



[name of Cannon Shareholder / Optionholder]  
[address of Cannon Shareholder / Optionholder]

25 January 2023

Dear Cannon Shareholder / Optionholder

### **Compulsory acquisition of shares in Cannon Resources Limited**

On 4 November 2022, Kedalion Nickel Pty Ltd ACN 663 451 170 (**Kedalion**) made an off-market takeover offer for all the ordinary shares in Cannon Resources Limited ACN 646 149 902 (**Cannon**), the terms of which were set out in Kedalion's bidder's statement dated 4 November 2022, as supplemented on 6 December 2022 (**Bidder's Statement**) (**Offer**). The Offer closed on 23 January 2023.

Capitalised terms used and not otherwise defined have the same meaning as in the Bidder's Statement.

Kedalion holds a relevant interest in over 90% of Cannon Shares on issue and has acquired at least 75% of the Cannon Shares that it offered to acquire under the Offer. Accordingly, Kedalion has decided to exercise its right to compulsory acquisition under Part 6A.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Post-Bid Compulsory Acquisition**), and proposes to acquire each remaining Cannon Share for the Offer Price of \$0.45 per Cannon Share, subject to the terms of the Offer.

**If you have already accepted the Offer, you can disregard this letter.**

If you have not already accepted the Offer, you should be aware that, in accordance with ASX Listing Rule 17.4, trading in Cannon Shares on ASX is likely to be suspended on 2 February 2023.

An ASIC Form 6021 (Notice of compulsory acquisition following takeover bid) (**Notice**) is enclosed which Kedalion is required to give you under section 661B(1)(c) the Corporations Act to exercise its right to undertake Post-Bid Compulsory Acquisition. This Notice was lodged with ASIC on 25 January 2023. The Notice sets out certain rights available to you under the Corporations Act. The Post-Bid Compulsory Acquisition process is likely to take four to six weeks but may take longer.

### **Cannon Shareholders**

If your Cannon Shares are acquired pursuant to Post-Bid Compulsory Acquisition, you will receive the Offer Price of \$0.45 in cash per Cannon Share, subject to the terms of the Offer. The Offer Price will be paid to Cannon as your trustee upon completion of Post-Bid Compulsory Acquisition. You will then be entitled to claim the Offer Price for your Cannon Shares from Cannon.

You do not need to sign or return the Notice. On completion of the Post-Bid Compulsory Acquisition Process, Kedalion will pay to Cannon the consideration for the Cannon Shares it compulsorily acquires. Cannon Shareholders whose Cannon Shares are compulsorily acquired will be sent a claim form by Cannon advising them how to claim the Offer Price.

### **Cannon Optionholders**

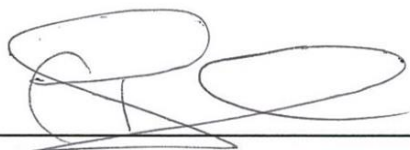
If you still hold a Cannon Option and exercise it so you hold a Cannon Share before 8 March 2023 it will be acquired under Post-Bid Compulsory Acquisition. If you do not exercise your Cannon Option to become a Cannon Shareholder before this date, Kedalion intends to proceed with compulsory acquisition of all remaining

Cannon Options and resulting Cannon Shares arising from their exercise, under Part 6A.2 of the Corporations Act 2001 (**General Compulsory Acquisition**). Kedalion has a six month window to undertake General Compulsory Acquisition from when it first became eligible to do so. Payment under this process may therefore be delayed by some months compared to payment to Cannon Optionholders who exercise their Cannon Options and have their resulting shares acquired under Post-Bid Compulsory Acquisition. See section 7.5 of Kedalion's Bidder's Statement for further information on General Compulsory Acquisition.

If you wish to exercise your Cannon Options now, you may do so by completing a notice of exercise form which is available from <https://investor.automic.com.au/#/home>, and submitting this with payment of the exercise price for the 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.

If you are in any doubt as to how to deal with this letter, you should consult with your financial or other professional advisor.

For and on behalf of Kedalion Nickel Pty Ltd



**Cheryl Brandon**  
Director



**Kamal Toor**  
Director

# Cover page: Notice of compulsory acquisition following takeover bid

If there is insufficient space in any section of the form, you may attach an annexure and submit as part of this lodgement

## Lodgement details

### Who should ASIC contact if there is a query about this form?

Name

ALLEN & OVERY

ASIC registered agent number (if applicable)

29607

Company/entity name

ALLEN AND OVERY (AUSTRALIA) PTY LTD

ACN/ABN/ARBN/ARSN

141 736 503

Telephone number

+61 2 9373 7568

Postal address

25/85 CASTLEREAGH STREET

SYDNEY NSW 2000

Email address (optional)

## How to complete this form

1. Complete this COVER page and the notice pages.
2. Send copies of notice pages to holders. **DO NOT INCLUDE THIS COVER PAGE or GUIDE.**
3. Lodge COVER page and notice pages with ASIC.

## Lodgement

Send completed and signed form to:  
Australian Securities and Investments Commission,  
PO Box 9827 in your capital city.

Or lodge the form in person at an ASIC Service Centre  
(see [www.asic.gov.au/servicecentres](http://www.asic.gov.au/servicecentres))

### For more information

Web [www.asic.gov.au](http://www.asic.gov.au)  
Need help? [www.asic.gov.au/question](http://www.asic.gov.au/question)  
Telephone 1300 300 630

# Notice of compulsory acquisition following takeover bid

## Notice

Description of class of securities to which the bid relates

Name of target company or body

Tick applicable box(es)

Name of bidder

Tick one box

Date offers closed or are scheduled to close

Tick applicable box(es).  
(See subsection 661A(4) and (4A))

Description of securities

Description of securities

Tick one box

## To each holder of:

F/P ORD Shares

('Bid Class Securities')

in

Name ('the Company')

CANNON RESOURCES LIMITED

ACN/ARBN/ARSN

646 149 902

- ☒ and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.
- ☐ and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

### 1. Under a takeover bid offers were made by

KEDALION NICKEL PTY LTD

in respect of the acquisition of Bid Class Securities in the company.

The offers

- ☒ closed
- ☐ are scheduled to close

on

Date

2 3 / 0 1 / 2 3  
[D] [D] [M] [M] [Y] [Y]

### 2. You are, as at the date of this notice, the holder of one or more of the following

- ☒ securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)
- ☐ securities to which the bid related issued after the end of the offer period and before the date of this notice
- ☒ securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related
- ☐ securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being

☐ the following securities in the bid class in which the bidder has a relevant interest

### 3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

- ☒ 661A(1)
- ☐ 661A(3)

of the Act to compulsorily acquire your securities and desires to acquire those securities.

## Continued... Notice

Date of lodgement

- 4 Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

This notice was lodged with ASIC on

Date

2	5	0	1	2	3
[D]	[D]	[M]	[M]	[Y]	[Y]

Insert paragraph 4A only where alternative forms of consideration were offered under the bid.

- 4A. You are entitled, within one month after being given this notice (see paragraph 8), or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, by notice in writing to the bidder, to elect which of the following forms of consideration will apply to the acquisition of your securities:


If you do not elect which of the alternative forms of consideration will apply to the acquisition of your securities, the form of consideration that will apply will be:


Details of alternative terms.

Set out the terms that will apply

5. Under section 661E of the Act, you have the right, within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is later, to apply to the Court for an order that the securities not be compulsorily acquired.
6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before
7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.
8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Tick one box

☐

this notice was given.

☒

the end of the offer period.

Signature

Name of person signing

ANDREA SIMONE BETTI

Capacity

DIRECTOR

Signature



Date signed

2	5	0	1	2	3
[D]	[D]	[M]	[M]	[Y]	[Y]