



**Cygnus Gold Limited
ACN 609 094 653**

Notice of General Meeting

A general meeting of the Company will be held as follows:

Time and date: 2.30pm (AWST) on Friday, 18 November 2022

Location: at The Quest Kings Park, 54 Kings Park Road, West Perth WA 6005

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified 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 vote by lodging the Proxy Form

Cygnus Gold Limited
ACN 609 094 653
(Company)

Notice of General Meeting

Notice is hereby given that a general meeting of Shareholders of Cygnus Gold Limited will be held at The Quest Kings Park, 54 Kings Park Road, West Perth WA 6005 on Friday, 18 November 2022 at 2.30pm (AWST) (**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 Wednesday, 16 November 2022 at 4.00pm (AWST).

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

Agenda

1 Resolutions

Resolution 1 – Approval to issue Consideration Shares to Optionors

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the satisfaction of the Option Terms, including the issue of up to 5,333,333 Consideration Shares to the Optionors or their respective nominees as partial consideration to exercise the option to acquire a 100% interest in the CMH Projects, on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Approval to issue Placement Shares

To consider and, if thought fit, to pass without or without amendment, each as a **separate** ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 8,677,817 Shares at A\$0.73 per Share, on the terms and conditions in the Explanatory Memorandum.'

Resolution 3– Approval to issue Director Placement Shares

To consider and, if thought fit, to pass without or without amendment, each as a separate ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 10.11, section 195(4) of the Corporations Act

and for all other purposes, Shareholders approve the issue of 1,142,861 Director Placement Shares to the Director Placement Participants (or their respective nominees) as follows:

- (a) *142,858 Director Placement Shares to Ray Shorrocks;*
- (b) *142,858 Director Placement Shares to Michael Bohm;*
- (c) *285,715 Director Placement Shares to Shaun Hardcastle;*
- (d) *285,715 Director Placement Shares to Michael Naylor; and*
- (e) *285,715 Director Placement Shares to David Southam.*

on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 1 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 Shareholder), or any of their respective associates; and
- (b) Resolution 2 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates.
- (c) Resolution 3(a): Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Ray Shorrocks (or his nominees), and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.
- (d) Resolution 3(b): Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Michael Bohm (or his nominees), and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.
- (e) Resolution 3(c): Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Shaun Hardcastle (or his nominees), and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.
- (f) Resolution 3(d): Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Michael Naylor (or his nominees), and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.
- (g) Resolution 3(e): Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of David Southam (or his nominees), and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, 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:
 - (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.

BY ORDER OF THE BOARD



Michael Naylor
Executive Director
Cygnus Gold Limited
Dated: 17 October 2022

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 The Quest Kings Park, 54 Kings Park Road, West Perth WA 6005 on Friday, 18 November 2022 at 2.30pm (AWST).

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	Background
Section 4	Resolution 1 – Approval to issue Consideration Shares to Optionors
Section 5	Resolution 2 – Approval to issue Placement Shares
Section 6	Resolution 3 – Approval to issue Director Placement Shares
Schedule 1	Definitions

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 Resolution.

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the chair of the meeting;

- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA on the resolution; and
- (d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.3 **Chair's voting intentions**

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

2.4 **Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at admin@cygnusgold.com by Wednesday, 16 November 2022.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Background

On 27 September 2022, the Company announced it had entered into two option agreements to acquire additional highly prospective ground along strike and adjacent to the Pontax Lithium Project (**Proposed Acquisition**). The two option agreements are as follows:

(a) **MegaWatt Option Agreement**

The Company entered into an option agreement with MegaWatt Lithium and Battery Minerals Corp (**MegaWatt**) on 27 September 2022 (**MegaWatt Option Agreement**). Under the terms of the MegaWatt Option Agreement, the Company (through its wholly owned subsidiary Avenir Metals (Canada) Limited) is granted an exclusive option to acquire a 51% interest in the 40 mining claims known as the Route 381 Project and an additional 229 claims known as the Mitsumis Project located in Quebec, Canada (together, the **MegaWatt Projects**).

Following the exercise of the first option, MegaWatt has granted the Company the right to acquire an additional 29% interest in the MegaWatt Projects.

In order to exercise the first option and acquire the 51% interest in the MegaWatt Projects (**First Option**), the Company must make an upfront cash payment of C\$50,000 to MegaWatt and commit C\$2,000,000 towards exploration on the MegaWatt Projects as follows:

- (i) C\$500,000 of exploration expenditure within the first 12 months of the MegaWatt Option Agreement;
- (ii) a further C\$500,000 of exploration expenditure within the second 12 months of the MegaWatt Option Agreement; and
- (iii) a further C\$1,000,000 of exploration expenditure within the third 12 months of the MegaWatt Option Agreement.

In order to acquire a further 29% interest in the MegaWatt Projects (**Second Option**), the Company must:

- (i) pay cash consideration to MegaWatt of C\$50,000 within 30 days of the satisfaction of the First Option;
- (ii) file a NI 43-101 or JORC Code compliant mineral resource estimate which establishes a lithium oxide resource on the MegaWatt Projects of at least 5MT with an average grade of not less than 0.8% Li₂O in any resource category as defined in NI43-101 or the JORC Code, as applicable (**5MT Technical Report**), by the date which is no later than 5 years from the satisfaction of the First Option; and
- (iii) pay cash consideration to MegaWatt of C\$1,000,000 within 3 days of filing the 5MT Technical Report.

By no later than 10 business days after the date of the exercise of the Second Option and transfer of legal title to such further 29% interest in the MegaWatt Projects to the Company or the date on which the Second Option expires unexercised:

- (i) a joint venture will be deemed to have been formed between the parties (**Joint Venture**); and
- (ii) the parties will enter into a formal joint venture agreement with respect to the development and management of the MegaWatt Projects, on terms standard for a transaction of this nature and acceptable to both parties including, but not limited to:
 - (A) subject to the exercise of the Second Option, the Company will have a free carried interest in the Joint Venture until a Feasibility Study has been completed and successfully announced on the ASX; and
 - (B) following completion of the Feasibility Study or in the event the Second Option is not exercised by the Company, the Company and MegaWatt will fund all Joint Venture costs and expenditures in proportion to their respective participating interest in the Joint Venture.

The Route 381 Project is subject to a 2% net smelter royalty in favour of 9219-8845 QC. INC. (Canadian Mining House).

The MegaWatt Option Agreement contains warranties, indemnities and other rights and obligations that are considered standard for a transaction of this nature.

(b) **CMH Option Agreement**

The Company entered into an option agreement with 9219-8845 QC. INC. (Canadian Mining House) (**CMH**), Victor Cantore and Steve Labranche (together, the **Optionors**) on 27 September 2022 (**CMH Option Agreement**). Under the terms of the CMH Option Agreement, the Company (through its wholly owned subsidiary Avenir Metals Limited) is granted an exclusive option to acquire a 100% interest in the 166 mining claims known as the Pontax Extension Property located north of Matagami in the Province of Quebec, Canada, and covering 8,827 hectares (together, the **CMH Projects**) (the **CMH Option**).

The grant of the CMH Option is subject to the satisfaction of the following conditions precedent:

- (i) the ASX confirming that Listing Rules 11.1.2 and 11.1.3 do not apply to the CMH Option Agreement; and
- (ii) the Company obtaining Shareholder approval to satisfy the Option Terms (as set out below), the subject of Resolution 1,

(together, the **Conditions Precedent**).

ASX has confirmed that Listing Rules 11.1.2 and 11.1.3 do not apply to the transaction contemplated by the CMH Option Agreement.

In order to exercise the CMH Option and acquire an undivided 100% right, title and interest in the CMH Projects, the Company must:

- (i) issue a total of 4,868,004 Shares (**Consideration Shares**), and pay an aggregate of C\$300,000 in cash, to the Optionors (pro-rata to their Proportionate Interests) as follows:

- (A) C\$120,000 in cash and approximately 1,947,201 Consideration Shares within 5 business days of the satisfaction of the last of the Conditions Precedent (the **Approval Date**);
 - (B) an additional C\$75,000 in cash and approximately 1,217,001 Consideration Shares on the 6th month anniversary of the Approval Date;
 - (C) an additional C\$75,000 in cash and approximately 1,217,001 Consideration Shares on the 12th month anniversary of the Approval Date; and
 - (D) an additional C\$30,000 in cash and approximately 486,801 Consideration Shares on the 24th month anniversary of the Approval Date,
- (together, the **Option Terms**); and
- (ii) incur total exploration expenditure of C\$1,000,000 inside the first 36 months of the Approval Date (C\$250,000 inside the first 12 months, C\$750,000 inside the first 24 months and C\$1,000,000 inside the first 36 months of the Approval Date).

The CMH Projects are subject to a 2% net smelter return royalty in favour of CMH (1%) and Victor Cantore (1%).

If the Company is in default in making any payments and exploration expenditures within the times required as noted above, the Optionors shall have the right to terminate the CMH Option Agreement if written notice of such default has been provided by the Optionors to the Company and such default has not been rectified within 30 days from the date of receipt of such notice. The Company's responsibilities on termination by the Optionors includes, but is not limited to, leaving the claims comprising the CMH Projects in good standing under the applicable mineral claims legislation of the Province of Quebec at the time of termination of the CMH Option Agreement, with a minimum of C\$250,000 in exploration expenditures incurred on the CMH Projects so the CMH Projects will remain in good standing for a period of at least one year from the date of termination of the CMH Option Agreement.

The CMH Option Agreement contains warranties, indemnities and other rights and obligations that are considered standard for a transaction of this nature.

4. **Resolution 1 – Approval to issue Consideration Shares to Optionors**

4.1 **General**

As set out in Section 3(b) above, it is a condition precedent to the grant of the CMH Option that the Company obtain Shareholder approval to issue up to 5,333,332 Consideration Shares pursuant to Listing Rule 7.1.

Accordingly, Resolution 1 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 for the issue of up to 5,333,332 Consideration Shares to the Optionors (or their respective nominees) pursuant to the CMH Option Agreement as consideration to acquire an undivided 100% right, title and interest in the CMH Projects.

The Company has not sought or received a waiver from ASX to permit the Company to issue the Consideration Shares up to 2 years after the date of the Meeting (**Waiver**), rather than within three months of the date of the Meeting, as is required by Listing Rule 7.3.4. The Company may elect to issue any of the Consideration Shares in Section 3(b)(i)(B) to 3(b)(i)(D) within the three months of the date of the Meeting, however, if it chooses not to, the approval will expire within 3 months of the date of the Meeting, and the Company will be required to seek a new approval under Listing Rule 7.1 to issue the Consideration Shares set out in Section 3(b)(i)(B) to 3(b)(i)(D).

4.2 **Listing Rule 7.1**

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

The issue of Consideration Shares does not fit within any of the exceptions to Listing Rule 7.1. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Accordingly, Resolution 1 seeks shareholder approval to the issue of the Consideration Shares under and for the purposes of Listing Rule 7.1.

If Resolution 1 is passed, in the event that the Company elects to exercise the CMH Option under the CMH Option Agreement, the Company can proceed to issue the Consideration Shares or a portion thereof without using up any of the Company's 15% limit on issuing Equity Securities without shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will be unable to proceed with the issue of the Consideration Shares, the CMH Option will not be exercised and the Company will not acquire any interest in the CMH Projects on the terms set out in this Notice.

4.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Consideration Shares:

- (a) The Consideration Shares will be issued to the Optionors (or their respective nominees), none of whom are a related party or Material Investor, on the following basis:
 - (i) up to 1,622,668 Consideration Shares to CMH;
 - (ii) up to 1,622,668 Consideration Shares to Victor Cantore; and
 - (iii) up to 1,622,668 Consideration Shares to Steve Labranche.
- (b) A maximum of 5,333,333 Shares are to be issued as Consideration Shares.

- (c) The Consideration Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) In the event the Company exercises the CMH Option, the Consideration Shares will be issued no later than 3 months after the date of the Meeting (or as ASX otherwise agrees).
- (e) The Consideration Shares will be issued for nil cash consideration as part consideration to acquire the CMH Projects. The Consideration Shares have a deemed issue price of A\$0.277. Accordingly, no funds will be raised from the issue.
- (f) A summary of the material terms of the CMH Option Agreement is set out in Section 3(b) above.
- (g) A voting exclusion statement is included in the Notice.

4.4 **Additional information**

Resolution 1 is an ordinary Resolution.

The Board recommend Shareholders vote in favour of Resolution 1.

5. **Resolution 2 – Approval to issue Placement Shares**

5.1 **General**

The background of the Proposed Acquisition and Option Agreements is set out in Section 3 above.

In conjunction with the Proposed Acquisition, and as announced on 13 October 2022, the Company intends to undertake a placement to raise approximately C\$5,500,000 (A\$6,250,000¹) (before costs) through the issue of 8,677,817 Shares at an issue price of C\$0.6424 (A\$0.73²) per Share (**Placement Shares**) as Canadian “flow-through shares”, which provide tax incentives to those investors for expenditures that qualify as flow through mining expenditures under the Income Tax Act (Canada) (**Placement**). The Placement Shares will be issued at a premium to market pursuant to the Canadian flow-through shares regime.

^{1, 2} using an exchange rate of A\$1 = C\$0.88

The term “flow-through share” is a defined term in the Income Tax Act (Canada) and is not a special type of share under corporate law. In this case, the term “flow-through share” refers to an ordinary share that will be issued by the Company to an investor under an agreement in writing with the investor under which the Company agrees (a) to incur certain Canadian exploration expenses, and (b) to renounce an amount to the investor in respect of those Canadian exploration expenses. If the Company and the investor comply with the detailed rules in the Income Tax Act (Canada), the investor will be entitled to deduct the amount renounced in computing the investor's income for Canadian income tax purposes and receive additional tax credits for expenditures targeting critical minerals.

The tax benefits associated with the Placement Shares are available only to the investors (who are Canadian residents) and not to any other person who acquires the Placement Shares through the on-sale or transfer of those Placement Shares.

PearTree Securities Inc. (**PearTree**) has been engaged to facilitate the Placement pursuant to an engagement agreement dated 9 September 2022 (**Peartree Engagement Letter**). Under the Peartree Engagement Letter and a subscription and renunciation agreement dated 12 October 2022 (**Share Subscription Agreement**), the Company agrees to issue, and Peartree agrees to subscribe for the Placement Shares as agent for one or more disclosed principals (being an “accredited investor” or eligible to rely on the “minimum amount prospectus exemption” and a resident in a Canadian jurisdiction) (**Investors**). The Investors will then on-sell the Placement Shares to the Placement Participants (defined below) at a price per Share of \$0.35.

Canaccord Genuity (Australia) Limited are acting as Lead Manager to the Placement. The participants in the Placement were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from existing contacts of the Company and clients of the Lead Manager.

Pursuant to the terms of these agreements, PearTree will not receive any fees or commission from the Company for their role with respect to the Placement.

Resolution 2 seeks the approval of Shareholders pursuant to and in accordance with Listing Rule 7.1 to issue up to 8,677,817 Placement Shares.

5.2 **Listing Rules 7.1**

A summary of Listing Rule 7.1 is set out in Section 4.2 above.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Accordingly, Resolution 2 seeks shareholder approval to the issue of the Placement Shares under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the Company can proceed to issue the Placement Shares without using up any of the Company's 15% limit on issuing Equity Securities without shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not proceed with the issue of the Placement Shares.

5.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the issue of the Placement Shares:

- (a) The Placement Shares will be issued to PearTree as agent for one or more Investors. PearTree is a corporate advisor to the Company and is therefore a Material Investor, but following the divestment of the Placement Shares to the Placement Participants, will not hold Shares in the Company. The participants in the Placement were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from existing contacts of the Company and

clients of the Lead Manager. None of the Placement Participants will be a related party or Material Investor.

- (b) The maximum number of Placement Shares to be issued is 8,677,817.
- (c) The Placement Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares will be issued no later than 3 months after the date of the Meeting.
- (e) The Placement Shares will be issued at a price of A\$0.73 per Share to the Investors and will be on-sold to the Placement Participants at \$0.35 per Share.
- (f) The proceeds of the Placement are intended to be applied towards funding exploration on the Pontax Lithium Project, MegaWatt Projects and CMH Projects (subject to Shareholder approval of Resolution 1) in Quebec.

If Resolution 1 is not passed, the Company will not be able exercise the CMH Option and the funds attributable to exploration on the CMH Projects will be reallocated to the Company's other projects including the Pontax Lithium Project.

- (g) The Placement Shares will be issued pursuant to the Share Subscription Agreement as set out in Section 5.1 above. The Share Subscription Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and indemnity provisions).
- (h) A voting exclusion statement is included in the Notice.

5.4 **Additional information**

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

6. **Resolution 3 – Approval to issue Director Placement Shares**

6.1 **General**

Further to the issue of the Placement Shares set out in Section 5.1 above, the Directors intend to subscribe for Shares on the same terms as the Placement Participants, through the issue of 1,142,861 Shares to raise approximately \$400,000.

Resolution 3(a) to (e) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 1,142,861 Director Placement Shares to the Director Placement Participants (or their respective nominees).

The Director Placement Participants have committed a total of \$400,000 under the Placement. The Director Placement Shares will be issued in the following proportions:

Director	Amount committed (\$)	Number of Director Placement Shares
Ray Shorrocks	50,000	142,858

Michael Bohm	50,000	142,858
Shaun Hardcastle	100,000	285,715
Michael Naylor	100,000	285,715
David Southam	100,000	285,715

6.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

The Director Placement Participants are related parties of the Company by virtue of each being a Director of the Company. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Placement Shares to the Director Placement Participants (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 3(a) to (e) will be to allow the Company to issue the Director Placement Shares, raising \$400,000 (before costs).

If Resolution 3(a) to (e) is not passed, the Company will not be able to proceed with the issue of the Director Placement Shares, and will not receive the additional \$400,000 committed by the Director Placement Participants.

6.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Shares:

- (a) The Director Placement Shares will be issued to the Director Placement Participants (or their respective nominees), as follows:

Director	Amount committed (\$)	Number of Director Placement Shares
Ray Shorrocks	50,000	142,858
Michael Bohm	50,000	142,858
Shaun Hardcastle	100,000	285,715
Michael Naylor	100,000	285,715
David Southam	100,000	285,715
TOTAL	400,000	1,142,861

- (b) The Director Placement Participants fall into the category stipulated by Listing Rule 10.11.1 by virtue of each being a Director of the Company.
- (c) A maximum of 1,142,861 Director Placement Shares will be issued to the Director Placement Participants (or their respective nominees) in the manner and form set out in Section 6.1 above.
- (d) The Director Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director Placement Shares will be issued no later than one month after the date of the Meeting.
- (f) The Director Placement Shares will be issued at \$0.35 per Director Placement Share.
- (g) The intended use of funds raised from the Placement is intended to be applied against the costs associated with the Placement and working capital.
- (h) The proposed issue of the Director Placement Shares are not intended to remunerate or incentivise the Director Placement Participants.
- (i) There are no other material terms to the proposed issue of the Director Placement Shares.
- (j) A voting exclusion statement is included in the Notice.

6.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of the Director Placement Shares constitutes giving a financial benefit to related parties of the Company.

The Board consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Placement Shares because the Director Placement Shares will be issued on the same terms as those Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

6.5 **Additional information**

Resolution 3(a) to (e) are separate independent resolutions and are each an ordinary resolution.

The Board declines to make a recommendation in respect of Resolution 3(a) to (e) as each of the Directors have a personal interest in the Resolutions.

Schedule 1 Definitions

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

\$ or A\$	means Australian Dollars.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
AWST	means Western Standard Time, being the time in Perth, Western Australia.
Board	means the board of Directors.
C\$	means Canadian Dollars.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
CMH	means 9219-8845 QC. INC. (Canadian Mining House).
CMH Option	has the meaning given in Section 3(b).
CMH Option Agreement	means the option agreement entered into between the Company (through its wholly owned subsidiary Avenir Metals Limited) and CMH on 27 September 2022.
CMH Projects	means the 166 mining claims known as the Pontax Extension Property located north of Matagami in the Province of Quebec, Canada, and covering 8,827 hectares.
Company	means Cygnus Gold Limited (ACN 609 094 653).
Consideration Shares	means up to 5,333,332 Shares to be issued to the Optionors or their respective nominees (pro-rata to their Proportionate Interests) pursuant to the CMH Option Agreement, which are the subject of Resolution 1.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as amended.
Director	means a director of the Company.
Director Placement Participants	has the meaning given in Section 6.3.
Director Placement Participants	means the 1,142,861 Shares proposed to be issued at \$0.35 to the Director Placement Participants, the subject of Resolution 3.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Feasibility Study	means a comprehensive study prepared in accordance with the principals and requirements of NI 43-101 or the JORC Code, which

contains an examination of the feasibility of bringing a deposit of minerals on the MegaWatt Projects into commercial production by the establishment of a mine, contains a statement of ore reserves, reviews the nature and scale of any proposed operations, including all environmental impact studies and contains an estimate of the construction costs and production costs.

First Option	has the meaning given in Section 3(a).
Investors	means the disclosed principals (being an “accredited investor” or eligible to rely on the “minimum amount prospectus exemption” and a resident in a Canadian jurisdiction) that PearTree agreed to purchase the Placement Shares as agent for.
JORC Code	means the Joint Ore Reserves Committee Australian Code (2012) for reporting of Mineral Resources and Ore Resources.
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.
Lead Manager	means Canaccord Genuity (Australia) Limited (ACN 075 071 466).
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, who received or will receive Securities in the Company which constitute more than 1% of the Company’s issued capital.
Meeting	has the meaning given in the introductory paragraph of the Notice.
MegaWatt	means MegaWatt Lithium and Battery Minerals Corp.
Megawatt Option Agreement	means the option agreement entered into between the Company (through its wholly owned subsidiary Avenir Metals Limited) and MegaWatt on 27 September 2022.
MegaWatt Projects	means the 40 mining claims known as the Route 381 Project and an additional 229 claims known as the Mitsumis Project located in Quebec, Canada.

NI 43-101	means National Instrument 43-101 – Standards of Disclosure for Mineral Projects.
Notice	means this notice of general meeting.
Optionors	means, collectively, CMH, Victor Cantore and Steve Labranche.
Option Agreements	means, collectively, the CMH Option Agreement and MegaWatt Option Agreement.
Option Terms	has the meaning given in Section 3(b).
PearTree	means PearTree Securities Inc.
PearTree Engagement Letter	has the meaning given in Section 5.1.
Placement	has the meaning given in Section 5.1, the subject of Resolution 2.
Placement Participants	has the meaning given in Section 5.1, the subject of Resolution 2.
Placement Shares	means 8,677,817 Shares to be issued to PearTree as agent for one or more Investors under the Placement, as Canadian “flow-through shares”, the subject of Resolution 2.
Pontax Lithium Agreement	means the earn-in agreement the Company entered into with Stria Lithium Inc. (TSX-V: SRA.P) whereby the Company will have the opportunity to earn a 70% interest in the project (refer to the Company’s ASX announcement titled ‘Cygnus poised for rapid growth after game-changing deal to acquire high-grade lithium spodumene project’).
Pontax Lithium Project	means the Pontax Lithium Project in Quebec, Canada, the subject of the Pontax Lithium Agreement.
Proportionate Interests	means one-third.
Proxy Form	means the proxy form attached to the Notice.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Second Option	has the meaning given in Section 3(a).
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.

**Share Subscription
Agreement**

has the meaning given in Section 5.1.



Cygnus Gold Limited
ABN 80 609 094 653

CY5RM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN 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 **2:30pm (AWST) on Wednesday, 16 November 2022.**

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/au and select "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

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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN 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.



IND

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 General Meeting of Cygnus Gold Limited to be held at The Quest Kings Park, 54 Kings Park Road, West Perth WA 6005 on Friday, 18 November 2022 at 2:30pm (AWST) and at any adjournment or postponement of that meeting.

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
Resolution 1	Approval to issue Consideration Shares to Optionors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3a	Approval to issue Director Placement Shares to Ray Shorrocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3b	Approval to issue Director Placement Shares to Michael Bohm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3c	Approval to issue Director Placement Shares to Shaun Hardcastle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3d	Approval to issue Director Placement Shares to Michael Naylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3e	Approval to issue Director Placement Shares to David Southam	<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