



Cannindah Resources
Limited

CANNINDAH RESOURCES LIMITED

ACN 108 146 694

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

Date of Meeting: Friday 29 November 2019
Time of Meeting: 11:00 am (Brisbane time)
Place of Meeting: Crowne Plaza Hotel, 2807 Gold
Coast Hwy, Surfers Paradise 4217

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of **Cannindah Resources Limited ACN 108 146 694 (Cannindah Resources or Company)** will be held at Crowne Plaza Hotel, 2807 Gold Coast Hwy, Surfers Paradise 4217 on Friday 29 November 2019 commencing at 11:00 am (Brisbane time).

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

1. Resolution 1: Remuneration Report.
2. Resolution 2: Re-election of Mr. Thomas Pickett.
3. Resolution 3: Election of Dr Simon Beams.
4. Resolution 4: Ratify the Issue of Shares under a Previous Placement.
5. Resolution 5: Approval to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A.

Ordinary Business

Audited Financial Statements and Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report in respect of the year ended 30 June 2019 (Audited Financial Statements) which were released to the ASX on 1 October 2019. The Audited Financial Statements may be viewed on the Company's website at www.cannindah.com.au and by selecting the link titled "Audited Financial Statements".

Neither the Corporations Act nor the Company's Constitution requires Shareholders to vote on such reports. However, Shareholders will be given ample opportunity to raise questions about the Reports at the meeting.

1. Resolution 1: Remuneration Report

To consider and, if thought fit, to pass the following advisory resolution as an Ordinary Resolution:

"That for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company be authorised to adopt the Remuneration Report for the year ended 30 June 2019".

Advisory Vote

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2: Re-election of Mr. Thomas Pickett as a Director

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

"That Mr Thomas Pickett, who retires in accordance with and for the purposes of Article 40.1 of the Company's Constitution and Listing Rule 14.5, and being eligible, be re-elected as a Director of the Company from the conclusion of the meeting."

3. Resolution 3: Election of Dr. Simon Beams as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That Dr Simon Beams, who was appointed by the Directors in accordance with Article 38.1 of the Company's Constitution, retires in accordance with Article 38.2 of the Constitution and Listing Rule 14.4, and being eligible, elected as a Director of the Company from the conclusion of the meeting."

4. Resolution 4: Ratify the Issue of Shares under Previous Placement

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

*"That in accordance with the provisions of Listing Rule 7.4, and for all other purposes, the Shareholders ratify the previous issue of 25,450,070 Shares in the Company to the sophisticated investors (**Placement Participants**) as described in the Explanatory Memorandum"*

Voting exclusion statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) any Placement Participant; or
- (b) an Associate of a Placement Participant.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

5. Resolution 5: Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

To consider and, if thought fit, pass the following resolution as a Special Resolution:

*"That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, the Shareholders approve the issue of Equity Securities in a number which is up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of this Annual General Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Memorandum (**10% Securities**)."*

Voting exclusion statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Special Resolution by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an Associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Important Note:

The proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and as such there is no reason to exclude their votes.

By order of the Board

Garry Gill
Company Secretary

21 October 2019

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is provided to Shareholders of Cannindah Resources Limited ACN 108 146 694 (**Cannindah Resources** or **Company**) in connection with the business to be considered at the Annual General Meeting of Shareholders to be held at Crowne Plaza – 2807 Gold Coast Hwy, Surfers Paradise 4217 on Friday 29 November 2019 commencing at 11:00 am (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

ORDINARY BUSINESS

1. Resolution 1 - Remuneration Report

Remuneration Report

The Remuneration Report which details the remuneration of the Company's Directors, Company Secretary and senior executives is set out in the Cannindah Resources Limited 2019 Financial Report, which may be viewed on the Company's website (www.cannindah.com.au).

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory resolution. This resolution shall be determined as if it were an Ordinary Resolution, although under section 250R(3) of the Corporations Act, the vote does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Voting Exclusion Statement

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting on Resolution 1, details of which are set out in the Voting Restriction Statement included in Resolution 1 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1 subject to compliance with the Corporations Act.

Directors' Recommendations

The Board unanimously recommends that Shareholders vote in favour of this Ordinary Resolution. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

2. Resolution 2 – Re-election of Mr Thomas Pickett as a Director

Article 40.1 of the Company's Constitution requires that at each AGM, one-third of the Directors in office for the time being (rounded down) must stand for re-election, with Directors required to retire based upon length of tenure. Where 2 or more Directors have been in office an equal length of time, the Director(s) to retire is determined by agreement between them (or failing that, by lot).

Listing Rule 14.4 however prohibits a Director from holding office past the third Annual General Meeting following their appointment.

Listing Rule 14.5 requires that where an entity has directors an election of directors must be held each year.

Mr Thomas Pickett retires in accordance with the Company's Constitution and Listing Rule 14.5 and being eligible, offers himself for re-election as a Director.

Details of Mr Pickett's qualifications and experience are set out in the Company's Annual Report a copy of which is available on the website at www.cannindah.com.au.

Recommendation

The Directors (with Mr Pickett abstaining) recommend that Shareholders vote in favour of this Ordinary Resolution

3. Resolution 3 - Election of Dr Simon Beams as a Director

Dr Simon Beams was appointed by the Directors in accordance with Article 38.1 of the Company's Constitution on 2 September 2019. Pursuant to Article 38.2 of the Company's Constitution and Listing Rule 14.4, a Director appointed to fill a casual vacancy must not hold office without re-election past the next Annual General Meeting.

Accordingly, Dr Beams retires in accordance with Article 38.2 of the Company's Constitution and Listing Rule 14.4 and being eligible, offers himself for re-election as a Director.

Recommendation

The Directors (with Dr Beams abstaining) recommend that Shareholders vote in favour of this Ordinary Resolution.

4. Resolution 4 – Ratify the Issue of Shares under Previous Placements

Introduction

During the period since the previous Annual General Meeting on 23 November 2018, the Company successfully raised \$345,041 to fund working capital and project expenditure by placing 25,420,070 fully paid ordinary shares (**Previous Shares**) at an average price of \$0.0135 per Previous Share to sophisticated investors (**Placement Participants**) under section 708 of the Corporations Act.

The Previous Shares issued rank equally with the existing Shares on issue and represented 15.14% of the number shares in the Company prior to their issue. The Company issued the Previous Shares under its ASX Listing Rule 7.1 and 7.1A capacity.

4.1 Listing Rules 7.1, 7.1A and 7.4

Under Listing Rule 7.1, a listed company is prohibited from issuing or agreeing to issue Equity Securities without shareholder approval if doing so would result in the number of Equity Securities issued in the preceding 12-month period exceeding 15% of the number of Shares on issue at the beginning of the period:

- plus the Shares issued with Shareholder approval;
- plus the Shares issued under an exception in Listing Rule 7.2;
- plus the partly paid Shares which became fully paid Shares; and
- minus cancelled Shares,
during the 12-month period.

This is referred to as a company's '**15% Placement Capacity**'.

ASX Listing Rule 7.1A provides that, in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity which is eligible and obtains approval under ASX Listing Rule 7.1A may, during the period for which the approval is valid, issue a number of securities which represents up to 10% of the number of ordinary fully paid securities on issue at the commencement of that 12-month period:

- plus the Shares issued with Shareholder approval;
- plus the Shares issued under an exception in Listing Rule 7.2;
- plus the partly paid Shares which became fully paid Shares; and
- minus cancelled Shares,
during the 12-month period.

This is referred to as a company's '**Additional 10% Issue**'.

Under Listing Rule 7.4, an issue of Equity Securities made without specific Shareholder approval under Listing Rule 7.1 (**Previous Issue**) is treated as having been made with approval for the purpose of Listing Rule 7.1 if:

- the Previous Issue did not breach Listing Rule 7.1 when the Equity Securities were issued; and
- the Previous Issue is subsequently approved by Shareholders (**Shareholder Ratification**).

4.2 Shareholder Ratification

The issue of securities made relying on ASX Listing Rules 7.1 and 7.1A can, after their issue, be ratified under ASX Listing Rule 7.4.

By ratifying the issue which is the subject of Resolution 4, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 and the 10% placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval. It would also have the effect of increasing the base figure upon which the Company's 15% placement capacity and the 10% placement capacity are calculated earlier than would otherwise be the case.

For the purposes of ASX Listing Rule 7.4 and 7.5, and for all other purposes, the Company advises:

- A total number of 25,177,891 Previous Shares were issued pursuant to the 15% Placement Capacity and 242,179 Previous Shares were issued pursuant to the 10% Placement Capacity.
- The Previous Shares issued pursuant to the 15% Placement Capacity were issued for an average cash consideration of \$0.0136 per Share. The Previous Shares issued pursuant to the 10% Placement Capacity were issued for a consideration of \$0.012 per Share.
- The Previous Shares were issued on the same terms and rank pari passu with all other existing Shares.
- The Previous Shares were issued and allotted to sophisticated investors under Section 708 of the Corporations Act.
- The funds raised from the issue were applied to working capital and project expenditure.

Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

5. Resolution 5: Approval to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

Introduction

Pursuant to Resolution 5, the Company is seeking shareholder approval to issue an additional 10% of issued capital over a 12-month period pursuant to Listing Rule 7.1A. If passed, this resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**10% Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the 10% Securities are to be issued is agreed, or if the 10% Securities are not issued within 5 trading days of that date, the date on which the 10% Securities are issued) (**10% Securities Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1 A small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at the AGM, are permitted to issue an additional 10% of issued capital over a 12-month period from the date of the annual general meeting (**Additional 10% Issue**). The Additional 10% Issue under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12-month period pursuant to Listing Rule 7.1.

The Company may issue the 10% Securities to raise funds for the Company and for non-cash consideration (further details of which are set out below).

If undertaken, funds raised from the issue of 10% Securities would be applied to progress the objectives of Company including the funding of exploration activities, working capital, acquisitions and the payment of any costs of the issue of the 10% Securities.

5.1 Listing Rule 7.1A

a) General

Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its AGM it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 1 October 2019 the Company's market capitalisation was \$2.9 million based on the Closing Trading Price on 1 October 2019. The calculation of market capitalisation will be based on the Closing Market Price of the Shares, on the last Trading Day on which trades in the Shares were recorded before the date of the AGM, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is not included in the S&P/ASX300 Index as at the time of this AGM, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

The Company is therefore an Eligible Entity and able to undertake an Additional 10% Issue under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholders' approval pursuant to this Resolution 5, the approval obtained will not lapse and the Company will still be entitled to issue the 10% Securities.

Special Resolution

Listing Rule 7.1A requires this Resolution 5 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the resolution. Pursuant to Listing Rule 7.1A, no 10% Securities will be issued until and unless this Special Resolution is passed at the Meeting.

Shareholder approval

The ability of the Company to issue the 10% Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

b) Issue Period – Listing Rule 7.1A.1

Assuming Resolution 5 is passed, Shareholder approval of the Additional 10% Issue under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- i. the date that is 12 months after the date of the AGM; or
- ii. the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

If approval is given for the issue of the Additional 10% Issue then the approval will expire, on 29 November 2020, (unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date, in which case the approval will expire at that earlier time).

c) Calculation for Additional 10% Issue – Listing Rule 7.1A.2

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4. (Note: This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity under Listing Rule 7.1 without Shareholder approval);
- less the number of fully paid ordinary securities cancelled in the 12 months.

D is 10 percent.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

d) Listing Rule 7.1A.3

Equity Securities

Any Equity Securities issued under the Additional 10% Placement must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Meeting, the only class of Equity Securities in the Company quoted on the ASX are 'Ordinary Shares (ORD)'. The Company presently has 193,272,682 Shares on issue as at the date of this Notice of Meeting.

Minimum Issue Price

The issue price for the Placement Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- the date on which the price at which the relevant Placement Securities are to be issued is agreed; or
- if the 10% Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the relevant 10% Securities are issued.

e) Information to be given to ASX – Listing Rule 7.1A.4

If Resolution 5 is passed and the Company issues any 10% Securities under Listing Rule 7.1A, the Company will give to ASX:

- a list of allottees of the 10% Securities and the number of 10% Securities allotted to each (this list will not be released to the market); and
- the following information required by rule 3.10.5A, which will be released to the market on the date of issue:
 - details of the dilution to the existing holders of Equity Securities caused by the issue;
 - where the Equity Securities are issued for cash consideration, a statement of the reasons why the Company issued the Equity Securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;

- details of any underwriting arrangements, including any fees payable to the underwriter; and
- any other fees or costs incurred in connection with the issue.

f) Listing Rule 7.1 and 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 193,272,682 Shares. The Company will have the capacity to issue the following Equity Securities on the date of the Meeting:

- Subject to shareholder approval of Resolution 4 – 28,990,902 Equity Securities under Listing Rule 7.1; and
- Subject to Shareholder approval being obtained under Resolution 5 – 19,327,268 Shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

5.2 Specific Information required by Listing Rule 7.3A

a) Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.1A.3, the 10% Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 Trading Days immediately before:

- the date on which the price at which the Placement Securities are to be issued is agreed; or
- if the 10% Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the 10% Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the 10% Securities.

b) Risk of economic and voting dilution – Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if Resolution 5 is passed and the Company issues the 10% Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 193,272,682 Shares. The Company could issue 19,327,268 Shares on the date of the Meeting (however, it is important to note that the exact number of Equity Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 details of which are set out above). Any issue of 10% Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any 10% Securities than it is on the date of the Meeting; and
- the 10% Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued capital has doubled and the Market Price of the Shares has halved. Table 1 also shows additional scenarios in which the number of issued Shares has increased and the Market Price of the Shares has decreased.

Table 1

Issued Share Capital	50% decrease in Market Price - 0.0075		Current Market Price \$0.015		100% increase in Market Price - \$0.030	
	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised
Present Issued Share Capital = 193,272,682 Shares	19,327,268	\$144,955	19,327,268	\$289,909	19,327,268	\$579,818
50% Increase in Share Capital = 289,909,023 Shares	28,990,902	\$217,432	28,990,902	\$434,864	28,990,902	\$869,727
100% Increase in Share Capital = 386,545,364 Shares	38,654,536	\$289,909	38,654,536	\$579,818	38,654,536	\$1,159,636

Assumptions and explanations

- The Market Price is based on the closing price of the Shares on ASX on 1 October 2019.
- The above table only shows the dilutionary effect based on the issue of the 10% Securities (assuming only shares are issued) and not any Shares issued under the 15% under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate dilution against the issued share capital at the time of issue.
- The Company issues the maximum number of the 10% Securities.
- The Issued Share Capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 1 October 2019 and assuming all resolutions affecting share capital presented to the Annual General Meeting are passed.
- The issue price of the 10% Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

c) Final date for issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the 10% Securities during the 12 months after the date of this Meeting which will end on 29 November 2020. The approval under Resolution 5 for the issue of the 10% Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the AGM.

d) Purpose – Listing Rule 7.3A.4

As noted above, the purpose for which the 10% Securities may be issued include to raise funds for the Company and for non-cash consideration (further details of which are set out below). Any funds raised from the issue of 10% Securities, if undertaken, would be applied to progress the objectives of Company including the funding of exploration activities, working capital, acquisitions and the payment of any costs of the issue of the 10% Securities.

e) Shares Issued for Non-cash consideration – Listing Rule 7.3A.4

The Company may issue 10% Securities for non-cash consideration, such as the acquisition of new assets or investments or the payment of expenses of the Company. If the Company issues 10% Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the 10% Securities complies with Listing Rule 7.1A.3.

f) Company's Allocation Policy – Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the 10% Securities. The identity of the allottees of 10% Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- i. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing Shareholders can participate;
- ii. the effect of the issue of the 10% Securities on the control of the Company;
- iii. the financial situation and solvency of the Company; and
- iv. advice from corporate, financial and broking advisers (if applicable).

The allottees of the 10% Securities have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new Shareholders who are not related parties or Associates of a Related Party of the Company.

Further, if the Company is successful in acquiring new assets or investments for which 10% Securities are issued as consideration, it is likely that the allottees of some of the 10% Securities will be the vendors of the new assets or investments.

g) Details of all equity securities issued where previously obtained shareholder approval under listing rule 7.1A – Listing Rule 7.3A.

The Company obtained Shareholder approval under Listing Rule 7.1A at the previous Annual General Meeting held on 23 November 2018. During the 12-month period preceding the Meeting, the Company issued 25,177,891 Previous Shares pursuant to Listing Rule 7.1 and 242,179 Previous Shares pursuant to Listing Rule 7.1A.

As the Company previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6 regarding the total number of equity securities (quoted and unquoted) issued in the past 12 months preceding the date of the Meeting (that is, since 23 November 2018):

	Shares issued pursuant to LR 7.1	Shares issued pursuant to LR 7.1A	Total Equity Securities Issued
Number of equity securities on issue at commencement of 12-month period			167,852,612
Equity securities issued in prior 12-month period	25,177,891	242,179	25,420,070
Percentage previous issues represent of total number of equity securities on issue at commencement of 12-month period	15.00%	0.14%	15.14%

Specific details that are required to be provided for each issue of equity securities in the prior 12-month period are as follows:

Terms / Type of Security	Fully Paid Ordinary Shares		
Details of Issue	Placements		
Issue Date	14/03/2019	2/09/2019	12/09/2019
Number Issued	13,333,334	9,166,668	2,920,068
Name of recipient or basis on which recipient determined	Sophisticated and professional investors		
Issue price of Equity Securities	0.015	0.012	0.012
Discount to market price on the trading day prior to issue	Nil	20%	20%
If issued for cash – the total consideration,	200,000	150,000	35,041
If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds. If issued for non-cash consideration – a description of the consideration and the current value of the consideration.	Proceeds from the issues were spent or to be spent on working capital, the Piccadilly Project and for other project expenses		

Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting, the proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Recommendation

The Directors of the Company unanimously recommend that Shareholders vote in favour of this Special Resolution.

6. Information for Shareholders

Voting Intention of the Chair for all Resolutions

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Eligibility to vote - Record Date

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before the Meeting, at which time a 'snap shot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting. The Directors have determined such time will be 7:00pm Sydney time on Wednesday 27 November 2019 (**Record Date**).

Voting Instructions

Registered holders of the ordinary shares of the Company on the Record Date will be entitled either to attend the Meeting in person to vote the securities held by them or, provided a completed and executed Proxy Form has been delivered to the Company as indicated below, vote their securities by proxy.

Proxy Forms for the Meeting are enclosed with this Notice of Meeting. These Proxy Forms provide further details on appointing a Proxy. Proxy Forms (and the original or a certified copy of the power of attorney if the Proxy Form is signed by an attorney) must be received by the Company, by no later than 11:00 am (AEST) on Wednesday 27 November 2019, in accordance with the lodgement instructions detailed on the applicable Proxy Form.

Any Proxy Form received after the relevant time noted above will not be valid for the Meeting.

Proxy Votes

A member entitled to attend and vote at the meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate. If entitled to cast two or more votes, the member may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. If the proportion is not specified, each proxy may exercise half of the member's voting rights. Fractional votes will be disregarded. Please read carefully the instructions on the Proxy Form and consider how you wish to direct the proxy to vote on your behalf. You may direct the proxy to vote "for", "against" or "abstain" from voting on each resolution or you may leave the decision to the appointed proxy after discussion at the meeting.

A proxy need not be a member of the Company.

The Proxy Form must be signed by the member or the member's attorney. Proxies given by corporations must be signed in accordance with the corporation's constituent documents, or as authorised by the Corporations Act.

To be valid, the Proxy Form must be lodged at least 48 hours before the time for holding the meeting by one of the following methods:

- (a) in person or by mail to the share registry:

Share Registry:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Level 12, 225 George St Sydney NSW 2000

- (b) by facsimile +61 2 9290 9655
- (c) by online <https://www.votingonline.com.au/caeagm2019>

If the Proxy Form is executed under a power of attorney that has not been noted by the Company, the power of attorney must accompany the Proxy Form

In the case of joint shareholders, the names of all joint shareholders should be shown and all joint shareholders should sign the Proxy Form.

7. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

AGM means annual general meeting;

ASIC means Australian Securities and Investments Commission;

ASX means the ASX Limited;

Associate:

- a) where the reference is used in the context of the Listing Rules, has the meaning given by Chapter 19 of the Listing Rules; and
- b) otherwise, has the meaning given by section 9 of the Corporations Act.

Business Day means a day on which all banks are open for business generally in Brisbane;

Chair means the person chairing the Meeting;

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- a) a spouse or child of the member; or
- b) a child of the member's spouse; or
- c) a dependant of the member or the member's spouse; or
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- e) a company the member controls; or
- f) a person prescribed by the regulations for the purposes of the definition of closely related party;

Closing Market Price has the meaning given in the Listing Rules.

Company or **Cannindah Resources** means Cannindah Resources Limited ACN 108 146 694 (ASX:CAE);

Constitution means the constitution of the Company from time to time;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors mean the board of Directors of the Company as at the date of the Notice of Meeting and from time to time;

Eligible Entity has the meaning given to that term in the Listing Rules;

Equity Securities has the meaning given to that term in the Listing Rules;

Explanatory Memorandum means the explanatory statement accompanying this Notice;

Financial Benefit has the meaning given to that term in section 229 of the Corporations Act;

Key Management Personnel or **KMP** has the definition given in the Accounting Standard AASB 124 *Related Party Disclosure* as 'those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity';

Listing Rules means the official listing rules of the ASX as amended from time to time;

Market Price has the meaning given to that term in the Listing Rules;

Meeting means the Annual General Meeting to be held on 29 November 2019 as convened by the accompanying Notice of Meeting;

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

Options means options to acquire Shares;

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

Placement Participants has the meaning given in the Explanatory Memorandum in respect of Resolution 4;

Related Party has the meaning given in section 228 of the Corporations Act;

Relevant Interest has the meaning given to that term in the Corporations Act;

Remuneration Report means the section of the Directors' Report in the 2019 Financial Report dealing with the remuneration of the Company's Directors, Company Secretary and senior executives described as 'Remuneration Report'.

Resolutions means the resolutions set out in the Notice of Meeting;

Securities has the meaning given to that term in the Listing Rules;

Shares means fully paid ordinary shares in the Company from time to time;

Shareholder means a shareholder of the Company;

Special Resolution means a resolution:

- a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Trading Day has the meaning given to that term in the Listing Rules;

Voting Power has the meaning given to that term in the Corporations Act.