



Cannindah Resources
Limited

CANNINDAH RESOURCES LIMITED

ACN 108 146 694

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

Date of Meeting: Thursday 9 November 2023
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 the Crowne Plaza Hotel, 2807 Gold Coast Hwy, Surfers Paradise 4217 on Thursday 9 November 2023 commencing at 11:00 am (Brisbane time).

AGENDA

BUSINESS

Financial Statements and Reports

1. Resolution 1: Remuneration Report.
2. Resolution 2: Re-election of Mr Thomas Pickett.
3. Resolutions 3- 4: Ratify the Issue of Shares under Previous Placements
4. Resolution 5: Approval to issue an additional 10% placement capacity pursuant to Listing Rule 7.1A

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 2023 (Audited Financial Statements) which were released to the ASX on 29 September 2023. 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 2023".

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 14.4, and being eligible, be re-elected as a Director of the Company from the conclusion of the meeting."

3. Resolutions 3 – 4: Ratify the Issue of Shares under Previous Placements

Resolution 3: Ratify the Issue of Shares under Previous Placement February 2023

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 thirteen million seven hundred and fifty thousand (13,750,000) Shares in the Company (**February Previous Shares**) to the February 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 this Resolution by:

- (a) A February Placement Participant.
- (b) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (c) an Associate of that or those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4: Ratify the Issue of Shares under Previous Placement September 2023

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 six million five hundred thousand (6,500,000) Shares in the Company (**September Previous Shares**) to the September 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 this Resolution by:

- (a) a September Placement Participant;
- (b) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (c) an Associate of that or those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4 Resolution 5: Approval to issue an additional 10% placement capacity 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 totalling up to 10% of the fully paid ordinary issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 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 those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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
9 October 2023

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 the Crowne Plaza Hotel, 2807 Gold Coast Hwy, Surfers Paradise 4217 on Thursday 9 November 2023 commencing at 11am (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 2023 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.

Mr Thomas Pickett

Mr Pickett holds a Bachelor of Law and was admitted as a solicitor of the Supreme Court of Queensland in 1996. Mr Pickett has broad experience in the mining industry and has held a number of corporate roles in the mining and finance industries. Mr Pickett was appointed to the Board of Cannindah on 15 May 2013.

Mr Pickett was appointed as a Non-Executive Director of Austin Metals Limited (ASX: AYT) (previously Silver City Minerals Limited ASX: SYC) in 2019 and has previously held roles as Chairman of Dynasty Resources Limited and as a Non-Executive Director of Discovery Resources Limited (ASX: DIS), Red Gum Resources Limited (ASX: RGX) and CuDeco Ltd (ASX: CDU). He was a director of Piccadilly Gold Mine Holdings Limited

(now a 100% owned subsidiary of Cannindah Resources Limited) and Diversified Mining Pty Ltd, a privately held exploration entity, resigning from both in 2015. Mr Pickett is currently a non-executive director of Aquis Entertainment Limited which is currently completing a compulsory acquisition process with its major shareholder.

The Board does not consider Mr Pickett to be independent.

Recommendation

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

3 Resolutions 3 – 4 Ratify the Issue of Shares under Previous Placements

Introduction

During the period since the previous Annual General Meeting the company successfully raised \$3,400,000 through the placement of 20,250,000 Shares to sophisticated investors (**Placement Participants** which were issued pursuant to Listing Rule 7.1 (together the **Previous Shares**). The Previous Shares were issued in two tranches, the February Previous Shares (Resolution 3) and September Previous Shares (Resolution 4). The purpose of the issues was to raise funds to progress drilling and exploration activities at the Company's projects, for working capital purposes and to meet the costs of the issue. The Previous Shares issued ranked equally with the existing Shares on issue and represented 3.7% of the number of shares in the Company prior to their issue.

In accordance with Listing Rule 7.1 and 7.4, to restore the Company's capacity to issue Shares it is proposed that Shareholders ratify the issue of Shares as detailed below. If Shareholders do not approve to ratify the issue of Shares, the Company's capacity under Listing Rule 7.1 will not be restored.

Listing Rule 7.1 and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any Equity Securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the fully paid ordinary securities the company had on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of Securities made pursuant to ASX Listing Rule 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rule 7.1 and 7.1A) those Securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1 and 7.1A.

The following information is provided in accordance with Listing Rule 7.5:

		Shares issued on 20 / 24 February 2023 (Resolution 3)	Shares issued on 22 September 2023 (Resolution 4)
7.5.1	Name of persons to whom the Securities were issued^{##}	The February Placement Participants comprising sophisticated or otherwise exempt investors under the Corporations Act.	The September Placement Participants comprising Sophisticated or otherwise exempt investors under the Corporations Act
7.5.2	Number and class of Securities allotted	13,750,000 Shares	6,500,000 Shares
7.5.3	Terms of the Securities.	Ranking equally with all other Shares on issue	Ranking equally with all other Shares on issue
7.5.4	Date on which the securities were issued	24 February 2023	22 September 2023

		Shares issued on 20 / 24 February 2023 (Resolution 3)	Shares issued on 22 September 2023 (Resolution 4)
7.5.5	Price at which the Securities were issued	\$0.20 per Share	\$0.10 per Share
7.5.6	Use of the funds:	(i) to progress exploration activities at the Mt Cannindah; (ii) cost of the issue (iii) working capital.	(i) continuing the exploration program at Mt Cannindah; (ii) costs of the issue; (iii) working capital.
7.5.7	If the securities were issued under an agreement, summary of the material terms	N/A	N/A
7.5.8	Voting exclusion statement	A voting exclusion statement is included in the Notice of Meeting for Resolution 3.	A voting exclusion statement is included in the Notice of Meeting for Resolution 4.

As required by para 7.4 of ASX Guidance Note 21, the Company confirms that no recipients of the shares were:

- related parties to the entity;
- members of the entity's KMP;
- substantial shareholders;
- advisers to the entity; or
- an associate of any of the above.

Recommendation

The Board recommends that Shareholders vote in favour of these Ordinary Resolutions.

4. Resolution 5: Approval to issue an additional 10% placement capacity pursuant to Listing Rule 7.1A

Introduction

Pursuant to Resolution 5, the Company is seeking shareholder approval to issue an additional 10% placement capacity 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 securities in the relevant quoted 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 10 Trading Days of that date, the date on which the 10% Securities are issued) (**10% Securities Issue Price**). If this Resolution 5 is not passed by Shareholders, this may impact the Company's ability to allot and issue new Equity Securities.

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A 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% placement capacity 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 of the Company 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 (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.

Listing Rule 7.1A

a) General

i. 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 25 September 2023 the Company's market capitalisation was \$68.2 million based on the Closing Trading Price on 25 September 2023. 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.

ii. 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.

iii. 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.
- ii. the time and date of the next AGM; and
- iii. 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),

or such longer period if allowed by ASX.

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 period of the mandate, 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:

- i. plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than Exception 9, 16 or 17
- ii. plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 Exception 9 where:
 - i. the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - ii. the issue of, or agreement to issue, the convertible securities was approved, or taken by these rules to have been approved, under Listing Rules 7.1 or 7.4.
- iii. plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2, Exception 16 where:
 - i. the agreement was entered into before the commencement of the relevant period; or
 - ii. the agreement or issue was approved, or taken under these rules to have been approved under Listing Rule 7.1 or 7.4;
- iv. plus the number of fully paid ordinary securities issued in the relevant period with approval under Listing Rules 7.1 or 7.4;
- v. plus the number of partly paid ordinary securities that became fully paid in the relevant period;
- vi. less the number of fully paid ordinary securities cancelled in the relevant period;

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 relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities Listing Rule 7.4.

d) Listing Rule 7.1A.3

i. 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 568,479,353 Shares on issue as at the date of this Notice of Meeting.

ii. 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 on which trades in that class were recorded immediately before:

(A) the date on which the price at which the relevant Placement Securities are to be issued is agreed; or

(B) if the 10% Securities are not issued within 10 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 must:

- i. State in its announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A; and
- ii. Give to the ASX immediately after the issue a list of names of the persons to whom the entity issued the equity securities and the number of equity securities issued to each. This list is not for release to market.

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 568,479,353 Shares. The Company will have the capacity to issue the following Equity Securities on the date of the Meeting:

- i. Subject to shareholder approval of Resolutions 3, and 4 inclusive – 85,271,992 Equity Securities under Listing Rule 7.1; and
- ii. subject to Shareholder approval being obtained under Resolutions 3 and 4 inclusive – 56,847,995 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).

Specific Information required by Listing Rule 7.3A

The following information is provided to Shareholders for the purposes of Listing Rule 7.3A.

a) Period for which the approval will be valid – Listing Rule 7.3A.1

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- the date which is 12 months after the date of the annual general meeting at which the approval is obtained.
- the time and date of the entity's next annual general meeting; and
- the time and date on which Shareholders approve 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).

b) Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.2

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 on which trades in that class were recorded immediately before:

- i. the date on which the price at which the Placement Securities are to be issued is agreed; or
- ii. if the 10% Securities are not issued within 10 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.

c) Purpose for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used – Listing Rule 7.3A.3

As noted above, any equity securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period. However, if Shareholders approve this Resolution and the Company did raise funds from the issue of equity securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for the following purposes:

- (a) raising funds to further the Company's business including progressing and accelerating the exploration work being conducted at the Piccadilly and Mt Cannindah projects;
- (b) general exploration and working capital; and
- (c) paying service providers or consultants of the Company.

d) Risk of economic and voting dilution – Listing Rule 7.3A.4

As provided by Listing Rule 7.3A.4, 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 568,479,953 Shares. The Company could issue 56,847,995 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:

- iii. 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
- iv. 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.4 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 – Potential Economic and Voting Dilution Effect

Issued Share Capital	50% decrease in Market Price \$0.0600		Current Market Price \$0.120		100% increase in Market Price \$0.240	
	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised
Present Issued Share Capital = 568,479,953 Shares	56,847,995	\$3,410,876	56,847,995	\$6,821,752	56,847,995	\$13,643,504
50% Increase in Share Capital = 852,719,030 Shares	85,271,903	\$5,116,314	85,271,903	\$10,232,628	85,271,903	\$20,465,256
100% Increase in Share Capital = 1,136,958,706 Shares	113,695,871	\$6,821,752	113,695,871	\$13,643,504	113,695,871	\$27,287,008

Assumptions and explanations

- The Market Price is based on the closing price of the Shares on ASX on 25 September 2023.

- 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% placement capacity 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 25 September 2023 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).

e) 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.

f) Details of all equity securities issued where previously obtained shareholder approval under listing rule 7.1A – Listing Rule 7.3A.6

The Company obtained Shareholder approval under Listing Rule 7.1A at the previous Annual General Meeting held on 10 November 2022. During the 12-month period preceding the Meeting, the Company issued no Previous Shares pursuant to Listing Rule 7.1A.

g) Voting Exclusion Statement – Listing Rule 7.3A.7

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.

5. 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 ‘snapshot’ 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 Tuesday 7 November 2023 (**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 Tuesday 7 November 2023, 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 8, 210 George Street, Sydney NSW 2000

- b) by facsimile +61 2 9290 9655
- c) online <https://www.votingonline.com.au/caeagm2023>

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.

9 Interpretation

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

AGM means annual general meeting.

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.

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;

February Previous Placement means the issue of the February Previous Shares to the February Placement Participants

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 Thursday 9 November 2023 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;

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 Resolutions 3 and 4;

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

Remuneration Report means the section of the Directors' Report in the 2023 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;

September Previous Placement means the issue of the September Previous Shares to the September Placement Participants.

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;

VWAP means the average of the daily volume weighted average price of all sales of shares recorded on ASX during the relevant pricing period, not including:

- a) any transaction classified under the ASX Settlement Rules as a "Special Crossing".
- b) crossings prior to the commencement of normal trading or during the closing phase and after hours adjust phase.
- c) any overseas trades or trades pursuant to the exercise of options over shares; or
- d) any overnight crossings.