



CYGNUS GOLD

**Cygnus Gold Limited
ACN 609 094 653**

Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held at
Ground Floor, 24 Outram Street, West Perth, Western Australia
on Monday, 31 May 2021 at 9.30am (WST).**

**THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN PERSON MEETING
IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION
TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN
PERSON MEETING AS PROPOSED, THE COMPANY WILL PROVIDE AN UPDATE
AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on (08) 6118 1627.**

**Shareholders are urged to attend or vote by lodging the proxy form attached to the
Notice**

Cygnus Gold Limited
ACN 609 094 653
(Company)

Notice of Annual General Meeting

Notice is hereby given that an annual general meeting of Shareholders of Cygnus Gold Limited will be held at Ground Floor, 24 Outram Street, West Perth, Western Australia on Monday, 31 May 2021 at 9.30am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday, 29 May 2021 at 5.00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2020.

2 Resolutions

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

'That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum.'

Voting Prohibition

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 2 - Election of Director - Shaun Hardcastle

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, for the purposes of rule 6.1(e) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Shaun Hardcastle, a director who was appointed on 30 June 2020, retires and, being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 - Election of Director - Raymond Shorrocks

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, for the purposes of rule 6.1(e) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Raymond Shorrocks, a director who was appointed on 30 June 2020 and, being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 - Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling 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 and on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution if, at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, by or on behalf of any 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 Shares) or any associates of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this 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:
 - (i) 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
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 - Removal of auditor

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That the removal of Grant Thornton as the current auditor of the Company effective from the date of the Meeting is approved under and for the purposes of section 329(1) of the Corporations Act and for all other purposes.'

Resolution 6 - Appointment of auditor

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That, subject to Resolution 5 being passed, the appointment of EY being qualified and having been nominated and consented in writing to act in the capacity of auditor of the Company, as auditor of the Company effective from the date of the Meeting is approved under and for the purposes of section 327D of the Corporations Act and for all other purposes and the Directors are authorised to agree the remuneration of EY.'

BY ORDER OF THE BOARD



Michael Naylor
Company Secretary
Cygnus Gold Limited
Dated: 29 April 2021

Cygnus Gold Limited
ACN 609 094 653
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Ground Floor, 24 Outram Street, West Perth, Western Australia on Monday, 31 May 2021 at 9.30am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 and Resolution 3 - Election of Directors - Shaun Hardcastle and Raymond Shorrocks
Section 6	Resolution 4 - Approval of 10% Placement Facility
Section 7	Resolution 5 and Resolution 6 - Replacement of auditor
Schedule 1	Definitions
Schedule 2	Securities issued or agreed to be issued in the previous 12 months under Listing Rule 7.1A
Schedule 3	Notice of intention to remove auditor and notice of nomination

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

The Company will provide an update ahead of the Meeting by releasing an ASX announcement if the situation in relation to COVID-19 were to change in a way that affected the position above.

2.2 **Voting in person**

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

2.3 **Proxies**

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

Proxy Forms can be lodged:

- Online: At www.investorvote.com.au
- By mail: Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne VIC 3001
- By fax: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

2.4 **Chair's voting intentions**

Subject to the voting prohibitions described above, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

3. **Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 31 December 2020.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at cygnusgold.com/investors;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Remuneration Report

4.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about or make comments on the Remuneration Report.

4.2 **Board recommendation**

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. **Resolution 2 and Resolution 3 - Election of Directors - Shaun Hardcastle and Raymond Shorrocks**

5.1 **General**

Rule 6.1(d) of the Constitution allows the Board to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to rule 6.1(e) of the Constitution, any Director so appointed must retire at the next annual general meeting of the Company and is then eligible for election by Shareholders under rule 6.1(i) of the Constitution.

In addition, Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

On 30 June 2020, Mr Shaun Hardcastle and Mr Raymond Shorrocks were appointed as non-executive Directors of the Company. Mr Shaun Hardcastle and Mr Raymond Shorrocks were appointed after the despatch of the 2020 notice of annual general meeting.

Accordingly, Mr Shaun Hardcastle and Mr Raymond Shorrocks each resign as a Director at the Meeting, and being eligible seek approval to be elected as a Director pursuant Resolution 2 and Resolution 3, respectively.

If elected, the Board considers Mr Shaun Hardcastle not to be independent as he is the legal advisor to Cygnus and Mr Raymond Shorrocks to be an independent Director.

5.2 **Shaun Hardcastle**

Mr Hardcastle has over 15 years' experience as a corporate lawyer and extensive experience in corporate governance, risk management and compliance. He has been involved in a broad range of cross border and domestic transactions including equity capital markets, mergers & acquisitions, corporate governance and project finance. Mr Hardcastle has practised law both in Australia and overseas and currently works as a partner with HWL Ebsworth Lawyers. He graduated from the University of Western Australia in 2005 with a Bachelor of Laws and Bachelor of Arts.

Mr Hardcastle has also holds directorships with Rare X Limited and Schrole Group Ltd.

Mr Hardcastle has acknowledged to the Company he will have sufficient time to fulfil his responsibilities as a non-executive Director.

5.3 **Raymond Shorrocks**

Mr Shorrocks has over 27 years' experience working in the investment banking industry. He is highly conversant and experienced in all areas of mergers and acquisitions and equity capital markets, including a significant track record of transactions in the metals and mining sectors. He was past Chairperson of ASX listed Bellevue Gold Limited and Republic Gold Limited.

Mr Shorrocks is Executive Chairman of Auteco Minerals Limited and is former Director and head of the Corporate Finance department of a major Australian investment services company based in Sydney.

Mr Shorrocks also holds directorships with Galilee Energy Limited, HCD Limited and Alicanto Minerals Limited.

Mr Shorrocks has acknowledged to the Company he will have sufficient time to fulfil his responsibilities as a non-executive Director.

5.4 **Board Recommendation**

Resolution 2 and Resolution 3 are ordinary resolutions.

The Board (other than Mr Hardcastle) recommends that Shareholders vote in favour of Resolution 2 as Mr Hardcastle has the necessary level of experience, in-depth knowledge and understanding of the Company and its business. He brings valuable experience to the Board as a corporate and finance lawyer and in equity capital markets, mergers and acquisitions, resources and corporate governance. He has been involved in a broad range of cross-border and domestic transactions including IPOs, reverse takeovers, secondary capital raisings, joint ventures and corporate restructuring. Mr Hardcastle is currently a partner at HWL Ebsworth.

The Board (other than Mr Shorrocks) recommends that Shareholders vote in favour of Resolution 3 as Mr Shorrocks has the necessary level of experience, in-depth knowledge and understanding of the Company and its business. He brings valuable experience in corporate finance and has advised a diverse range of mining companies during his career at one of Australia's largest investment banking and full-service stockbroking and financial services firms. He has been instrumental in managing and structuring equity capital raisings as well as having advised extensively in the area of mergers and acquisitions.

6. **Resolution 4 - Approval of 10% Placement Facility**

6.1 **General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed entity can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members by way of a special resolution passed at its annual general meeting, to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the

10% Placement Period (refer to Section 6.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

6.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$17.88 million, based on the closing price of Shares \$0.165 on 16 April 2021.

If on the date of the Meeting, the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, this Resolution 4 will no longer be effective and will be withdrawn.

(b) What Equity Securities can be issued?

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

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

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

Where:

- A** is the number of Shares on issue at the commencement of the relevant period:
- (A) plus the number of fully paid Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (B) plus the number of fully paid Shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:

- (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
- (C) plus the number of fully paid Shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
- (1) the agreement was entered into before the commencement of the relevant period; or
 - (2) the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid in the relevant period;
- (E) plus the number of fully paid Shares issued in the relevant period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the relevant period.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

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 Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is 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:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) **What is the effect of Resolution 4?**

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

6.3 **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) above).

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(e) above).

(c) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

- (ii) the Equity 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 of the Equity Securities.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Shares on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.083 50% decrease in Current Market Price	\$0.165 Current Market Price	\$0.330 100% increase in Current Market Price
108,420,098 Shares Variable A	10% Voting Dilution	10,842,010 Shares	10,842,010 Shares	10,842,010 Shares
	Funds raised	\$894,466	\$1,788,932	\$3,577,863
162,630,147 Shares 50% increase in Variable A	10% Voting Dilution	16,263,015 Shares	16,263,015 Shares	16,263,015 Shares
	Funds raised	\$1,341,699	\$2,683,397	\$5,366,795
216,840,196 Shares 100% increase in Variable A	10% Voting Dilution	21,684,020 Shares	21,684,020 Shares	21,684,020 Shares
	Funds raised	\$1,788,932	\$3,577,863	\$7,155,726

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is the current market price \$0.165, being the closing price of the Shares on ASX on 16 April 2021, being the latest practicable date before the finalisation of this Notice;
 - (b) Variable A comprises of 108,420,098 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the

12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4;

- (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted options, it is assumed that those quoted options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
 3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) **Allocation policy**

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

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new

investors who are not related parties of or associates of a related party of the Company.

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 29 July 2020.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued or agreed to issue 6,825,000 Equity Securities under Listing Rule 7.1A. This represents 9.99% of the total Equity Securities on issue at the commencement of that 12 month period.

Details of each issue of Equity Securities under Listing Rule 7.1A by the Company during the 12 months preceding the date of the Meeting are set out in Schedule 2.

(g) **Voting exclusion statement**

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

7. **Resolution 5 and Resolution 6 - Replacement of auditor**

7.1 **General**

Under section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months' notice of intention to move the resolution has been given. The notice of intention to remove Grant Thornton is provided to Shareholders with this Notice.

It should be noted under section 329 of the Corporations Act, if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

The Company provides the notice of intention to Shareholders at Schedule 3 to this Notice and seeks the approval to remove the auditor even though the meeting will be held less than 2 months after the notice of intention is given.

Resolution 5 seeks the approval of Shareholders to remove Grant Thornton as the Company's auditor under and for the purposes of section 329 of the Corporations Act. If Resolution 5 is passed, the removal of Grant Thornton as the Company's auditor will take effect at the close of the Meeting. If Resolution 5 is not passed, Grant Thornton will remain as the Company's auditor until the Company's 2022 annual general meeting, at which time Shareholder will be asked to approve the appointment of Grant Thornton as the Company's auditor.

Under Section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under Section 329 of the Corporations Act, provided

that a copy of the notice of nomination of the auditor has previously been sent to the proposed replacement auditor and to each person entitled to receive a notice of meeting.

If Grant Thornton is removed under Resolution 5, the Directors propose that EY be appointed as the Company's auditor, effective from the Meeting. The notice of intention to remove Grant Thornton as the Company's auditor and nomination of EY as auditor of the Company is provided to Shareholders in Schedule 3 of this Notice.

Further, section 328A of the Corporations Act provides that a company must not appoint an auditor unless the auditor has first consented to act as auditor and has not withdrawn that consent before the appointment is made.

EY is a registered company auditor, has had previous experience in conducting audits of public listed companies, and is a well-known and respected firm. EY has given its written consent to act as the Company's auditor pursuant to section 328A(1) of the Corporations Act, subject to Resolution 6 being approved by Shareholders at the Meeting. As at the date of this Notice, EY has not withdrawn that consent.

The Company does not believe that the audit quality will be diminished as a result of changing auditors.

The purpose of Resolution 6 is to appoint EY as the Company's auditor, under and for the purposes of section 327D(2) of the Corporations Act. Resolution 6 is conditional on Resolution 5 also being passed. Accordingly, the proposed appointment of EY will only occur if Grant Thornton is removed as auditor under Resolution 5.

If Resolution 6 is passed, the appointment of EY as the Company's auditor will take effect at the close of the Meeting.

7.2 **Board recommendation**

Resolution 5 is an ordinary resolution.

Resolution 6 is a special resolution and as such requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote at the Meeting (by proxy, attorney or otherwise).

The Board recommends Shareholders vote in favour of each of Resolution 5 and Resolution 6.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$	means Australian Dollars.
10% Placement Facility	has the meaning given in Section 6.1.
10% Placement Period	has the meaning given in Section 6.2(f).
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 31 December 2020.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
Company	means Cygnus Gold Limited (ACN 609 094 653).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
EY	means Ernst & Young (ABN 75 288 172 749)
Grant Thornton	means Grant Thornton Audit Pty Ltd (ACN 130 913 594).

Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of meeting.
Option	means an option to acquire a Share.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or performance rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Securities issued or agreed to be issued in the previous 12 months under Listing Rule 7.1A

Details of each issue of Equity Securities by the Company under Listing Rule 7.1A during the 12 months preceding the date of the Meeting are set out in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount to Market Price ¹	Cash consideration and use of funds
26 August 2020	6,825,000	Shares	Sophisticated and professional investors under the Placement	\$0.13 per Share	\$887,250 (before costs) was raised, of which \$484,000 has been expended, with the remainder intended to also be spent on exploration activities and for working capital requirements.

Schedule 3 Notice of intention to remove auditor and notice of nomination

19 April 2021

The Directors
Cygnus Gold Limited
Ground Floor, 24 Outram Street,
West Perth, WA 6005, Australia

Dear Sirs

Notice of Nomination of Auditor under section 328B(1) of the *Corporations Act 2001* (Cth)

For the purposes of section 328B(1) of the *Corporations Act 2001* (Cth), I, Luke Gleeson, being a director of Gleeson Mining Pty Ltd which is a member of Cygnus Gold Limited (ACN 609 094 653) (**Company**), hereby nominate Ernst & Young of 11 Mounts Bay Road, Perth, Western Australia for appointment as auditor of the Company at the Company's general meeting.

Yours faithfully,



Luke Gleeson
Director
Gleeson Mining Pty Ltd



Cygnus Gold Limited
ABN 80 609 094 653

CY5

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:30 AM (AWST) on Saturday, 29 May 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Cygnus Gold Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Cygnus Gold Limited to be held at Ground Floor, 24 Outram Street, West Perth, WA 6005 on Monday, 31 May 2021 at 9:30 AM (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director - Shaun Hardcastle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director - Raymond Shorrocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Removal of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

CY5

999999A



Computershare

