



CANNON RESOURCES LIMITED

ACN 646 149 902

PROSPECTUS

For an offer of up to 1,000 New Shares at an issue price of A\$0.40 (**Cleansing Offer**). The Cleansing Offer is included primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares recently issued by the Company.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

IMPORTANT INFORMATION

General

This Prospectus is dated 15 November 2021 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No New Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the office of the Company at Level 2, 87 Colin Street, West Perth WA 6005 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.2).

The New Shares offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks applicable to the Company.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Cleansing Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for New Shares will only be accepted on an Application Form that is provided by the Company, with a copy of this Prospectus in either paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless a complete and unaltered copy of this Prospectus accompanies it.

No person is authorised to give any information or to make any representation in connection with the Cleansing Offer that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Cleansing Offer.

No action has been taken to permit the offer of New Shares under this Prospectus in any jurisdiction other than Australia.

Applicable law may restrict the distribution of this Prospectus in jurisdictions outside Australia and therefore persons into whose possession this document comes should seek advice on and 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 New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

Exposure Period

No exposure period applies to the Cleansing Offer.

Speculative Investment

An investment in the New Shares should be considered highly speculative. Refer to Section 3 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares 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 prospectus of the Company and the rights and liabilities attaching to the New Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that the New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Forward-looking Statements

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', '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. Key risks associated with an investment in the Company are detailed in Section 3. 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.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to AWST, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 6.

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

Christopher Hunt

Registered Office

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

Website

www.cannonres.com.au

Auditors*

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

Share Registry*

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

Email: hello@automic.com.au

Website: www.automicgroup.com.au

Solicitors

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

Home Exchange

Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX Code

CNR

*Included for information purposes only. These entities have not been involved in the preparation of this Prospectus.

PROPOSED TIMETABLE

Event	Indicative Date
Lodgement of Prospectus with ASIC	15 November 2021
Opening Date	15 November 2021
Closing Date	15 November 2021

The above timetable is indicative only and subject to change. Subject to compliance with all applicable laws, the Directors reserve the right to vary these dates, including the Closing Date of the Cleansing Offer at any time after the Opening Date, without prior notice.

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1. Details of the Cleansing Offer

1.1 The Cleansing Offer

The Company is offering, pursuant to this Prospectus, 1,000 New Shares each at an issue price of A\$0.40 (**Cleansing Offer**).

All of the New Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. Refer to Section 4.1 for a summary of the rights attaching to the Shares.

The Company is only extending the Cleansing Offer to specific parties on invitation from the Directors. The Company will only provide Application Forms to these parties.

As announced on 19 October 2021, the Company received binding commitments to raise A\$4 million (before costs) via a placement of 10,000,000 Shares to sophisticated investors at an issue price of A\$0.40 per Share (**Placement Shares**).

A holding lock was placed on the Placement Shares until the earlier of 12 months after their date of issue and the Company lodging this Prospectus (as the Placement Shares were issued within three months of the Company's Shares being quoted on the official list of ASX).

This Prospectus has been issued, and the Cleansing Offer is being undertaken, to facilitate the secondary trading of the Placement Shares by the Company, as they were issued without disclosure under Part 6D.2 of the Corporations Act.

The Placement Shares have been issued. Refer to the Appendix 2A dated 25 October 2021 for further details.

1.2 Purpose of the Cleansing Offer

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). The Company's Shares had not been quoted at all times in the 3 months before the day on which the Placement Shares were issued and as a result the Company was precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The primary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that may have attached to the Placement Shares issued by the Company so that the holders of the Placement Shares, if they choose to, may sell those Placement Shares within the twelve months following their issue, without the issue of a prospectus. The

Company did not issue the Placement Shares with the purpose of the persons to whom they were issued selling or transferring the Placement Shares, or granting, issuing or transferring interests in the Placement Shares within 12 months of the issue, however this Prospectus provides them with the ability to do so should they wish.

1.3 Purpose of the Prospectus

Accordingly, the purpose of this Prospectus is to:

- (a) make the Cleansing Offer; and
- (b) ensure that the on-sale of the Placement Shares does not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

1.4 Minimum subscription

There is no minimum subscription for the Cleansing Offer.

1.5 Opening and closing dates

The Company will accept Application Forms for the Cleansing Offer until 5.00pm (AWST) on 15 November 2021 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the closing dates of the Cleansing Offer without prior notice. If a closing date is varied, subsequent dates may also be varied accordingly.

1.6 Application Form

The Company will send this Prospectus, together with an Application Form, to selected persons whom the Directors determine are eligible to participate in the Cleansing Offer.

If you wish to subscribe for New Shares, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Company's discretion, in accordance with the instructions in the Application Form.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

1.7 Issue and Dispatch

All New Shares under the Cleansing Offer are expected to be issued on or before the dates specified in the Indicative Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.8 Application Monies held on trust

All Application Monies received for the New Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

1.9 ASX Quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the New Shares offered under this Prospectus. If ASX does not grant Official Quotation of the New Shares within three months after the date of this Prospectus (or such period as the ASX allows), no New Shares will be issued or allotted and the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

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 its Securities.

1.10 Withdrawal

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

1.11 CHES

The Company participates in the Clearing House Electronic Subregister System, known as CHES. ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHES statement.

The CHES statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHES statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.12 Residents outside Australia

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the New Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.13 Risk factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Section 3.

1.14 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Shares under this Prospectus.

1.15 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

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 set out in this privacy disclosure 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.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.16 Major activities and financial information

A summary of the activities and financial information relating to the Company for the period ended 30 June 2021 is in the Annual Report which was lodged with ASX on 14 October 2021.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of the Annual Report are listed in Section 4.2.

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Cleansing Offer.

1.17 Enquiries

Enquiries relating to this Prospectus should be directed to the Company Secretary at admin@cannonres.com.au.

2. Purpose and Effect of the Cleansing Offer

2.1 Capital Structure on completion of the Cleansing Offer

The effect of the Cleansing Offer on the capital structure on the Company is as follows:

	Shares	Options
Existing Securities	85,177,117 ¹	16,572,534 ²
New Shares	1,000	-
Total	85,178,117	16,572,534

Notes:

1. Includes 8,553,130 Shares which are subject to ASX escrow restrictions for a period of 24 months from the date on which official ASX quotation of the Company's Shares commenced.
2. Comprising:
 - a. 3,750,000 unlisted Options expiring 30/06/2024 exercisable at A\$0.30 which are subject to ASX escrow restrictions for a period of 24 months from the date on which official ASX quotation of the Company's Shares commenced.
 - b. 3,000,000 unlisted Options expiring 30/06/2024 exercisable at A\$0.30.
 - c. 9,822,534 unlisted Options expiring 30/07/2024 exercisable at A\$0.30.

2.2 Effect of the Cleansing Offer on the Company

After paying for the expenses of the Cleansing Offer of A\$3,206 (ASIC lodgement fee) and approximately A\$3,000 (legal expenses), there will be no proceeds from the Cleansing Offer. The expenses of the Cleansing Offer exceeding A\$400 (being the amount raised if the Cleansing Offer is fully subscribed) will be met from the Company's existing cash reserves.

The Cleansing Offer will have a minimal effect on the Company's financial position, being receipt of funds of A\$400 less costs of preparing the Prospectus.

2.3 Market price of Shares

The highest and lowest market sale prices of Shares on ASX during the three months immediately preceding the date of this Prospectus and the respective dates of those sales were:

Highest:	A\$0.65 on 1 November 2021
Lowest:	A\$0.235 on 17 August 2021
Latest:	A\$0.51 on 12 November 2021

2.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

3. Risk Factors

The New Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors that may affect its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Section 3 are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risks described in, and others not specifically referred to, in this Section 3 may in the future materially affect the financial performance and position of the Company and the value of the New Shares offered under this Prospectus. The New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those New Shares. The risks described in this Section 3 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. The Directors strongly recommend that potential investors consider the risks detailed in this Section 3, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether to apply for the New Shares.

3.1 Risks Specific to the Company

- (a) **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 cash resources that Cannon had 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.

- (b) **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.

- (c) **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.

- (d) **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.

- (e) **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.

- (f) **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.

- (g) **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.

- (h) **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.
- (i) **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.
- (j) **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.
- (k) **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.
- (l) **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.

- (m) **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.
- (n) **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 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.
- (o) **Title risk and native title** – The Native Title Act 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 the Company's 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.

- (p) **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.
- (q) **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.
- (r) **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.

3.2 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** – 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 New 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 New 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.

3.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the 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 its Shares. Therefore, the New Shares 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 New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for New Shares pursuant to this Prospectus.

4. Additional information

4.1 Rights attaching to New Shares

A summary of the rights attaching to New Shares 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 Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities that attach to New Shares in any specific circumstances, the Shareholder should seek legal advice.

(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 New Shares to be issued under the Cleansing Offer 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) **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.

4.2 Company is a Disclosing Entity

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2021 being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of its annual report on 14 October 2021:

Date Lodged	Subject of Announcement
8 November 2021	Application for quotation of securities - CNR
29 October 2021	Application for quotation of securities - CNR
26 October 2021	Becoming a substantial holder
26 October 2021	Change in substantial holding from RXL
26 October 2021	Change in substantial holding
25 October 2021	Application for quotation of securities - CNR
25 October 2021	\$4 million Equity Raising Completed
22 October 2021	Quarterly Cash Flow Report - September 2021

Date Lodged	Subject of Announcement
22 October 2021	Quarterly Activities Report- September 2021
21 October 2021	Change in substantial holding
20 October 2021	Application for quotation of securities - CNR
19 October 2021	Proposed issue of securities - CNR
19 October 2021	\$4m Equity Raising to Fund Accelerated Exploration Program
19 October 2021	Trading Halt

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the office of the Company at Level 2, 87 Colin Street West Perth WA 6005:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.12 and the consents provided by the Directors to the issue of this Prospectus.

4.3 Information Excluded from Continuous Disclosure Notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be included in this Prospectus.

4.4 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares under this Prospectus.

4.5 Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the New Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the New Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the New Shares offered under this Prospectus.

4.6 Directors' Interests in Securities

Set out in the table are details of the Directors' relevant interests in the Securities at the date of this Prospectus:

Director	Shares	Options
Trevor Benson	250,000	1,583,333
Alex Passmore	869,345	1,599,999
Richard Bevan	250,000	833,333

4.7 Directors' Remuneration

The remuneration of the Directors for the previous two financial years is as follows:

Director	Financial Year	Salary and Fees (excluding superannuation)	Share-based payments	Total
Trevor Benson ¹	2020	-	-	-
	2021	A\$21,699	A\$160,108	A\$181,807
Alex Passmore ²	2020	-	-	-
	2021	A\$18,370	A\$160,108	A\$178,478
Richard Bevan ³	2020	-	-	-
	2021	A\$17,415	A\$80,054	A\$97,469

Notes:

1. Appointed on 25 November 2020.
2. Appointed on 25 November 2020.
3. Appointed on 21 February 2021.

4.8 Related Party Transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

4.9 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Cleansing Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Cleansing Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Cleansing Offer.

Thomson Geer will be paid fees of approximately A\$3,000 (plus GST) in relation to the preparation of this Prospectus.

4.10 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4.11 Expenses of the Cleansing Offer

The estimated expenses of the Cleansing Offer are A\$3,206 (ASIC lodgement fee) and approximately A\$3,000 (legal expenses).

4.12 Consents

Thomson Geer has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian solicitors to the Company. Thomson Geer has not authorised or caused the issue of this Prospectus or the making of the Cleansing Offer. Thomson Geer makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement with ASIC of this Prospectus.

5. Authorisation

This Prospectus is authorised by each of the Directors. This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'T Benson', followed by a period.

Trevor Benson
Non-Executive Chairman

15 November 2021

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ or A\$ means Australian dollars.

Acceptance means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Applicant means a person who submits an Application Form.

Application Form means the application form provided by the Company with a copy of this Prospectus, to be used for the purposes of applying for New Shares.

Application Monies means application monies for New Shares received by the Company from an Applicant.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

Chairman means chairman of the Board.

CHESS means ASX Clearing House Electronic Subregister System.

Cleansing Offer has the meaning given in Section 1.1.

Closing Date means the closing date of the Cleansing Offer as specified in the Indicative Timetable as varied from time to time.

Company or **Cannon** means Cannon Resources Limited ACN 646 149 902.

Constitution means the constitution of the Company.

Corporations Act means Corporations Act 2001 (Cth).

Director means a director of the Company.

Listing Rules means the Listing Rules of ASX.

Native Title Act means the *Native Title Act 1993* (Cth).

New Share means a Share offered pursuant to the Cleansing Offer.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Option means the right to acquire one Share in the capital of the Company.

Placement Shares has the meaning given in Section 1.1.

Prospectus means this prospectus dated 15 November 2021.

Section means a section of this Prospectus.

Securities mean any securities including, but not limited to, Shares or Options issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.



CANNON
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