



Cygnus Metals Limited
ACN 609 094 653

Notice of General Meeting

A General Meeting of the Company will be held as follows:

Time and date: 2:00pm (AWST) on Friday, 20 October 2023

Location: The offices of the Company at Level 2, 8 Richardson Street,
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 professional advisor prior to voting.

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

Shareholders are urged to vote by lodging the Proxy Form

Cygnus Metals Limited
ACN 609 094 653
(Company)

Notice of General Meeting

Notice is hereby given that a general meeting of Shareholders of Cygnus Metals Limited (**Company**) will be held at the offices of the Company at Level 2, 8 Richardson Street, West Perth WA 6005, on Friday, 20 October 2023 at 2:00pm (AWST) (**Meeting**).

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 Shareholders at 4:00pm (AWST) on Wednesday, 18 October 2023.

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.

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

Agenda

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 issue of up to 1,216,500 Consideration Shares, on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Ratification of issue of FT Shares

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

'That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 18,934,273 FT Shares, on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Ratification of issue of Placement Shares

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

'That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 13,333,333 Placement Shares as follows:

- (a) 10,928,535 Placement Shares issued under Listing Rule 7.1; and
- (b) 2,404,798 Placement Shares issued under Listing Rule 7.1A,

on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Ratification of issue of Vendor Shares

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

'That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 500,000 Vendor Shares, 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:

Resolution 1: 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 the Consideration Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates, or their nominees.

Resolution 2: by or on behalf of a person who participated in the issue of the FT Shares, or any of their respective associates, or their nominees.

Resolution 3(a) and Resolution 3(b): by or on behalf of a person who participated in the issue of the Placement Shares, or any of their respective associates, or their nominees.

Resolution 4: by or on behalf of a person who participated in the issue of the Vendor Shares, or any of their respective associates, or their nominees.

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 on the Resolution, 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 on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (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



David Southam

Managing Director

Cygnus Metals Limited

Dated: 14 September 2023

Cygnus Metals 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 offices of the Company at Level 2, 8 Richardson Street, West Perth WA 6005, on Friday, 20 October 2023 at 2:00pm (AWST) (**Meeting**).

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	Voting and attendance information
Section 3	Resolution 1 – Approval to issue Consideration Shares to Optionors
Section 4	Resolution 2 – Ratification of issue of FT Shares
Section 5	Resolution 3 – Ratification of issue of Placement Shares
Section 6	Resolution 4 – Ratification of issue of Vendor Shares
Schedule 1	Definitions

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

2. Voting and attendance information

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

Voting on the Resolutions at the Meeting will be conducted by poll. On a poll, each Shareholder has one vote for every fully paid ordinary Share held in the Company.

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 a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

2.3 Voting by proxy

A Proxy Form has been made available with 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 encouraged to vote by completing and submitting the Proxy Form to the Company in accordance with the instructions thereon. Submission 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 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.

Your proxy voting instruction must be received by 2:00pm (AWST) on Wednesday, 18 October 2023, being not later than 48 hours before the commencement of the Meeting.

2.4 Chair's voting intentions

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

2.5 Submitting questions

Shareholders will 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. Resolution 1 – Approval to issue Consideration Shares to Optionors

3.1 Background

On 27 September 2022, the Company announced that it had entered into an option agreement with 9219-8845 QC. Inc. (Canadian Mining House) (**CMH**), Victor Cantore and Steve Labranche (together, the **Optionors**) to acquire additional highly prospective ground along strike and adjacent to the Pontax Lithium Project (**CMH Option Agreement**).

A summary of the material terms of the CMH Option Agreement is in Section 3.3 below.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 1,216,500 Shares pursuant to the CMH Option Agreement (**Consideration Shares**).

3.2 Prior approval and issue of Shares under the CMH Option Agreement

By agreement between the Company and the Optionors, the Company will issue up to a total of 4,866,000 Shares under the CMH Option Agreement, in the proportions set out in Section 3.5(a) below.

As at the date of this Notice, the Company has issued the following Shares to the Optionors in accordance with the terms of the CMH Option Agreement:

- (a) on 29 November 2022, the Company issued 1,946,400 Shares with the approval of Shareholders obtained at the Company's general meeting held on 18 November 2022; and
- (b) on 18 May 2023, the Company issued 1,216,500 Shares with the approval of Shareholders obtained at the Company's 2022 annual general meeting held on 17 May 2023.

The Company is seeking a fresh approval pursuant to this Resolution 1 for the further issue of Consideration Shares under the CMH Option Agreement as the previous approvals expired 3 months after the date of the Shareholder meeting.

3.3 Summary of material terms of CMH Option Agreement

The Company entered into the CMH Option Agreement with the Optionors on 27 September 2022. Under the terms of the CMH Option Agreement, the Company (through its wholly owned subsidiary Avenir Metals (Canada) 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**), (**CMH Option**).

As at the date of this Notice, all conditions precedent under the CMH Option Agreement have been satisfied.

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

- (a) issue a total of 4,866,000 Shares, and pay an aggregate of C\$300,000 in cash, to the Optionors (pro-rata to their proportionate interests) as follows:
 - (i) C\$120,000 in cash and 1,946,400 Shares within 5 business days of the satisfaction of the last of the conditions precedent (**Approval Date**). These Shares were issued to the Optionors on 29 November 2022;
 - (ii) an additional C\$75,000 in cash and 1,216,500 Shares on the 6th month anniversary of the Approval Date. These Shares were issued to the Optionors on 18 May 2023;
 - (iii) an additional C\$75,000 in cash and 1,216,500 Shares on the 12th month anniversary of the Approval Date. These Shares are the subject of this Resolution 1; and
 - (iv) an additional C\$30,000 in cash and 486,600 Shares on the 24th month anniversary of the Approval Date; and
- (b) 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.

3.4 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 effect of Shareholders passing Resolution 1 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

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.

3.5 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 a Material Investor. The Consideration Shares will be issued in the following proportions:
 - (i) 405,500 Consideration Shares to CMH;
 - (ii) 405,500 Consideration Shares to Victor Cantore; and
 - (iii) 405,500 Consideration Shares to Steve Labranche.
- (b) A maximum of 1,216,500 Consideration Shares will be issued.
- (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.
- (e) The Consideration Shares will be issued for nil cash consideration, as part consideration payable for the acquisition of the CMH Projects. The Consideration Shares have a deemed issue price of A\$0.277 each. Accordingly, no funds will be raised from the issue of the Consideration Shares.
- (f) A summary of the material terms of the CMH Option Agreement is in Section 3.3.
- (g) A voting exclusion statement is included in the Notice.

3.6 Additional information

Resolution 1 is an ordinary Resolution.

The Board recommend Shareholders vote in favour of Resolution 1.

4. Resolution 2 – Ratification of issue of FT Shares

4.1 General

As announced on 21 August 2023, the Company undertook a placement to raise approximately C\$7,000,000 (A\$8,094,402¹) (before costs) through the issue of 18,934,273 Shares at an issue price of C\$0.3697 (A\$0.4275²) per Share (**FT 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) (**FT Placement**). The FT Shares were issued at a premium to market pursuant to the Canadian flow-through shares regime. The FT Shares were issued using the Company’s available placement capacity under Listing Rule 7.1.

^{1, 2} using an exchange rate of A\$1 = C\$0.865

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 was issued by the Company to an investor under an agreement in writing with the investor under which the Company agreed:

- (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 FT Shares are available only to the investors (who are Canadian residents) and not to any other person who acquired the FT Shares through the on-sale or transfer of those FT Shares.

PearTree Securities Inc. (**PearTree**) was engaged to facilitate the FT Placement pursuant to an engagement agreement dated 26 July 2023 (**Peartree Engagement Letter**). Under the Peartree Engagement Letter and a subscription and renunciation agreement dated 18 August 2023 (**Share Subscription Agreement**), the Company agreed to issue, and Peartree agreed to subscribe for the FT 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 then on-sold the FT Shares to sophisticated and professional investors in Australia and certain other countries (**Hard Placement**) by way of a block trade at a price of A\$0.225 per Share (**Hard Placement Participants**). The FT Shares ceased to be “flow through shares” in the secondary sale and end-buyers received fully paid ordinary shares without any tax benefits associated with the FT Shares.

On 24 August 2023, the Company issued the FT Shares using the Company’s available placement capacity under Listing Rule 7.1A.

In addition to the FT Placement, on 21 August 2023, the Company announced that it had received firm commitments for a placement of fully paid ordinary Shares to raise approximately \$3,000,000 (before costs) by the issue of 13,333,333 Shares (**Placement**

Shares) at \$0.225 per Share (**Traditional Placement**). The Placement Shares were issued to a range of sophisticated and professional investors (**Placement Participants**) on 29 August 2023 without disclosure under Part 6D.2 of the Corporations Act.

The Placement Shares were issued utilising the Company's existing placement capacity under Listing Rule 7.1 and Listing Rule 7.1A in the following proportions:

- (a) 10,928,535 Placement Shares issued under Listing Rule 7.1; and
- (b) 2,404,798 Placement Shares issued under Listing Rule 7.1A.

The FT Shares and Placement Shares rank equally with the Company's existing Shares on issue.

The JLMs acted as joint lead managers, with Shaw and Partners Limited appointed as co-manager (**Co-Manager**), to the Hard Placement and Traditional Placement.

The Hard Placement Participants and Placement Participants were identified through a bookbuild process, which involved the JLMs and Co-Manager seeking expressions of interest to participate in the Hard Placement and Placement from existing contacts of the Company and clients of the JLMs and Co-Manager.

PearTree did not receive any fees or commission from the Company for their role with respect to the FT Placement.

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the FT Shares.

4.2 Listing Rules 7.1A and 7.4

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained this approval at its 2023 annual general meeting held on 17 May 2023.

The issue of the FT Shares does not fit within any of the exceptions to Listing Rule 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's additional 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1A for the 12 month period following the issue of the FT Shares.

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

The effect of Shareholders passing Resolution 2 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the additional 10% placement capacity set out in Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

If Resolution 2 is passed, 18,934,273 FT Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is not passed, 18,934,273 FT Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 18,934,273 Equity Securities for the 12 month period following the issue of those FT Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

4.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the FT Shares:

- (a) The FT Shares were 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 FT Shares, no longer holds Shares in the Company. The Hard Placement Participants were identified through a bookbuild process, which involved the JLMs and Co-Manager seeking expressions of interest to participate in the Hard Placement from existing contacts of the Company and clients of the JLMs and Co-Manager. None of the Hard Placement Participants are a related party or Material Investor.
- (b) A total of 18,934,273 FT Shares were within the Company's additional 10% placement capacity permitted under Listing Rule 7.1A.
- (c) The FT 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.
- (d) The FT Shares were issued on 24 August 2023.
- (e) The FT Shares were issued at C\$0.3697 (A\$0.4275) to Investors and were subsequently on-sold to the Hard Placement Participants at A\$0.225 per Share.
- (f) The proceeds from the issue of the FT Shares have been and will continue to be used to finance summer and winter exploration programs into 2024 with a focus on all three Company core projects of Pontax, Auclair and Sakami in the James Bay region of Quebec.
- (g) The FT Shares were issued pursuant to the Share Subscription Agreement as set out in Section 4.1 above. The Share Subscription Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and indemnity provisions).
- (h) A voting exclusion statement is included in the Notice.

4.4 Additional information

Resolution 2 is an ordinary Resolution.

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

5. Resolution 3 – Ratification of issue of Placement Shares

5.1 General

The background to the issue of the Placement Shares is in Section 4.1.

On 29 August 2023, the Company issued the Placement Shares using the Company's available placement capacity under Listing Rules 7.1 and 7.1A.

Resolution 3(a) and Resolution 3(b) seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

5.2 Listing Rules 7.1, 7.1A and 7.4

A summary of Listing Rules 7.1, 7.1A and 7.4 is in Sections 3.4 and 4.2 above.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1 and the additional 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the issue of the Placement Shares.

The effect of Shareholders passing Resolution 3(a) and Resolution 3(b) will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1, and the additional 10% placement capacity set out in Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

If Resolution 3(a) is passed, 10,928,535 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 3(b) is passed, 2,404,798 Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 3(a) is not passed, 10,928,535 Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 10,928,535 Equity Securities for the 12 month period following the issue of those Placement Shares.

If Resolution 3(b) is not passed, 2,404,798 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 2,404,798 Equity Securities for the 12 month period following the issue of those Placement Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

5.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) The Placement Shares were issued to a range of professional and sophisticated investors, none of whom are a related party or a Material Investor of the Company. The participants in the Traditional Placement were identified through a bookbuild process, which involved the JLMs and Co-Manager seeking expressions of interest to participate in the Traditional Placement from new and existing contacts of the Company and clients of the JLMs and Co-Manager.
- (b) A total of 13,333,333 Placement Shares were issued, as follows:
 - (i) 10,928,535 Placement Shares were issued within the Company's 15% placement capacity permitted under Listing Rule 7.1; and
 - (ii) 2,404,798 Placement Shares were issued within the Company's additional 10% placement capacity permitted under Listing Rule 7.1A.
- (c) The 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.
- (d) The Placement Shares were issued on 29 August 2023.
- (e) The Placement Shares were issued at A\$0.225 each.
- (f) A summary of the intended use of funds raised from the Traditional Placement is in Section 4.3(f) above, as well as costs of the FT Placement and Traditional Placement, and for general working capital.
- (g) There are no other material terms to the agreement for the subscription of the Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

5.4 Additional information

Each of Resolution 3(a) and Resolution 3(b) is an ordinary Resolution.

The Board recommends that Shareholders vote in favour of Resolution 3(a) and Resolution 3(b).

6. Resolution 4 – Ratification of issue of Vendor Shares

6.1 General

On 28 July 2023, the Company announced that it had entered into a binding agreement to acquire 22 mining claims (**Claims**) from Noranda Royalties Inc. and 6998046 Canada Inc. (together, the **Vendors**) via a wholly owned subsidiary of the Company, increasing the Company's Auclair Project to 417km² (**Acquisition Agreement**).

A summary of the material terms of the Acquisition Agreement is in Section 6.2 below.

As part consideration for the acquisition of the Claims, the Company issued 500,000 Shares to the Vendors using the Company's available placement capacity under Listing Rule 7.1 (**Vendor Shares**).

Resolution 4 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Vendor Shares.

6.2 Summary of material terms of Acquisition Agreement

Pursuant to the terms of the Acquisition Agreement, the Company has agreed to acquire a 100% interest in the Claims, in consideration for the Company making the following payments to the Vendors (or their nominees):

- (a) a cash consideration of C\$100,000, to be paid within 5 business days of the execution of the Acquisition Agreement (**Completion**);
- (b) the issue of 1,000,000 Shares, with 500,000 Shares to be issued by the Company at Completion and a further 500,000 Shares to be issued 12 months from Completion, with both issues being made utilising the Company's available placement capacity under Listing Rule 7.1; and
- (c) the following deferred milestone payments, upon and subject to the Company defining a JORC 2012 compliant mineral resource estimate of inferred or greater category for the Claims with a delineation of:
 - (i) at least 3 million metric tonne resources with a grade of at least 1.2% Li₂O (**Milestone 1**), at the election of the Company:
 - (A) a cash payment of C\$3,000,000; or
 - (B) the issue of that number of Shares equal to C\$3,000,000 at a deemed issue price equal to the 20-day volume weighted average price of the Company's Shares (**20-day VWAP**) over the trading days immediately prior to the date of Milestone 1 being met;
 - (ii) at least 1 million oz of gold at a minimum grade of 3.0g/t Au (**Milestone 2**), at the election of the Company:
 - (A) a cash payment of C\$3,000,000; or
 - (B) the issue of that number of Shares equal to C\$3,000,000 at a deemed issue price equal to the 20-day VWAP over the trading days immediately prior to the date of Milestone 2 being met; and
 - (iii) at least 10 million metric tonne resources with a grade of at least 1.2% Li₂O ("Milestone 3"), at the election of Cygnus:
 - (A) a cash payment of C\$3,000,000; or
 - (B) the issue of that number of Shares equal to C\$3,000,000 at a deemed issue price equal to the 20-day VWAP over the trading days immediately prior to the date of Milestone 3 being met,

(together, the **Milestone Consideration**).

Any Milestone Consideration payments that the Company elects to pay in Shares will be subject to receipt of prior Shareholder approval and must be issued within 5 years of the date of the Acquisition Agreement.

In addition to the above, the Company has also granted Noranda Royalties a 2% gross revenue royalty that will be payable on critical minerals and rare earth deposits extracted from the Claims.

The remaining terms of the Acquisition Agreement are considered commercially standard for an agreement of this nature, including the standard warranties relating to the Claims.

6.3 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is in Sections 3.4 and 4.2 above.

The issue of the Vendor Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Vendor Shares.

The effect of Shareholders passing Resolution 4 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 4 is passed, 500,000 Vendor Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 4 is not passed, 500,000 Vendor Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 500,000 Equity Securities for the 12 month period following the issue of those Vendor Shares.

6.4 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Vendor Shares:

- (a) The Vendor Shares were issued to the Vendors (or their nominees) in the following proportions, none of which are related parties or Material Investors if the Company:
 - (i) 250,000 Vendor Shares to Noranda Royalties Inc.; and
 - (ii) 250,000 Vendor Shares to the shareholders or nominees of 6998046 Canada Inc.
- (b) A total of 500,000 Vendor Shares were issued within the Company's 15% placement capacity permitted under Listing Rule 7.1.
- (c) The Vendor 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.
- (d) The Vendor Shares were issued on 25 August 2023.
- (e) The Vendor Shares were issued for nil cash consideration, as part consideration for the acquisition of the Claims. Accordingly, no funds were raised by the issue of the Vendor Shares.

- (f) A summary of the material terms of the Acquisition Agreement is in Section 6.2.
- (g) A voting exclusion statement is included in the Notice.

6.5 Additional information

Resolution 4 is an ordinary Resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

Schedule 1 Definitions

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

Approved Limit	has the meaning in Section 3.2.
Acquisition Agreement	has the meaning given in Section 6.1.
ASX	means ASX Limited (ACN 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.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Claims	has the meaning given in Section 6.1.
CMH	means 9219-8845 QC. Inc. (Canadian Mining House).
CMH Option	has the meaning given in Section 3.3.
CMH Option Agreement	means the option agreement entered into between the Company, its wholly-owned subsidiary Avenir Metals (Canada) Limited and the Optionors 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.
Co-Manager	means Shaw and Partners Limited.
Company	means Cygnus Metals Limited (ACN 609 094 653).
Consideration Shares	means the 1,216,500 Consideration Shares proposed to be issued to the Optionors (or their respective nominees), the subject of Resolution 1.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Director	means a director of the Company.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Hard Placement Participants	has the meaning given in Section 4.1.

FT Placement	has the meaning given in Section 4.1.
FT Shares	has the meaning given in Section 4.1.
Investors	has the meaning given in Section 4.1.
JLMs	means Canaccord Genuity (Australia) Limited (ACN 075 071 466) and Euroz Hartleys Limited (ACN 104 195 057).
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.
Material Investor	<p>means, in relation to the Company:</p> <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, <p>who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.</p>
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of general meeting.
Optionors	means, collectively, CMH, Victor Cantore and Steve Labranche.
PearTree	means PearTree Securities Inc.
PearTree Engagement Letter	has the meaning given in Section 4.1.
Placement Shares	has the meaning given in Section 4.1.
Proxy Form	means the proxy form made available with the Notice.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.

Share	means a fully paid ordinary share in the capital of the Company.
Share Subscription Agreement	has the meaning given in Section 4.1.
Shareholder	means the holder of a Share.
Traditional Placement	has the meaning given in Section 4.1.
Vendors	means Noranda Royalties Inc. and 6998046 Canada Inc.
Vendor Shares	has the meaning given in Section 6.1.

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 **2:00pm (AWST) on Wednesday, 18 October 2023.**

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: 182971

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.

☐ **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.

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 Metals 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 Metals Limited to be held at the offices of the Company at Level 2, 8 Richardson Street, West Perth, WA 6005 on Friday, 20 October 2023 at 2:00pm (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	Ratification of issue of FT Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3a	Ratification of issue of Placement Shares issued under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3b	Ratification of issue of Placement Shares issued under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of issue of Vendor Shares	<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

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Computershare



18 September 2023

Dear Shareholder

General Meeting – Notice of Meeting and Proxies

Notice is given that the General Meeting (**Meeting**) of Shareholders of Cygnus Metals Limited (ACN 609 094 653) (**Company**) will be held as follows:

Time and date: 2:00pm (Perth time) on Friday, 20 October 2023

Location: Offices of the Company, Level 2, 8 Richardson Street, West Perth WA 6005

Notice of Meeting

In accordance with the *Corporations Act 2001* (Cth) the Company will not be dispatching physical copies of the Notice of Meeting unless individual shareholders have made a valid election to receive documents in hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically and can be viewed and downloaded from:

- the Company's website at <https://www.cygnusmetals.com/>; and
- the ASX market announcements page under the Company's code "CY5".

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting.

Voting at the Meeting or by proxy

Shareholders can vote by attending the Meeting in person, by proxy or by appointing an authorised representative. Shareholders are encouraged to vote by lodging a proxy form.

Proxy forms can be lodged:

Online: www.investorvote.com.au (control number: 182971) or use your mobile device to scan the personalised QR code

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

Your proxy voting instruction must be received by 2:00pm (Perth time) on Wednesday, 18 October 2023, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

If you have questions about your Proxy Form or difficulties accessing the Notice of Meeting, please contact Computershare Investor Services on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

The Meeting Materials should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Authorised for release by:

Maddison Cramer
Joint Company Secretary
Cygnus Metals Limited