

Sabre Resource Expansion Continues

Cannon Resources (CNR) has upgraded its total mineral resource (JORC) to 143.4 Kt of Ni from 125.6 Kt. The 17.8 Kt upgrade is entirely from the Sabre prospect at Fisher East, representing a 72% increase from 24.5 Kt to 42.3 Kt of contained nickel at an average grade of 1.5%. It follows the maiden resource delivered at Sabre in April 2022. The resource update incorporates all diamond drill holes completed by CNR at Sabre from March to June 2022, including the high-grade massive sulphide zone along the northern channel margin. Highlights included MFED117, which showed up to 3.7m of massive sulphide mineralisation grading 6.0% Ni.

Industry leading rate of discovery at lowest cost

Both the resource upgrade and the deep mineralisation at Sabre provide further strong indication of the prospect's large scale and quality. At the same time, the recent drilling success achieved at Sabre on top of the discoveries at Musket, are testament to CNR's strong understanding of the Fisher East project and successful progress in defining further nickel sulphide mineralisation. The company has now increased the resource size by 64% (or 56.1 Kt of Ni) at a discovery cost of \$104 per tonne Ni since commencing the drill programs post IPO in August 2021, which are industry leading metrics. At the current rate of discovery, CNR would meet our longer-term resource size target of 200 Kt in another 12 months.

More resource growth likely at Sabre and Musket

With the resource update from Sabre, the Fisher East project (which includes Sabre, Musket, Camelwood and Cannonball and is the primary focus area for CNR's exploration activities) now contains 134.1 Kt of Ni at an average grade of 1.8%. It follows the recent announcement late in July that drill hole MFED122, which was 520m further down plunge from the previously maximum drill depth of 300m, contained mineralisation. With significant scope to target further infill drilling at both Sabre (below 300m in depth as well as along the southern channel margin) and Musket, there is increasing likelihood of additional upgrades in the near future. Further downhole EM drilling in September is expected to generate more high-grade extension targets for the latter part of the year.

Valuation: resource and peer multiple increases

Our valuation for CNR is now \$1.13 per share fully diluted (up from \$0.91 previously), based on an EV/resource multiple calculated from similar trading peers and previous transactions. The increase in valuation is driven equally by both an increase in CNR's resource size and an increase in the trading peer multiple. We assume a capital injection in 1H FY23. Risks include drilling outcomes, capex funding to continue drilling, and cost inflation. Further detail on CNR and the valuation is available in our initiation report published last month and accessible here <https://www.mstaccess.com.au>.



The primary assets of Cannon Resources Limited (CNR) are a 100% interest in the flagship Fisher East Nickel Project and the Collurabbie Nickel Project. Both are located approximately 430km north of Kalgoorlie in Western Australia. The projects represent tier-one exploration and development opportunities, with initial focus on expanding the asset base.

<https://cannonres.com.au/>

Stock	ASX: CNR
Price	A\$0.32
Market cap	A\$27m
Valuation (per share)	\$1.13 (prev \$0.91)
MST Access Live	

[Video link: interview with Stephen Lynn, CEO](#)
(16 August 2022)

Next steps

1H FY23: Further exploration results – Sabre and Musket

CNR share price (A\$) – 1 year



Source: FactSet.

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Exhibit 1 – CNR company summary, year-end 30 June

Cannon Resources Limited					CNR.AX
Year end 30 June					
MARKET DATA 12 April 2022					
Price	\$	0.32			
52 week high / low	\$	0.66-0.23			
Valuation (diluted)	\$	1.13			
Market Capitalisation	\$m	26.9			
Enterprise Value	\$m	24.3			
Shares on issue (basic)	m	85.5			
Options / Performance shares	m	16.3			
Other equity (assumed issue FY2023)	m	24.6			
Potential shares on issue (diluted)	m	126.3			
12 month Relative Performance versus S&P/ASX300 Metals and Mining					
INVESTMENT FUNDAMENTALS					
Reported NPAT	\$m	(3.52)	(3.57)	(3.63)	(3.68)
Underlying NPAT	\$m	(3.52)	(3.57)	(3.63)	(3.68)
EPS Reported (undiluted)	¢	(4.12)	(4.18)	(4.25)	(4.31)
EPS Underlying (undiluted)	¢	(4.12)	(4.18)	(4.25)	(4.31)
Underlying EPS growth	%	n/m	-2%	-1%	1%
P/E Reported (undiluted)	x	n/m	n/m	n/m	n/m
P/E Underlying (undiluted)	x	n/m	n/m	n/m	n/m
Operating cash flow / share	¢	(3.31)	(4.18)	(4.24)	(4.31)
Price to operating cash flow	x	n/m	n/m	n/m	n/m
Free cash flow	\$m	(2.84)	(3.58)	(3.63)	(3.68)
Free cash flow per share	¢	(3.32)	(4.18)	(4.25)	(4.31)
Price to free cash flow	x	n/m	n/m	n/m	n/m
Free cash flow yield	%	-10.5%	-13.3%	-13.5%	-13.7%
Book value / share	¢	16.82	12.64	17.29	12.98
Price to book (NAV)	x	1.87	2.49	1.82	2.43
NTA / share	¢	16.82	12.64	17.29	12.98
Price to NTA	x	1.87	2.49	1.82	2.43
Year end shares	m	85	85	110	0
Market cap (Spot)	\$m	26.9	26.9	26.9	26.9
Net debt / (cash)	\$m	-6.15	-2.58	-6.55	-2.86
Enterprise value	\$m	20.8	24.3	20.4	24.1
EV/Sales	x	n/m	n/m	n/m	n/m
EV/EBITDA	x	n/m	n/m	n/m	n/m
EV/EBIT	x	n/m	n/m	n/m	n/m
Net debt / EV	x	-0.25	-0.11	-0.27	-0.12
Gearing (net debt / EBITDA)	x	n/m	n/m	n/m	n/m
PRODUCTION AND PRICING					
Nickel Production tonnes					
Fisher East/Collurabie	-	-	-	-	
AUD/USD	-	-	0.75	0.75	
Price					
Nickel US\$/lb	-	-	11.00	11.00	
Resources (Kt Ni) by Asset					
PROFIT AND LOSS \$Am					
Sales		-	-	-	-
COGS		-	-	-	-
Gross profit		-	-	-	-
Other income		-	-	-	-
Other operating costs		(3.5)	(3.6)	(3.6)	(3.7)
EBITDA		(3.5)	(3.6)	(3.6)	(3.7)
Depreciation & amortisation		(0.0)	(0.0)	(0.0)	(0.0)
EBIT		(3.5)	(3.6)	(3.6)	(3.7)
Interest		-	-	-	-
Tax		-	-	-	-
NPAT		(3.5)	(3.6)	(3.6)	(3.7)
Adjustments & Significant items		-	-	-	-
Underlying NPAT		(3.5)	(3.6)	(3.6)	(3.7)
BALANCE SHEET \$Am					
Cash at bank		6.2	2.6	6.5	2.9
Other assets		-	-	-	-
Receivables		0.1	0.1	0.1	0.1
Current assets		6.2	2.7	6.6	3.0
PP&E (with accumd dep)		0.1	0.1	0.1	0.1
Exploration and evaluation expenditure		9.0	9.0	9.0	9.0
Other assets		-	-	-	-
Non current assets		9.1	9.1	9.1	9.1
Total Assets		15.3	11.7	15.7	12.0
Trade and Payables		0.9	0.9	0.9	0.9
Employee benefits		-	-	-	-
Provisions		0.0	0.0	0.0	0.0
Borrowings		-	-	-	-
Current liabilities		0.9	0.9	0.9	0.9
Loans and borrowings		-	-	-	-
Convertible note derivative		-	-	-	-
Provisions		-	-	-	-
Non-Current liabilities		-	-	-	-
Total Liabilities		0.9	0.9	0.9	0.9
Share Capital		18.5	18.5	26.1	26.1
Reserves		0.7	0.7	0.7	0.7
Accumulated losses		(4.8)	(8.4)	(12.0)	(15.7)
Total Equity		14.4	10.8	14.8	11.1
CASH FLOW \$Am					
Operating Revenue		-	-	-	-
Sundry receipts		-	-	-	-
Payments to suppliers and employees		(2.8)	(3.6)	(3.6)	(3.7)
Interest received		-	-	-	-
Tax Paid		-	-	-	-
Operating cash flow		(2.8)	(3.6)	(3.6)	(3.7)
Payments for PPE		(0.0)	(0.0)	(0.0)	(0.0)
Proceeds from sale of PPE		-	-	-	-
Exploration and evaluation expenditure		-	-	-	-
Payments for term deposits		-	-	-	-
Investing cash flow		(0.0)	(0.0)	(0.0)	(0.0)
Proceeds from the issue of shares		9.5	-	7.6	-
Proceeds (Repayments) borrowings		0.1	-	-	-
Interest paid		-	-	-	-
Financing cash flow		9.0	-	7.6	-
Net Increase/Decrease		6.2	(3.6)	4.0	(3.7)
Cash at Beginning Year		-	6.2	2.6	6.5
Final Cash Balance		6.2	2.6	6.5	2.9

Source: CNR, MST Access estimates.

Sabre Growing in Significance with Resource Expansion

CNR has updated its Mineral Resource for the Sabre prospect by 72% at the company's Fisher East Nickel Project. The Sabre prospect is a large separate channelised Kambalda (hosted in talc-carbonate altered komatiite) style deposit on the same geological contact as CNR's other three deposits at Fisher East.

Following an audit by RPMGlobal, the Mineral Resource increase at Sabre now takes the total to 2.9 Mt @ 1.5% Ni & 0.4 g/t (Pd + Pt) for 42.3 Kt of Ni (up from 24.6 Kt) and 32.8k oz (Pd +Pt). The cut-off grade for Nickel is 0.9%. Total nickel at Fisher East is now 134.1 Kt with an average grade of 1.8% across Musket, Camelwood, Cannonball and Sabre.

The update covers all diamond drill holes completed by CNR between March to June 2022, including the massive sulphide zone discovered along the northern channel margin. Strike length covers 670m with a vertical depth down to 300m. It excludes the top 80m from the surface which contains the oxide zone.

Strong results from Sabre extension targets

Exhibit 2 – Sabre drilling assay results

Hole	From (m)	Downhole Interval (m)	Ni%	Pt+Pd g/t	Co%	Prospect
MFED103	192.76	5.70	2.62	0.58	0.04	Sabre
incl massive sulphide zone	194.33	1.10	7.63	1.61	0.10	Sabre
MFED105	242.64	2.36	2.30	0.53	0.04	Sabre
incl massive sulphide zone	242.64	0.45	5.90	1.20	0.10	Sabre
MFED117	310.28	5.70	4.50	1.00	NA	Sabre
incl massive sulphide zone	311.30	3.70	6.00	1.20	NA	Sabre
MFED118	132.95	8.30	2.70	0.40	NA	Sabre
incl massive sulphide zone	138.48	2.80	5.20	0.80	NA	Sabre

Source: CNR, MST Access.

As highlighted in our initiation report published last month, key drilling results from Sabre, which comprised the resource update, included:

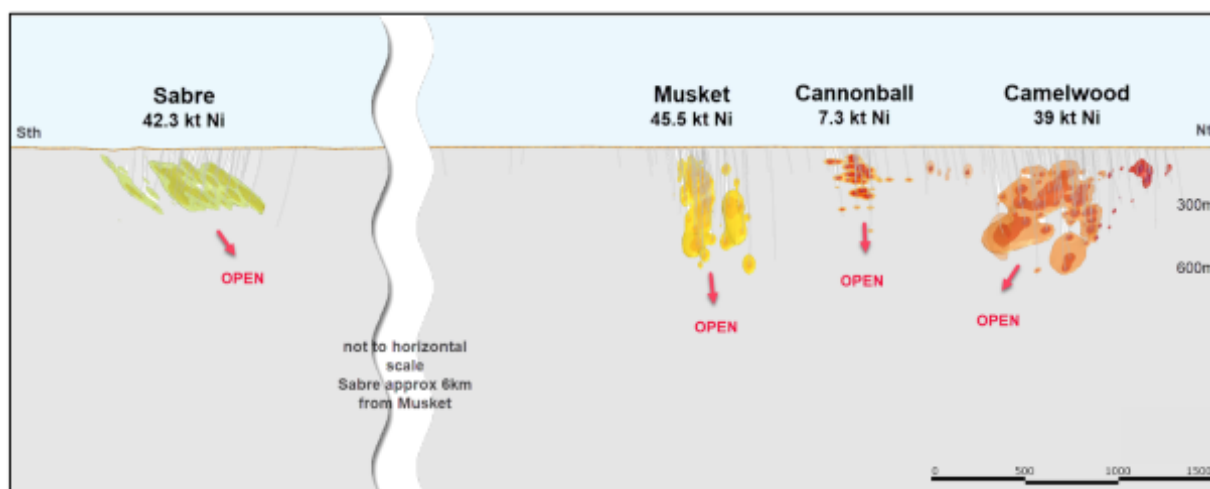
MFED103 successfully intersected high-grade Ni with rich massive sulphide, with a total interval of 5.70m @ 2.62% Ni from 192m. This included a massive sulphide zone of 1.10m @ 7.63% Ni and 1.61 g/t (Pd + Pt) from 194m, which was the largest intersect of massive sulphide ever found on any prospect at Fisher East at the time including areas previously drilled by Rox Resources (involving approximately 100 holes).

MFED105 was drilled approximately 90m below and down-plunge of MFED103. Assay results revealed an overall mineralisation interval grading of 2.36m @ 2.3% Ni including 0.45m @ 5.9 Ni for the massive nickel sulphide interval.

MFED117 was drilled 190m below and down-plunge of previously drilled hole MFED103. The depth of the drill hole for MFED117 at 300m was the greatest undertaken so far at Sabre. Assay results revealed an overall mineralisation interval grading of 5.7m @ 4.5% Ni from 310m including 3.7m @ 6.0% Ni for the massive nickel sulphide interval. Grades of 5–6% Ni for massive sulphides are typical for Kambalda-style mineralisation at other WA locations. The massive sulphide intervals also returned PGE assays of 1.2 g/t with an average of 5.7m @ 1.0 g/t (Pd + Pt).

MFED118 was drilled approximately 60m above and up-plunge of previously drilled hole MFED103. Assay results revealed an overall mineralisation interval grading of 8.3m @ 2.7% Ni from 133m including 2.8m at 5.2% Ni for the massive nickel sulphide interval. Given the sulphide minerals remain intact with minimal oxidation in the hole, CNR believes the drilling activity is still some distance below the oxidation zone. The massive sulphide intervals also returned PGE assays of 0.8 g/t with an average of 8.3m @ 0.4 g/t (Pd + Pt).

Exhibit 3 – Fisher East deposits: all are located on the same stratigraphic contact, all subcrop at the surface and all remain open at depth and laterally along strike



Source: CNR

Deep down at Sabre with MFED122

The potential for further upgrades at Sabre were again highlighted by the successful finding from drill hole MFED122 of strong komatiite hosted disseminated sulphide mineralisation on the basal contact 520m down plunge (350m vertically) from the bottom of the existing resource (already at 300m depth). This equated to a total vertical depth for MFED122 of ~650m.

Drill results for MFED122 intersected mineralisation of 6.4m @ 1.3% Ni. This included 5.1m @ 1.5% Ni and an additional zone of massive nickel sulphide of 0.5m @ 5.3% Ni. The latter zone is significant given its interpretation as structurally emplaced and remobilised, which highlights the potential for high-grade zones nearby at depth, similar to that along the northern margin of Sabre (MFED 103, MFED105, MFED117 and MFED118). This style of target will be a priority for further drilling at Sabre.

This mineralisation discovered by FED122 is in line with the average grade of the existing resource at Sabre, above 300m in vertical depth.

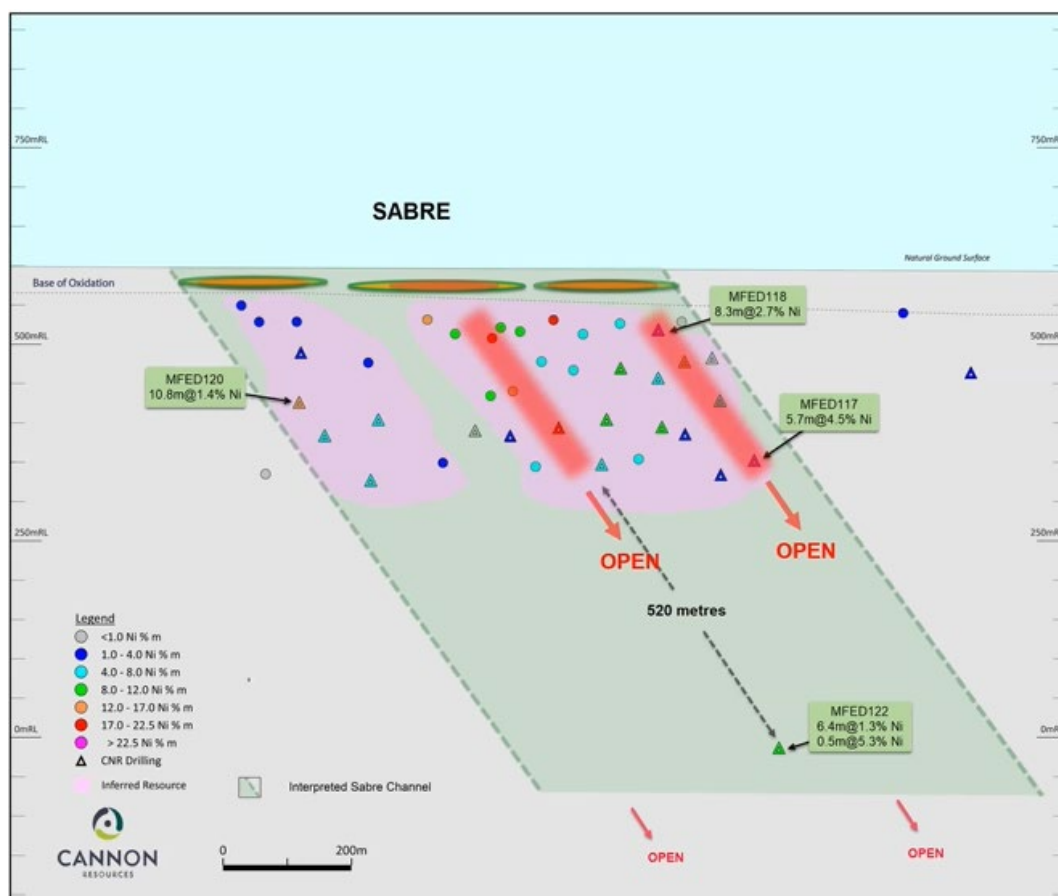
Exhibit 4 – MFED122 Assay Results with 1% Ni cut-off grade and <2m internal dilution

Hole	From (m)	To (m)	Downhole Interval (m)	Estimated True width (m)	Ni%	Pd+PT g/t	Co%	Prospect
MFED122	735.87	742.29	6.42	n/a	1.30	0.43	0.03	Sabre
including	737.21	742.29	5.08	n/a	1.50	0.48	0.04	Sabre
and	745.17	745.68	0.51	n/a	5.30	0.60	0.10	Sabre

Source: CNR

The intersection is a very large step out for CNR, doubling the known mineralisation depth at Sabre to over 800m down plunge (650m vertical). The location of the drill hole was towards the centre of the channel to maximise the probability of success. Importantly, the intersection with the komatiite contact occurred within three metres of the predicted depth, which helps further confirm the predictable nature and strong fundamentals underlying CNR’s geological model.

Exhibit 5 – Sabre prospect: all drilling pierce points incl CNR’s drill intercepts and the latest from MFED122 at depth



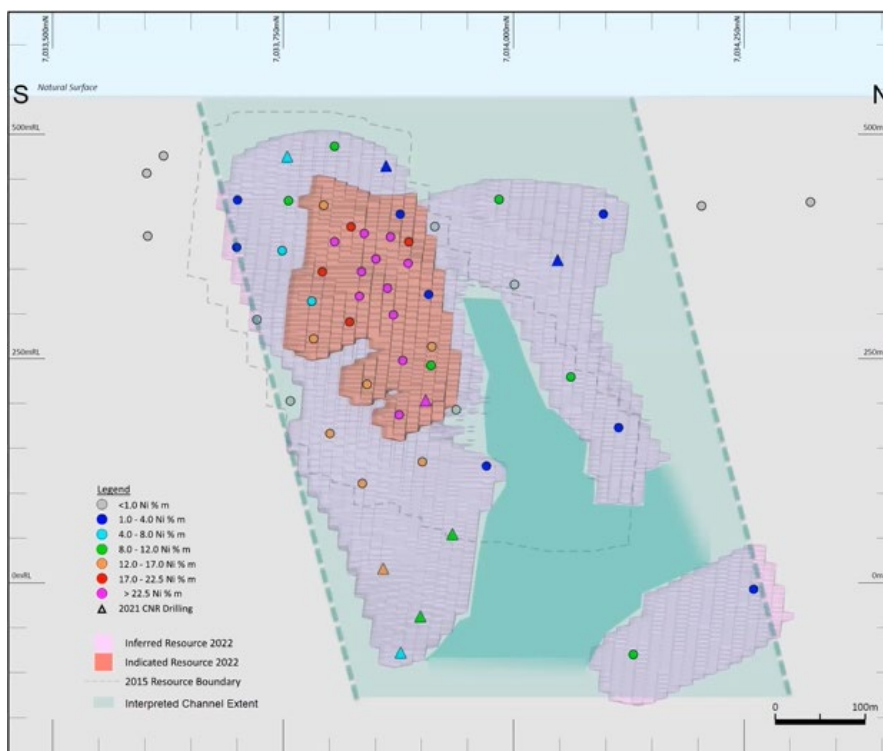
Source: CNR

CNR’s predictive model to date has been accurate and consistent in obtaining further high-grade results. The outcome from MFED122 was another successful strike of substantial mineralisation in an undrilled area, demonstrating the company’s ability to effectively target potential high-grade Ni zones based on their own understanding of the geology and interpretation of the mineralisation within the channel plunge. Further DHEM survey testing will be undertaken to continue exploring Sabre’s potential at depth. Importantly mineralisation remains open internally, laterally and down plunge. Search space remains open for thicker mineralised zones as well.

Musket remains a high priority target

Together with Sabre, Musket will continue to be key focus for CNR’s exploration program near term. The resource already extends down to 600m in vertical depth from the surface with significant scope for further infill drilling within the defined channel as shown in exhibit 6. Mineralisation in the channel is expected to be consistent, with existing nickel tenors showing disseminated sulphide in the 1-5% Ni range and massive sulphide in the 10-20% Ni range.

Exhibit 6 – Dark green shading illustrates target area for infill drilling at Musket



Source: CNR

Exhibit 7 – Total Fisher East Mineral Resource with 0.9%-1.0% Ni cut-off grade. Values may not sum due to rounding

Fisher East				
Deposit	Category	Tonnes (Mt)	Grade Ni %	Contained Ni Metal
Camelwood	Indicated	1.7	2.0	34.0
	Inferred	0.3	1.5	5.0
	Total	2.0	2.0	39.0
Cannonball	Indicated	0.2	2.9	7.0
	Inferred	0.0	1.9	0.3
	Total	0.3	2.8	7.3
Musket	Indicated	0.9	2.1	19.0
	Inferred	1.5	1.8	26.4
	Total	2.4	1.9	45.5
Sabre	Inferred	1.8	1.4	24.5
	Total	1.8	1.4	24.5
Total	Indicated	2.8	2.1	60.0
	Inferred	4.7	1.6	74.0
	Total	7.5	1.8	134.1

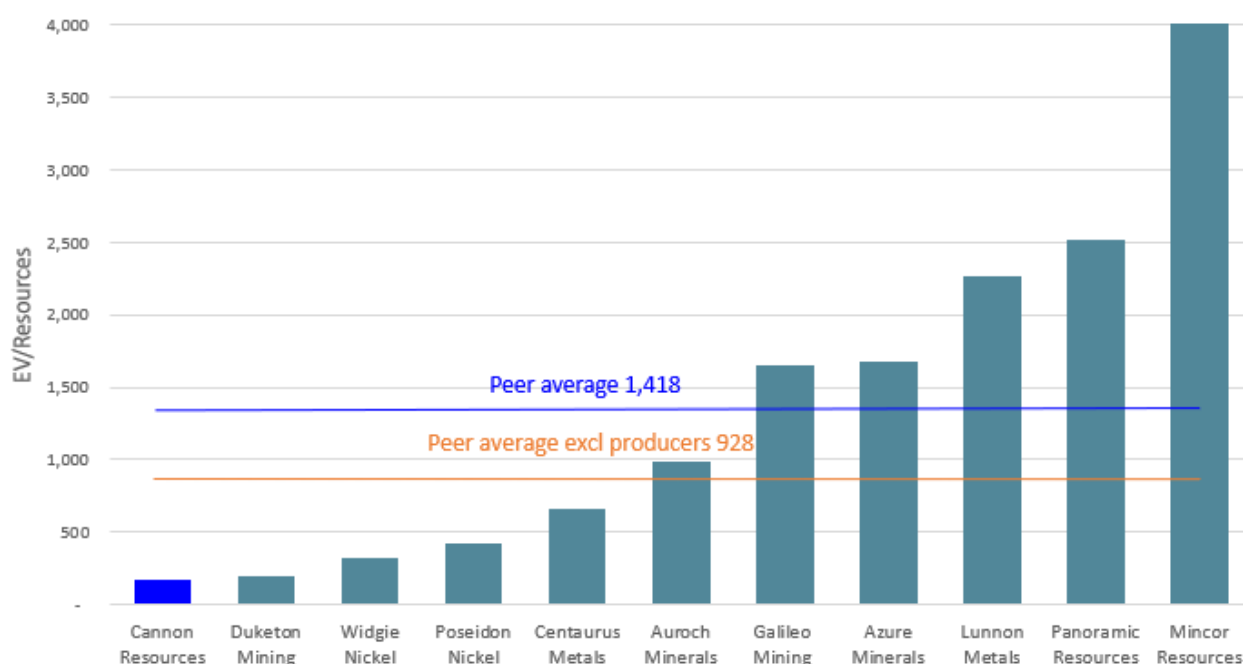
Source: CNR

Valuation – A\$1.13/share (up from \$0.91 prev; current price \$0.32)

Our valuation for CNR is now \$A1.13 per share, fully diluted. This upgrade is driven by both an increase in CNR’s resource size, as well as an increase in the average EV/resource multiple. Using the EV/Resource methodology, our valuation incorporates a base case scenario that:

- CNR’s Mineral Resource Estimate (MRE) will remain at 143.4 Kt of contained nickel
- EV/resource multiple of 923 A\$/Ni T (increased from 817 A\$/Ni T previously) based on an average between trading peer multiples and transaction data for projects categorised as advanced exploration:
 - **Trading peer multiple:** Resource multiple currently traded of 1,418 A\$/Ni T based on 11 publicly listed nickel exploration and development companies (including CNR) in WA as shown in exhibit 8. This also compares to a multiple of 1,339 A\$/Ni T paid by IGO to acquire nickel producer Western Areas earlier this year. A snapshot of each of the trading peers and an overview of the Western Areas transaction is available in our initiation report.
 - **Advanced exploration transaction data:** Resource multiple paid of 427.6 A\$/Ni T for advanced exploration (sulphide) related transactions, which is the category most aligned with Cannon. This multiple analysis was provided by SRK Consulting (Australasia), as part of an independent technical assessment and valuation report relating to IGO’s recent takeover of Western Areas. Further detail is available in our initiation report.
- Share count of 126.3m taking into account option and performance shares, as well as a further capital raise which we view as likely in order for CNR to continue its drilling activities.

Exhibit 8 – EV/Resources – selected nickel companies with the majority in close proximity to CNR in WA



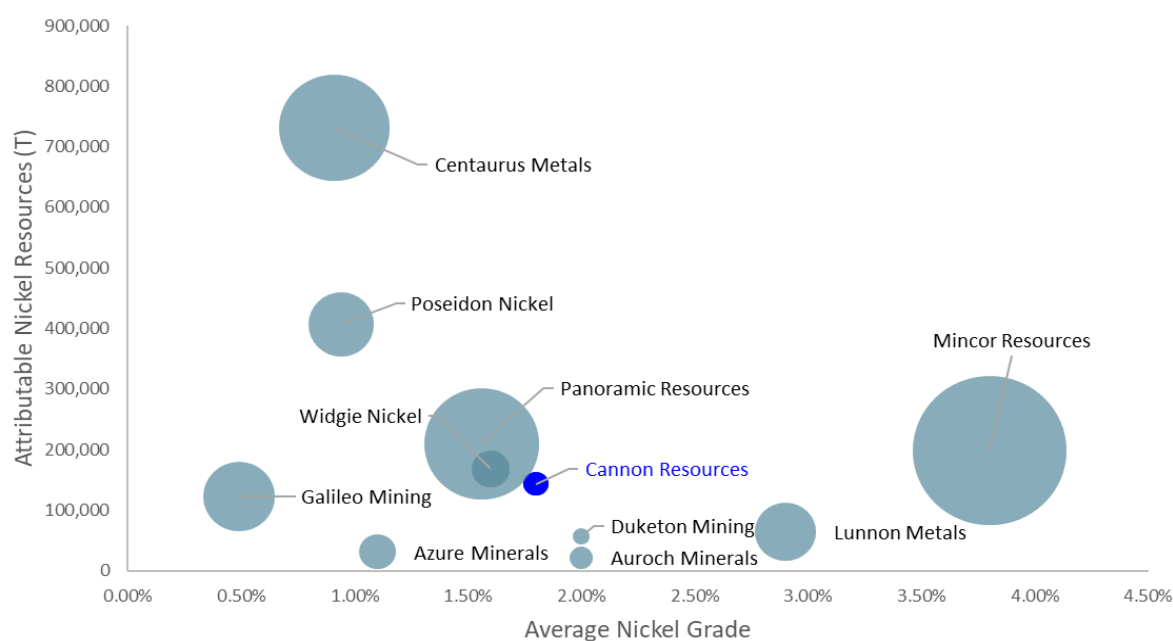
Source: CNR, MST Access estimates, Factset

Exhibit 9 – Nickel resources, reserves and nickel grade – selected nickel companies in order of EV/Resource with CNR the cheapest

Company Name	Enterprise Value (A\$m)	Attributable Nickel Resources (t)	Average Nickel Grade %	EV/Resource	Nickel Reserves (t)	Processing Plant
Cannon Resources	24	143,400	1.80%	167	-	No
Duketon Mining	11	56,200	2.00%	196	-	No
Widgie Nickel	55	168,150	1.60%	327	-	No
Poseidon Nickel	171	406,890	0.94%	420	28,300	Yes
Centaurus Metals	479	730,700	0.91%	656	-	No
Auroch Minerals	21	21,400	2.00%	981	-	No
Galileo Mining	203	122,500	0.49%	1,657	-	No
Azure Minerals	52	31,020	1.10%	1,676	-	No
Lunnon Metals	146	64,300	2.90%	2,271	-	No
Panoramic Resources	528	209,800	1.56%	2,517	101,800	Yes
Mincor Resources	941	199,000	3.80%	4,729	71,100	Yes
Average				1,418		
Average (excl producers)				928		

Source: CNR, Factset

Exhibit 10 – Enterprise value represented by bubble size vs nickel resource and grade – selected nickel companies



Source: CNR, FactSet.

Other key assumptions:

- Cash on hand of \$3.3m (as of 30 June 2022)
- Current fully diluted share count of 101.7m shares (including 16.3m option and performance shares)
- Our estimate of a equity capital raise of \$8m in FY23, issued at the current share price. This equates to ~24.6m additional shares, taking the fully diluted share count to 126.3m shares.

Upside scenario involving resource size of 200 Kt Ni in our view

Longer term, we believe a reasonable resource target size for CNR is at least 200 Kt Ni. This is based on our view that further infill and extensional drilling will likely lead to more growth in the resource base, particularly given the success

of the drilling programs since the IPO last year. If the same rate of discovery is maintained from the last 12 months of drilling activity, CNR would reach our 200 Kt Ni target in approximately 12 months from now (1H24).

Conceptually, if CNR were to reach this target and assuming a 50–60% reserve grade rate of conversion from inferred to measured resource, CNR could expect to hold mineable Ni of approximately 100–120 Kt. At this resource size and assuming a production rate of 10 Kt p.a., the potential mine life would likely be at least 10 years. Importantly, the resource at Fisher East shows mineralisation close to the surface, which provides easier access to shallow mineralisation early in future mining plans.

In the scenario CNR does not progress towards production but is able to increase the size of the resource to 200 T (from 143.4 Kt currently), based on the average EV/resource multiple from exploration peers of 923 A\$/Ni T, CNR’s valuation would increase to \$A1.55 per share fully diluted (or 4.9x the current share price). This assumes the same share count and cash assumptions as above.

Risks to the Share Price and Valuation

Key risks include exploration successes or misses from the current and future drill programs (impacting resource size updates and rates of resource conversion to higher categories), financing risks, commodity price volatility (primarily nickel), operational risks, cost escalation (for example, drilling cost reductions or hikes incurred to continue with expanding the resource) and government support.

Offsetting these risks is the track record of strong success achieved by the company from its targeted drilling activities, the proximity to processing infrastructure, a skilled management team and the favourable geopolitical location.

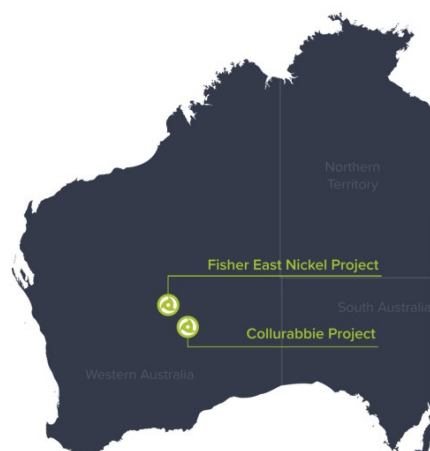
Investment Thesis Recap: First Mover in New Tier-One Nickel Region

Cannon Resources (CNR) is a dedicated nickel (Ni) exploration and development company. The company owns 100% of its project assets based in Fisher East and Collurabbie in the North Eastern Goldfields, approximately 400km north-east of Kalgoorlie. Together these projects provide approximately 40–60km in strike. These cornerstone resource projects are located in a tier-one jurisdiction for mining exploration and development, nearby existing Ni operations (BHP – Nickel West, Mt Keith and Leinster; IGO – Cosmos) in Western Australia (WA).

CNR has the opportunity to be the first to develop resources in the significant new Ni region of Fisher East, which is quickly becoming recognised as a resource with significant scale and potential. The company is primarily focused on aggressively growing its resource through a targeted exploration strategy.

The prospects are typically Archean komatiite-associated deposits having affinities with Kambalda-style Type 1 contact ores. All comprise massive and disseminated nickel sulphide mineralisation.

Exhibit 11 – Geographical location of CNR’s 100%-owned projects in WA



	% stake	Resource (Kt of Ni)	Average grade (Ni)
Fisher East	100%	134.1 (indicated + inferred)	1.8%
Collurabbie	100%	9.3 (inferred)	1.63%

Source: CNR.

Company Strategy: Growing the Resource Base and Paving the Way to Development

CNR's primary aim is to increase the resource base and establish a clear pathway for development following an aggressive drilling program, amidst a backdrop of positive demand and supply fundamentals for Ni. The company has a strong track record of success and execution, having already increased the size of the resource by 49% at Fisher East since its August 2021 IPO. Building on this success, along with a reinterpretation of existing data from previous drilling activities, CNR is well positioned to exploit the potential for further discoveries of new Ni and base metal mineralisation within all resources at Fisher East and Collurabbie.

Planned timeline: infill drilling, studies to lead to final investment decision

The immediate priority for further drilling involves targeted expansion of the Musket and Sabre deposits, which should help further confirm the scale and significance of CNR's resource base. Importantly, all deposits hold mineralisation near the surface, are expandable and remain open at depth. Further expansion of the resource has the potential to position CNR's assets in the top bracket of undeveloped high-grade Ni areas in Australia.

More infill drilling over the next two years with smaller drill intervals (from 160m previously to <80m) at current prospects is also needed to get to the stage of 'indicated' and 'measured' resource. Following this, CNR will be well positioned to undertake a scoping study next year before a feasibility study in 2024, followed by a final investment decision. The study will investigate economic resources and reserves across the projects, suitable mining methods (underground), and milling and processing options (including on-site processing, toll treatment of ore or a combination of both).

Potential Near-Term Catalysts and Timing

- Ongoing: exploration success (both projects); resource growth; funding of work program; Ni price increases
- 2023: scoping study
- 2023/2024: conversion of resources to indicated category (allows ore reserve estimate)

Recent Events

- 2021: capital raises (August: \$6m raised through IPO; October: \$4m raised through a private placement)
- 2022: April – drilling results and expansion of resource including a 49% increase in resource size (from Musket and Sabre) since the IPO in August 2021
- 2023: August – confirmation of strong mineralisation at depth at Sabre (650m vertical) and a further resource upgrade of 72%.

Financials: Further Exploration, Scoping Study Lie Ahead – Funding Will Be Needed

At 30 June 2022, CNR reported A\$3.3m cash at bank. The strong investment taking place to facilitate drilling at Musket and Sabre at Fisher East has incurred an average cash burn of \$400-\$500k/month. The most recent resource update comes ahead of CNR requiring further funds for continued drilling and a scoping study in 2023. Given the successful drilling track record to date, the quality of CNR's Ni assets and its relative valuation vs. other similar Ni projects in WA, we do not see this as a significant hurdle for the company.

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