

15 December 2022

KEDALION NICKEL'S UNCONDITIONAL CASH TAKEOVER OFFER TO CLOSE ON 21 DECEMBER

Overview

- Kedalion has a relevant interest in over 72% of the Cannon shares on issue and has assumed control of the company
- The Offer will close at 7.00pm (Perth time) on 21 December 2022, unless extended
- Cannon shareholders are urged to **ACCEPT** the Offer before the Offer closes to avoid the significant risks associated with remaining a minority Cannon shareholder

On 31 October 2022, Kedalion Nickel Pty Ltd ("**Kedalion**") announced a conditional off-market takeover offer for all the shares in Cannon Resources Limited ("**Cannon**") for the proposed consideration of \$0.45 cash per Cannon share ("**Offer**").

OFFER UPDATE

The Offer was declared unconditional on 21 November 2022, as at 14 December 2022, Kedalion has a relevant interest in 72.4% of the shares on issue and **Kedalion has assumed control of the company** by appointing a majority of the Cannon Board.

Acceptances have been received from all of Cannon's Board of Directors as well as major Cannon shareholders including Ponderosa Investments WA Pty Ltd, Rox Resources Limited and Hawkes Point (RR) L.P.

DIRECTOR RECOMMENDATION

Cannon's independent Directors recommend all remaining Cannon shareholders accept the Offer, in the absence of a superior proposal, to receive your cash consideration and to avoid the risks of becoming a minority shareholder should you not accept the Offer before the Offer closes. In addition, **the Directors confirm that no alternative bid for Cannon has emerged.**

The Offer will close at 7.00pm (Perth time) on 21 December 2022, unless extended.

RISK OF NOT ACCEPTING

It is important to emphasise that Kedalion now has a relevant interest in 72.4% of the Cannon shares on issue and controls the company. **Cannon shareholders who accept now avoid the significant risks associated with remaining a minority Cannon shareholder.** These risks are outlined in Section 5 of the Target's Statement dated 10 November 2022 and include:

- a) Kedalion may wish to procure that Cannon is removed from the official list of ASX (if it becomes entitled to do so) and should this occur, and you remain a shareholder, you will be a minority shareholder in a delisted company with limited exit options; and
- b) Kedalion's development of Cannon's assets will require significant capital and if Kedalion chooses to finance this development by raising equity, minority shareholders may face significant dilution.

All Cannon shareholders are encouraged to read each of the Bidder's Statement and the Target's Statement in detail – these are available on Cannon's website, or you can request a physical copy by calling the information line noted below.

HOW TO ACCEPT

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 in time for it to be received before the end of the Offer Period.

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 in time for it to be 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 Offer Information Line on 1300 101 594 (from within Australia) or +61 2 8072 1412 (from outside Australia) between 8.30am and 5.00pm (Perth time).

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.

This announcement has been approved for release by the Board of Cannon Resources Limited.

For further information, please contact:

Offer Information Line

T: 1300 101 594 (from within Australia)

T: +61 2 8072 1412 (from outside Australia)