

## ASX ANNOUNCEMENT

10 August 2021

### Pre-Quotation Disclosure

Cannon Resources Limited (ASX:CNR) (**Cannon** or the **Company**) is pleased to provide the following information in respect of its admission to the Official List of ASX and quotation of its securities.

### Completion of Offers and Capital Structure

The Company confirms the completion and close of the offers (**Offers**) under its Prospectus dated 26 May 2021 (**Prospectus**) and confirms the following securities have been issued to each recipient:

- (a) 30,000,000 ordinary shares at an issue price of \$0.20 per share under the Offers;
- (b) 9,999,650 unlisted options exercisable at \$0.30 each on or before 30 July 2024 under the Offers; and
- (c) 6,750,000 unlisted incentive options exercisable at \$0.30 each on or before 30 June 2024 (**Incentive Options**) to the Company's directors and CEO (or their nominees) under the Company's Employee Option Plan on the terms and conditions contained in the Prospectus as follows:
  - i. 1,500,000 Incentive Options to Trevor Benson;
  - ii. 1,500,000 Incentive Options to Alexander Passmore;
  - iii. 750,000 Incentive Options to Richard Bevan; and
  - iv. 3,000,000 Incentive Options to Stephen Lynn.

The Company's capital structure following the issue of securities under the Prospectus is as follows:

Class	Number
Ordinary Shares	75,000,001
Unlisted Options exercisable at \$0.30 each on or before 30 July 2024	9,999,650
Unlisted Incentive Options exercisable at \$0.30 each on or before 30 June 2024	6,750,000

## Pro-Forma Statement of Financial Position

The Company's pro-forma statement of financial position based on the actual amount of funds raised by the Company under the Prospectus (being \$6 million (before costs)), is set out below:

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

## Demerger Agreement with Rox Resources Limited

The Company confirms the satisfaction of all conditions precedent to the Offers and completion of the demerger agreement dated 13 May 2021 between Rox Resources Limited (**Rox**) and the Company, including:

- (a) the issue of 8,553,130 shares in the capital of the Company at a deemed issue price of \$0.20 per share to Rox;
- (b) the issue of 36,446,871 shares in the capital of the Company at a deemed issue price of \$0.20 per share to eligible shareholders of Rox under an in-specie distribution;
- (c) the entering into of a split commodity agreement between the Company and Rox such that Rox will retain gold rights and the Company will retain all other mineral rights in respect of tenement EL 53/1218; and
- (d) the entering into of a deed of assignment and novation between the Company, Rox and RG Royalties LLC regarding a royalty payable in respect of the production of gold by the Company from tenement EL 53/1318.

## Confirmation regarding Tenements

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to the Company:

- (a) entering:
  - i. in respect of the Fisher East Project, the sites associated with tenements EL 53/1218, EL 53/1318, EL 53/1716, EL 53/1802, EL 53/1884, EL 53/1885, EL 53/1886, EL 53/1887, EL 53/1950 EL 53/2018 and EL 53/2090; and
  - ii. in respect of the Collurabbie Project, the sites associated with tenements EL 38/2009, EL 38/2912 and EL 38/3193; and

- (b) carrying out exploration activities,

such that the Company will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).

In addition, the Company confirms that EL 38/2912 is presently in good standing.

## Escrowed Securities

The following securities (which are included in the capital structure above) are subject to ASX escrow restrictions for a period of 24 months commencing on the date on which official ASX quotation of the Company's fully paid ordinary shares commences (no other securities are subject to voluntary escrow):

Class	Number
Ordinary Shares (issued to Rox)	8,553,130
Incentive Options exercisable at \$0.30 each on or before 30 June 2024 as follows:	3,750,000

• Trevor Benson	1,500,000
• Alexander Passmore	1,500,000
• Richard Bevan	750,000

**For further information please contact:**

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*This ASX Announcement has been authorised for release by Cannon's Company Secretary, Matt Worner.*