabbie Project C32/1999 E38/241, E38/423, E38/464, E38/465, E38/510, E38/511, E38/1021 E38/1104, E38/1135, E38/1182, E38/1307, E38/1308, E38/1314, E38/1412, E38/1413, E38/1436, E38/1595, E38/1596, E38/1597, M38/903, M38/904, M38/ 925	Regis Resources NL
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68771	DALEY L	2004	Combined Annual Report on exploration for period ended 29/04/2004, Project C32/1999, Collurabbie, E38/241, E38/423, etc. Report No 31476	Newmont Australia Ltd
66785	DALEY L	2003	Combined Annual Report for the period ended 29/04/2003 Collurabbie Project E32/241,423,464-465,510-511, 1021,1135,1182,1307-1308,1314. [C32/1999]	Newmont Australia Ltd
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59318	BUTTERWORTH M	1999	Report WA2000/19S, Annual Mineral Exploration Report for Period 5 August 1998 to 4 August 1999 by North Limited for Exploration Licence E38/1057 Collurabbie Hills, Due on 4 October 1999	North Ltd
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55433	BUTTERWORTH M	1998	Annual Mineral Exploration Report for period 02/05/1997 to 01/05/1998 for Exploration Licences 38/859 to 38/863	North Ltd
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56855	BUTTERWORTH M	1998	Report No AW99/20S Annual Mineral Exploration Report on work carried out by North Limited for the Period 12/10/1997 to 11/10/1998 on Exploration Licence 38/576 Jamaica	North Ltd
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54594	NEWTON M E	1998	Annual Report, North Duketon Project, E38/423. Mt Margaret Mineral Field W.A. Period End: 06/04/1998	MIM Exploration Pty Ltd
54597	NEWTON M E	1998	Kingston JV E38/464-466 Sholl Range E38/762 Mt Margaret Mineral Field, W.A. Period End: 02/11/97	MIM Exploration Pty Ltd
54596	TAYLOR T W	1998	Non-statutory Report: Bedrock Geology of the Northern Deleta Project, E38/423, E38/450, E38/464-466, E38/241, 510, 511, April 1998.	MIM Exploration Pty Ltd
50640	SOWERBY R D	1997	Report no. WA97/22S Annual Mineral Exploration Report for the period 01/02/1996 to 31/01/1997 for North Limited for Exploration Licence 38/589 Bermuda	North Ltd
52845	BUTTERWORTH M	1997	Report No. WA98/13s Annual Mineral Exploration Report on work carried out by North Limited for the period 12/10/1996 to 11/10/1997 on E38/576 Jamaica	North Ltd

A-Number	Author	Date	Report Title	Company/Operator
51673	SOWERBY R D	1997	Report No WA98/01S Annual Mineral Exploration Report for the period 02/05/1996 to 01/05/1997 for Exploration Licences E38/859 - E38/863	North Ltd
49834	SOWERBY R D	1997	Jamaica Project, Annual Report for the period 12/10/1995 to 11/10/1996, E38/576.	North Ltd
52115	NEWTON M E	1997	Annual report for the period ending April 6, 1997 on North Duketon E38/423.	MIM Exploration Pty Ltd
50427	NEWTON M E	1997	Annual report for the period ending November 2, 1996 on E38/464 E38/465 E38/466 Kingston Joint Venture and E38/762, Sholl Range.	MIM Exploration Pty Ltd
47694	SOWERBY R D	1996	Report No. WA96/46S Annual Report on Exploration Carried out on E38/589 for the period February 1995 to February 1996	North Ltd
47889	NEWTON M E	1996	Gerry Well/ Deleta Project, Annual Report for the period ending 29th January 1996, E38/408, 409 & 484. (Creasy JV).	MIM Exploration Pty Ltd
47890	NEWTON M E	1996	Annual report for the period ending November 2, 1996 on E38/464 E38/465 E38/466 Kingston Joint Venture.	MIM Exploration Pty Ltd
48662	MARTIN N K	1996	Annual report for the period ending April 6, 1996 on North Duketon E38/423.	MIM Exploration Pty Ltd
44741	DIBBEN S M	1995	Gerry Well (JV) Project, Annual Report E38/408, 409, & 484 for period ending 28th January 1995.	MIM Exploration Pty Ltd
45131	MARTIN N K	1995	Annual Report for the period ending April 6, 1995 on North Duketon, E38/423.	MIM Exploration Pty Ltd
44379	JOHNSON K D	1995	North Laverton Project Exploration Licences 38/576,580-82 589,599-600,663,53/493-494,37/342 Annual Report Department of Minerals & Energy Project Number M5883 February 1995	BHP Minerals Pty Ltd
41124	DIBBEN S M	1994	Gerry Well (JV) Annual Report for the period ending 28th January 1994, E38/408-409 & 484.	MIM Exploration Pty Ltd
40544	DIBBEN S M	1994	Annual report for the period 09/92-09/93 Kingston (JV) Project E38/464 E38/465 E38/466	MIM Exploration Pty Ltd
43177	DIBBEN S M	1994	Annual Report for the period ending 1st September 1994, E38/464-466, Kingston (JV) Project.	MIM Exploration Pty Ltd
41819	DIBBEN S M	1994	Annual Report for the period 07/04/93-06/04/94 Nth Duketon Project E38/423	MIM Exploration Pty Ltd
38703	DIBBEN S M	1993	Annual Report for the period 07/04/92-06/04/93 Duketon North Project E38/423	MIM Exploration Pty Ltd
32213	KONECNY S J	1990	North Duketon Project, Annual Report, November 1990, E38/189, 290, 291, 295, 297, 308 & 353.	BHP Minerals Pty Ltd
32228	KONECNY S J	1990	Greenstone Project, Annual Report, November 1990, E38/188.	BHP Minerals Pty Ltd

11 Glossary

Below are brief descriptions of some terms used in this report.

The following terms are taken from the 2015 VALMIN Code.

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea, and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian *Corporations Act 2001* (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert's Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment, and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

- (a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- (b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- (c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- (d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.
- (e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Project means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing, and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialist are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report be provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

Rox Resources Significant Intersections – Fisher East Project

Diamond Drilling

Note RL not reported due to formatting constraints, the Fisher East project is generally very flat and a nominal RL of 540m is an approximate elevation.

Hole	East	North	Depth	Dip	Azimuth	From	To	Interval	Ni%	m%	Prospect
MFED081	355987	7035994	325.1	-68	255	288.8	289.1	0.3	7.5	2.3	Camelwood
MFED080	356899	7034248	751.1	-72	260	701.7	706	4.3	2	8.6	Musket
including						701.7	702	0.3	8.1		
MFED076W1	356460	7035843	758.2	-73	265	718.3	720.7	2.4	2.4	5.8	Camelwood
including						718.9	719.1	0.2	5.2		
MFED079	356760	7034340	658.5	-70	260	522.5	523	0.5	4.7	2.4	Musket
MFED078	359211	7028305	364.4	-65	240	337.3	339.6	2.3	2.4	5.6	Sabre
including						338.2	338.9	0.7	3.7		
MFED077	359306	7028191	356.8	-70	240	330	334.8	4.8	1.2	5.6	Sabre
MFED076	356460	7035843	741	-73	265	693.3	701	7.7	1.4	9.1	Camelwood
including						693.3	694.7	1.4	2.9		
MFED075	359400	7028067	361.2	-70	236	315.5	317.5	2	1	2	Sabre
MFED074	359263	7028033	299.3	-73	240	214.8	215.5	0.7	1.5	10.1	Sabre
And						219	227	8	1.1		
MFED073	356447	7034799	417.4	-65	250	376	377	1	1.9	2.7	Cannonball
And						378.1	378.6	0.5	1.6		
MFED072	359228	7028117	319.1	-62	240	186.4	188	1.6	1.4	2.2	Sabre
MFED071	359653	7027792	475	-62	255	443.5	443.6	0.1	2.8	0.3	Sabre
MFED070	356439	7034709	391.2	-66	260	366.3	367.3	1	1.6	3	Cannonball
And						369.6	370.8	1.2	1.2		
MFED069	356303	7034740	270.7	-65	260	246.5	247.6	1.1	1.5	1.6	Cannonball
MFED068	356707	7034026	441.7	-65	250	407.47	407.5	0.07	2.8	0.2	Musket
MFED067	356450	7034800	489.8	-75	255	464.7	466	1.3	1.6	2.1	Cannonball
MFED066	356372	7034741	330.8	-65	261	293.5	298	4.5	2.3	10.2	Cannonball
MFED064	356738	7034175	492.6	-60	261	457.5	458.2	0.7	3.6	2.4	Musket
including						457.5	457.6	0.14	9.1		
MFED063	356768	7033836	462.7	-70	268	414.2	416	1.8	1.55	15	Musket
And						419.9	428.5	8.6	1.42		
Including						425	427.9	2.9	2.24		
MFED062	356802	7033917	522.7	-66	261	486.3	486.5	0.2	13	12.7	Musket
And						490	495.1	5.1	2		
MFED061	356348	7034690	299.3	-66	247	266.6	268.8	2.2	1.92	4.2	Cannonball
MFED060	356168	7034897	207.6	-60	275	189.3	191.3	2	1.41	2.8	Camelwood
MFED059	356704	7034030	474.9	-70	264	450.4	451.8	1.4	1.44	2	Musket
MFED058	356653	7034098	418.6	-60	268	366.9	369.2	2.3	4.1	9.3	Musket
MFED057	356351	7034696	296.8	-60	261	255.3	260.6	5.3	2.69	14.2	Cannonball
Including						255.3	257.2	1.9	4.82		
MFED056	356752	7033958	507.6	-62	261	456.6	465.3	8.7	1.58	13.7	Musket
Including						456.6	456.8	0.2	5.44		
MFED055	356680	7033760	313.9	-63	259	275.9	276	0.1	5.17	0.5	Musket
MFED054	356600	7033919	321.9	-67	270	298.5	301.3	2.8	4.49	12.6	Musket
Including						298.8	299.5	0.7	14.6		
MFED053	356600	7033920	285.7	-58	266	257	257.8	0.8	4.04	3.2	Musket
MFED052	356515	7034000	249.1	-69	270	220.8	220.9	0.1	1.72	0.2	Musket
MFED051	356450	7034600	420.7	-62	268	367.8	368.9	1.1	4.1	4.5	Cannonball
MFED050	356700	7033880	401.6	-61	262	361	368.7	7.7	1.79	13.9	Musket
Including						363	366	3	2.37		

Hole	East	North	Depth	Dip	Azimuth	From	To	Interval	Ni%	m%	Prospect
MFED049	356600	7033920	401.8	-78	248	352.1	369	16.9	2.03	34.3	Musket
Including						358	364.6	6.6	2.59		
MFED048	356600	7033920	352.2	-70	270	311.5	321.1	9.6	1.22	11.7	Musket
Including						311.5	314	2.5	2.1		
MFED047	356670	7033800	350	-63	268	295.6	303	7.4	1.9	14.1	Musket
Including						295.6	297	1.4	2.5		
Including						299.9	303	3.1	2.24		
MFED046	356670	7033800	330	-56	266	265.2	265.5	0.3	13.3	8.5	Musket
And						270	272.9	2.9	1.57		
MFED045	356620	7033840	307	-66	266	268	277.2	9.2	1.87	17.2	Musket
MFED044	356620	7033840	292	-59	270	248	263.9	15.9	2.12	33.7	Musket
Including						252.2	262.4	10.2	2.6		
MFED043	356611	7033879	355	-68	275	305.1	321.3	16.2	2.84	46	Musket
Including						305.1	305.9	0.8	19		
MFED042	356611	7033879	319.4	-62	268	264.7	279.7	15	2.72	40.8	Musket
Including						264.7	265.6	0.9	19.5		
MFED041	356181	7035398	346.8	-72	270	315.9	316.2	0.3	2.44	0.7	Camelwood
MFED040	356180	7035398	322	-60	270	290	291.9	1.9	3.11	5.8	Camelwood
MFED039	356094	7035790	381.8	-60	270	358.8	366.1	7.3	1.88	13.6	Camelwood
Including						358.8	364.4	5.6	2.13		
Including						358.8	359.2	0.4	6.05		
And						365.5	366.1	0.6	2.43		
MFED038	356270	7035500	433	-64	270	392.8	393.1	0.3	4.52	7	Camelwood
And						395.1	398.3	3.2	1.43		
Including						395.1	395.5	0.4	3.76		
And						402	402.8	0.8	1.38		
MFED037	356065	7035650	276.3	-65	270	246.6	249.6	3	1.58	15.1	Camelwood
Including						246.6	247.7	1.1	3.21		
And						251	253.2	2.2	1.79		
And						255	257.9	2.9	2.21		
MFED036	356363	7035800	604.5	-58	270	569	570.6	1.6	3.69	6.1	Camelwood
MFED035	356132	7035600	306.5	-58	270	283.5	289.8	6.3	1.54	14.3	Camelwood
And						293	296.5	3.5	1.35		
MFED034	356153	7035951	484	-65	270	455	456.6	1.6	2.25	3.6	Camelwood
Including						455	455.5	0.5	5.29		
MFED033	356151	7035503	284.9	-51	270	265.2	268.4	3.2	3.39	10.9	Camelwood
Including						265.6	268.4	2.8	3.72		
MFED032	356151	7035503	373.2	-65	270	312.7	316.1	3.4	2.74	9.3	Camelwood
Including						314.6	316.1	1.5	4.11		
MFED031	356153	7035951	535.9	-72	270	496.8	497.1	0.3	9.01	2.2	Camelwood
MFED030	356135	7035002	250	-75	270	234	235	1	0.48	0.5	Camelwood
MFED029	356184	7035754	448	-57	270	406.4	407.2	0.8	3.4	2.7	Camelwood
MFED028	356197	7035899	550	-73	270	522.8	523	0.2	5.29	1.3	Camelwood
MFED027	356110	7035698	346	-65	270	317.3	320.4	3.1	2.11	6.5	Camelwood
Including						317.3	317.8	0.5	4.27		
MFED026	356195	7035903	504.5	-65	270	483	485.7	2.7	5.2	14	Camelwood
Including						483.9	485.7	1.8	6.3		
MFED025	356241	7035612	401.4	-50	270	373.8	380.8	7	2.4	16.8	Camelwood
Including						373.8	378	4.2	3.17		
MFED024	356241	7035612	435.3	-60	270	409.8	410.3	0.5	6.44	3.2	Camelwood
MFED023	356106	7035799	403	-65	270	377.4	382	4.6	2.58	12	Camelwood
Including						377.4	380	2.6	3.28		
Including						377.4	377.9	0.5	4.98		

Hole	East	North	Depth	Dip	Azimuth	From	To	Interval	Ni%	m%	Prospect
And						379	380	1	4.26		
MFED022	356109	7035796	274	-70	270	246.2	250	3.8	2.73	10.3	Camelwood
Including						246.2	249	2.8	3.49		
MFED021	355999	7035749	249.9	-62	270	226	229	3	1.94	5.7	Camelwood
Including						226	227	1	3.36		
MFED020	356000	7035749	309.3	-75	270	269.7	277	7.3	1.94	14.2	Camelwood
Including						269.7	275	5.3	2.4		
Including						269.7	270.2	0.5	6.67		
MFED019	355999	7036000	369.5	-74	270	340.7	344	3.3	1.88	6.2	Camelwood
Including						340.7	341.5	0.8	5.01		
MFED018	355995	7036000	450.4	-85	270	415	416.6	1.6	3.19	5.6	Camelwood
And						417.6	417.8	0.2	1.55		
MFED015	355859	7036150	240.85	-78	270	202.5	202.9	0.5	1.47	0.9	Camelwood
And						217.3	217.5	0.2	1.04		
MFED014	355823	7036149	162.3	-55	270	130.6	138	7.4	1.89	14	Camelwood
Including						130.6	132.1	1.5	3.6		
MFED013	355823	7036149	171.45	-65	270	140.9	141.6	0.7	5.88	4	Camelwood
MFED012	355996	7035702	427.1	-90	270	375.7	376.4	0.7	3.84	2.8	Camelwood
MFED011	355999	7035850	316	-62	270	293.7	294	0.3	1.88	0.5	Camelwood
MFED010	355999	7035850	367.2	-72	270	341.1	347.3	6.2	3.3	20.3	Camelwood
Including						341.1	341.4	0.3	3.43		
And						341.7	341.9	0.2	10.97		
And						342.3	347.3	5	3.43		
Including						342.3	343.9	1.6	5.81		
MFED009	355999	7035850	426.9	-85	270	401.7	403.7	2	1.61	3.3	Camelwood
Including						401.7	401.9	0.2	3.49		
And						402.7	403.7	1	2.6		
MFED008	355999	7035850	376.3	-80	270	350.5	352.3	1.8	2.81	5.1	Camelwood
Including						350.5	350.8	0.3	4.03		
MFED007	356000	7035795	421.1	-85	270	388.7	389.9	1.2	5.2	6.2	Camelwood
Including						388.7	389.4	0.7	7.79		
MFED006	355995	7035900	346.2	-70	270	317.7	319	1.3	2.55	3.3	Camelwood
Including						317.7	318.3	0.6	3.76		
MFED005	355995	7035900	421.3	-78	270	382	387.7	5.7	2.25	12.8	Camelwood
Including						382	382.4	0.4	5.38		
And						384.6	387.7	3.1	3.37		
Including						384.6	386.3	1.7	4.64		
MFED004	355900	7036097	216.1	-60	270	197.3	214.4	17.1	0.47	8	Camelwood
MFED003	355991	7035593	210.9	-80	270	178.3	185.8	7.5	1.22	9.2	Camelwood
Including						178.3	178.7	0.4	3.76		
MFED002	355996	7035702	261.5	-75	270	211.7	228	16.3	1.79	29.2	Camelwood
Including						211.7	218	6.3	2.53		
Including						212	212.5	0.5	5.42		
MFED001	355997	7035799	397.3	-75	270	282.6	294	11.4	2.93	33.4	Camelwood
Including						282.6	289	6.4	3.8		
Including						282.6	285.5	2.9	4.66		

Reverse Circulation (RC) Drilling

Note RL not reported due to formatting constraints, the Fisher East project is generally very flat and a nominal RL of 540m is an approximate elevation.

Hole	East	North	Depth (m)	Dip	Azimuth	From (m)	To (m)	Interval	Ni%	m%	Prospect
MFEC140	359964	7026816	151	-60	240	125	126	1	0.85	0.9	Mt Tate
MFEC137	359903	7027008	250	-60	240	196	197	1	0.81	0.8	Mt Tate
MFEC136	359936	7026911	166	-60	240	146	148	2	1.42	2.8	Mt Tate
MFEC135	359831	7027059	154	-60	240	141	145	4	0.57	2.3	Mt Tate
MFEC133	358747	7028426	142	-60	240	115	120	5	0.67	3.4	Sabre North
MFEC132	358083	7029228	154	-60	240	108	112	4	0.43	3.1	Cutlass
and						134	138	4	0.35		
MFEC128	359958	7026813	149	-60	240	94	96	2	1.45	3	Mt Tate
MFEC127	359860	7026982	159	-60	240	121	122	1	0.88	0.9	Mt Tate
MFEC125	359261	7028083	256	-65	240	232	245	13	1.3	16.9	Sabre
MFEC124	359194	7028154	238	-65	240	216	219	3	1.9	6.9	Sabre
and						223	224	1	1.2		
MFEC121	359132	7028122	184	-57	240	162	166	4	1.2	4.6	Sabre
MFEC120	359209	7028052	184	-57	240	159	167	8	1.3	10.2	Sabre
MFEC119	359280	7027985	196	-55	240	165	166	1	1.3	9.5	Sabre
and						171	177	6	1.4		
MFEC118	359258	7028033	220	-60	240	178	194	16	1.3	22.8	Sabre
including						178	179	1	2.4		
and						196	197	1	2		
MFEC117	359229	7028119	232	-60	240	203	204	1	2.2	6.6	Sabre
and						209	211	2	2.2		
MFEC116	359075	7028142	160	-60	240	140	145	5	1.2	6	Sabre
MFEC115	359141	7028067	160	-60	240	127	137	10	1.9	19	Sabre
including						127	133	6	2.3		
MFEC113	359219	7028012	184	-60	240	146	154	8	1.4	12.7	Sabre
including						146	147	1	3.4		
and						160	161	1	1.3		
MFEC112	359290	7027935	184	-60	240	135	144	9	1.3	11.3	Sabre
MFEC110	359434	7027785	172	-60	240	147	149	2	1.1	2.2	Sabre
MFEC108	359472	7027745	166	-60	240	135	136	1	1.1	4.8	Sabre
and						141	144	3	1.2		
MFEC103	356233	7034550	112	-60	270	87	90	3	1.5	4.6	Cannonball
MFEC102	356206	7034640	130	-60	270	114	119	5	3.4	17.1	Cannonball
including						114	116	2	6		
MFEC101	356181	7034603	100	-60	270	81	86	5	1.4	7.1	Cannonball
MFEC099	359455	7027686	121	-70	240	97	98	1	3.2	3.2	Sabre
MFEC098	355950	7035900	220	-60	274	189	190	1	1.26	1.3	Camelwood Nth
MFEC097	355898	7035999	187	-60	274	163	164	1	1.16	1.2	Camelwood Nth
MFEC096	355899	7036046	202	-60	274	176	177	1	0.94	0.9	Camelwood Nth
MFEC092	355922	7035950	187	-60	272	167	169	2	2.99	6	Camelwood
MFEC091	355990	7035846	241	-60	270	229	232	3	2.23	6.7	Camelwood
MFEC090	356122	7035199	217	-60	275	206	207	1	0.95	1	Camelwood Sth

Hole	East	North	Depth (m)	Dip	Azimuth	From (m)	To (m)	Interval	Ni%	m%	Prospect
MFEC088	356104	7035099	187	-60	275	174	175	1	1.07	1.1	Camelwood Sth
MFEC087	356087	7035049	163	-60	275	141	142	1	1.34	1.3	Camelwood Sth
MFEC086	356135	7034995	198	-60	275	177	178	1	1.23	1.2	Camelwood Sth
MFEC085	356310	7034654	222	-58	268	198	203	5	2.1	10.5	Cannonball
MFEC084	356232	7034750	213	-55	270	190	191	1	1.49	1.5	Cannonball
MFEC083	356263	7034682	228	-65	274	191	195	4	1.85	7.4	Cannonball
MFEC082	356237	7034651	173	-55	272	154	163	9	2.75	24.7	Cannonball
including						155	160	5	4.12		
MFEC080	356268	7034650	200	-60	272	168	171	3	4.69	14.1	Cannonball
including						168	170	2	6		
MFEC079	356364	7034549	259	-60	275	238	239	1	1.83	1.8	Cannonball
MFEC078	356537	7033834	179	-60	260	155	165	10	2.25	22.5	Musket
MFEC074	356505	7033885	170	-60	259	142	143	1	3.63	3.6	Musket
MFEC072	356560	7033889	228	-62	277	205	210	5	8.39	42	Musket
including						206	209	3	12.1		
including						206	207	1	20.7		
MFEC071	356550	7033889	203	-55	259	178	182	4	8.43	33.7	Musket
MFEC070	356451	7034101	177	-60	271	154	155	1	1.08	1.1	Musket
including						178	180	2	14.7		
MFEC068	356309	7034546	197	-60	275	180	183	3	2.28	6.8	Cannonball
MFEC067	356544	7033836	200	-60	277	161	178	17	2.06	35	Musket
including						161	162	1	8.89		
MFEC066	356553	7033892	237	-55	276	189	192	3	5.88	17.6	Musket
including						190	191	1	14.8		
MFEC065	356577	7033881	258	-57	270	227	244	17	2.17	36.9	Musket
including						227	235	8	3.34		
including						227	229	2	8.14		
MFEC064	356554	7033851	218	-60	270	191	205	14	1.52	21.3	Musket
MFEC063	356200	7034800	203	-60	270	189	190	1	3	3	Cannonball
MFEC059	356592	7033847	243	-60	270	214	231	17	2.22	37.7	Musket
including						214	218	4	3.19		
including						215	216	1	6.23		
and						225	229	4	2.5		
MFEC058	356606	7033706	208	-60	270	185	186	1	1.34	1.3	Musket
MFEC057	356592	7033753	208	-60	270	188	189	3	1.54	4.6	Musket
MFEC056	356550	7033750	158	-60	270	127	133	6	1.49	9	Musket
MFEC055	356610	7033800	248	-60	270	220	231	11	1.77	19.4	Musket
including						225	228	3	2.35		
MFEC053	356315	7034600	210	-60	270	199	200	1	4.19	4.2	Cannonball
MFEC052	356238	7034700	200	-60	270	176	177	1	4.53	4.5	Cannonball
MFEC049	356270	7034600	186	-60	270	158	163	5	2.34	11.7	Cannonball
including						159	160	1	3.19		
and						162	163	1	4.61		
MFEC048	356570	7033800	216	-60	270	176	189	13	1.93	25	Musket
including						180	185	5	2.55		

Hole	East	North	Depth (m)	Dip	Azimuth	From (m)	To (m)	Interval	Ni%	m%	Prospect
MFEC047	356555	7033700	143	-60	270	126	127	1	1.04	1	Musket
MFEC045	356246	7034500	110	-60	270	84	88	4	2	8	Cannonball
MFEC043	356186	7034699	164	-65	270	128	130	2	2.36	4.7	Cannonball
MFEC042	356220	7034600	150	-60	270	114	119	5	2.03	10.2	Cannonball
MFEC040	356528	7033800	150	-60	270	129	136	7	1.84	12.9	Musket
MFEC037	356469	7033994	159	-60	270	129	132	3	3.13	9.4	Musket
including						129	131	2	4.01		
MFEC036	356463	7033793	144	-60	270	55	64	9	1.32	11.8	Musket
MFEC033	356070	7035001	138	-60	270	119	121	2	3.5	7	Camelwood
Including						119	120	1	5.71		
MFEC032	355826	7036155	174	-60	270	144	146	2	2.02	4	Camelwood
MFEC031	356059	7035096	140	-60	270	124	126	2	1.12	2.2	Camelwood
MFEC030	356058	7035199	156	-60	270	140	144	4	1.9	7.6	Camelwood
Including						140	141	1	2.84		
MFEC029	356054	7035294	150	-65	270	134	135	1	1.22	1.2	Camelwood
MFEC028	355993	7035558	156	-70	270	146	148	2	1.36	2.7	Camelwood
MFEC027	356003	7035300	102	-75	270	NSR		Gossanous 78-79m			Camelwood
MFEC026	356000	7035397	138	-75	270	111	112	1	1.13	1.1	Camelwood
MFEC025	355697	7036402	130	-60	270	NSR					
MFEC024	355970	7035650	186	-60	270	144	148	4	1.27	9.2	Camelwood
And						155	159	4	1.04		
MFEC023	355750	7036300	141	-60	270	101	120	19	0.44	8.4	Camelwood
MFEC022	355933	7035854	216	-60	270	186	187	1	2.55	2.6	Camelwood
MFEC021	355769	7036249	150	-60	270	105	124	19	1.32	25.1	Camelwood
MFEC020	355928	7035750	174	-60	270	141	146	5	1.8	12	Camelwood
Including						141	143	2	2.49		
And						157	159	2	1.49		
MFEC017	355720	7036259	86	-60	270	NSR		Gossanous 56-65m			Camelwood
MFEC016	355881	7035958	156	-60	270	129	133	4	1.11	4.4	Camelwood
MFEC015	355845	7036059	162	-60	270	125	130	5	1.33	6.7	Camelwood
MFEC012	355832	7036200	168	-70	270	153	154	1	1.1	1.1	Camelwood
MFEC010	355829	7036103	150	-60	270	118	136	18	1.53	27.5	Camelwood
Including						119	128	9	2.04		
MFEC007	355854	7035998	150	-60	270	118	121	3	1.82	5.5	Camelwood
MFEC006	355994	7035506	150	-65	270	126	126	1	2.48	2.5	Camelwood
MFEC005	355903	7035893	187	-60	270	147	148	1	2.99	3	Camelwood
MFEC004	355974	7035692	182	-60	270	159	179	20	1.06	21.2	Camelwood
Including						159	165	6	1.36		
Including						169	174	5	1.49		
MFEC003	355986	7035594	172	-65	270	141	146	5	1.45	12.4	Camelwood
And						152	155	3	1.72		
Including						152	154	2	2.22		
MFEC002	355956	7035802	242	-75	270	212	216	4	1.99	8	Camelwood
MFEC001	355899	7035798	162	-70	270	130	133	3	1.27	3.8	Camelwood
Including						130	132	2	1.58		

Rox Resources Significant Intersections – Collurabbie Project

Diamond Drilling

Hole	East	North	RL	Depth	From	To	Interval	Ni %	Cu %	Pt+Pd g/t	Co %	Prospect
CXDD001	422012	7025970	518	231	201.15	201.38	0.23	1.74	1.44	1.46	0.06	Olympia
and					203.16	205.27	2.11	0.78	0.53	N/R	0.04	
CXDD002	421979	7026902	515	252.6	167.29	167.45	0.16	0.48	0.25	0.53	0.02	Olympia North
CXDD003	421897	7027007	515	249.5	202.87	203.07	0.2	0.91	0.81	0.62	0.03	Olympia North
CXDD004	422035	7026002	517	123	90.42	92.22	1.8	1.27	2.81	5.97	0.09	Olympia
and					97.95	104	6.05	1.31	1.06	2.25	0.12	
including					97.95	99.86	1.91	2.25	2.02	3.21	0.07	

Note N/R - not reported.

Reverse Circulation (RC) Drilling

Hole	East	North	RL	Depth	From	To	Interval	Ni %	Cu %	Pt+Pd g/t	Co %	Prospect
CXRC001	422081	7026902		132	64	96	32	0.48	0.28	0.57	0.03	Olympia North
CXRC003	422081	7026902		126	76	81	5	0.63	0.30	0.66	0.03	Olympia North
CXRC013	422000	7027100	516	88	57	62	5	0.83	0.55	0.98	0.04	Olympia North
including					58	60	2	1.09	0.73	1.23	0.05	
CXRC014	422056	7026002	518	120	77	82	5	2.31	1.16	2.45	0.11	Olympia
Including					77	79	2	3.24	1.25	2.31	0.14	
CXRC016	422055	7025900	514	185	159	161	2	1.61	1	2.69	0.08	Olympia
including					160	161	1	2.35	1.18	3.58	0.09	
CXRC017	422061	7025973	514	115	84	96	12	0.57	0.55	1.33	0.04	Olympia

Aircore Drilling Significant Assay Results reported in the report.

Prospect	Hole	Easting	Northing	Depth	From	To	Interval	Ni %	Cu %	Co %	Pt ppm	Pd ppm	Au ppm
Olympia North	CXAC086	422135	7026898	515	42	8	28	0.70	0.40	-	0.305	0.464	-
	CXAC156	422041	727320	516.6	51	4	8	0.24	0.0056	0.0209	-	-	-
Ortus	CXAC008	421601	7025600	517	71	16	40	0.56	0.12	-	0.178	0.212	-
	inc					20	32	0.74	0.19	-	0.309	0.315	-
Ortus Nth / Beta Sill	CXAC046	421575	7025603	517	47	16	40	0.56	0.04	-	0.078	0.084	-
	CXAC011	421431	7026541	517	31	4	31	0.45	0.090	-	0.012	0.012	-
Troy	CXAC041	421542	7026118	517	41	4	24	0.39	0.204	-	-	-	-
	CXAC123	419485	7032688	526.7	40	28	40	0.80	0.0259	0.0567	-	-	-
Zeus South	CXAC124	419412	7032686	527.4	52	28	52	0.47	0.0113	0.0230	-	-	-
	CXAC186	425086	7024698	506.4	36	16	36	0.33	0.0049	0.0188	-	-	-
Naxos	CXAC187	425016	7024697	506.4	36	8	36	0.48	0.0035	0.0290	-	-	-
	CXAC020	423341	7026835	512	63	44	48	-	-	-	-	-	0.15
	CXAC031	423312	7026685	512	56	44	48	-	-	-	-	-	0.25
	CXAC033	423453	7026506	512	71	52	56	-	-	-	-	-	0.58

Prospect	Hole	Easting	Northing		Depth	From	To	Interval	Ni %	Cu %	Co %	Pt ppm	Pd ppm	Au ppm
	CXAC037	423436	7026305	513	62	32	36	4	-	-	-	-	-	0.21
	And					40	44	4	-	-	-	-	-	0.22
	CXAC038	423383	7026295	513	90	80	84	4	-	-	-	-	-	0.22

Note "-" assay not reported.

JORC Table 1 for Fisher East Project

The references to third parties other than Rox Resources Ltd have been included without consent throughout this table.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria		JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	<p>The Fisher East deposits have been sampled at a nominal 40 m by 40m to 80m by 80 m spacing using a combination of 5.5" (140 mm) reverse circulation percussion (RC) and diamond drill (DD) holes. Core size was dominantly NQ2 size diameter. In summary, results of the following drilling were used for this resource estimation:</p> <p>Camelwood: 38 RC holes for a drilled length of 6470.0m and 41 DD holes for a drilled length of 15,56.2m.</p> <p>Cannonball: 21 RC holes for a drilled length of 3,618.0m and 10 DD holes for a drilled length of 3,566.0m.</p> <p>Musket: 25 RC holes for a drilled length of 4,594.0m and 20 DD holes for a total depth of 7,565.1m.</p> <p>Holes were drilled towards grid west at varying dips to intersect the mineralised zones at close to perpendicular.</p> <p>Regional drilling consisting of aircore, RC and diamond drilling has occurred with this work undertaken based on the same criteria as used for the drilling at Camelwood, Cannonball and Musket.</p> <p>The Sabre Exploration Target has been drilled and sampled by RC and diamond drilling on a wide spacing and there is insufficient drilling to allow the estimation of a mineral resource.</p>	
Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information	<p>1m RC samples were collected by a cone splitter. Diamond core drilling was logged for lithology, structure, alteration, geotechnical and other attributes. Rox sampling and assaying procedures meet quality assurance and quality control (QA/QC) measures that are of industry best practice standards.</p> <p>Diamond core is dominantly NQ2 size, sampled on geological intervals, with a minimum of 0.1 m up to a maximum of 1.5 m. NQ2 core is halved longitudinally by sawing; HQ core is quartered. RC drill holes were sampled on 1m intervals using cone splitter units. Samples were sent to Intertek Genalysis in Kalgoorlie, crushed to 10mm, dried and pulverised (total prep) in LM5 units (Some samples > 3kg were split) to produce a sub-sample. The pulps were then sent to Perth for analysis by four acid digest with a multi-element ICP-OES finish (code: 4A/OE-multi element). Au, Pt and Pd were analysed by 25 gram fire assay with a mass spectrometer finish. Internal laboratory QA makes use of blanks, certified reference materials, duplicate and replicate sampling and assaying.</p>	

Criteria		JORC Code explanation	Commentary
Drilling techniques	Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Drilling techniques were Reverse Circulation (RC) and diamond core (DD). Aircore drilling occurred for the regional exploration and external to the mineral resources. The aircore drilling was not used in any resource estimates. The RC hole diameter was 140mm face sampling hammer. Hole depths range from 86m to 259m. DD hole diameter was NQ2 with HQ pre-collar and upper hole portions. Hole depths range from 162.3m to 751.1m. Pre-collars for diamond holes were drilled using a roller bit and reamed to HW casing size. Core was orientated using a Camtech orientation tool.	
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed	Measures taken to maximise sample recovery and ensure representative nature of the samples	Diamond drill core recoveries were logged and recorded in the database. Overall recoveries were >95%, and there were no significant core loss or recovery problems. RC drill recoveries were very good; almost all samples were dry. Aircore drilling away from the deposits and external to the mineral resources provided very good samples and were generally dry.
Logging	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Diamond core was reconstructed into continuous sample runs on an angle iron used for orientation marking. Depths were measured and checked against marked depths on the core blocks. RC samples (and aircore away from the deposits) were visually checked for recovery, moisture and contamination and notes made in the logs. Single meter aircore samples were collected and placed on to the ground. Samples used for the Mineral Resource estimate came from both RC and DD drilling, both of which had high recoveries. There is no observable relationship between recovery and grade, and therefore no sample bias from this cause.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Detailed geological and geotechnical logs were carried out on all diamond drill holes for recovery, rock quality designation (RQD) and structures including logging of structure type, dip, dip direction, alpha angle, beta angle, texture, fill material. This data is stored in the drill hole database. Logging of diamond core and RC chips and aircore recorded lithology, mineralogy, mineralisation, structure (for DD only), weathering, colour, and other sample features. Core was photographed wet and is stored in plastic core trays. RC chips are stored in plastic RC chip trays. Aircore chips were generally not retained. All holes were logged in full except for the rock roller bit diamond hole pre-collars (0-80m in most cases). Drill core was cut in half longitudinally on site using a core saw. All samples in a hole were collected from the same side of the core, preserving the orientation mark in the retained core.

Criteria	JORC Code explanation	Commentary
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples were collected on the drill rig using a cone splitter. Aircore samples were collected via buckets and placed in order adjacent to the drill pad, these were sampled via spear sampling the drill spoil. The majority of these samples were collected dry. Very few of the mineralised samples were collected wet, and these were noted in the drill logs and database.
	For all sample types, the nature, quality, and appropriateness of the sample preparation technique.	Sample preparation followed industry best practice at the laboratory of Intertek Genalysis in Kalgoorlie. This involved oven drying, coarse crushing of diamond core to ~10mm, followed by pulverisation of the entire sample in an LM5 or equivalent pulverising mill to a grind size of 85% passing 75 micron.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field QC procedures involve the use of Certified Reference Materials (CRM's) as assay standards, along with blanks, duplicates, and barren waste samples. The insertion rate of these was approximately 1:20.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	No diamond core field duplicates were taken. For RC drilling field duplicates were taken at an approximate 1:50 ratio using the same sampling techniques, that is a cone splitter.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered more than adequate to ensure that there are no particle size effects relating to the grain size of the mineralisation which lies in the percentage range.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	The analytical technique involved a four acid digest followed by multi-element ICP/OES analysis (Intertek analysis code 4A/OE). The four acid digest involves hydrofluoric, nitric, perchloric and hydrochloric acids and is considered a "complete" digest for most material types, except certain chromite minerals.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical or portable analysis tools were used to determine assay values stored in the database.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Internal laboratory control procedures involve duplicate assaying of randomly selected assay pulps as well as internal laboratory standards. All of these data are reported to the Company and analysed for consistency and any discrepancies. Check assays were undertaken at an independent third party assay laboratory and correlated extremely well.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Senior technical personnel from Rox Resources (Managing Director, Chairman and Exploration Manager) have visually inspected and verified the significant drill core intersections.
	The use of twinned holes.	No drill holes were twinned.

Criteria	JORC Code explanation	Commentary
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected using a standard set of Excel templates on Toughbook laptop computers in the field. These data were transferred to Geobase Pty Ltd for data verification and loading into the drill hole database.
	Discuss any adjustment to assay data.	No adjustments or calibrations have been made to any assay data.
Location of data points	Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Drill hole surveying of RC and diamond holes was carried out by a licensed surveyor with a DGPS unit. Aircore holes were located by a hand held GPS. Down hole surveys were carried out regularly with a minimum interval 30m downhole spacing with electronic digital magnetic Reflex or Ranger Survey Tool. There was no downhole surveys of any aircore holes
	Specification of the grid system used.	The grid system used was MGA_GDA94, zone 51.
	Quality and adequacy of topographic control.	A topographic surface was generated from drill collar surveys, in addition, digital terrain models were generated from low level airborne geophysical surveys.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Within the resource areas nominal drill hole spacing was 80 x 80 metres, with some areas in filled to 40 x 40 metre spacing. Aircore drilling on regional targets was at highly variable drill spacing.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The geology and grade of the mineralisation showed continuity from hole to hole that was sufficient to support the estimation of a Mineral Resource and the classifications contained in the JORC Code (2012 Edition).
	Whether sample compositing has been applied.	For diamond drill holes, no physical sample compositing was used. Nominal sample length was one metre with adjustments to match lithological boundaries where required. For RC samples, mineralised zones were sampled at a one metre intervals; sample compositing occurred over 4 metre intervals for un-mineralised material.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The deposits strike at about 345 degrees and dip to the east at between -60 to -75 degrees. Drill holes were oriented at 270 degrees, slightly oblique to the perpendicular direction, however, many drill holes swung slightly south (to about 255 degrees) so were became oriented perpendicular to strike. This is confirmed in structural logging of mineralised zones.

Criteria	JORC Code explanation	Commentary
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No sampling bias is believed to have been introduced by this cause.
Sample security	The measures taken to ensure sample security.	Sample security is managed by the Company. After preparation in the field samples were packed into polyweave bags and despatched to the assay laboratory in Kalgoorlie. For a large number of samples, these bags were transported by the Company directly to the laboratory. In some cases, the samples were delivered to a transport contractor who then delivered the samples to the laboratory. The laboratory procedure is to audit the samples on arrival and report any discrepancies back to the Company. No such discrepancies occurred.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Reviews of the sampling techniques and data were carried out by Optiro Pty Ltd as part of Mineral Resource estimates made for Camelwood in 2013 and for Musket in 2014, and by Mining One for this Mineral Resource estimate. The database is considered by Optiro and Mining One to be of sufficient quality to support the Mineral Resource estimate. In addition, from time to time, the Company carries out its own internal data audits.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Camelwood deposit is located on the eastern boundary of Exploration and Prospecting Licenses E53/1318, P53/1496 and extends into E53/1716. Musket and Cannonball deposits are both located within E53/1318. The regional exploration was undertaken on various tenements with the tenement schedule detailed in the report. All of the tenements are currently 100% owned by Rox Resources Limited. Upon the transfer of the tenements from Rox Resources to Cannon being completed, Cannon will hold mineral rights for all minerals within the tenements excluding E53/1218 where Rox Resources will retain the gold rights and Cannon will have rights to all other minerals pursuant to a split commodity agreement between Rox Resources and Cannon.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	The tenements are all in good standing and no known impediments exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Only incidental and immaterial exploration by other parties was undertaken in the Fisher East area prior to the exploration by Rox.

Criteria		JORC Code explanation	Commentary
Geology	Deposit type, geological setting, and style of mineralisation.		The Fisher East nickel sulphide mineralisation occurs within an Archaean komatiite system, bounded by basaltic rocks and felsic metasediments. Nickel sulphide mineralisation is mostly situated on the ultramafic - felsic contact. The rocks associated with the mineralisation are strongly talc-carbonate altered. The deposit is analogous to Kambalda style nickel sulphide deposits. At Camelwood the mineralisation contains minor conformable intrusions of barren diorite.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.		Drill hole collar coordinates, azimuths and dips are listed in the appendices to this report Drill hole intersections are tabulated in the appendices to this report.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	All reported assay intervals have been length weighted. No top cuts have been applied. A lower cut-off of 1% is generally applied with up to 2m of internal dilution allowed, except where early exploration holes at a new prospect are reported based on their geological significance. See Notes to Table/s. The interval reported were based on lithological logging of the drill core (see immediately below). Geological logging of RC samples and diamond drill core recognised three layers of sulphide within the deposits: highest grade mineralisation: massive and semi-massive sulphide. higher grade mineralisation: matrix and minor disseminated sulphide; and lower grade mineralisation: sparse disseminated sulphide. The highest grade mineralisation tends to occur at the original base of the higher grade mineralisation which, in turn, tends to occur at the original base of the lower grade mineralisation. The boundaries interpreted between these layers of mineralisation were used because: the boundaries were evident visually to the geologists; this was particularly true for the boundary around massive/semi-massive sulphide. in practice, the grade intervals coincided well with the lithology logging. statistical analysis supported their use. if the boundaries were not to be applied, grades from the highest grade zone would smear out into the higher grade and lower grade zones with unwanted consequences for resource estimation and mine planning. Use of these boundaries meant that aggregate intercepts did not incorporate short lengths of high grade results and longer lengths of low grade results.

Criteria		JORC Code explanation	Commentary
		The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been used or reported.
Relationship between mineralisation widths and intercept lengths		These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known').	The deposits are east dipping (see <i>Orientation of data in relation to geological structure</i> above). Drill hole were planned with azimuths of 270° and dips between -50° and -78° degrees to the west. Given the angle of the drill holes and the dips of the host rocks and mineralisation, reported lengths of down hole intercepts will greater than true widths.
Diagrams		Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Typical cross-sections through Camelwood Cannonball and Musket are shown in the body of the report. Drill hole intersections are listed in Appendix A.
Balanced reporting		Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results are reported – in the appendices of this report
Other substantive exploration data		Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All core samples were measured for bulk density using the water displacement method. Multi-element assaying on all samples was carried out for a suite of potentially deleterious elements such as arsenic and magnesium. Geotechnical data was collected from all diamond drill holes including recovery and RQD. Structural information was recorded; structure type, thickness, lithology, and alpha/beta angles (dip and dip direction). Based on comminution and flotation test work of samples from the key Fisher East deposits, a processing flowsheet has been proposed consisting of three-stage crushing, grinding, flotation, concentrate handling and tailings disposal. Metallurgical recoveries from the test work included 97 to 100% recovery into 12% Ni concentrate from massive sulphide material and 74 to 81% recovery into 12% Ni concentrate from disseminated sulphide.

Criteria	JORC Code explanation	Commentary
Further work	<p>The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</p>	<p>Numerous down-dip targets are located at depth especially beneath the Camelwood deposit and to the north of Musket where a significant down-hole electromagnetic conductor is present.</p> <p>Likely extensions to both of these deposits are possible. However, the depth of these targets makes exploration very expensive and it is unknown when this drilling will occur.</p>

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	<p>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</p> <p>Data validation procedures used.</p>	<p>Rox geologists used data templates with lookup tables and fixed formatting for recording logging and sampling data. Data transfer was via email with a copy sent to both the Company and the external database consultant. Sample numbers are unique and pre-numbered bags were used to minimise any potential errors.</p> <p>Data validation checks are run by Geobase, and they maintain a “master copy” of the database. The Company uses working copies which are provided by Geobase on a regular basis.</p> <p>Upon receipt of and during the work for this resource estimate, Mining One made checks on the database, including checking that:</p> <ul style="list-style-type: none"> drill holes plotted within the geographical limits of the Fisher East project. down-hole surveys were within the expected range. down-hole azimuths were in the correct range. there were no overlapping assay intervals. there were no overlapping lithology intervals. lithologies as plotted were consistent with Ni and S assays. assays used for grade estimation fell within appropriate mineralisation interpretations. Ni and S assays did not exceed the theoretical maxima for these elements given the mineral species present. <p>These checks revealed no anomalies</p>
Site visits	<p>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</p>	<p>Mick McKeown, the Competent Person for this Mineral Resource estimate, visited the Fisher East site on 22-24 June 2015, inspected the project area, examined drill core, and observed core logging and sampling.</p> <p>Paul Dunbar visited the Fisher East project as a part of a site visit during the preparation of this report and to report the Exploration Target.</p>

Criteria	JORC Code explanation	Commentary
	If no site visits have been undertaken indicate why this is the case.	Not applicable.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	There is a high degree of confidence in the geological models of deposits; based on consistent stratigraphy in drill holes and highly correlatable lithologies and mineralisation boundaries.
	Nature of the data used and of any assumptions made.	Surveying of drill hole collars and drill hole paths, geological logging of RC chips and DD core and assay data were used to create the geological interpretation.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	There is a high degree of confidence in the geological models of deposits, based on consistent stratigraphy in drill holes and highly correlatable lithologies and mineralisation boundaries.
	The use of geology in guiding and controlling Mineral Resource estimation.	Geological logging of RC samples and diamond drill core recognised three layers of sulphide within the deposits: highest grade mineralisation: massive and semi massive sulphide. higher grade mineralisation: matrix and minor disseminated sulphide; and lower grade mineralisation: sparse disseminated sulphide.
		The highest grade mineralisation tends to occur at the original base of the higher grade mineralisation which, in turn, tends to occur at the original base of the lower grade mineralisation. The boundaries interpreted between these layers of mineralisation were used because: the boundaries were evident visually to the geologists; this was particularly true for the boundary around massive/semi-massive sulphide. in practice, the grade intervals coincided well with the lithology logging. statistical analysis supported their use. if the boundaries were not to be applied, grades from the highest grade zone would smear out into the higher grade and lower grade zones causing over-estimation of grades.
	The factors affecting continuity both of grade and geology.	The principal factors determining the continuity of "grade and geology" are described in the immediately previous entry in this table.

Criteria	JORC Code explanation	Commentary
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource	<p>From north to south the deposits are Camelwood, Cannonball and Musket. The three deposits are tabular in shape with thicknesses much less than their strike and dip extents. The deposits occur over a combined strike length of just under 3 kilometres.</p> <p>Camelwood strikes at about 345° and dips at about -60° towards 075°. The strike length of Camelwood is about 1400m and the known down-dip extent ranges from 100m to 500m.</p> <p>Cannonball strikes at about 345° and dips at about -60° towards 075°. The strike length of Cannonball is about 300m and the known down-dip extent ranges from about 80m to 350m.</p> <p>Musket strikes at about 345° and dips at about -65° towards 075° and appears to plunge to the north at about 50°. The strike length of Musket is about 500m and the known down-dip extent ranges from 100m to 450m.</p>
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domain, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	<p>Nickel and sulphur grades were estimated in the three mineralised zones described above:</p> <ul style="list-style-type: none"> highest grade mineralisation: massive and semi massive sulphide. higher grade mineralisation: matrix and minor disseminated sulphide; and lower grade mineralisation: sparse disseminated sulphide. <p>At Camelwood and Musket all three zones are present; at Cannonball only the higher grade and lower grade zones are present.</p> <p>The interpretation of the mineralisation did not extend further than 25m along strike beyond the last drilled section. Surpac software was used for the resource estimate.</p> <p>Samples were composited to 1m lengths. Grades were estimated in each zone using only samples from within the zone. No top-cuts were applied because no rogue outlier grades were detected.</p> <p>Grade continuity for Ni and S, as indicated from variography for the higher and lower grade zones, was high in the plane of the mineralisation, ranging from 90m to 230m.</p> <p>Successful variography for Ni and S allowed for Ni and S grade estimation of the higher and lower grade zones using ordinary kriging. For the highest grade zones, the use of ordinary kriging was not possible, and Ni and S grades were attributed to the blocks in these zones based on the average grades of nearest neighbour estimates of these zones.</p> <p>Grade continuity for Ni and S, as indicated from variography for the higher and lower grade zones, was high in the plane of the mineralisation, ranging from 90m to 230m.</p> <p>There is insufficient information and insufficient drilling into the Sabre prospect to allow the estimation of a mineral resource, hence that mineralisation is reported as an Exploration Target.</p> <p>Previous resource estimates were available for Camelwood and Musket. These estimates took appropriate account of the data and processes used to make those estimates.</p>

Criteria

JORC Code explanation

Commentary

The assumptions made regarding recovery of by-products.	No recovery assumptions have been made regarding the recovery of by-products.
Estimation of deleterious elements or other non-grade variables of economic significance (e.g., sulphur for acid mine drainage characterisation).	S grades were estimated.
In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	Block models were created using a 10m E by 25m N by 5m RL parent block size with sub-celling to 0.625m E by 1.562m N by 0.312m RL to achieve reasonable three dimensional modelling of the mineralisation. Estimation was completed at the parent cell scale. The parent cell size in the north-south direction was about half the nominal cross-section spacing. The size of the search ellipses were set to ensure that Ni and S grades were estimated for all blocks in the model; this required a maximum search distance of 300m. Density was estimated for each block based on the estimated S grade of the block.
Any assumptions behind modelling of selective mining units.	No selective mining units were assumed in the estimate.
Any assumptions about correlation between variables.	Strong positive correlation was observed between nickel and density. A regression-based density value was estimated based on estimated Ni grade where density was not present. No noticeable correlation could be determined between other elements. Each element within each domain used the same sample selection routine, but a slightly different search ellipse (based on variogram range) for block grade estimation.
Description of how the geological interpretation was used to control the resource estimates.	Samples in the drill hole database were flagged according to the zone in which the samples were interpreted. Wireframes representing the three mineralised zones were created and blocks in the block model were flagged according to the zone wireframe in which they were located. Checks were made to ensure that the grades of each zone were estimated using grades of samples from within the appropriate zone.
Discussion of basis for using or not using grade cutting or capping.	No top-cutting was applied because no rogue outlier grades were detected. All high grade samples were accounted for within highest grade zone of massive and semi-massive sulphide.
The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Validation of the block model tonnages included comparisons of volumes of the zone wireframes and blocks representing the zones in the block model. Validation of grade estimates were made by comparing average global grades made by ordinary kriging with average global grades estimated by a nearest neighbour method, and average global grades based on the averages of composited grades. There was reasonable to excellent agreement among all average global grades. Visual checks of estimated block grades against grades in nearby drill holes did not reveal any anomalies. No mining has taken place and no reconciliation data exists from such a source.

Criteria		JORC Code explanation	Commentary
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	The tonnages were estimated on a dry basis.	
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied	A cut-off grade of 1.0% Ni, at a nickel price of AUD\$14,000 per tonne implies that material with a contained metal value of about AUD\$140 could be treated at a profit, which seems reasonable. This was also the cut-off grade used for previous resource estimates. However, no forecast is made of whether the resource is economic or could be profitably exploited.	
Mining factors or assumptions	Assumptions made regarding possible mining methods; minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Underground mining has been assumed as the likely extraction technique however no assumptions regarding the mining methodology have been built into the resource model.	
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Beyond the assumption that nickel could be recovered using traditional treatment methods, no other assumptions regarding the metallurgical recovery have been built into the model. Based on comminution and flotation test work of samples from the key Fisher East deposits, a processing flowsheet has been proposed by Strategic Metallurgy consisting of three-stage crushing, grinding, flotation, concentrate handling and tailings disposal. Metallurgical recoveries from the test work included 97 to 100% recovery into 12% Ni concentrate from massive sulphide material and 74 to 81% recovery into 12% Ni concentrate from disseminated sulphide.	

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made	Beyond the assumption that tailings could be disposed of in a tailings dam, no other assumptions have been made regarding waste or process residue disposal. Based on comminution and flotation test work of samples from the key Fisher East deposits, a processing flowsheet has been proposed by Strategic Metallurgy consisting of three-stage crushing grinding, flotation, concentrate handling and tailings disposal. A Level 1 vegetation and fauna assessment, an assessment of fauna habitat, and opportunistic fauna sightings were made by Outback Ecology. No threatened species were identified. Based on the analysis of habitat requirements and locations of previous records, it was considered that three Priority Flora species may occur in the Study Area. However, no vegetation communities were identified that are analogous to any Threatened Ecological Community or Priority Ecological Community nor any that were considered locally or regionally significant.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size, and representativeness of the samples.	The sulphide content of the mineralisation determines the density of the mineralisation. Densities and S grades have been determined for drill core samples in the three deposits using: 1,284 samples for Camelwood, 79 samples for Cannonball, and 44 samples for Musket. Bulk density was determined for diamond drill core samples using the water displacement method. Graphs of density against % S for each deposit exhibit linear correlations with high correlation coefficients. Equations for calculating density from S grade were based on the results of the graphs for each deposit. Bulk densities in the mineralisation ranged from 2.8 to about 4.5 tonnes per cubic metre.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.	The water displacement method adequately accounts for void spaces in the rock. Since the diamond drill core samples are fresh rock there are no moisture issues.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	See above.

Criteria		JORC Code explanation	Commentary
Classification	The basis for the classification of the Mineral Resources into varying confidence categories	Whether appropriate account has been taken of all relevant factors (i.e., relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity, and distribution of the data).	Classification of the Mineral Resources was based on the geological continuity of the mineralisation. For parts of the deposits, where drilling intensity was adequate to define the zone shapes and extents reasonably and reliably those parts were classified as Indicated Mineral Resources: this was where the general drilling pattern was at a nominal 50m X 50m spacing. Beyond the Indicated Mineral Resource, the resource was classified as Inferred. Inferred Mineral Resource estimates should particularly be viewed as approximate, given that it is the lowest level of confidence of the three categories of Mineral Resource.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	Whether the result appropriately reflects the Competent Person's view of the deposit.	Validation of the block model shows acceptable correlation of the input data to the estimated grades. The input data is comprehensive, and no biases are believed to have been introduced. The geological model has a high degree of continuity and confidence. Infill drilling has confirmed this continuity.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate	Whether the result appropriately reflects the view of the Competent Persons.	The Mineral Resource estimate appropriately reflects the view of the Competent Persons.
			Satisfactory reviews of the resource estimates for this report were made by the competent persons and Rox personnel.
			The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the JORC Code (2012 Edition). The block models and resource estimates are suitable for planning and scheduling of medium to long-term production over periods such as yearly or quarterly. The block model is not suitable for selection of blocks at the time of mining – block selection at the time of mining will require more sampling during a grade control program. There is a high degree of uncertainty in the Exploration Target estimated for the Sabre prospect, significant additional work is required including additional drilling. It is uncertain if the additional drilling would allow a resource to be estimated for the Sabre mineralisation.

Criteria	JORC Code explanation	Commentary
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used	The statement of the Mineral Resource estimates for Camelwood, Cannonball and Musket all relate to global estimates of tonnes and grade.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available	No production data is available.

JORC Table 1 for Collurabbie Project

The references to third parties other than Rox Resources Ltd have been included without consent throughout this table.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). <p>In other cases, more explanation may be required, such</p>	<ul style="list-style-type: none"> Reverse Circulation (RC) drilling was sampled in one metre intervals. The majority of these samples were split immediately by a riffle splitter attached to the base of the cyclone, resulting in a large reference sample and a smaller sample (~3kg) for assaying. Diamond drilling (DD) was generally sampled on a metre-basis, but sample intervals were decided by logged lithological contacts. Diamond core is dominantly NQ2 size, sampled on geological intervals, with a minimum of 0.1m up to a maximum of 4.2m. NQ2 core is cut into half. All RC & DD intervals were geologically logged by a suitably qualified geologist and mineralized intersections dispatched to the ALS Global laboratory in Perth, Western Australia for processing.

Criteria	JORC Code explanation	Commentary
	as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	<ul style="list-style-type: none"> • Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit, or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> • Reverse Circulation, Air Core and Diamond Drilling were completed and used in the Mineral Resource estimation. • RC drilling was undertaken with 5" and 5 1/2" face sampling bits (resulting in a minimum drill-hole diameter of 5"). • Diamond drilling was predominately NQ2 core size, with mud-rotary or RC pre-collars and HQ upper hole portions. • The majority of intervals of the mineralised diamond drill-holes were orientated using a Reflex ACT orientation tool and some core was marked with the spear orientation method.
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • RC drilling recovery wasn't recorded, however was generally good. • For some DD programs, the sample recovery was measured and recorded for each core run, and down-hole depths were validated against core blocks and drillers sheets. Recovery was generally very good. Some core loss was recorded in the weathered zones and in fault zones. • No twin hole comparison of RC and DD drilling was completed. • There does not appear to be any relationship between sample recovery and grade.
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • All drill-holes were geologically logged in full by the relevant company geologists at the time of each drilling program. • All data were initially captured on pre-formatted Excel tables and subsequently loaded into the project specific drill-hole database by the database administrator. • The logging and reporting of the preliminary logs was qualitative. • All logs were checked and validated by an external geologist as part of the current database. Logging is of sufficient quality for current studies.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality, and 	<ul style="list-style-type: none"> • Drill core was cut in half on site using a core saw. All samples were collected from the same side of the core, preserving the orientation mark in the kept core half. • RC samples were collected on the drill rig using a cone splitter. If any mineralised samples were collected wet these were noted in the drill logs and database. The vast majority of the samples were dry. • The sample preparation followed industry best practice. This involved oven drying, coarse crushing of diamond core to ~10mm, followed by pulverisation of the entire sample in an LM5 or equivalent pulverising mill to a grind size of

Criteria	JORC Code explanation	Commentary
	appropriateness of the sample preparation technique.	85% passing 75 microns.
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Field QC procedures involve the use of Certified Reference Materials (CRMs) as assay standards, along with duplicates and barren waste samples. The insertion rate of these was approximately 1:20. No diamond core field duplicates were taken. For RC drilling field duplicates were taken on a routine basis at an approximate 1:40 ratio using the same sampling techniques (i.e., cone splitter) and inserted into the sample run. All sampling was carefully supervised. All RC intervals were geologically logged and mineralized intersects dispatched to ALS Global in Perth for sample preparation and subsequent assaying of pulps. Individual samples were accommodated and sealed in clearly labelled plastic bags (RC samples) and calico sample bags (DD samples) for transport. The sample sizes are considered more than adequate to ensure that there are no particle size effects relating to the grain size of the mineralisation which lies in the percentage range.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The analytical techniques involved. <ul style="list-style-type: none"> Four-acid digest followed by multi-element ICP/OES analysis. The four-acid digest involves hydrofluoric, nitric, perchloric and hydrochloric acids and is considered a "complete" digest for most material types, except certain chromite minerals. Fire Assay with a mass spectrometer finish for Au-Pt-Pd. No geophysical or portable analysis tools were used to determine assay values stored in the database. Internal laboratory control procedures involve duplicate assaying of randomly selected assay pulps as well as internal laboratory standards. Due to the systematic, robust, and intensive nature of quality control procedures adopted, the authors are confident that the assay results are accurate and precise and that no bias has been introduced.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<ul style="list-style-type: none"> Senior technical personnel from the Rox (Managing Director and Exploration Manager) have visually inspected and verified the majority of significant drill core intersections. All procedures were considered industry standard, well supervised, and well carried out. There were no pairs of twinned holes completed to compare the different drilling methods undertaken at the project. All data were initially captured on pre-formatted Excel tables and subsequently loaded into the project specific drill-hole database by the database administrator. All original data were kept. Routine checks were performed regularly

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> on the data. Assay data were provided in digital format by the laboratory and imported directly into the project-specific database. Routine checks were made against the laboratory certificates.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Drill hole locations have been established using a field Differential GPS unit The grid system is MGA_GDA94, zone 51 for easting, northing and RL. The topographic surface was generated from surveyed drill collar positions and also digital terrain models generated from low level airborne geophysical surveys. All diamond drill holes were surveyed at 30m intervals down hole using an Eastman single shot survey system. The topographic control is considered to be adequate for current studies.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The drill hole spacing along section lines is variable however the central part of the Resource has been drilled to an approximate 40m by 50m drill pattern. The deeper zones (up to 550-600m vertical) and southern and northern extents have been drilled to lesser depths at a spacing up to 300m. The data spacing and distribution for the modelled zone is considered appropriate for the Mineral Resource estimation procedures and classifications applied. The mineralisation and geology show continuity sufficient to support the definition of a Mineral Resource and the classifications contained in the JORC code (2012 edition) For diamond drilling no sample compositing has been undertaken. Sample intervals are based on geological boundaries with even one metre samples in between. For RC drilling, sample compositing occurred over 4 metre intervals for non-mineralised material, but all mineralised intervals were sampled at a one metre interval
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The mineralisation strikes at NNW and is steeply dipping to the west. The drill orientation was planned at 090 degrees. Drilling is essentially perpendicular to strike. This is confirmed in structural logging of mineralised zones. Drill-holes were oriented to intersect the lithology/mineralisation at as close as possible to right angles, and as such no material sampling bias has been introduced.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> After preparation in the field samples are packed into polyweave bags and despatched to the laboratory. The assay laboratory audits the samples on arrival and reports any discrepancies back to the Company. No such discrepancies occurred.

Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> The Competent Persons for this Mineral Resource estimate have not conducted any review of the sampling techniques used by previous owners of the project.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The known mineralisation and its immediate extensions are covered by active exploration leases E38/2009 and E38/2912, which have a total area of 63.1 square kilometres. In addition, adjacent tenement areas covering a further 59 square kilometres have been applied for. The tenure is 100% owned by Rox Resources Ltd. There are no known material issues with third parties, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The Company is not aware of any impediments relating to the licences or area.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>Early exploration in the region included various stages of gold and diamond exploration, along with minor work (ground magnetics, auger, and soil sampling) on the Gery Well Greenstone Belt. Minor base metal exploration occurred to the north within the Nabberu Basin.</p> <ul style="list-style-type: none"> BHP completed 49 RAB holes for 1,311 metres in 1989 exploring for gold. MIM completed 46 RAB holes for 2,108 metres in 1995, also focusing on gold. Between 1996 – 1999 North Ltd completed several gold exploration programs including detailed aeromagnetics, dipole-dipole induced polarisation, soil-sampling (166 samples) and auger drilling (25 drill-holes for 42.5m), AC drilling (10 drill-holes for 202m), RC drilling (546 drill-holes for 49,858m) and diamond drilling (6 drill-holes for 587.5m). In 2004 – 2006 WMC/BHPB completed AC drilling (230 drill-holes for 15,728m), RC drilling (79 drill-holes for 9,812.3m) and diamond drilling (91 drill-holes for 31,213m). More recently, Falcon Minerals Ltd, formerly a JV-partner with WMC/BHPB on the project, solely completed 25 diamond (and mud/diamond) drill-holes for 7,525.25m, as well as some down-hole EM surveys.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting, and style of mineralisation. 	<p>The project area is situated in an Archaean terrain metamorphosed to upper greenschist/lower amphibolite facies and comprises a N-NNW striking greenstone sequence flanked by large granitoid (dominantly monzogranite) batholiths. The greenstone sequence comprises felsic, mafic, ultramafic, and sedimentary units. The Archaean sequence is exposed at surface but becomes progressively buried by the onlapping Proterozoic sediments of the</p>

Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the Exploration Results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>Eoraheedy Basin to the north. Several Proterozoic diorite dykes transect the area with a broadly E-W orientation. Up to four phases of deformation, with principal strike directions NNW, NW, and NE, have been previously identified.</p> <p>All drill-hole coordinates and orientations material to the Mineral Resource estimation have been previously reported, refer to FCN's ASX announcements on the Collurabie Project between 2004 and 2011. The information relevant to the Olympia Deposit is presented in the Collurabie Significant Drill Intercepts table in the appendix to this report.</p>
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<p>Drilling results have been reported using weighted averages with a 1% Ni lower cut-off grade and ≤ 1m internal waste (<1% Ni). Results have been rounded to 2 decimal places where necessary.</p> <p>All reported assay intervals have been length weighted. No top cuts have been applied. A lower cut-off of 1% Ni is generally applied with up to 1m of internal dilution allowed. See Notes to Table/s.</p> <p>All samples were predominantly 1m or 2m intervals but varied between 0.1m and 4.2m, depending on the interpreted geological contacts.</p> <p>High grade massive or semi-massive sulphide intervals internal to broader zones of mineralisation are reported as included intervals. in the significant intersection tables included in the appendix of this report</p> <p>No metal equivalent values have been reported.</p>

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The drilling is at right angles (or as close as possible) to the orientation of the mineralisation. All intercepts are reported as down-hole lengths. Given the angle of the drill holes and the interpreted dip of the host rocks and mineralisation (see Figures in the text), reported intercepts will be more than true width.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to, a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Plan maps of drill-hole collar locations and appropriate sectional views have been included in this report.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All sampled intervals have been provided in the Significant Drill Intercept table in the appendix of this report.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Exploration work completed by previous owners of the project was announced to the ASX by those companies (e.g. FCN's ASX announcements on the Collurabie Project between 2004 and 2011). Multi element assaying on all samples was carried out for a suite of potentially deleterious elements such as Arsenic and Magnesium.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further exploration drilling is justified to locate extensions to mineralisation both at depth and along strike. Additionally, regional airborne drilling is planned to locate new areas of mineralisation.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used 	<ul style="list-style-type: none"> The drill-hole data were received as an Access database which was then connected to Surpac software for grade estimation. Basic checks were completed on the database. Rox subsequently compiled the data as Excel spreadsheets, and then imported it into a relational SQL Server database (industry standard drill-hole database management software) by a 3rd party independent database administrator. Maps, satellite imagery and other geological/geochemical surface data were also supplied for use. The data were audited, and any discrepancies checked by RXL personnel before being updated in the database. Normal data validation checks were completed on import to the SQL database and when viewing in Leapfrog™ software and Geovia Surpac™ (industry standard resource modelling and estimation software). The database extract was supplied for use for resource estimation as a Microsoft Access database.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. 	<ul style="list-style-type: none"> Will Belbin (Competent Person) visited the site in November 2016 as Exploration Manager of Rox Resources and checked the locations of drill-holes. An inspection of mineralised drill core was conducted at the core shed in Laverton. A review of documented drilling and sampling procedures were considered industry standard, well conducted, and supervised.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> The confidence in the geological interpretation is considered adequate for the purposes of reporting. Inferred Resources. Nickel mineralisation is located within the ultramafic sequence of the greenstone belt, with the higher grades comprising matrix ± massive Ni-sulphide mineralisation within the basal peridotite. These units have been transgressed from SW to NW by a low-angle felsic porphyry; the limited interaction between the units suggest the intrusion has inflated the ultramafic sequence rather than stopping it out. The geological model consists of an oxidation surface and mineralisation constraints which were applied as estimation domains. The different lithologies and major structures (faults) were also modelled as interpreted; these geological controls have been considered when generating the mineralisation constraints. The geological interpretation is supported by geological mapping, channel sampling and drill-hole logging, and mineralogical studies completed on all drilling programs, plus geophysical survey data (aeromagnetic). The average depth of oxidation is approximately 60m. No alternative interpretations have been considered at this stage. Logged sulphide-rich zones correlate well with higher nickel assay grades. The nickel-mineralised system is known to be continuous in strike length for several kilometres. Main factors affecting continuity of grade appear to be structures, spatial location of the host lithologies and the later felsic

Criteria	JORC Code explanation	Commentary
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<p>intrusion.</p> <ul style="list-style-type: none"> The modelled mineralised zone has dimensions of 600m (surface trace striking 350) of varying thickness between 5m and 20m and ranging between 0m and 500m RL (AMSL).
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (e.g., sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. 	<ul style="list-style-type: none"> Grade estimation for nickel (%Ni) using Ordinary Kriging (OK) and Inverse Distance Squared (ID² – for comparison) was completed by Lauritz Barnes using a combination of Geovia Surpac™ and Leapfrog™ software. The mineralised zone has been drilled to 550-600 vertical metres on a variable drill pattern of 40m x 40m in the modelled zone up to 300m on the mineralised depth and strike extents. Drill-hole samples were flagged with wireframed domain codes. Sample data were composited to 1m for %Ni using a best fit method with a minimum of 100% of the required interval to make a composite. The grade estimate is constrained by a mineralisation zone defined using a nominal 0.5% Ni envelope. Influences of extreme sample distribution outliers were analysed for potential top-cutting on a domain basis. Top-cuts were decided by using a combination of methods including grade histograms, log probability plots and statistical tools. Based on this statistical analysis of the data population, top-cuts were not required. Variography has been carried out on the nickel composites and is characterised by low to moderate nugget effect (approximately 20% of the total variogram variance) and ranges to a maximum along-strike distance of 110m. Block model was constructed with parent blocks of 4m (E) by 10m (N) by 10m (RL) and sub-blocked to 0.5m (E) by 1.25m (N) by 1.25m (RL). Ordinary kriging (OK) was used to estimate the block grades within the mineralisation envelope to represent a selective mining unit 0.5m (E) by 1.25m (N) by 1.25m (RL). Inverse squared distance (ID²) was also used to estimate the nickel mineralisation as a validation check of the OK model. Search ellipse sizes were based primarily on a combination of the variography and the trends of the wireframed mineralised zones. Hard boundaries were applied. Three estimation passes were used. The first pass had a limit of 75m, the second pass 150m and the third pass 5,000m. All three passes used a maximum of 8 composites, a minimum of 5 composites and a maximum per drill-hole of 2 composites. Validation of the block model included a volumetric comparison of the resource wireframes to the block model volumes. Validation of the grade estimate included comparison of block model grades to the input composite grades plus swath plot comparison by easting, northing and elevation. Visual comparisons of input composite grades vs. block model grades were also completed.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	<ul style="list-style-type: none"> There haven't been any previous resource estimations for this deposit.
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content 	<ul style="list-style-type: none"> Tonnes have been estimated on a dry basis.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> Continuity of the mineralisation was analysed at different grade cut-offs between 0.2% Ni and 1.0% Ni. The potentially economic 0.5% Ni interpretation is focused on maintaining zone continuity and includes some sub-grade material. The limited material from within the modelled oxide/transition zone has been included in the reported Mineral Resource estimate. To-date there hasn't been any metallurgical test work that would indicate nickel recoveries different to that of the fresh material. However, this requires investigation and test work.
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining 	<ul style="list-style-type: none"> Based on the orientations, thicknesses, and depths to which the nickel mineralisation has been modelled, as well as the estimated nickel grades, the potential mining method is considered to be underground mining.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	<p>assumptions made.</p> <ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> There hasn't been any systematic metallurgical test work carried out for this deposit. It is assumed that nickel recoveries would be similar to those in other ultramafic-hosted nickel deposits in Western Australia.
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> No assumptions have been made regarding waste or process residue disposal. No issues are anticipated from an environmental perspective in the exploitation of a Mineral Resource. Further investigation will be addressed in the next level of study.
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size, and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> A large bulk density dataset has been generated by WMC and FCN using the Hydrostatic Weighing method. In total, 1,981 bulk density measurements are present for the greater project area / mineralised system, with 1,029 of these from the Olympia target area. Bulk density measurements have been acquired for the both the mineralised and waste domains allowing accurate tonnages to be determined for all material types. Samples from within the oxide zone have been analysed separately from the fresh rock. Bulk densities were assigned to the mineralised zone from 51 samples specifically from the modelled and reported mineralised zone via a regression calculation based on the nickel grade after statistical analysis of the relationship and calculated as = $(\%Ni \times 0.5454) + 2.6229 \text{ t/m}^3$.

Criteria	JORC Code explanation	Commentary
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (i.e., relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity, and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> The Mineral Resource has been classified on the basis of confidence in the geological model, continuity of mineralised zones, drilling density, confidence in the underlying database and the available bulk density information. All factors considered; the resource estimate has been assigned entirely to the Inferred Resources category. Inferred Mineral Resource estimates should particularly be viewed as approximate, given that it is the lowest level of confidence of the three categories of Mineral Resource.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> Mr. Barnes is considered independent of Rox Resources. No other audits or reviews of the Mineral Resources estimate have been undertaken.
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits; or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<ul style="list-style-type: none"> The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. The statement relates to global estimates of tonnes and grade.

7. Solicitor's Report on Tenements

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24 May 2021

The Directors
Cannon Resources Limited
Level 2, 87 Colin Street
West Perth WA 6005

Dear Directors

Solicitor's Report on Tenements

This report is prepared for inclusion in a prospectus dated on or around 26 May 2021 for the proposed listing on the Australian Securities Exchange (**ASX**) by Cannon Resources Limited ACN 646 149 902 (**Cannon**), which includes a pro-rata priority offer to eligible Rox Resources Limited ACN 107 202 602 (**Rox**) shareholders of up to 30,000,000 shares at an issue price of A\$0.20 each, together with one free attaching option for every three shares issued to raise A\$6,000,000 (before costs) and an associated shortfall offer (**Prospectus**).

1 Scope

We have been requested to provide a report (**Report**) on the following mining tenements in which Cannon has an interest comprising the:

- (a) Fisher East Project, consisting of Exploration Licences 53/1218, 53/1318, 53/1716, 53/1802, 53/1884, 53/1885, 53/1886, 53/1887, 53/1950, 53/2018, 53/2090; and
- (b) Collurabbie Project (together with the Fisher East Project, the **Projects**), consisting of Exploration Licences 38/2009, 38/2912 and 38/3193,

(collectively, the **Tenements**) granted under the *Mining Act 1978* (WA) (**Mining Act**) in Western Australia listed in Schedule 1.

The Report can be reproduced by Rox in its notice of meeting dated on or around 26 May 2021 (**Notice of Meeting**).

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

Unless stated otherwise, a reference to a Tenement in this report is a reference to a Tenement held by Rox as further detailed in Schedule 1 (**Tenement Schedule**).

2 Searches

We have undertaken the following legal due diligence enquiries and reviewed:

- (a) searches of the Tenements obtained through the Mining Tenement Register maintained by the Department of Mines, Industry Regulation and Safety (**DMIRS**) pursuant to the Mining Act as at 21 May 2021;
- (b) quick appraisal searches of Tengraph of the Tenements obtained online from DMIRS (**Quick Appraisals**) as at 21 May 2021;

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- (c) Aboriginal heritage searches of registered sites as at 21 May 2021; and
- (d) we have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the Tenement Searches and have summarised the material terms as set out in Section 9 of this Report),

(together the **Searches**).

On the basis of the Searches, we consider that this Report provides an accurate statement as to the status of the Tenements as at 21 May 2021.

3 **Opinion**

As a result of the Searches, subject to our exclusions, assumptions and qualifications set out in this Report (including in paragraph 10), we are satisfied that as at the date of the Searches:

- (a) the details of the Tenements referred to in the Tenement Schedule are accurate as to the status and registered holder of the Tenements;
- (b) unless otherwise specified in this Report, the Tenements are valid, in good standing, and all applicable rents have been paid;
- (c) there are certain encumbrances or dealings registered against a number of the Tenements; and
- (d) none of the Tenements are subject to any unusual conditions of a material nature other than as disclosed in the Tenement Schedule.

4 **Executive Summary**

4.1 **Ownership**

As set out in the Tenement Schedule, in accordance with the Searches, Rox currently holds 100% of the title and interest in each of the Tenements.

Pursuant to the demerger agreement between Rox and Cannon dated 13 May 2021 (**Demerger Agreement**), Rox is transferring to Cannon a 100% interest in each of the Tenements. The Demerger Agreement is summarised at section 9 of the Prospectus.

4.2 **Third party interests in Tenements**

Except for those set out in paragraph 9, we are not aware of any contracts, which relate to any third party interests in the Tenements.

Apart from:

- (a) E53/1318, in respect of which there is one registered caveat outlined in paragraph 4.5; and
- (b) E38/2009, in respect of which there are two registered caveats outlined in paragraph 4.5;

the Searches of the Tenements do not reveal any indicators of third party interests in the Tenements.

4.3 **Rent**

All of the rental payments which are due for the current tenement year for each Tenement have been paid in full. Please refer to the Tenement Schedule for the rent payable in respect each Tenement.

4.4 **Expenditure**

- (a) In respect of the 2021 expenditure year:

- (i) Form 5 Operations (expenditure) Reports (**Form 5 Report**) for E38/2009, E38/2912, E38/3193, E53/1318, E53/1802, E53/1885, E53/1886, E53/1887 and E53/2018 are not yet due (these will be due within 60 days from the anniversary of the grant of the tenement - see the Tenement Schedule for the anniversary dates);
 - (ii) E53/1716's Form 5 Report is due 2 June 2021;
 - (iii) E53/2090 was granted in June 2020, so a Form 5 Report will not become due until after the tenement's first anniversary of grant; and
 - (iv) The Form 5 Reports for the balance of the Tenements recently due have been lodged (E53/1218, E53/1950 and E53/1884).
- (b) In respect of the 2020 expenditure year the expenditure commitment on the Tenements was met, apart from:
- (i) E53/1318 which was under-expended year end 20 September 2020 with an exemption granted on 5 February 2021;
 - (ii) E53/1885 which was under-expended year end 30 October 2020 with an exemption granted on 4 February 2021;
 - (iii) E53/1886 which was under-expended year end 30 October 2020 with an exemption granted on 4 February 2021;
 - (iv) E53/1887 which was under-expended year end 23 May 2020 with an exemption granted on 28 August 2020;
 - (v) E53/2018 which was under-expended year end 16 September 2020 with an exemption granted on 14 January 2021;
 - (vi) E38/2009 which was under-expended year end 19 October 2020 with an exemption granted on 2 February 2021;
 - (vii) E38/3193 which was under-expended year end 27 July 2020 with an exemption granted on 6 November 2020; and
 - (viii) E38/2912 which was under-expended year end 11 September 2020 with an exemption applied for on 9 November 2020 which was refused on 19 May 2021. It is anticipated that DMIRS will seek forfeiture of E38/2912 pending submissions from Rox. We understand that Rox intends to make submissions requesting a penalty for failure to expend rather than forfeiture.
- (c) The expenditure requirements and status for each of the Tenements is outlined in more detail in the Tenement Schedule.

4.5 Registered Dealings and Encumbrances

To the extent revealed in the Searches, there are no current mortgages, caveats or other encumbrances registered or recorded against the Tenements other than:

- (a) Caveat 390296 – absolute caveat registered by Rio Tinto Exploration Pty Limited on 27 January 2012 and recorded against E53/1318. Caveat 390296 relates to the Rio Tinto Royalty. See paragraph 9.7 of the Prospectus for further details of the Rio Tinto Royalty;
- (b) Caveat 513918 – absolute caveat registered by RG Royalties, LLC on 5 September 2017 and recorded against E53/1318. Caveat 513918 relates to the Delta Royalty. See paragraph 9.7 of the Prospectus for further details of the Delta Royalty; and
- (c) Consent caveat 349029 was registered against E38/2009 on 14 June 2010 by BHP Billiton Nickel West Pty Ltd in respect to certain offtake rights under the Collurabbie Agreement. See Section 9.7 of the Prospectus for further details.

4.6 Term of Tenements

The Tenement Schedule sets out the expiry dates of the Tenements. In particular, we note that:

- (a) E53/1318, E53/1885 and E53/1886 are due to expire in 2021;
- (b) E38/2009, E38/3193, E53/1884, E53/1887 and E53/1950 are due to expire in 2022;
- (c) E53/1218 and E53/1716 are due to expire in 2023;
- (d) E38/2912, E53/1802 and E53/2018 are due to expire in 2024; and
- (e) E53/2090 is due to expire in 2025.

4.7 Conditions and programmes of work

The Tenements are subject to the standard conditions and endorsements imposed by DMIRS. Non-standard conditions (i.e. those not listed in the DMIRS standard conditions and endorsements list, if applicable) are set out in the Tenement Schedule. Except to the extent set out in paragraph 4.4(b)(viii) of this Report, the Tenement Schedule and the information contained in the Searches, the Tenement Searches do not disclose any current breaches of the Tenement conditions (standard or non-standard).

4.8 Overlapping Tenements

The Quick Appraisals show that there are no third party tenements which overlap the Tenements.

4.9 Land access

The Tenements are subject to the standard conditions and endorsements imposed by DMIRS and any non-standard conditions are set out in the Tenement Schedule, which include conditions preventing access to, or the commencement of activities on, certain areas without the consent of the Minister, restrictions on activities in relation to reserves including water reserves, conservation of flora and fauna reserves and mining reserves, amongst others.

4.10 Pastoral Leases

Section 6 sets out the limitations on exploration and mining on pastoral leases. The Tenements overlap various pastoral leases in part as set out in the table below.

	Tenements	Pastoral Leases
1.	E53/1218, E53/1318, E53/1716, E53/1884, E53/1885, E53/1886, E53/2018, E53/2090	Pastoral Lease (C) Wonganoo PL N050007
2.	E53/1318, E53/1884	Pastoral Lease (C) Yelma OK N049504
3.	E38/2009, E38/3193	General Purpose (P) GE L336937

Various Tenements which overlap pastoral leases are subject to standard conditions that require the notification of the pastoral lessee prior to undertaking any airborne surveys or ground disturbing activities. It is also a condition that the tenement holder must notify the pastoral lessee of any transfer of these Tenements.

We have not been provided with any pastoral access agreements relating to the Tenements. There may be none particularly if any exploration works have been conducted more than 100 metres from any area under cultivation or more than 400 metres from any dam or the like made and used by the lessee.

4.11 **Native title**

Native Title Overlaps

The Quick Appraisals carried out on 21 May 2021 indicate that there is one registered native title claim and two determinations of native title, overlapping various Tenements:

- (a) Kultju Native Title Claim WC2018/007;
- (b) Kultju Determination WCD2019/012; and
- (c) Wiluna People Determination WCD2013/004.

Kultju

The Quick Appraisals carried out on 21 May 2021 indicate that the Kultju Native Title Claim and the Kultju Determination overlap each other and several of the Tenements to the following extent:

- (a) 100% of E53/1885;
- (b) 100% of E53/1886;
- (c) 100% of E53/2018;
- (d) 84.8% of E53/1218;
- (e) 67.16% of E53/1318;
- (f) 51.39% of E53/2090;
- (g) 34.59% of E53/1884; and
- (h) 17.7% of E53/1716.

The Kultju Determination recognised that the Kultju Group hold non-exclusive native title rights and interests over the determination area. No native title rights and interests were found in relation to minerals, petroleum or geothermal energy.

Wiluna People

The Quick Appraisals carried out on 21 May 2021 indicate that the Wiluna People Determination overlaps several of the Tenements to the following extent:

- (a) 65.41% of E53/1884; and
- (b) 9.33% of E53/1318.

The Wiluna People Determination recognised that the Wiluna People hold non-exclusive native title rights and interests over the determination area. No native title rights and interests were found in relation to minerals, petroleum or geothermal energy.

Native Title Status

The native title status of the Tenements is outlined below:

- (i) E53/1318 has been cleared of native title.

- (ii) Cleared – Expedited Procedure applies: E53/1218, E53/1716, E53/1802, E53/1884, E53/1885, E53/1886, E53/1887, E53/1950, E38/2009, E38/2912, E38/3193, E53/2018 and E53/2090.

The Searches are not determinative of whether there were registered native title claims in existence at the time the Tenements were granted, or whether there was compliance with the *Native Title Act 1993* (Cth) (**NT Act**) at that time. We assume that where the Tenements have been granted, the relevant processes under the NT Act have been complied with, and that the grants of the Tenements were validly made. Information about native title processes and the NT Act is provided at paragraph 7.

4.12 **Aboriginal Cultural Heritage**

Searches of the Department of Planning, Lands and Heritage (**DPLH**) Aboriginal Heritage Inquiry System (**AHIS**) indicated that there are no registered Aboriginal cultural heritage 'sites' on the Tenements. Information as to the laws concerning Aboriginal cultural heritage is provided at paragraph 8.

4.13 **Heritage and Exploration Access Agreements**

We have been provided with an 'Exploration and Prospecting Deed of Agreement' between the Kultja Native Title Claim Group (**Kultja Group**), Rox and Rox (Mt Fisher) Pty Ltd dated 2 October 2019 (**Kultja Heritage Agreement**). This was subsequently varied by a Deed of Variation between Kultja (Aboriginal Corporation) RNTBC ICN 9147 (**Kultja Corporation**) and Rox and Rox (Mt Fisher) Pty Ltd dated 11 December 2019 under which Kultja Corporation assumed all the rights and obligations of the Kultja Group under the Kultja Heritage Agreement.

The Kultja Native Title Determination became effective on 30 October 2019, and the Kultja Heritage Agreement provided for the assignment and assumption of the Kultja Group's rights and obligations to a prescribed body corporate once a determination was made.

The Kultja Heritage Agreement as varied applies to the following Fisher East Project tenements:

Exploration Licences 53/1218, 53/1318, 53/1716, 53/1884, 53/1885, 53/1886, 53/2018 and 53/2090 (**Kultja Tenements**),

and has the following effect:

- (a) it provides processes under which Rox can explore the Kultja Tenements, including notice and consultation requirements, when surveys and heritage monitoring are required, the amounts of money to be paid by Rox before carrying out exploration activities and for surveys and heritage monitoring;
- (b) imposes an obligation on Rox to give notice of any changes to the Kultja Tenements including surrenders;
- (c) imposes a reasonable endeavours obligation on Rox to give notice of employment and contracting opportunities to Kultja Corporation;
- (d) requires Rox to give 28 days' notice of a proposed transfer of the Kultja Tenements and to ensure the transferee executes a deed assuming Rox's obligations under the Kultja Heritage Agreement; and
- (e) provides that Kultja Corporation may move freely through the Kultja claim area to exercise their Native Title rights except where Rox, acting reasonably, gives notice that access to a specific area is restricted due to exploration activities or on the basis of health and safety concerns.

In our view the Kultja Heritage Agreement as varied contains no unusual or unduly onerous provisions and the amounts to be paid appear to be within usual parameters.

Cannon and Rox will need to enter into a deed under which Cannon assumes Rox's rights and obligations under the Kultja Heritage Agreement as varied.

4.14 Indigenous Land Use Agreements

None of the Searches indicate that there are any ILUAs covering the areas of the Tenements.

We have not been provided with any ILUAs.

5 Tenements

5.1 Overview

The Tenements comprising the Projects consist of exploration licences granted under the Mining Act. This paragraph describes the nature and key terms of this type of mining tenement as set out in the Mining Act.

The Mining Act is the principal legislation governing mineral exploration licences in Western Australia. The Mining Act is supported by the *Mining Regulations 1981* (WA) (**Mining Regulations**). The Minister for Mines and Petroleum (**Minister**) is responsible for administering both the Mining Act and Mining Regulations.

5.2 Exploration Licences

(a) Grant of exploration licences

Section 57 of the Mining Act provides that the Minister may, upon application by any person, grant to that person an 'exploration licence' on such terms and conditions as the Minister may determine. The applicant must provide a statement specifying the proposed method of exploration, details of a proposed work programme, the estimated amount of expenditure on exploration if the exploration licence is granted and the technical and financial resources of the applicant (section 58(1) of the Mining Act). An applicant must provide such further information or evidence in support of the application as the mining warden or mining registrar may require (excluding any prior test results or samples) (section 58(3) of the Mining Act). The applicant must serve the application on owners and occupiers of land the subject of the application (section 58(4) of the Mining Act).

(b) Rights under exploration licences

While in force and subject to restrictions in respect of protected Crown land, an exploration licence authorises the holder to explore for minerals and carry out such ancillary works and operations (for example, digging pits, trenches and holes) as are necessary for that purpose (section 66(b) of the Mining Act). Furthermore, the holder may enter and re-enter land the subject of the licence with such agents, employees, vehicles, machinery and equipment as may be necessary or expedient to undertake the relevant exploration activities (section 66(a) of the Mining Act).

(c) Term of an exploration licence, extension of term and relinquishment

Section 61 of the Mining Act provides for the term of exploration licences and their periods for extension. An exploration licence which was granted or applied for on or after 10 February 2006 (which is the case with all of the Tenements) remains in force for a period of five (5) years.

The Mining Act and Mining Regulations provide that the Minister may grant extensions to the terms for the Tenements upon application by the holders in the last year of the relevant term. Accordingly exploration licences may, in prescribed circumstances and at the Minister's discretion, be extended over the whole or a part of the exploration

licence by a further period of five (5) years, followed by further periods of two (2) years.

The holder of an exploration licence applied for and granted after 10 February 2006 in respect of more than 10 blocks must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year. A failure to lodge the required partial surrender could render the tenement liable for forfeiture. All of the Tenements subject to this requirement have complied with this requirement. E53/1716 and E53/1884 to 1887 are each comprised of only 1 block and as such there was not requirement to lodge a voluntary surrender.

(d) Retention Status

The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

(e) Transfer of exploration licences

No legal or equitable interest in or affecting an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister (section 64 of the Mining Act). If consent is provided, the transfer of the legal interest in an exploration licence must be registered under the Mining Act to be legally effectual (section 103C(8) of the Mining Act). Thereafter, there are no restrictions on transfer or other dealings.

(f) Application for a mining lease

The holder of an exploration licence has a right of priority to apply for and, subject to the grant requirements of the Mining Act, have granted, one or more mining leases over any part or parts of the land the subject of the exploration licence (section 67(1) of the Mining Act). Any application for a mining lease must be made prior to the expiry of the exploration licence to preserve that priority.

Where an application for a mining lease is lodged before the expiry date of the exploration licence but the application is not determined by that date, the Mining Act extends the term of the exploration licence until the application for the lease is determined (section 67(2) of the Mining Act).

5.3 Conditions and Forfeiture

In Western Australia, mining tenements are granted subject to various standard conditions prescribed by the Mining Act. For exploration licences, these typically include payment of annual rent, minimum expenditure requirements, tenement reporting requirements and standard environmental conditions, as well as any additional conditions imposed by the Minister (such as restrictions on mining or access to certain reserves).

The Mining Act provides that exploration licences, prospecting licences and miscellaneous licences are held subject to standard conditions and any specific conditions that may be imposed by the Minister. Standard conditions concern issues such as tenement reporting, reporting economic discoveries, not using ground disturbing equipment without an approved work programme, rehabilitating the land and removing waste and rubbish. The specific conditions are mainly concerned with the holders not accessing certain Crown reserves or sites without the permission of the responsible Minister.

Failure to comply with any of the terms and conditions of a tenement by the holder may lead to the mining warden or the Minister to impose a fine or order that the tenement be forfeited. Generally, an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement.

5.4 **Offences and penalties**

Anyone acting in contravention of, or failing to comply with the Mining Act is deemed to commit an offence (section 154(1) of the Mining Act).

Where a person has carried on mining (which is defined under section 8(1) to include fossicking, prospecting, and exploring for minerals and mineral operations) on any land without being duly authorised under the Mining Act or any other Act, the penalty for a body corporate is \$300,000.00 and if the offence is a continuing one, a further fine of \$30,000.00 for every day or part of a day during which the offence has continued (section 155 of the Mining Act).

A mining tenement may also be liable for forfeiture if the holder of the licence is convicted of an offence against the Mining Act (section 63A of the Mining Act). The Minister is less likely to extend the term of an exploration licence where this occurs.

5.5 **Rent**

Rent must be paid by a holder of a tenement under the Mining Act. The rate of rent depends upon the type of mining tenement. Rent is payable yearly in advance and is due on the anniversary date of the commencement of the term and must be paid not later than one month after that date.

Failure to pay the rent owing by the due date by the holder of an exploration licence leaves the tenement liable for forfeiture under section 96A or 63A of the Mining Act (upon declaration by the Minister in the government gazette that the exploration licence is forfeited).

The rent paid and payable for the Tenements in the current and previous year is detailed in the Tenement Schedule.

5.6 **Expenditure requirements**

The holder of an exploration licence or prospecting licence must comply with the prescribed expenditure conditions for the licence unless an exemption is granted under the Mining Act. A tenement will be liable for forfeiture by the Minister or on the application of a third party to the Warden if the expenditure obligations are not complied with (see the Tenement Schedule for the expenditure requirements for each of the Tenements).

The tenement holder can apply to the DMIRS for an exemption from the annual minimum expenditure requirement. Exemptions may be granted for a variety of reasons, including that time is required to purchase and erect machinery, that the ground the subject of the tenement is unworkable and that the tenement is part of a combined reporting group and the aggregate exploration expenditure would have satisfied each individual tenement's requirements if apportioned between the combined reporting tenements (the 'project exemption') (section 102(2) of the Mining Act). However, if the tenement holder does not meet the minimum expenditure requirement and either fails to apply for an exemption or an exemption application is refused then a fine may be imposed or the Tenement forfeited following an application by a third party and a declaration by the Minister (sections 98 and 99 Mining Act).

5.7 **Combined Reporting Groups**

Combined reporting groups allow the holder of a tenement to apply for a 'project exemption' from expenditure requirements under section 102(2)(h) of the Mining Act, if it can be established that the aggregate expenditure for the combined reporting tenements would satisfy the requirements for a particular tenement, had the aggregate expenditure been apportioned between each tenement in the respective Combined Reporting Group.

The Collurabbie Project Tenements E38/2009, E38/2912 and E38/3193 form a Combined Reporting Group (C103/2017).

The Fisher East Project Tenements E53/1218, E53/1318, E53/1716, E53/1802, E53/1884, E53/1885, E53/1886, E53/1887, E53/2018 form a Combined Reporting Group (C145/2005). This Combined Reporting Group also includes tenements held by Rox (Mt Fisher) Pty Ltd being Exploration Licences 53/1061, 53/1106, 53/1319, 53/1788 and 53/1836 and Mining Leases M53/9 and M53/127. The Combined Reporting Group will be amended to separate out the tenements according to their respective ownership. This is an administrative action and does not require the consent of the Minister or a Warden.

5.8 Security

All applicants and transferees of mining tenements under the Mining Act must lodge a \$5,000 security with DMIRS for each tenement, to protect against the holder not complying with the tenement conditions and the requirements of the Mining Act and the Mining Regulations (section 126 of the Mining Act and regulations 75(a) and 112 of the Mining Regulations).

The security is provided by completing, signing and lodging at DMIRS a Form 32 Security in respect of each tenement by the applicant or transferee.

5.9 Mining Rehabilitation Levy

Formerly, in addition to the Form 32 Security, a monetary environmental bond was required to be lodged with DMIRS.

The Mining Rehabilitation Fund (**MRF**) commenced operation on 1 July 2013 and since then the majority of monetary environmental bonds in Western Australia have been returned to tenement holders due to the operation of the MRF.

The MRF requires disturbance data (describing the number of hectares disturbed and the type of disturbance) to be collated and submitted online to DMIRS annually. The data is used to calculate a levy which the tenement holder must pay. Tenements with a liability estimate below \$50,000 must report disturbance data but will not be required to pay a levy to the MRF.

Disturbance data for the Tenements must be submitted by 30 June of a given year for the reporting period 1 July of the previous year to 30 June of the current year and if applicable the levy paid for that year.

5.10 Programme of Works

It is a deemed standard condition of an exploration licence that the tenement holder does not use ground disturbing equipment until a programme of work has been lodged and approved in writing by the Minister. We are instructed that Cannon has approved programmes of work required to undertake its proposed exploration programme in respect of the Tenements, and if Cannon chooses to undertake additional exploration activities it will progressively obtain additional approvals as required.

5.11 Overlapping Tenements and Tenure

The Mining Act provides that the granted area of a mining lease, exploration licence or a prospecting licence will not include any land the subject of a current mining tenement (other than a miscellaneous licence). However, a miscellaneous licence may be granted over another miscellaneous licence or another tenement and vice versa as a miscellaneous licence does not confer exclusive possession rights under the Mining Act.

Section 117(2) of the Mining Act provides that each grant of a mining tenement shall be deemed to contain an express reservation of the rights to which the holder of the existing mining tenement is entitled. This establishes a priority of first in time so where there is an overlap between Cannon's Tenements and a third party tenement, Cannon should be aware that its right on its Tenements may be limited by the rights of the third party especially if that third party has first in time priority.

The Searches do not indicate any overlapping tenements over the Tenements.

6 Pastoral Leases, Land Access and Compensation

6.1 Pastoral Leases

As set out in paragraph 4.10 above, parts of various Tenements overlap with pastoral leases in Western Australia.

The Mining Act provides that the rights of a tenement holder generally have priority over the rights of a pastoral lessee, subject to the right of pastoral lessee to (unless overruled by the mining warden), withhold consent to the conduct of activities within:

- (a) 100 metres of land that is under crop;
- (b) 100 metres of a yard, stockyard, garden, cultivated field, orchard, vineyard, plantation, airstrip or airfield;
- (c) 100 metres of land that is occupied by a house or building;
- (d) 100 metres of a cemetery or burial ground; or
- (e) 400 metres of improvements such as any water works, race, dam, well or bore constructed and used by the pastoral lessee.

Under section 123 of the Mining Act a pastoral lessee may seek compensation for damage to improvements or substantial loss of earnings from interference with pastoral activities by the holder of a tenement.

6.2 Crown reserves

Generally access to Crown land nature reserves is restricted under the Mining Act without approval.

Mining tenements cannot be applied for and granted under the Mining Act with respect to national or marine parks, nature or timber reserves or water management areas), without the written consent of the Minister responsible for the administration of the reserve and compliance with any specific procedures peculiar to the type of reserve (sections 23, 24, 24A and 25 of the Mining Act).

Section 24(1)(e) of the Mining Act provides that areas covered by water reserves or other related reserves may be mined with the written consent of the Minister who will consult with the Minister responsible for the administration of that reserve (section 24(3A) and (3B) of the Mining Act).

7 Native Title

This section of the Report outlines the effect of native title on the Tenements.

7.1 Commonwealth native title law

The existence of native title rights held by Aboriginal and Torres Strait Islander people's arising under traditional laws and customs in relation to their traditional lands and waters was first recognised under Australian common law in 1992 by the High Court in *Mabo v Queensland (no. 2)* (1992) CLR 1 (**Mabo No. 2**).

As a result of Mabo No. 2, the NT Act was passed to provide a regime by which:

- (a) persons claiming to hold native title in land and waters, excluding freehold land and certain other specified categories of land, can have their claims determined by the Federal Court;
- (b) persons whose claim is registered because they demonstrate a prima facie case to hold native title are entitled to certain procedural rights in respect of the grant of future rights and interests, including mining tenements, to other persons over that land and waters; and

- (c) persons found to hold native title are entitled to compensation in respect of the effect on that native title of the grant to other persons over that land and waters of any rights and interests after the commencement of the *Racial Discrimination Act 1975 (Cth)*, including any future rights and interests.

In relation to the grant of mining tenements, the procedural rights referred above which are enjoyed by registered native title claimants and native title holders include:

- (a) in respect of the proposed grant of exploration licences, a right to object to the application of the expedited procedure under the NTA which, unless an objection is upheld, has the effect of permitting the grant of mining tenements without requiring negotiation in the same manner as for mining leases and to have that objection heard and determined by the National Native Title Tribunal; and
- (b) in respect of the proposed grant of mining leases, an obligation to negotiate in good faith with the tenement applicant and the State of Western Australia with a view to reaching agreement in relation to the grant of that mining lease, failing which any party to those negotiations may, no earlier than six months after notification of proposed grant, apply to the NNTT for a determination as to whether or not the leases should be granted in the absence of agreement.

7.2 Native title claim over the Tenements

- (a) Implications of Native Title for the Projects
 - (i) The effect of a registered native title claim or determination is that the grant of a mining tenement (where the grant constitutes a 'future act' under the NT Act) will attract the procedural processes under the NT Act. Failure to adhere to future act processes will result in a future act being invalid if it is later determined that a native title claim exists in the relevant area. The consequence of invalidity would be that any third party could apply for tenure over the area of the invalid tenement. In that case, to protect its rights Cannon would need to re-apply for the grant of tenure over the applicable tenement area.
 - (ii) Where exploration tenements have been applied for or granted over land where the extinguishment of native title has not been confirmed, Cannon will need to comply with the future act provisions of the NT Act on future conversion of each exploration licence to a mining lease.
 - (iii) Tenements granted after commencement of the NT Act on 24 December 1993 validly affect native title provided that the relevant applicable future act process has been complied with. The 'non-extinguishment principle' applies to the grant of those mining tenements with the effect that native title (if it already exists) continues to exist in the land the subject of those tenements but has no effect in relation to the tenements to the extent of any inconsistency. Compensation is payable to any determined native title holders.
- (b) Risk of liability for compensation payments to native title holders
 - (i) All of the Exploration Licences were applied for or granted after 24 December 1993 with the consequence that, provided that the applicable future act process was complied with, the non-extinguishment principle applies but any determined native title holder will be entitled to compensation.
 - (ii) Under the NT Act and the Mining Act, liability for payment of compensation in respect of the grant of a mining tenement falls upon the tenement holder at the time the compensation is determined except:
 - (A) if the amount is to be paid and held in trust, in which case the liability falls upon the tenement holder at the time payment is required; and

- (B) in the event that, at the relevant time, the tenement has been surrendered, forfeited or expired, in which case the liability falls upon the tenement holder immediately prior to that surrender, forfeiture or expiry (as applicable).

8 Aboriginal cultural heritage

The *Aboriginal Heritage Act 1972 (WA)* (**AH Act**) and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)* seek to protect areas and objects of cultural significance to Aboriginal and Torres Strait Islander people in accordance with their traditional laws and customs (**Aboriginal cultural heritage**).

The Registrar of Aboriginal Sites maintains a register of Aboriginal Sites protected under the AH Act in addition to a record of other heritage places which may have cultural significance to Aboriginal people, but are yet to be assessed for the purposes of the Act, or fail to satisfy the criteria specified under the Act.

Under the AH Act, it is an offence to damage or in any way alter an 'Aboriginal Site' without the consent of the Minister under section 18 or the permission of the Registrar under section 16. An 'Aboriginal Site' under the AH Act may be an archaeological site, a sacred or ceremonial site or a place of importance or significance which is associated with Aboriginal people and should be preserved because of its significance to the cultural heritage of the State and to Aboriginal people.

The AH Act establishes a Register of Aboriginal Sites, but protects Aboriginal Sites regardless of whether or not they are registered. Under the AH Act, it is an offence for a person to damage or in any way alter an Aboriginal site protected by that Act, except with the consent of the Minister for Aboriginal Affairs.

As part of the DMIRS programme of work application process, it will be necessary to determine whether or not the exploration activities may impact on an Aboriginal site due to the operation of the AH Act and the *Aboriginal and Torres Strait Islander Act 1984 (WA)*. This will involve conducting a search of the register of Aboriginal sites, notifying and liaising with the Kultja Corporation in respect of the Kultja Tenements and, where warranted, the conduct of an Aboriginal heritage survey.

9 Material Contracts

Cannon has entered the Demerger Agreement between Rox and Cannon dated 13 May 2021, which is summarised at section 9 of the Prospectus.

Pursuant to the Demerger Agreement, the following agreements relating to the Tenements will be assigned or novated from Rox to Cannon which are summarised at section 9 of the Prospectus:

- (a) Rio Tinto Exploration Agreement;
- (b) Delta Exploration Agreement;
- (c) Goldex Agreement; and
- (d) Collurabbie Agreement.

10 Exclusions, Assumptions and qualifications

10.1 Exclusions

This report relates only to the ownership of and rights and interests in the Tenements as granted under the Mining Act. This Report excludes any analysis of the ownership of any plant, equipment, improvements or other chattels on the land the subject of the Tenements.

10.2 Assumptions

- (a) The following assumptions apply in respect to the preparation of this Report (not excluding any assumptions expressed elsewhere in the Report):
 - (i) we have assumed that information provided by third parties, including various Government departments, in response to searches and enquiries made by us is accurate, complete and up to date as at the date of its receipt by us;
 - (ii) we have assumed that the contracts referred to in this Report were within the capacity and powers of, and were validly authorised, assessed for duty or lodged for assessment (where necessary), executed, delivered by and are legally binding on and enforceable against the parties to them and comprise the entire agreement of the parties to each of them with respect to their respective subject matters;
 - (iii) we have assumed that the signatures on the contracts referred to in this Report are authentic;
 - (iv) we have assumed that there are no material documents or information to be provided other than the contracts referred to in this Report;
 - (v) we have assumed that the parties to each of the contracts referred to in this Report are complying with and will continue to comply with and fulfil the terms of each of the contracts referred to in this Report; and
 - (vi) we have assumed the completeness and the conformity to original documents of all copies reviewed.
- (b) We have not been instructed as part of the scope of this Report to conduct, and we have not conducted, searches of:
 - (i) the register of contaminated sites maintained by the Department of Water and Environmental Regulation (**DoW**);
 - (ii) the AHIS maintained by the DPLH for unregistered 'Other Heritage Places' overlapping the Tenements or made enquiries about the presence or adequacy of previous Aboriginal heritage surveys;
 - (iii) any environmental approvals or conditions in respect of the Tenements; or
 - (iv) searches of deregistered and unregistered native title claims with NNTT.

10.3 Qualifications

- (a) The following qualifications apply in respect to the preparation of this Report (not excluding any qualifications expressed elsewhere in the Report):
 - (i) our investigations were confined to the Searches unless otherwise specified. This Report is accurate and complete only to the extent that the information resulting from these Searches was correct as at the date that the searches were conducted;
 - (ii) there have been no material changes in the standing of the Tenements since the dates of the Searches;

- (iii) in relation to any statement relating to whether a mining tenement is in good standing, such statement is only based on the information contained in the relevant search on the instrument of title for that tenement; and
 - (iv) where compliance with the terms and conditions of any mining tenements and the provisions of the Mining Act, including requirements necessary to maintain the tenements in good standing, or a possible claim in relation to the tenements by third parties, is not disclosed on the face of the Searches, we express no opinion as to such compliance or claim.
- (b) The laws summarised in this Report are only a summary. The Report does not purport to mention every requirement in respect of the relevant law and is not exhaustive. Specific legal advice should be obtained for specific questions about certain laws.

11 Consent

This Report is given solely for the benefit of Cannon and the directors of Cannon in connection with the Prospectus and is not to be relied on or used for any other purpose or quoted or referred to in any public documents or filed with any Government body or other person without our prior consent other than being produced by Rox in the Notice of Meeting. This report is issued subject to the exclusions, assumptions and qualifications outline in section 10 above.

Yours faithfully



THOMSON GEER

Schedule 1

Tenement Schedule

No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Bond	Standing		Overlapping interests	Specific Conditions/Endorsements	Dealings
									Rent	Expenditure			
1.	E53/1218	Rox Resources Limited	Live	08/01/2007	07/01/2023	No registered site	Cleared: expedited procedure applies Claims: WC2018/007 (Kuliju)	No	Current Year (2022) \$22,140.00 Previous Year (2021) \$21,636.00	Current Year (2022) \$108,000.00 commitment. Previous Year (2021) Expended in full.	PL N050007 Pastoral Lease (C) Wonganoo (84.8%) Unallocated crown land (15.2%) HAS 106717 1 DAA Heritage Survey Areas (14.72%) GWA 15 Groundwater Area East Murchison (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) Central Desert (ARB 11) (100%) WAD225/2018 Kuliju (WCD2019/012) (84.8%)	Standard conditions and endorsements apply	Partial Surrender – Compulsory 414467
2.	E53/1318	Rox Resources Limited	Live	21/09/2009	20/09/2021	No registered site	Native Title cleared	No	Current Year (2021) \$4,305.00 Previous Year (2020) \$4,207.00	Current Year (2021) \$70,000.00 commitment. Previous Year (2020) Under expended by \$10,019.00 – exemption granted on 5/02/2021.	PL N049504 Pastoral Lease (C) Yelma (9.34%) PL N050007 Pastoral Lease (C) Wonganoo (67.16%) Unallocated crown land (23.51%) HSA 106717 1 DAA Heritage Survey Areas (21.88%) HSA 17597 1 DAA Heritage Survey Areas (9.34%) GWA Groundwater Area East Murchison (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) Central Desert (ARB 11) (100%) WAD225/2018 Kuliju (WCD2019/012) (67.16%)	The construction and operation of the project and measures to protect the environment must be carried out in accordance with the document titled "Programme of Work on E53/1318 for Rox Resources Limited" dated 7 May 2013.	Caveat 390296: Rio Tinto Exploration Pty Ltd Caveat 513918: RG Royalties, LLC Partial Surrender – Voluntary 474288

No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Bond	Standing		Overlapping Interests	Specific Conditions/Endorsements	Dealings
									Rent	Expenditure			
3.	E53/1716	Rox Resources Limited	Live	03/04/2013	02/04/2023	No registered site	Cleared: expedited procedure applies Claims: WC2018/007 (Kuljiu)	No	Current Year (2022) \$369.00 Previous Year (2021) \$361.00	Current Year (2022) \$20,000.00 commitment. Previous Year (2021) No expenditure lodged.	WAD6164/1998 Wiluna (WCD2013/004) (9.33%) PL N050007 Pastoral Lease (C) Wonganoo (17.7%) Unallocated crown land (82.3%) HSA 106717 1 DAA Heritage Survey Areas (76.59%) GWA 15 Groundwater Area East Murchison (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) Central Desert (ARB 11) (100%) WAD225/2018 Kuljiu (WCD2019/012) (17.7%)	Advice shall be sought from DoW if proposing any exploration within 30-50m of a defined waterway. The abstraction of groundwater is prohibited unless a licence to construct has been issued by the DoW.	
4.	E53/1802	Rox Resources Limited	Live	18/08/2014	17/08/2024	No registered site	Cleared: expedited procedure applies	No	Current Year (2021) \$3,250.00 Previous Year (2020) \$5,088.00	Current Year (2021) \$50,000.00 commitment. Previous Year (2020) Expended in full.	Unallocated crown land (100%) HSA 106717 1 DAA Heritage Survey Areas (100%) GWA 15 Groundwater Area East Murchison (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) Central Desert (ARB 11) (100%)	Advice shall be sought from DoW if proposing any exploration within 30-50m of a defined waterway. The abstraction of groundwater is prohibited unless a licence to construct has been issued by the DoW.	Partial Surrender – Voluntary 584139
5.	E53/1884	Rox Resources Limited	Live	24/01/2017	23/01/2022	No registered site	Cleared: expedited procedure applies Determination: WCD2013/004 (Native Title exists in entire	No	Current Year (2022) \$369.00 Previous Year (2021) \$361.00	Current Year (2022) \$10,000.00 commitment. Previous Year (2021) Expended in full.	PL N049504 Pastoral Lease (C) Yelma (65.42%) PL N050007 Pastoral Lease (C) Wonganoo (34.59%) HSA 17597 1 DAA Heritage Survey Areas (65.42%)	Standard conditions and endorsements apply.	

No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Bond	Standing		Overlapping Interests	Specific Conditions/Endorsements	Dealings
									Rent	Expenditure			
							Determination area)				GWA 15 Groundwater Area East Murchison (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) Central Desert (ARB 11) (100%) WAD225/2018 Kulliju (WCD2019/012) (34.59%) WAD6164/1998 Wiluna (WCD2013/004) (65.41%)		
6.	E53/1885	Rox Resources Limited	Live	31/10/2016	30/10/2021	No registered site	Cleared: expedited procedure applies	No	Current Year (2021) \$369.00 Previous Year (2020) \$361.00	Current Year (2021) \$10,000.00 commitment. Previous Year (2020) Under expended by \$8,501.00 – exemption granted on 4/02/2021.	PL N050007 Pastoral Lease (C) Wonganoo (100%) GWA 15 Groundwater Area East Murchison (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) Central Desert (ARB 11) (100%) WAD225/2018 Kulliju (WCD2019/012) (100%)	Standard conditions and endorsements apply.	
7.	E53/1886	Rox Resources Limited	Live	31/10/2016	30/10/2021	No registered site	Cleared: expedited procedure applies	No	Current Year (2021) \$369.00 Previous Year (2020) \$361.00	Current Year (2021) \$10,000.00 commitment. Previous Year (2020) Under expended by \$8,527.00 – exemption granted on 4/02/2021.	PL N050007 Pastoral Lease (C) Wonganoo (100%) GWA 15 Groundwater Area East Murchison (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) Central Desert (ARB 11) (100%) WAD225/2018 Kulliju (WCD2019/012) (100%)	Standard conditions and endorsements apply.	
8.	E53/1887	Rox Resources Limited	Live	24/05/2017	23/05/2022	No registered site	Cleared: expedited procedure applies	No	Current Year (2022) \$369.00 Previous Year (2021) \$361.00	Current Year (2021) \$10,000.00 commitment. Previous Year (2020) Under expended by \$2,523.00 –	Unallocated crown land (100%) HSA 106717 1 DAA Heritage Survey Areas (100%) GWA 15 Groundwater Area East Murchison (100%)	Standard conditions and endorsements apply.	

No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Bond	Standing		Overlapping Interests	Specific Conditions/ Endorsements	Dealings
									Rent	Expenditure			
9.	E53/1950	Rox Resources Limited	Live	14/12/2017	13/12/2022	No registered site	Cleared: expedited procedure applies	No	Current Year (2021) \$8,092.00 Previous Year (2020) \$4,692.00	Current Year (2021) \$51,000.00 commitment. Previous Year (2020) Expended in full.	MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) Central Desert (ARB 11) (100%) Unallocated crown land (100%) HSA 106717 1 DAA Heritage Survey Areas (100%) GWA 15 Groundwater Area East Murchison (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) Central Desert (ARB 11) (100%)	Standard conditions and endorsements apply.	Partial Surrender – Voluntary 588677
10.	E53/2018	Rox Resources Limited	Live	17/09/2019	16/09/2024	No registered site	Cleared: expedited procedure applies Claims: WC2018/007 (Kullju)	No	Current Year (2021) \$369.00 Previous Year (2020) \$322.00	Current Year (2021) \$10,000.00 commitment. Previous Year (2020) Under expended by \$8,017.00 – exemption granted on 14/01/2021.	PL N050007 Pastoral Lease (C) Wonganoo (100%) GWA 15 Groundwater Area East Murchison (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) Central Desert (ARB 11) (100%) WAD225/2018 Kullju (WCD2019/012) (100%)	Standard conditions and endorsements apply.	
11.	E53/2090	Rox Resources Limited	Live	03/06/2020	02/06/2025	No registered site	Cleared: expedited procedure applies Determination: WCD2019/012 (Native Title exists in entire determination area)	No	Current Year (2021) \$2,070.00 Previous Year (2020) N/A	Current Year (2021) \$20,000.00 commitment. Previous Year (2020) N/A.	PL N050007 Pastoral Lease (C) Wonganoo (51.39%) Unallocated crown land (48.61%) HSA 106717 1 DAA Heritage Survey Areas (47.08%) GWA 15 Groundwater Area East Murchison (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) ARB 11 Central Desert (100%)	Standard conditions and endorsements apply.	

No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Bond	Standing		Overlapping Interests	Specific Conditions/Endorsements	Dealings
									Rent	Expenditure			
12.	E38/2009	Rox Resources Limited	Live	20/10/2008	19/10/2022	No registered site	Cleared: expedited procedure applies	No	Current Year (2021) \$5,535.00 Previous Year (2020) \$5,409.00	Current Year (2021) \$70,000.00 commitment. Previous Year (2020) Under expended by \$39,544.00 – exemption granted on 2/02/2021.	WAD225/2018 Kulijiu (WCD2019/012) (51.39%) GE L336937 General Purpose (P) Check Purpose (4.56%) Unallocated crown land (95.44%) HSA 106717 1 DAA Heritage Survey Areas (100%) HSA 22349 1 DAA Heritage Survey Areas (96.64%) GWA 21 Groundwater Area Goldfields (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) ARB 13 Goldfields (100%)	The grant of this licence does not include land the subject of prior E38/423 and application for E38/1071. If the prior licence expires, is surrendered or forfeited, that land may be included in this licence. Consent Caveat 349029 – BHP Billiton Nickel West Pty Ltd – shares in Falcon Minerals Ltd caveated – 14.06.2010 (of no effect)	Partial Surrender – Compulsory 457465
13.	E38/2912	Rox Resources Limited	Live	12/09/2014	11/09/2024	No registered site	Cleared: expedited procedure applies	No	Current Year (2021) \$2,275.00 Previous Year (2020) \$3,816.00	Current Year (2021) \$50,000.00 commitment. Previous Year (2020) Under expended by \$31,195.00 – applied for exemption on 09/11/2020. Exemption was refused on 19/05/21. Please refer to paragraph 4.4(b)(viii) of this Report for further details.	Unallocated crown land (100%) HSA 106717 1 DAA Heritage Survey Areas (100%) HSA 22349 1 DAA Heritage Survey Areas (17.33%) GWA 21 Groundwater Area Goldfields (100%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) ARB 13 Goldfields (100%)	Advice shall be sought from DoW if proposing any exploration within 30-50m of a defined waterway. The abstraction of groundwater is prohibited unless a licence to construct has been issued by the DoW.	Partial Surrender – Compulsory 585916
14.	E38/3193	Rox Resources Limited	Live	28/07/2017	27/07/2022	No registered site	Cleared: expedited procedure applies	No	Current Year (2021) \$7,616.00 Previous Year (2020) \$4,416.00	Current Year (2021) \$48,000.00 commitment Previous Year (2020) Under expended by \$7,595.00 – exemption	GE L336937 General Purpose (P) Check Purpose (4.9%) Unallocated crown land (95.1%) HSA 106717 1 DAA Heritage Survey Areas (100%) HSA 22349 1 DAA Heritage Survey Areas (82.91%)	Standard conditions and endorsements apply.	

No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Bond	Standing		Overlapping Interests	Specific Conditions/Endorsements	Dealings
									Rent	Expenditure			
										granted on 6/11/2020	GWA 15 Groundwater Area East Murchison (20.49%) GWA 21 Groundwater Area Goldfields (79.51%) MZ 2 Mineralisation Zone, Non Section 57(2AA) Southern Section (100%) ARB 11 Central Desert (20.49%) ARB 13 Goldfields (79.51%)		

8. Risk Factors

Refer to the Investment Overview section of this Prospectus (above) for a summary of the key risks relevant to the Company. Further general risks are set out below.

All of those risks (and others) have the potential to have a significant adverse impact on the Company and may affect the Company's financial position or prospects or the price or value of the Company's securities. Those risks ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities. Potential investors should consult their professional advisers.

8.1 Risks specific to the Company

- (a) **Conditional Prospectus** – Completion of the Offers is subject to a number of conditions. There can be no certainty, nor can Cannon provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of conditions precedent to the Demerger which are outside the control of Cannon including, but not limited to, approval of the Capital Reduction and In-specie Distribution by Rox Shareholders.

- (b) **Future capital requirements** – Mineral exploration companies (including Cannon) do not generate cash revenue. Cannon's ability to meet its on-going operating costs and capital expenditure requirements will ultimately involve expenditure that exceeds the estimated cash resources that Cannon is expected to have on Admission. Accordingly, Cannon will be required to raise new equity capital or access debt funding.

There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of Cannon to explore and develop the Fisher East Project and Collurabbie Project or otherwise for Cannon to undertake its business. No assurance can be given that Cannon will be able to procure sufficient funding at the relevant times on the terms acceptable to it.

Any additional equity financing will dilute Cannon Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If Cannon is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is no guarantee that Cannon will be able to secure any additional funding or be able to secure funding on terms favourable to Cannon.

- (c) **Nature of mineral exploration and mining** – The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development requires large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development activities may be impeded by circumstances and factors beyond Cannon's control.

There can be no assurances that exploration and development at the Fisher East Project or Collurabbie Project, or any other projects that may be acquired by Cannon in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Whether a mineral deposit will be commercially viable depends on a number of factors. The combination of these factors may result in Cannon expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by Cannon towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

Cannon has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Cannon believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, Cannon may experience delays or increased costs in exploring or developing its tenements.

- (d) **Operational Matters** – The operations of Cannon may be affected by various factors that are beyond the control of Cannon, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of Cannon.
- These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are substantially beyond the control of Cannon and, if they eventuate, may have an adverse effect on the financial performance of Cannon.
- (e) **Results of studies** – Subject to the results of any future exploration and testing programs, Cannon may progressively undertake a number of studies in respect to the Cannon's current project or any new projects. These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.
- These studies will be completed within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of Cannon's Projects or the results of other studies undertaken by Cannon (e.g. the results of a feasibility study may materially differ to the results of a scoping study).
- Further, even if a study determines the economics of Cannon's Projects, there can be no guarantee that the Projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices. In addition, the ability of the Cannon to complete a study may be dependent on Cannon's ability to raise further funds to complete the study if required.
- (f) **Mine development** – Possible future development of mining operations at the Fisher East and Collurabbie Projects or other tenements applied for or acquired by the Company is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns (including due to climate change), unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.
- If the Company commences production on any existing or future projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of existing or future projects.
- (g) **Exploration and appraisals** – There is a significant risk for Cannon of the proposed exploration activity being unsuccessful and not resulting in the discovery of a viable resource. Mineral exploration by its nature is a high risk activity and there can be no guarantee of success in the project areas where Cannon holds exploration licences. Whilst Cannon Directors' will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule. Cannon is engaged in early stage exploration and appraisal activities. There is a risk that these activities will not result in the discovery of commercially extractable mineral deposits. Furthermore, no assurances can be given that if commercially viable mineral deposits are discovered, these will be able to be commercialised as intended, or at all. Whether any revenue results from exploration and development expenditure incurred by Cannon is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.
- (h) **Commodity prices** – Commodity prices are influenced by physical and investment demand. Fluctuations in commodity prices relevant to the Cannon may influence the exploration and development activity of Cannon. If Cannon achieves exploration success

leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of Cannon to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by many factors beyond the control of Cannon. Fluctuating commodity prices may impact Cannon's project development, plans and activities, including its ability to fund those activities. Cannon cannot provide any assurance as to the prices it will achieve for any mineral commodities it produces. Any substantial decline in the price of those commodities or in transport or distribution costs may have a material adverse effect on Cannon and the value of Securities.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of Cannon are, and will be, taken into account in Australian dollars, exposing Cannon to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. The exchange rate is affected by numerous factors beyond the control of Cannon, including international markets, interest rates, inflation and the general economic outlook.

- (i) **No profit to date and limited operating history** – Cannon has incurred operating losses since its inception and does not have a significant history of business operations. It is therefore not possible to evaluate Cannon's prospects based on past performance. No assurance can be given that Cannon will achieve commercial viability through the successful exploration and/or mining of the Projects, or any tenements which are subsequently applied for or acquired by Cannon. Until Cannon is able to realise value from its Projects, it is likely to incur ongoing operating losses. There can be no certainty that Cannon will achieve or sustain profitability, achieve or sustain positive cash flow from its operating activities or identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.
- (j) **Contracts** – The ability of Cannon to achieve its business objectives will depend on the performance by Cannon and counterparties of their contractual obligations. If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for Cannon. The operations of Cannon also require the involvement of a number of third parties, including consultants, contractors and suppliers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on Cannon's operations and performance. It is not possible for Cannon to predict or protect itself against all such risks.
- (k) **Reliance on key personnel** – The responsibility of overseeing the day-to-day operations and the strategic management of the Cannon depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Cannon if one or more of these employees cease their employment.
- (l) **New Projects and acquisitions** – Cannon may make acquisitions in the future as part of future growth plans. There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Cannon Shareholders. Such acquisitions may result in the use of Cannon's cash resources and/or the issuance of equity securities, which will dilute shareholdings.
- (m) **Regulation and tenure** – Adverse changes in Western Australian or Commonwealth government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations and mining and exploration activities of Cannon. The current system of exploration and mining permitted in Western Australia may change resulting in impairment of rights and possibly expropriation of Cannon's properties without adequate compensation. Increased royalties or any other changes to the royalty regime could result in higher operating costs for Cannon and may have an adverse effect on Cannon's business, results, financial condition and prospects.
- (n) **Environmental** – The minerals and mining industry has become subject to increasing environmental regulations and liability. The potential for liability is an ever present risk. Exploration work will be carried out in a way that has minimal impact on the environment. It may be required for Cannon conduct baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored and minimised where ever possible. Whilst Cannon is not aware of any endangered species

of flora or fauna at this point, no baseline studies have been done to date, and such a discovery could prevent exploration and mining activity in certain areas.

- (o) **Climate change** – There has been increasing concern by the public and regulators globally on climate change issues. As a minerals exploration company, Cannon is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes and, if demand for nickel declines, Cannon will find it difficult to commercialise any resources it discovers. Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. The transition and physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect Cannon's operating and financial performance.
- (p) **Title risk and native title** – The *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

A number of the Tenements comprising Projects overlap with one registered native title claim and two determinations of native title. The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act. This engagement could cause delays to the Company's plans and/or the Company may incur higher than anticipated costs.

The presence of Aboriginal sacred sites and cultural heritage artefacts on the mining tenements is protected by Western Australian and Commonwealth laws. Any destruction or harming of such sites and artefacts may result in Cannon incurring significant fines and Court injunctions. The existence of such sites may limit or preclude exploration or mining activities on those sites, which may cause delays and additional expenses for Cannon in obtaining clearances.
- (q) **Occupational health and safety risk** – Cannon is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, mining activities have inherent risks and hazards. While Cannon provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from Cannon's activities may lead to a claim against Cannon.
- (r) **Litigation risk** – Legal claims or proceedings may arise from time to time in the course of the business of Cannon. Defence and settlement costs of legal claims can be substantial, even where claims have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which Cannon is or may become subject could have a material effect on its financial position, operating results (including achievement of its forecasts) or business activities and cause a distraction to management.
- (s) **Pandemic risk** – The global economic outlook is facing continuing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. The likelihood and severity of any potential impacts are however very difficult to predict. To date, the COVID-19 pandemic has not had any material impact on Cannon's operations, however, any infections on site could result in delays or suspensions of Cannon's operations. Governmental measures in Australia and overseas to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, may also adversely impact Cannon's operations.

8.2 General Risks

- (a) **Equity market conditions** – Securities listed on ASX, or any other securities market, and in particular securities of small companies engaged in exploration activities, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of Securities regardless of Cannon's operating performance.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

- (b) **Liquidity and volatility** – The Company may not be listed on ASX or if it is listed on ASX there may be relatively few potential buyers of Securities at any given time. This may increase the volatility of the market price of Securities and may also affect the prevailing market price at which Shareholders are able to sell their Securities. There is no guarantee that Securities will be able to be sold.

- (c) **Price of Shares** – If the Shares are admitted to Official Quotation they will be subject to general market risks applicable to all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the performance of the Company.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors, some of which may not relate directly or indirectly to the Company's performance or prospects.

Some of the factors which may affect the price of the Shares include:

- (i) fluctuations in the domestic and international markets for listed stocks;
- (ii) general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices or changes to government;
- (iii) fiscal, monetary or regulatory policies, legislation or regulation;
- (iv) inclusion in or removal from market indices;
- (v) the nature of the markets in which the Company operates;
- (vi) general operational and business risks;
- (vii) variations in sector performance, which can lead to investors exiting one sector to prefer another; and
- (viii) initiatives by other sector participants which may lead to investors switching from one stock to another.

Deterioration of general economic conditions may also affect the Company's business operations, and the consequent returns from an investment in Shares.

In the future, the sale of large parcels of Shares may cause a decline in the price at which the Shares trade on ASX (if they are admitted to Official Quotation).

- (d) **Shareholder dilution** – In the future, the Company may elect to issue further Securities in connection with fundraisings, including to raise proceeds for acquisitions. Shareholders may be diluted as a result of such fundraisings.
- (e) **Competition risk** – The mineral resource industry is competitive in all of its phases. The Company competes with other companies, including major mining companies. Many of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for commercial advantages, the recruitment and retention of qualified employees, minerals leases and new business opportunities. If the Company cannot compete effectively with these other companies, it may have a material adverse effect on the Company's performance.

- (f) **Changes in law and government policy** – The Company's activities may be impacted by regulatory or other changes implemented by the Commonwealth or Western Australian Governments (or other jurisdictions). A change in laws that impact on the Company's operations, such as land access, environmental protection, carbon emissions, labour, mining, heritage, native title, taxation and royalties, could have an adverse impact on the Company's operations. Mining industry activities are subject to discretionary regulations and approvals, the exercise of which cannot always be predicted.
- (g) **Insurance** – No assurance can be given that the Company will obtain insurance cover for all risks faced by the Company or that any insurance cover it arranges will be adequate and available to cover all possible claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.
- (h) **Tax law and application** – The application of and change in relevant tax laws (including income tax, goods and services tax (or equivalent), rules relating to deductible liabilities, or changes in the way those tax laws are interpreted, will or may impact the tax liabilities of the Company or the tax treatment of a Shareholder's investment. An interpretation or application of tax laws or regulations by a relevant tax authority that is contrary to the Company's view of those laws may increase the amount of tax paid or payable by the Company.

Both the level and basis of tax may change. Any changes to the current rate of company income tax (in Australia or elsewhere) and/or any changes in tax rules and tax arrangements (again in Australia or elsewhere) may increase the amount of tax paid or payable by the Company, may also impact Shareholder returns and could also have an adverse impact on the level of dividend franking/conduit foreign income and Shareholder returns (although no dividends are currently anticipated to be paid by the Company). In addition, an investment in Securities involves tax considerations which may differ for each Shareholder. Each Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.
- (i) **Force majeure events** – Events may occur within or outside Australia (such as the COVID-19 pandemic) that could impact upon global, Australian or other local economies relevant to the Company's financial performance, the operations of the Company and the price of the Securities. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for minerals and the Company's ability to conduct business. The Company has only a limited ability to insure against some of these risks.
- (j) **Accounting standards** – Australian Accounting Standards (**AAS**) are adopted by the Australian Accounting Standards Board (**AASB**) and are not within the control of the Company and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ. Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.
- (k) **General economic and financial market conditions** – The operating and financial performance of the Company is influenced by a variety of general domestic and global economic and business conditions that are outside the control of the Company. There is a risk that prolonged deterioration in general economic conditions may impact the demand for mineral products and negatively impact the Company's financial performance, financial position, growth prospects and Share price.

8.3 Investment Speculative

The risk factors in the Investment Overview and this Section 8 ought not to be taken as exhaustive of the risks faced by Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's Securities. Therefore, the Securities offered under this

Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of these Securities (if a market exists, of which there can be no guarantee). Securities should be considered speculative due to the nature of the Company's business.

9. Material Contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Securities under the Offers. The provisions of such material contracts are summarised in this Section.

9.1 Demerger Agreement

Rox and Cannon have entered into an agreement in relation to the Demerger and for the sale and purchase of the Projects on 13 May 2021 (**Demerger Agreement**) on the following terms. The effect of the Demerger Agreement is that Cannon will acquire the Projects for 45,000,000 Cannon Shares at a deemed issue price of \$0.20 per Cannon Share.

The material terms of the Demerger Agreement are as follows:

(a) **Demerger Conditions**

The Demerger will not proceed unless all of the following conditions have been satisfied or waived:

- (i) **(Transfer of Tenements)** Rox obtaining all necessary regulatory approvals for the transfer of 100% legal and beneficial interest of the Tenements to Cannon;
- (ii) **(Split commodity agreement)** Rox and Cannon entering into a split commodity agreement for Rox to retain gold rights and Cannon to retain rights to all other minerals in respect of E53/1218;
- (iii) **(Rox approvals)** Rox obtaining all necessary shareholder approvals required by the Corporations Act, the Listing Rules and its Constitution to give effect to the Capital Reduction and In-specie Distribution;
- (iv) **(Capital Raising)** Cannon raising \$6,000,000 under the Offers;
- (v) **(Cannon approvals)** Cannon receiving a letter from ASX confirming that ASX will admit Cannon to the Official List of ASX, subject to the satisfaction of terms and conditions acceptable to Cannon; and
- (vi) **(No regulatory intervention)** No regulatory intervention occurring that would otherwise prevent the Demerger from proceeding.

(b) **Other material terms**

- (i) **(Assignment of contracts)** If the Projects include the benefit of contracts which cannot effectively be assigned to Cannon Resources without the consent of a third party or except by an agreement or novation:
 - (A) prior to and after the Internal Restructure, Rox and Cannon must use all reasonable efforts to obtain consent to assignment or to procure a novation of particular contracts specified by Cannon;
 - (B) unless and until consent is obtained or such contracts are novated to Cannon, Rox will hold the contracts on trust for Cannon; and
 - (C) unless and until consent is obtained or such contracts are novated Cannon must for its own benefit and to the extent that the contracts permit, perform on behalf of Rox (but at Cannon's expense) all the obligations of Rox arising after Internal Restructure.
- (ii) **(Agreement to sell and purchase Projects)** Rox will sell and transfer to Cannon the Projects subject to Cannon assuming liability for any assumed liabilities and free of any encumbrances for 45,000,000 Shares.
- (iii) **(Wrong pockets)** If either Cannon or Rox becomes aware of the existence of an asset or liability within the Rox Group that was not transferred to or assumed by

- Cannon or an asset or liability within the Cannon Group that was not transferred to or assumed by Rox, the Demerger Agreement contains provisions to ensure that the parties discuss in good faith how to deal with the relevant asset or liability.
- (iv) **(Representations and warranties)** The parties provide representations and warranties that are considered standard for agreements of this nature, with the maximum amount of any claim recoverable by Cannon limited to \$500,000.
 - (v) **(Funding)**
 - (A) Rox will be liable for all costs and expenses associated with the Demerger.
 - (B) Cannon will be liable for all costs and expenses associated with the Offers.
 - (C) Up until the Priority Offer, Rox will pay all Priority Offer expenses incurred on behalf of Cannon and the amounts paid will be deemed to have been loaned to Cannon interest free (being the Rox Expenses Loan).
 - (D) Within 5 Business Days of completion of the Priority Offer, Cannon must repay the Rox Expenses Loan.
 - (vi) **(Transitional Services)** Rox will provide the following services to Cannon for a period of up to 6 months (or such other period as Rox and Cannon may agree) from In-specie Distribution Completion (**Transition Period**) including:
 - (A) a non-exclusive licence to access and use the office space at Level 2, 87 Colin Street, West Perth WA 6005 (including access 24 hours a day, for seven days a week); and
 - (B) corporate support, including reception, secretarial, office administration support.

Cannon Resources will pay Rox the sum of \$2,000 per month during the Transition Period for the provision of the above services, plus the amount of any outgoings directly attributable to Cannon Resources during the Transition Period.

9.2 Executive Services Agreement – Chief Executive Officer

The Company on 30 March 2021 (**Commencement Date**) entered into an executive services agreement with Mr Stephen Lynn in respect of his employment as Chief Executive Officer of the Company (**Executive Services Agreement**).

The key terms of the Executive Services Agreement are detailed below:

(a) **Remuneration and expenses**

Mr Lynn will receive a base salary of A\$260,000 per annum (exclusive of statutory superannuation). The salary will be reviewed annually by the Company.

In addition, the Company may pay to Mr Lynn a performance-based bonus of up to 50% of Mr Lynn's base salary. In determining the extent of any performance based bonus, the Company shall take into consideration the key performance indicators of Mr Lynn and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.

No bonus payment or associated key performance indicators have been resolved by the Board as at the date of this Prospectus.

The Company will also provide Mr Lynn with the use of a mobile telephone and laptop computer.

On provision of all documentary evidence reasonably required by the Company, the Company will reimburse Mr Lynn for all reasonable travelling intra/interstate or overseas,

accommodation, telephone and general expenses incurred by Mr Lynn in the performance of all duties in connection with the business of the Company and its related bodies corporate.

(b) **Termination**

Mr Lynn can terminate the Executive Services Agreement by giving the Company 4 weeks' written notice within the first 6 months of the Commencement Date or 6 months written notice to the Company thereafter.

Should the Company no longer employ Mr Lynn, or in the event of diminution of duties, then the Company is deemed to have provided 4 weeks' notice of termination within the first 6 months of Commencement Date or 6 months' notice thereafter. Where the Company terminates, Mr Lynn may decide to take salary in lieu of notice of termination or combination of notice of termination and a payment in lieu of notice equivalent to the applicable notice period.

The Company may terminate the Executive Services Agreement immediately and without payment in lieu of notice if Mr Lynn:

- (i) engages in serious misconduct;
- (ii) commits a serious or persistent breach or non-observance of the Executive Services Agreement;
- (iii) is dealt with by a court for a criminal offence, whether or not a conviction is recorded, which in the reasonable opinion of the Board might tend to injure the reputation of the Company;
- (iv) refuses or neglects to comply with any lawful and reasonable instruction given by the Company or the Board;
- (v) becomes bankrupt or otherwise make formal arrangements for the administration of his personal affairs in insolvency; or
- (vi) has, whether prior to or during the term of the Executive Services Agreement, provided the Company with information about his qualifications, experience, character or reputation which is materially misleading.

Either Mr Lynn or the Company can terminate the Executive Services Agreement at any time by giving 1 months' notice if Mr Lynn is or becomes incapacitated by illness or injury that prevents him from performing his duties for a period of 6 consecutive months or any periods aggregating 6 months in any period of 12 months during the term of his employment.

(c) **Other key terms**

The Executive Services Agreement contains other provisions that are customary for an agreement of this type, including a requirement for the Company to offer a Deed of Indemnity for the benefit of Mr Lynn.

9.3 Non-Executive Director Appointment Letters

(a) **Mr Trevor Benson**

The Company has entered into a Non-Executive Director and Chairman appointment letter with Mr Trevor Benson on the following key terms:

- (i) Mr Benson receives a base fee of A\$60,000 (exclusive of statutory superannuation);
- (ii) the Company will reimburse Mr Benson for all reasonable expenses incurred in performing his duties as a Director; and
- (iii) the appointment of Mr Benson shall cease if he:
 - (A) resigns;

- (B) at the close of any general meeting of Shareholders at which a resolution of his re-election is not approved; and
 - (C) otherwise ceases to be a director in accordance with the Corporations Act, Constitution or other applicable law.
- (b) **Mr Alex Passmore**
 The Company has entered into a Non-Executive Director appointment letter with Mr Alex Passmore on the following key terms:
 - (i) Mr Passmore receives a base fee of A\$45,000 (exclusive of statutory superannuation);
 - (ii) the Company will reimburse Mr Passmore for all reasonable expenses incurred in performing his duties as a Director; and
 - (iii) the appointment of Mr Passmore shall cease if he:
 - (A) resigns;
 - (B) at the close of any general meeting of Shareholders at which a resolution of his re-election is not approved; and
 - (C) otherwise ceases to be a director in accordance with the Corporations Act, Constitution or other applicable law.
- (c) **Mr Richard Bevan**
 The Company has entered into a Non-Executive Director appointment letter with Mr Richard Bevan on the following key terms:
 - (i) Mr Bevan receives a base fee of A\$45,000 (exclusive of statutory superannuation);
 - (ii) the Company will reimburse Mr Bevan for all reasonable expenses incurred in performing his duties as a Director; and
 - (iii) the appointment of Mr Bevan shall cease if he:
 - (A) resigns;
 - (B) at the close of any general meeting of Shareholders at which a resolution of her re-election is not approved; and
 - (C) otherwise ceases to be a director in accordance with the Corporations Act, Constitution or other applicable law.

In accordance with the Constitution, a Shareholder resolution has been passed providing that the Company may pay to the Non-Executive Directors a maximum total amount of remuneration of \$300,000 (plus superannuation entitlements) per annum.

9.4 Joint Lead Manager Mandate

Canaccord, Taylor Collison and the Company have entered into a mandate whereby the Joint Lead Managers agreed to manage the Offers and provide capital raising services in return for certain fees to be paid by the Company (**Joint Lead Manager Mandate**).

The Company will pay the following fees (plus GST) to the Joint Lead Managers in connection with the Offers:

- (a) a Corporate Advisory Fee of \$30,000, to be paid to Canaccord only;
- (b) an IPO Issue Management Fee of 4.0% of the gross proceeds raised under the Priority Offer;
- (c) a Shortfall Capital Raising Fee of 6.0% of the gross proceeds raised under the Shortfall Offer (if any); and
- (d) a Unmarketable Parcel Sell Down Fee 6.0% on the amount of the cash that ineligible Rox Shareholders receive in lieu of their entitlement to Cannon Shares under the In-Specie Distribution.

The Joint Lead Managers have agreed to assist the Company in allocating any Shortfall Shares between Eligible Rox Shareholders who have subscribed for Shares above their Entitlement under the Priority Offer and to new investors on a reasonable efforts basis.

The Joint Lead Managers are also entitled to be reimbursed by the Company for reasonable out of pocket expenses incurred in connection with the Joint Lead Manager Mandate and the Offers.

The Joint Lead Manager Mandate contains other terms and conditions customary for an agreement of this nature.

The Company also provides customary indemnities to the Joint Lead Managers and other indemnified parties pursuant to the Joint Lead Manager Mandate.

9.5 Deeds of Indemnity, Insurance and Access

Cannon has entered into standard deeds of indemnity, insurance and access with the Directors, the Chief Executive Officer, the Company's company secretary, Mr Matthew Worner and the Company's Chief Financial Officer Silfia Morton (**Deeds of Indemnity**). Pursuant to the Deeds of Indemnity, Cannon will indemnify the Directors, the Chief Executive Officer, Mr Worner and Ms Morton to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of Cannon or of any Cannon subsidiary and for all legal expenses incurred by the officer as an officer of Cannon or of any Cannon subsidiary. Cannon is also required to maintain insurance policies for the benefit of the Directors, the Chief Executive Officer, Mr Worner and Ms Morton which insures them against all liabilities incurred by them acting directly or indirectly as an officer of Cannon or of any Cannon subsidiary and the Company must also allow them to inspect board papers and other Company records in certain circumstances.

9.6 Company Secretary and CFO Services

On 13 January 2021, the Company engaged Grange Consulting Group Pty Ltd to provide company secretarial and CFO services to the Company, for which the Company pays a monthly retainer of \$4,000 per month (excluding GST) from signing up until the Company's listing, following which the Company will pay a monthly retainer of \$9,000 per month (excluding GST). Additional fees may be charged by Grange Consulting Group Pty Ltd to the Company for any out of scope work from time to time.

The engagement will continue unless terminated by mutual agreement between the parties or by either party by giving 60 days' written notice to the other party.

9.7 Agreements to be assigned or novated from Rox to Cannon

Pursuant to the Demerger Agreement, the following agreements will be assigned or novated from Rox to Cannon.

(a) Rio Tinto Exploration Agreement

On 9 September 1997, Rio Tinto Exploration Pty Ltd (**RTE**) entered into a sale and purchase agreement with Gerard Brewer (**Brewer**) (the **Rio Tinto Agreement**) in respect of Exploration Licences E53/353, E53/416 and E53/378 to E53/380 (inclusive) (**Rio Tenements**).

On 17 July 2015, RTE and Brewer entered into an agreement with Rox to novate the Rio Tinto Agreement to Rox who assumed the obligations of Brewer. Under that agreement, the Rio Tinto Agreement was discharged and RTE and Rox entered into a new agreement on the same terms as those of the Rio Tinto Agreement. RTE agreed to sell and assign its rights, title and interest in the Rio Tenements to Rox and Rox agreed to purchase and accept the assignment of the Rio Tenements.

Pursuant to the Demerger Agreement, the Rio Tinto Agreement will be novated to Cannon as if Cannon was an original party to the Rio Tinto Agreement.

Under the Rio Tinto Agreement:

- (i) Cannon has to pay RTE a royalty at the rate of 9.0% of the net profits earned on all gold produced from E53/1318 after production of the first 500,000 ounces of gold from the E53/1318 (the **Rio Tinto Royalty**);

- (ii) the Rio Tinto Royalty is paid to RTE at the end of each quarter (each period of three months commencing 1 January, 1 April, 1 July and 1 October in each year) after the first 500,000 ounces of gold from E53/1318; and
- (iii) Cannon cannot assign any of his rights and obligations under the Agreement or dispose of any rights, title or interests in the Tenements without prior written consent from RTE.

The Rio Tinto Agreement contains other terms and conditions considered standard for an agreement of its nature.

(b) **Delta Exploration Agreement**

On 16 November 2001, Delta Exploration Pty Ltd (Delta) entered into an agreement for sale with Gerard Brewer (**Brewer**) in respect of E53/353, E53/378 to E53/380 (inclusive), E53/416, E53/842, M53/644, M53/645, M53/823 to M53/828 (inclusive), M53/840 to M53/853 (inclusive) (**Delta Tenements**) (**Delta Exploration Agreement**). Delta sold all its right, title and interest in the Delta Tenements to Brewer, free of encumbrances, except for the Delta Royalty for consideration of \$1.00.

On 1 October 2008, the Delta Exploration Agreement was assigned to Royal Gold Inc (**Royal Gold**) pursuant to a deed of assignment and assumption between Brewer, Delta Gold and Royal Gold.

On 6 July 2017, Royal Gold and Brewer entered into an agreement with Rox to novate the Delta Exploration Agreement to Rox who assumed the obligations of Brewer. Under that agreement, the Delta Exploration Agreement was discharged and Royal Gold and Rox entered into a new agreement on the same terms as those of the Delta Exploration Agreement.

On 1 July 2017, Royal Gold assigned its rights to the Delta Royalty to RG Royalties, LLC.

Pursuant to the Demerger Agreement, Rox's rights and obligations under the Delta Exploration Agreement will be assigned to Cannon.

Under the Delta Exploration Agreement, in the event of production of gold by Cannon from E53/1318, Cannon must pay RG Royalties, LLC a royalty of \$5.00 per ounce of any such gold up to a maximum of 500,000 ounces (**Delta Royalty**).

The Delta Exploration Agreement contains terms and conditions considered standard for an agreement of its nature.

(c) **Goldex Agreement**

On 3 June 1992, Yardarino Mining NL (**Yardarino**) (now, Falcon Minerals Limited (**Falcon**)) entered into an agreement with Anketell Pty Ltd (**Anketell**) to acquire tenements from Anketell (**Goldex Agreement**).

On 12 December 2016, Anketell and Falcon entered into an agreement with Rox to assign the Goldex Agreement to Rox (**Assigned Goldex Agreement**). Under the Assigned Goldex Agreement, Rox assumed all the liabilities and obligations of Falcon under the Goldex Agreement.

Pursuant to the Demerger Agreement, Rox's rights and obligations under the Goldex Agreement will be assigned to Cannon.

Under the Goldex Agreement:

- (i) (**royalty of gold**) if gold is produced from E38/2009, Cannon will pay Anketell a royalty as follows (**Anketell Royalty**):
 - (A) if a new treatment plant is constructed to treat material from within E38/2009 to produce gold then:
 - (I) the Anketell Royalty will not be payable for the first six months of production from that treatment plant;
 - (II) for the next 12 months, the Anketell Royalty will be 0.5% of the gross value of the gold; and

- (III) immediately following the first 18 months of production, the Anketell Royalty will be 0.75% of the gross value of the gold.
- (B) if a new treatment plant is not constructed, the Anketell Royalty will be 0.5% from the beginning of production and will continue for the first 18 months of production. This will increase to 0.75% thereafter.
- (C) if gold is produced from material that is not blended with other gold material sourced from outside the tenements, the Anketell Royalty will be calculated by the royalty percentage described above multiplied by the total gold production for that quarter multiplied by the average gold price.
- (D) if gold is produced from material that is blended with other gold material sourced from outside the Mining Tenements prior to treatment, the Anketell Royalty will be calculated by the royalty percentage described above multiplied by tonnes multiplied by grade multiplied by average plant recovery multiplied by the average gold price.
- (ii) **(royalty of minerals)** for the production of minerals other than gold, the royalty payments to Anketell shall be expressed as:
 - (A) the net smelter return for an arm's length transaction in the case of base metals; or
 - (B) a percentage of the value of mineral production in the case of other minerals,
 - (C) in every other respect the payment to Anketell shall be in accordance with the above provisions relating to the Anketell Royalty.
- (iii) **(assignment)** Cannon may sell, farm-out, joint venture or assign a portion of its interest in E38/2009. Cannon cannot assign any portion of its royalty obligations.

The Goldex Agreement contains other terms and conditions considered standard for an agreement of its nature.

(d) **Collurabbie Agreement**

On 10 December 2009, BHP Billiton Nickel West Pty Ltd (**Nickel West**) entered into an agreement with Falcon Minerals Limited (**Falcon**) to terminate the Collurabbie Joint Venture dated 18 June 2001 and to transfer its interest in the tenements which are the subject of the Collurabbie Joint Venture (**Collurabbie Tenements**), as well as a number of other tenements wholly owned by Nickel West, to Falcon (**Collurabbie Agreement**). Under the Collurabbie Agreement, Falcon assumed all of Nickel West's obligations and liabilities in, or in connection with, the Collurabbie Tenements.

On 5 April 2017, Nickel West and Falcon entered into an agreement with Rox to novate the Collurabbie Agreement to Rox. Under that agreement, the Collurabbie Agreement was novated to Rox who assumed the rights and obligations of Falcon as if Rox was an original party to the Collurabbie Agreement.

Pursuant to the Demerger Agreement, the Collurabbie Agreement will be novated Cannon as if Cannon was an original party to the Collurabbie Agreement.

Under the Collurabbie Agreement:

- (i) Nickel West retains certain rights to E38/2009 as follows:
 - (A) **(scoping study)** Cannon must provide a copy of its scoping study to Nickel West upon completion and must provide any further information required by Nickel West in connection with any proposed development of a E38/2009 contemplated in its scoping study;

- (B) **(first right)** within 45 business days of the receipt of the scoping study or further information, Nickel West may elect to enter into negotiations with Cannon for the sale or disposal of ore and/or concentrate which is extracted from E38/2009 (**Offtake of Ore**) (**First Right**). Once Nickel West exercises its First Right, Cannon will not enter into any agreement or arrangement with any other person in connection with the Offtake of Ore for six months;
 - (C) **(right to match)** if Cannon receives a third party offer to purchase the ore and/or concentrate, Cannon must provide Nickel West with the terms and conditions of that offer and must offer Nickel West the right to match the third party offer. If Nickel West agrees to match the third party offer, then Cannon will do all things necessary to execute a full-form agreement and will not execute any agreement for any third party offer; and
 - (D) **(ongoing rights)** Cannon agrees that the First Right granted to Nickel West applies to each development of E38/2009 and is a right which can be exercised each time a decision to develop is made.
- (ii) **(termination)** Nickel West can terminate its interests under the Collurabbie Agreement at any time by giving 14 business days' notice to Cannon.
 - (iii) **(assignment)** Cannon may only assign its rights under the Collurabbie Agreement with prior written consent of Nickel West. Nickel West may assign its rights under the Collurabbie Agreement without obtaining prior consent of Cannon.

The Collurabbie Agreement contains other terms and conditions considered standard for an agreement of its nature.

10. Additional Information

10.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice. Full details of the rights attaching to Shares are set out in Cannon's constitution, a copy of which is available for inspection at Cannon's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Cannon. Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative or, if a determination has been made by the Board by direct vote;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote (even though he or she may represent more than one member); and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder (or where a direct vote has been lodged) shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited). All Shares offered under this Prospectus are fully paid Shares.

(c) **Direct Voting**

Cannon Directors may determine that Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Shareholders, by direct vote. Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

(d) **Dividend rights**

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends, Cannon Directors may from time to time decide to pay a dividend to the Shareholder entitled to the dividend which shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares.

Cannon Directors may rescind a decision to pay a dividend if they decide, before the payment date, that Cannon's financial position no longer justifies the payment.

(e) **Winding-up**

If Cannon is wound up, the liquidator may, with the authority of a special resolution, divide among Shareholders in kind the whole or any part of the property of Cannon, and may for the purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of Cannon, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is liability.

(f) **Shareholder liability**

As Shares to be issued under the Offers are fully paid ordinary shares in Cannon, they are not subject to any calls for money by Directors and will therefore not become liable for forfeiture.

(g) **Transfer of Shares**

Generally, Shares are freely transferable, subject to transfer formalities and any escrow requirements; the registration of the transfer not resulting in a contravention of or failure to, observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(h) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, Cannon may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Cannon shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not Cannon is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised, by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Restricted Securities**

Cannon's constitution complies with Listing Rule 15.12. Certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form of Appendix 9A to the Listing Rules. For those with less significant holdings (such as non-related parties and non-promoters) Cannon will issue restriction notices to holders of restricted securities in the form of Appendix 9C to the Listing Rules advising them of the restriction rather than requiring signed restriction agreements.

None of the Shares to be issued pursuant to the Offers will be subject to any ASX imposed escrow restrictions. In addition, the Company has received in-principle advice from ASX that the In-specie Cannon Shares to be distributed to Rox Shareholders will also not be subject to any ASX imposed escrow restrictions.

(j) **Alteration of constitution**

Cannon's Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

10.2 Terms and conditions of Attaching Options

A summary of the terms and conditions of the Attaching Options is detailed below.

This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of holders of Attaching Options (**Attaching Optionholders**). These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For an Attaching Optionholder to obtain a definitive assessment of the rights and liabilities which attach to the Options in any specific circumstances, the Attaching Optionholder should seek legal advice.

(a) **Entitlement**

Each Attaching Option entitles the holder to subscribe for one Share upon exercise of the Attaching Option.

- (b) **Exercise Price**
Subject to paragraph (m), the amount payable upon exercise of each Attaching Option will be A\$0.30 (**Exercise Price**).
- (c) **Expiry Date**
The expiry date of the Attaching Options is 5.00pm AWST, 3 years from the date of issue (**Expiry Date**).
The Attaching Options may be exercised at any time prior to the Expiry Date (**Exercise Period**), in whole or in part, upon payment of the exercise price per Attaching Option. Attaching Options not exercised on or before the Expiry Date will expire and cease to carry any rights or benefits.
- (d) **Transferable**
The Attaching Options are not transferable.
- (e) **Quotation**
The Company will not apply for Quotation of the Attaching Options on ASX.
- (f) **Notice of Exercise**
The Attaching Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified by the Company (**Notice of Exercise**) and payment of the Exercise Price for each Attaching Option being exercised in Australian currency by cheque or electronic funds transfer or other means of payment acceptable to the Company.
The Attaching Options may be exercised by the Attaching Optionholder in whole or in part. The Notice of Exercise must state the number of Attaching Options exercised, the consequent number of Shares to be issued and the identity of the proposed allottee.
- (g) **Exercise Date**
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Attaching Option being exercised in cleared funds (**Exercise Date**).
- (h) **Timing and issue of Shares on exercise**
Within 15 business days of a Notice of Exercise being given in accordance with these terms and conditions and payment of the Exercise Price for each Attaching Option being exercised, the Company will:
- (i) issue the Shares pursuant to the exercise of the Attaching Options; and
 - (ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Attaching Options.
- (i) **Shares issued on exercise**
Shares issued on exercise of Attaching Options rank equally with the then issued Shares of the Company.
- (j) **Participation rights**
There are no participation rights or entitlements inherent in the Attaching Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Attaching Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 business days after the issue is announced. This will give the holders of Attaching Options the opportunity to exercise their Attaching Options prior to the date for determining entitlements to participate in any such issue.

- (k) **Adjustment for entitlement issue**
- If the Company makes an issue of Shares pro rata to existing Shareholders (other than a bonus issue), there will be no adjustment of the Exercise Price of an Attaching Option or the number of Shares over which the Attaching Options are exercisable.
- (l) **Adjustment for bonus issue of Shares**
- If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (i) the number of Shares which must be issued on the exercise of an Attaching Option will be increased by the number of Shares which the Attaching Option holder would have received if the Attaching Optionholder had exercised the Attaching Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (m) **Adjustment for reorganisation**
- If there is any reorganisation of the issued share capital of the Company, the rights of the Attaching Optionholders will be varied in accordance with the Listing Rules.

10.3 Terms and conditions of Incentive Options

This Section 10.3 describes the terms and conditions of the Incentive Options to be issued to the Directors and the Chief Executive Officer (or their respective nominee(s)).

- (a) **Entitlement**
- Each Incentive Option entitles the holder of Incentive Options (**Incentive Optionholder**) to subscribe for one Share upon exercise of the Incentive Option.
- (b) **Exercise Price**
- Subject to paragraph (j), the amount payable upon exercise of each Incentive Option will be \$0.30 (**Exercise Price**).
- (c) **Expiry Date**
- Each Incentive Option will expire at 5:00 pm (WST) on 30 June 2024 (**Expiry Date**). An Incentive Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
- The Incentive Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
- The Incentive Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Incentive Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Incentive Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Cashless Exercise Facility**
- (i) Subject to the Shares of the Company being quoted on the ASX, if the Incentive Optionholder wishes to exercise some or all of the Incentive Options he may elect by notice in such form and manner as the Board may prescribe to pay the Exercise Price by using a cashless exercise facility (**Cashless Exercise Facility**).
 - (ii) The Cashless Exercise Facility entitles the Incentive Optionholder to set-off the Exercise Price against the number of Shares which the Incentive Optionholder is entitled to receive on the exercise of the Incentive Optionholder's Incentive

Options. By using the Cashless Exercise Facility, the Incentive Optionholder will receive the Shares to the value of the surplus after the Exercise Price has been set off.

- (iii) If the Incentive Optionholder elects to use the Cashless Exercise Facility, the Incentive Optionholder will (instead of paying the Exercise Price) only be issued that number of Shares (rounded down to the nearest whole number) calculated in accordance with the following formula:

$$S = NO \times [(MV-EP) - MV]$$

where:

S is the number of Shares to be issued on the exercise of the Incentive Options;

NO equals the number of Incentive Options being exercised;

MV is the market value of Shares (calculated using the volume weighted average price at which Shares were traded on the ASX over the 5 trading days immediately prior to the date of exercise); and

EP equals the Exercise Price.

- (iv) If the difference between the Exercise Price otherwise payable for the Incentive Options and the then market value of the Shares at the time of exercise (calculated in accordance with clause (f)(iii)) is zero or negative, then the Incentive Optionholder will not be entitled to use the Cashless Exercise Facility.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Incentive Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Incentive Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation non ASX of Shares issued pursuant to the exercise of the Incentive Options.

If a notice delivered under 10.3(h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

Shares issued on exercise of the Incentive Options rank equally with the then issued shares of the Company.

- (j) **Reconstruction of capital**
If at any time the issued capital of the Company is reconstructed, all rights of an Incentive Option Incentive Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) **Participation in new issues**
There are no participation rights or entitlements inherent in the Incentive Options and Incentive Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options without exercising the Incentive Options.
- (l) **Change in exercise price**
An Incentive Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Incentive Option can be exercised.
- (m) **Transferability**
The Incentive Options are not transferable.
- (n) **Rules**
The Incentive Options are issued under and in accordance with the Employee Share Option Plan and the terms and conditions of the Incentive Options are subject to the rules of the Employee Share Option Plan (except that these terms and conditions prevail to the extent of any inconsistency).

10.4 Cannon's Employee Share Option Plan

A summary of the key terms and conditions of the Employee Share Option Plan (**Employee Share Option Plan**) is set out below. A copy of the Employee Share Option Plan can be obtained by contacting Cannon.

- (a) **(Eligibility)** Participants in the Employee Share Option Plan may be:
 - (i) a full-time or part-time employee, including an executive director of the Company or any associated bodies corporate of the Company (each a **Group Company**);
 - (ii) a non-executive director of any Group Company;
 - (iii) a consultant or contractor of a Group Company that has entered into a contract which requires or might reasonably be expected to require the consultant or contractor to provide the pro-rata equivalent of 40% or more of a comparable full-time position with a Group Company:
 - (A) directly in their individual capacity; or
 - (B) through a company where the individual who performs the work under or in relation to the contract is a director of the company or the spouse of a director of that company;
 - (iv) a casual employee of a Group Company where they are, or might reasonably be expected to be, engaged to work the pro-rata equivalent of 40% or more of a comparable full-time position; or
 - (v) a prospective participant, being a person to whom an invitation to participate is made but who can only accept that invitation if an arrangement has been entered into that will result in the person becoming covered by one of paragraphs (i) to (iv) above,

(Eligible Employee) who has been invited to participate in the Employee Share Option Plan (or their nominee) and who is determined by the Board to be a 'participant' for the purposes of the Plan (**Participant**).
- (b) **(Invitation and acceptance)** The Board at its sole discretion may invite any Eligible Employee selected by it to apply for a specified number of Options allocated to that Eligible Employee by the Board. Eligible Employees may nominate for their Options to be granted

to a nominee (provided that the disclosure relief in section 708(12) of the Corporations Act would extend to that nominee).

- (c) **(Grant of Options)** Unless otherwise determined by the Board, Options are non-transferable and no payment is required for the grant of Options under the Employee Share Option Plan. The Company has no obligation to apply for quotation of the Options on the ASX.
- (d) **(Exercise Conditions)** An Option may be made subject to conditions determined by the Board that are required to be satisfied before the Option can be exercised (**Exercise Conditions**) and as specified in the invitation for the Options.
- (e) **(Exercise)** An Option granted under the Employee Share Option Plan may only be exercised:
 - (i) if all the Exercise Conditions have been met;
 - (ii) if the exercise price has been paid to the Company or as the Company may direct; and
 - (iii) within the exercise period relating to the Option as determined by the Board and specified in the invitation for the Options (**Exercise Period**).

Subject to the Shares of the Company being quoted on the ASX, a Participant may elect to pay the exercise price by setting-off the exercise price against the number of Shares which the Participant is entitled to receive on the exercise of the Participant's Options (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Participant will receive the Shares to the value of the surplus after the exercise price has been set-off. If the difference between the exercise price otherwise payable for the Options and the then market value of the Shares at the time of exercise is zero or negative, then the Participant will not be entitled to use the Cashless Exercise Facility.

An Option granted under the Employee Share Option Plan may not be exercised once it has lapsed.

Despite the preceding:

- (i) an Option may be exercised, whether or not any or all applicable Exercise Conditions have been met, on the occurrence of a Total Control Event; and
 - (ii) the Board may determine that an Option may be exercised, whether or not any or all applicable Exercise Conditions have been met, on the occurrence of a Control Event.
- (f) **(Shares rank equally)** Subject to the satisfaction of any applicable Disposal Restrictions, Shares allotted and issued under the Employee Share Option Plan must rank equally in all respects with all other Shares from the date of allotment and issue.
 - (g) **(Disposal Restrictions)** An Option may be made subject to restrictions determined by the Board that are required to be satisfied before a Share acquired as a result of the exercise of the Option by the Participant can be sold, transferred or otherwise dealt with by a Participant (**Disposal Restrictions**) and as specified in the invitation for the Options.
 - (h) **(Plan limit)**: The Company must, at the time of inviting an Eligible Employee to participate in the Employee Share Option Plan, have reasonable grounds to believe that the Shares that have been or may be issued in any of the circumstances covered by paragraphs (i) and (ii) below will not exceed 5% of the total number of Shares on issue:
 - (i) Shares that may be issued under the invitation or offer to participate; and
 - (ii) Shares issued or that may be issued as a result of invitations or offers to Participants made at any time during the previous 3 year period under:
 - (A) an employee incentive scheme or like scheme of the Company where offers were made in reliance on ASIC Class Order 14/1000 or an individual instrument made by ASIC in terms similar to that class order; or
 - (B) an employee incentive scheme or employee share scheme of the Company where the offers were covered by ASIC Class Order CO

03/184 or an individual instrument made by ASIC in terms similar to that class order.

- (i) **(Lapse of an Option)** Options will lapse as follows:
- (i) if a Participant ceases to be appointed as director or employed by any Group Company due to his or her resignation, dismissal for cause or poor performance or in any other circumstances determined by the Board, all Options granted to that Participant will lapse as at the date of cessation unless the Board determines otherwise;
 - (ii) if the Board, in its absolute discretion determines that paragraph (i) will not apply to a Participant:
 - (A) all Options granted to that Participant as at the date of cessation which are Vested Options may be exercised by that Participant on the earlier of the expiry date of the Vested Options and the 90 day period following the date of cessation of appointment or employment (and the Exercise Period is amended accordingly), after which those Vested Options will lapse; and
 - (B) in respect of all other Options granted to that Participant the Board may:
 - (I) accelerate the vesting of the Participant's Options, subject to any Corporations Act and Listing Rules requirements; and/or
 - (II) pro rata the Participant's Options at cessation to reflect the portion of the vesting period for which the Participant has been employed,
- such Options may be exercised by that Participant on the earlier of the end of the original Exercise Period for the Options and the 90 day period following the date of cessation of appointment or employment (and the Exercise Period is amended accordingly), after which those Options will lapse;
- (i) on the passing of a resolution for voluntary winding up, or the making of an order for the compulsory winding up of the Company, all unexercised Options will lapse;
 - (ii) if, in the opinion of the Board, a Participant (or, where a Participant is a person nominated by an Eligible Employee, the persons who nominated the Participant) has acted fraudulently or dishonestly, the Board may determine that any Option granted to that Participant should lapse, and the Option will lapse accordingly;
 - (iii) unless the Board determines otherwise, an Option will lapse on the occurrence of a condition determined by the Board that will result in the Option lapsing if satisfied (Forfeiture Condition) as specified in the invitation for the Options; and
 - (iv) if an Option has not lapsed earlier in accordance with this paragraph (i), it will lapse at the end of the Exercise Period.
- (j) **(Reconstruction)** In the event of any reconstruction (including consolidation, subdivision, reduction, capital return, buy back or cancellation) of the share capital of the Company, the number of Options to which each Participant is entitled and/or the exercise price of those Options must be reconstructed in accordance with the Listing Rules. Options must be reconstructed in a manner which will not result in any additional benefits being conferred on Participants which are not conferred on other shareholders of the Company.
- (k) **(Participation in new issues)** Subject to the Listing Rules, a Participant is only entitled to participate (in respect of Options granted under the Employee Share Option Plan) in a new issue of Shares to existing Shareholders generally if the Participant has validly exercised his or her Options within the relevant Exercise Period and become a Shareholder prior to the relevant record date, and is then only entitled to participate in relation to Shares of which the Participant is the registered holder.

- (l) **(Rights issues)** Subject to the Listing Rules, if there is a pro rata issue (except a bonus issue) to the holders of Shares, the exercise price of an Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N+1}$$

where:

- O' = the exercise price immediately following the adjustment;
- O = the exercise price immediately prior to the adjustment;
- E = the number of Shares into which one Option is exercisable;
- P = the average market price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex rights date or ex entitlements date;
- S = the subscription price for a Share under the pro rata issue;
- D = any dividend due but not yet paid on a Share (except any Share to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.
- (m) **(Bonus issues)** Subject to the Listing Rules, if there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (n) **(Amendment)** Subject to the Listing Rules, the Employee Share Option Plan rule may be amended or supplemented by resolution of the Board. Unless the resolution of the Board expressly states otherwise, any amendment or supplement to the Employee Share Option Plan rules will not apply to any Options granted under the Employee Share Option Plan which have not yet been exercised.
- (o) **(Overseas Eligible Employees)** If the Board, in its discretion, grants Options to Eligible Employees who are resident outside of Australia, the Company may make regulations for the operation of the Plan (which are not inconsistent with the Plan) to apply to those overseas Eligible Employees.
- (p) **(Definitions)** Capitalised terms used above are defined in the Employee Share Option Plan, including:

Control of an entity means having the right:

- (i) to vote 50% (or more) of the votes that can be cast on the election or removal of the entity's directors;
- (ii) to appoint or remove directors who possess 50% (or more) of the votes exercisable by all directors of the entity; or
- (iii) to 50% (or more) of the profits or distributions of the entity or of its net liquidation proceeds.

For this definition, if the entity does not have a board of directors, 'director' means a member of the entity's governing body with a role similar to a board of directors.

Control Event means any of the following:

- (i) any event that occurs which causes a change in Control of the Company; or
- (ii) any other event which the Board reasonably considers should be regarded as a Control Event; and
- (iii) which does not constitute a Total Control Event.

Total Control of an entity means where a person owns the whole of the issued ordinary share capital of the Company.

Total Control Event means where an offer is made by a person for the whole of the issued ordinary share capital of the Company (or any part as is not at the time owned by the offeror

or any person acting in concert with the offeror) and after announcement of the offer the offeror (being a person who did not Control the Company prior to the offer) acquires Total Control of the Company.

Vested Option means an Option in respect of which all Exercise Conditions have been met or which are otherwise exercisable (including as contemplated by paragraph (e) above).

10.5 Interests of Directors

No Director or proposed Director (or entity in which they are a director and/or a shareholder) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (a) any Director or proposed Director to induce him or her to become, or to qualify as, a Director; or
- (b) any Director or proposed Director for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers,

except as disclosed in this Prospectus.

10.6 Director and Chief Executive Officer interests in the Company

It is expected that the Directors and Chief Executive Officer and their related entities will have the following interests in securities in the Company at the time of Admission:

Director	Maximum Shares ¹	Maximum voting power in the Company upon Admission (undiluted)	Attaching Options	Incentive Options ²
Stephen Lynn and his associates	500,000	0.66%	166,666	3,000,000
Trevor Benson and his associates	250,000	0.33%	83,333	1,500,000
Alex Passmore and his associates	925,064 ³	1.23%	139,130	1,500,000
Richard Bevan and his associates	250,000	0.33%	83,333	750,000

Notes:

1. The Directors' potential maximum subscriptions for Shares pursuant to the Priority Offer are set out in the following table:

Director	Maximum number of Shares potentially to be subscribed for pursuant to the Priority Offer	Maximum number of Attaching Options potentially to be subscribed for pursuant to the Priority Offer
Alex Passmore and his associates	417,391	139,130

The Directors and Chief Executive Officer's potential maximum subscriptions for Shares pursuant to the Shortfall Offer are set out in the following table. Any Shortfall Shares to be granted under the Shortfall Offer to Directors and the Chief Executive Officer shall be granted on the same terms and conditions as the Securities being offered under the Priority Offer (including the issue price). Shortfall Shares will only be issued to the Directors and the Chief Executive Officer if the Priority Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions. The Directors and Chief Executive Officer will not receive any priority allocation to Shortfall Shares over Eligible Rox Shareholders or any other investors who apply for Shortfall Shares.

Director	Maximum number of Shares potentially to be subscribed for pursuant to the Shortfall Offer	Maximum number of Attaching Options potentially to be subscribed for pursuant to the Shortfall Offer
Trevor Benson and his associates	250,000	83,333
Richard Bevan and his associates	250,000	83,333
Stephen Lynn and his associates	500,000	166,666

- The terms and conditions of the Incentive Options are detailed in Section 10.3, the issue of which Cannon intends to seek shareholder approval for from its current Shareholder.
- Includes 507,673 Shares to be received by Alex Passmore as a Rox Shareholder under the In-specie Distribution in addition to Mr Passmore's potential maximum subscription of 417,391 Shares pursuant to the Priority Offer.

The Company considered it appropriate to reward the Directors and Chief Executive Officer with Incentive Options to align their interests with those of Shareholders and to incentivise them to strive to achieve success for the Company (noting the exercise price of \$0.30 for the Incentive Options is a 50% premium to the issue price of A\$0.20 per Share under the Offers).

The numbers of Incentive Options to be issued to the Directors and Chief Executive Officer prior to Admission were calculated taking into account the Directors' and the Chief Executive Officer's relevant experience, reputation and skillset, and taking into account that they are receiving relatively low base salary packages. The numbers of Incentive Options are considered appropriate and equitable based on the objectives of limiting the dilution of existing Shareholders upon the exercise or conversion of those securities whilst also appropriately incentivising key personnel of the Company.

Up to 6,750,000 additional Shares may be issued if the Incentive Options to be issued to the Directors and the Chief Executive Officer are exercised into Shares (as detailed in Section 10.3). The impact that would have on the Company's capital structure would be to increase the total number of Shares on issue by 6,750,000 additional Shares, whilst reducing the numbers of Options. The Incentive Options to be issued to the Directors and the Chief Executive Officer prior to Admission are anticipated to comprise (in aggregate) 7.4% of the diluted issued capital of the Company upon Admission.

In accordance with the requirements of Listing Rule 10.15, the following information is provided:

- the number and classes of Incentive Options to be issued is outlined above in this Section 10;
- the current total remuneration package for the Board is outlined in Sections 9.2 and 9.3 and in this Section 10;
- no securities have previously been issued to under the Employee Share Option Plan;
- the terms and conditions of the Incentive Options are detailed in Section 10.3;
- the Incentive Options will be granted for nil cash consideration;

- (f) a summary of the material terms of the Employee Share Option Plan is set out in Section 10.4;
- (g) the reasons why the Company is using the Incentive Options as part of the Directors' and Chief Executive Officer's remuneration packages is to conserve cash and to align their interests with those of other Shareholders, to incentivise them to strive for the Company's success;
- (h) the Incentive Options are proposed to be issued prior to Admission;
- (i) details of any future relevant securities issued after the Company's Admission under the Employee Share Option Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (j) after the Company's Admission, any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Employee Share Option Plan will not participate until approval is obtained under that rule;
- (k) refer to the Financial Information in Section 4 for the value which the Company attributes to the Incentive Options and the basis of that value; and
- (l) no loan is being offered in relation to the issue of the Incentive Options.

10.7 Director and Chief Executive Officer salaries and expenses

As described in Sections 9.2 and 9.3, the Directors and Chief Executive Officer will receive the following salaries (which may vary from time to time):

	Cash Salary per annum ⁽¹⁾
Stephen Lynn	\$260,000
Trevor Benson	\$60,000
Alex Passmore	\$45,000
Richard Bevan	\$45,000

Notes:

1. Superannuation will be paid in addition to these amounts.

Directors may be paid for travel and other expenses incurred in attending to the Company's affairs. This includes (without limitation) attending and returning from Board or Committee meetings and general meetings. Any Director who devotes special attention to the business of the Company or who performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Director, may be remunerated for the services (as determined by the Board) out of the Company's funds.

There are no current retirement benefit schemes for Directors other than statutory superannuation contributions.

The remuneration and other benefits of Directors and executives of the Company (including the Chief Executive Officer) may vary from time to time.

10.8 Interests of Promoters, Experts and Advisers

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a partner or director) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offers, except as follows and as disclosed in this Prospectus:

- (a) Automic is the Company's share registry, and will be paid up to \$3,500 for these services on standard industry terms and conditions. During the two years preceding the lodgement of this Prospectus with ASIC, Automic has not received any fees from the Company for any other services.
- (b) Pitcher Partners has acted as the Company's investigating accountant and prepared the Independent Limited Assurance Report in Section 5 of this Prospectus and will be paid approximately A\$14,000 for these services. During the two years preceding the lodgement of this Prospectus with ASIC, Pitcher Partners has not received any fees from the Company for any other services.
- (c) Valuation and Resource Management Pty Ltd has prepared the Independent Technical Assessment Report in Section 6 of this Prospectus for the Company. In respect of this work, Valuation and Resource Management Pty Ltd will be paid approximately A\$40,000 by the Company. During the two years preceding the lodgement of this Prospectus with ASIC, Valuation and Resource Management Pty Ltd has not received any fees from the Company for any other services.
- (d) Thomson Geer has acted as the Australian legal advisors and as the tenement solicitors to the Company in relation to the Prospectus and prepared the Solicitor's Report on Tenements in Section 7 of this Prospectus. In respect of this work, Thomson Geer will be paid up to approximately A\$100,000 (plus GST) for these services. During the two years preceding the lodgement of this Prospectus with ASIC, Thomson Geer has not received any other fees from the Company for any other services. The amounts payable to Thomson Geer exclude additional fees payable for work not directly connected with the Offers.
- (e) Canaccord and Taylor Collison are the Joint Lead Managers to Cannon and will receive \$390,000 (plus GST), plus 6% of the amount of cash that Shareholders receive in lieu of their in-specie distribution for unmarketable parcels, as described in Section 9.4, following the successful completion of the Offers for their services as Joint Lead Managers to the Offers. During the two years preceding the lodgement of this Prospectus with ASIC, Canaccord and Taylor Collison have not received any other fees from the Company for any other services.

Further amounts may be paid to the Company's service providers in accordance with their normal time-based charges.

10.9 Related Party Transactions

Other than as disclosed elsewhere in this Prospectus, there are no existing agreements or arrangements and there are currently no proposed transactions in which the Company was, or is to be, a participant, and in which any related party has or will have a direct or indirect material interest.

Related party financial benefits approved by the Board without Shareholder approval were determined (absent any director with a material personal interest) to be reasonable remuneration, on arm's length terms or indemnities, exemptions or insurance premiums or other matters which are exempt from Shareholder approval requirements under the Corporations Act.

All future related party arrangements (if any) will be determined by the Board, having regard to their duties as Directors, and, where required, all requisite approvals, including but not limited to, Shareholder approval will be obtained. The Board monitors compliance with the law in relation to related party transactions via internal controls and obtaining legal advice where required.

10.10 Expenses of Offers

The total estimated expenses of the Offers payable by the Company are:

	A\$
Legal fees	100,000
Independent Technical Assessment Report fees	40,000
Investigating Accountant fees	14,000
ASIC lodgement fee	3,206
ASX listing fee	82,333
Transaction management fees	50,000
Share Registry, printing and miscellaneous costs	20,000
Joint Lead Managers fees	390,000
TOTAL	699,539

Of the expenses of the Offers, approximately \$309,539 have been borne by Rox and deemed to be loaned to Cannon interest free, which will be repaid to Rox within 5 days of completion of the Priority Offer pursuant to the Demerger Agreement. Refer to Sections 4.4 and 9.1 for further information on the Rox Expenses Loan.

10.11 Effect of the Offers on control and Substantial Shareholders

As at the date of this Prospectus, based on the Company's register of Shareholders, the following persons have an interest in 5% or more of the Shares on issue:

Name	Number of Shares	Percentage of Shares
Rox Resources Limited	1	100%

Based on the information known as at the date of this Prospectus, on Admission, it is expected the following persons will have an interest in 5% or more of the Shares on issue:

Name	Number of Shares	Percentage of Shares
Rox Resources Limited	8,550,000	11.4%
Hawke's Point (RRL) L.P.	4,910,714	6.55%

Other persons who may hold an interest in 5% or more of the Shares upon admission of the Company to the Official List (if any) are currently unknown.

10.12 Disclosing Entity

Following admission to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to additional obligations under the Corporations Act, including:

- the special requirements that apply to remuneration recommendations in relation to key management personnel;
- the obligation to prepare financial statements and reports for half-years as well as full financial years, as detailed in Chapter 2M of the Corporations Act; and
- the continuous disclosure requirements under the Corporations Act (in addition to the other obligations that will apply under the Listing Rules following the Company's admission to the Official List).

The Company will comply with its continuous disclosure requirements by publicly releasing price sensitive information through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirm that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.13 Litigation and Claims

So far as the Directors are aware, apart from as disclosed in this Prospectus, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

10.14 Consents

Each of the parties referred to in this Section:

- (a) have given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) make no representation regarding, and to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement or report included in this Prospectus the consent of that party as specified in this Section.

None of the parties referred to in this Section authorised or caused the issue of this Prospectus or the making of the Offers.

Canaccord has given its written consent to being named as a Joint Lead Manager to the Offers in the form and context in which it is named in this Prospectus and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Canaccord, in the form and context as they appear in this Prospectus.

Taylor Collison has given its written consent to being named as a Joint Lead Manager to the Offers in the form and context in which it is named in this Prospectus.

Automic has given its written consent to be named as the Company's share registry in this Prospectus in the form and context in which it is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Automic, in each case in the form and context as they appear in this Prospectus.

Pitcher Partners has given its written consent to be named as the Company's auditor in this Prospectus in the form and context in which it is named and to the inclusion of information in this Prospectus relating to its audit opinion for the Company's 31 December 2020 financial accounts, in the form and context in which it appears in this Prospectus.

Pitcher Partners has given its written consent to being named as the Company's investigating accountant in this Prospectus in the form and context in which it is named and to the inclusion of the Independent Limited Assurance Report (and each reference to it) in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Pitcher Partners, in each case in the form and context as they appear in this Prospectus.

Valuation and Resource Management Pty Ltd has given its written consent to be named as Independent Technical Specialist in this Prospectus in the form and context in which it is named and to the inclusion of the Independent Technical Assessment Report (and each reference to it) in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Valuation and Resource Management Pty Ltd, in each case in the form and context as they appear in this Prospectus.

Paul Dunbar, Mick McKeown, Lauritz Barnes and Will Belbin have each given their written consents to being named as a competent person in this Prospectus in the form and context in which they are named and to the inclusion in this Prospectus of the matters and the supporting information based on their information and all statements by, or statements said in this Prospectus to be based on a statement by them, each in the form and context in which they appear.

Thomson Geer has given its written consent to be named in this Prospectus as Australian legal advisor to the Company in relation to this Prospectus, in the form and context in which it is named.

Thomson Geer has given its written consent to be named as tenement solicitor to the Company in this Prospectus in the form and context in which it is named and to the inclusion of Solicitor's Report on Tenements (and each reference to it) in this Prospectus in the form and context in which it is included and to all references in this Prospectus to the Solicitor's Report on Tenements and Thomson Geer in the form and context in which they appear.

Rox has given its written consent to be named in this Prospectus in the form and context in which it is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Rox, in each case in the form and context as they appear in this Prospectus (as applicable).

Each of the Directors and Chief Executive Officer have given their written consent to being named in this Prospectus in the form and context in which they are named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, them, in each case in the form and context as they appear in this Prospectus (as applicable).

10.15 ASX Waivers and Confirmations

The Company has applied for and been granted in-principle confirmations from ASX (among other matters) that (subject to ASX's discretion to make a different decision), upon the Company's formal application to ASX Limited, ASX would be likely to do the following:

- (a) confirm that the In-specie Cannon Shares will not be subject to the escrow requirements in Listing Rule 9.1; and
- (b) confirm that non-affiliated Rox Shareholders who receive In-specie Cannon Shares in the Company through the In-specie Distribution will not be excluded for the purposes of the Company demonstrating satisfaction of the spread requirements in Listing Rule 1.1 condition 8.

The Company's free float (as defined in the Listing Rules) at the time of listing will be not less than 20%, as required by the Listing Rules.

The issue price of all Shares for which the Company seeks quotation will be at least 20 cents in cash (or deemed to be such) in accordance with the Listing Rules.

10.16 Electronic Prospectus

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please contact the Company or the Share Registry and the Company or the Share Registry will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Corporations Act prohibits any person from passing on to another person an Application Form, unless it is attached to or accompanies a hard copy of the Prospectus or a complete and unaltered electronic copy of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement

prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

10.17 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at Level 2, 87 Colin Street, West Perth WA 6005, Australia:

- (a) this Prospectus; and
- (b) the Constitution.

10.18 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in Western Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Western Australia and of the Commonwealth of Australia.

10.19 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the Financial Information included in Section 4 there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

11. Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'T Benson', with a small dot at the end.

Mr Trevor Benson
Chairman

Dated: 26 May 2021

12. Glossary of Terms

In this Prospectus, unless the context requires otherwise:

A\$ or \$	means the lawful currency of Australia.
AC	means aircore.
Admission	means the admission of the Company to the Official List.
AEM	means airborne electromagnetic.
Applicant	means a person who submits an Application Form.
Application	means a valid application for Securities under the Offers made pursuant to an Application Form (accompanied by the payment of Application Monies) or made via the payment of Application Monies.
Application Form	means an application form attached to or accompanying this Prospectus.
Application Monies	means application monies (being \$0.20 per Share) to be paid to the Company by Applicants applying for Securities pursuant to the Offers under this Prospectus.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 or Australian Securities Exchange, as the context requires.
ASX Recommendations	has the meaning given in Section 3.3.
Attaching Option	has the meaning given in the Investment Overview.
Attaching Optionholder	has the meaning given in Section 10.2.
ATO	means the Australian Taxation Office.
AWST	means Australian Western Standard Time, being the time in Perth, Western Australia.
Board or Cannon Board	means the board of Directors of the Company from time to time.
Canaccord	means Canaccord Genuity (Australia) Limited ACN 075 071 466.
Capital Reduction	means the equal capital reduction to be undertaken by Rox as part of the Demerger.
Chairman	means the chairman of the Company.
CHESS	means the clearing house electronic sub-register system of security transfers operated by ASX Settlement.
Collurabbie Project or Collurabbie	has the meaning given in the Chairman's Letter.

Company or Cannon	means Cannon Resources Limited ACN 646 149 902.
Consideration Shares	has the meaning given in Section 4.1.
Constitution	The constitution of the Company from time to time.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporate Advisory Fee	has the meaning given in the Investment Overview.
Cu	means copper.
Deeds of Indemnity	has the meaning given in Section 9.5.
Demerger	has the meaning given in the Investment Overview.
Demerger Agreement	has the meaning given in Section 9.1.
Demerger Conditions	has the meaning given in Section 1.5.
Demerger Relief	means confirmation from the ATO that: <ul style="list-style-type: none"> (a) the shareholders of Rox may be eligible to choose to receive roll-over under Division 125 of the <i>Income Tax Assessment Act 1997</i> (Cth) in respect of the proposed demerger; and (b) the Commissioner for Taxation will not make a determination under section 45B(3)(a) or 45B(3)(b) of the <i>Income Tax Assessment Act 1936</i> (Cth) in respect of Rox shareholders participating in the In-specie Distribution.
Directors or Cannon Directors	means the directors of the Company.
EFT	means Electronic Funds Transfer.
Electronic Prospectus	means the electronic copy of this Prospectus located at the Company's website at www.cannonres.com.au .
Eligible Rox Shareholder	means a person who is the registered holder of Rox Shares as at 5.00pm (AWST) on the Priority Offer Record Date and who has a registered address in Australia, New Zealand or Cayman Islands.
Entitlement	has the meaning given in Section 1.1.
Employee Share Option Plan	has the meaning given in Section 10.4.
Exposure Period	means, in accordance with section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC.
Fisher East Project or Fisher East	has the meaning given in the Chairman's Letter.
Group Company	has the meaning given in Section 10.4.
HIN	means Holder Identification Number.

In-specie Cannon Shares	has the meaning given in the Investment Overview.
In-specie Distribution	has the meaning given in the Investment Overview.
In-specie Record Date	has the meaning given in the Indicative Timetable.
Incentive Options	has the meaning given in Section 1.4.
Incentive Optionholder	has the meaning given in Section 10.3.
Independent Limited Assurance Report	means the report contained in Section 5.
Independent Technical Assessment Report	means the report contained in Section 6.
Indicative Timetable	means the indicative timetable for the Offers on page 5.
Internal Restructure	has the meaning given in the Investment Overview.
IPO Issue Management Fee	has the meaning given in the Investment Overview.
Joint Lead Managers	has the meaning given in the Investment Overview.
Joint Lead Manager Mandate	has the meaning given in Section 9.4 of this Prospectus.
JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition).
Listing Rules	means the official listing rules of ASX.
Chief Executive Officer	means the chief executive officer of the Company.
Mineral Resource	has the meaning given to that term in the JORC Code, being a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction.
MRE	means mineral resource estimate.
Ni	means nickel.
Offers	means the Priority Offer and Shortfall Offer.
Official List	means the official list of ASX.
Official Quotation or Quotation	means official quotation by ASX in accordance with the Listing Rules.
Opening Date	means the date when the Offers open.
Option	means an option to subscribe for a Share.
Optionholder	means the holder of one an Option.
Participant	has the meaning given in Section 10.4.

PGE	Means platinum group elements.
Prospectus	means this prospectus dated 26 May 2021.
Priority Offer	has the meaning given in Section 1.1.
Priority Offer Closing Date	means the date the Priority Offer closes.
Priority Offer Record Date	has the meaning in the Indicative Timetable.
Projects	means the Fisher East Project and Collurabbie Project.
RAB	means rotary air blast.
RC	means reverse circulation.
Rox	means Rox Resources Limited ACN 107 202 602.
Rox Expenses Loan	has the meaning given in Section 4.4.
Rox Share	means a fully paid ordinary share in the capital of Rox.
Rox Shareholder	means a person who is registered holder of Rox Shares.
Section	means a section of this Prospectus.
Securities	means the securities of the Company.
Share or Cannon Share	means a fully paid ordinary share in the capital of the Company.
Share Register	means the register of Shareholders maintained in accordance with the Corporations Act.
Share Registry or Automic	means Automic Group.
Shareholder or Cannon Shareholder	means a person who is registered in the Share Register as the holder of one or more Shares.
Shortfall Capital Raising Fee	has the meaning given in the Investment Overview.
Shortfall Offer	has the meaning given in Section 1.2.
Shortfall Offer Closing Date	means the date the Shortfall Offer closes.
Shortfall Shares	means 30,000,000 Shares less the Shares for which Applications under the Priority Offer have been received by the Company.
SRN	means Security holder Reference Number.
Taylor Collison	means Taylor Collison Limited ACN 008 172 450.
Tenements	has the meaning given in Section 2.2.
Transaction	has the meaning given in Section 4.4.

Transition Period	has the meaning given in Section 9.1.
Unmarketable Parcel Sell Down Fee	has the meaning given in the Investment Overview.
VTEM	means Versatile Time Domain Electromagnetic.



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