

ASX ANNOUNCEMENT | ASX: CNR

22 November 2022

KEDALION DECLARES ITS TAKEOVER OFFER FOR CANNON RESOURCES UNCONDITIONAL

Highlights

- Kedalion's recommended takeover offer for Cannon Resources now unconditional
- Cannon shareholders who have yet to accept the Offer are urged to do so without delay before the Offer closes
- The Offer is scheduled to close at 7.00pm (Perth time) on 21 December 2022, unless extended
- Kedalion will commence paying the cash consideration to Cannon shareholders who have accepted the Offer within one month of today's date or within one month of acceptance or if earlier, 21 days after close of the Offer, in accordance with the terms of its Offer
- Cannon option holders are required to exercise their Cannon options and accept their Cannon shares into the Offer to receive the cash Offer consideration

Cannon Resources Limited (**ASX: CNR**) (**Cannon**) refers to Kedalion Nickel Pty Ltd's (**Kedalion**) recommended conditional off-market takeover offer (**Offer**) for all the fully paid ordinary shares on issue in Cannon.

As at 9am (AEDT) on 21 November 2022, Kedalion had a relevant interest in 33.24% of Cannon shares on issue, which includes acceptances from all of Cannon's Board of Directors as well as Cannon's largest shareholder, Ponderosa Investments WA Pty Ltd which held approximately 15% of Cannon's shares on issue.

Offer now unconditional

Cannon is pleased to announce that Kedalion has declared its Offer free from all of the conditions in section 11.7 of Kedalion's Bidder's Statement dated 4 November 2022 (**Bidder's Statement**). Accordingly, the Offer is now unconditional.

In conjunction with this announcement, Kedalion has released a formal notice under section 650F of the Corporations Act 2001 (Cth) (**Corporations Act**) freeing the Offer of the defeating conditions.

Cannon shareholders will receive their cash consideration within one month of today (for those who have already accepted) or one month from their acceptance (for those who now accept before the Offer closes).

Cannon shareholders encouraged to accept the offer

The Cannon Board of Directors urges all Cannon shareholders who have not yet accepted the Offer to **ACCEPT WITHOUT DELAY** before the Offer closes, so that they can receive the cash consideration under the Offer.

The Cannon Board of Directors continues to unanimously recommend that shareholders accept the Offer, in the absence of a superior proposal and confirm that they have not received any approaches from any other party about an alternative bid for Cannon.

The Offer is currently scheduled to close at 7.00pm (Perth time) on 21 December 2022 (unless further extended).

To accept the Offer prior to the Offer closing date, you can accept online by following the steps on how to accept the Offer outlined below.

If you have an existing Automic Investor account, visit:

<https://investor.automic.com.au/#/home> and log in using your username and password.

If you do not have an existing Automic Investor account, visit:

<https://investor.automic.com.au/#/signup>, select 'Cannon Resources Limited Takeover Offer' from the Company Name Field and follow the prompts to set up an account.

Once you are logged in to your account, select "Offers" from the left menu bar and follow the prompts to submit your online acceptance of the Offer.

Alternatively, to accept the Offer using a physical acceptance form, complete and sign the Acceptance Form enclosed with the Bidder's Statement in accordance with the instructions on the form and send it to the address set out on the form so it is received before the end of the Offer Period.

If you have any questions about the Offer or how to accept the Offer, please contact the Cannon shareholder information line on 1300 103 390 (from within Australia) or +61 2 8072 1415 (from outside Australia) between 8.30am and 5.00pm (Perth time).

Kedalion's intentions for Cannon

Now that Kedalion has declared its Offer unconditional, Kedalion has requested a nominee to the Cannon Board. The Cannon Board has agreed to the appointment of Ms Andrea Betti as a non-executive director, effectively immediately, as Kedalion's nominee on the Cannon Board. Kedalion will also contemplate the other matters outlined in section 7 of the Bidder's Statement relating to its intentions. In accordance with the bid implementation agreement dated 31 October 2022 between Kedalion and Cannon, when Kedalion acquires a relevant interest in more than 50% of shares in Cannon, it has a right to appoint a majority of members on the board of Cannon. If Kedalion acquires a relevant interest in Cannon of 90% or more, Kedalion intends to proceed with compulsory acquisition of any outstanding Cannon Shares under Part 6A of the Corporations Act.

Cannon option holders

Cannon option holders will be required to exercise their Cannon options and accept their Cannon shares into the Offer prior to the end of the Offer period in order to receive the \$0.45 Offer consideration per Cannon Share. Option holders may exercise their options by completing a notice of exercise form which is available from <https://investor.automic.com.au/#/home> together with payment of the exercise price for their exercised options. Detailed instructions on how to exercise Cannon Options are set out in Cannon's 'Notice to Option Holders' announcement, dated 1 November 2022.

For further information, please contact:

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Disclaimer

FORWARD LOOKING STATEMENTS

This document may include forward looking statements. Forward looking statements include, but are not limited to, statements concerning Cannon Resources Limited, planned exploration program(s) and other statements that are not historical factors. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressed are forward looking statements.