

7 March 2023

## Notice of General Meeting

Pursuant to ASX Listing Rule 3.17.1, Cyclone Metals Limited (ASX: **CLE**) (**Cyclone** or **the Company**) provides the attached copy of Notice of General Meeting, accompanying notice and access letter and proxy form.

The General Meeting will be held at 32 Harrogate Street, West Leederville, WA, 6007 at 9:00am (WST) on Thursday 6 April 2023.

This announcement has been approved by Melissa Chapman, Company Secretary.

Yours faithfully  
Cyclone Metals Limited

For further information please contact:

Investor Relations



+61 (0) 8 9380 9555



ir@cyclonemetals.com

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cyclone-metals

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7 March 2023

Dear Shareholder,

**CYCLONE METALS LTD – GENERAL MEETING**

Cyclone Metals Ltd (ASX: CLE) (the **Company**) advises its General Meeting of Shareholders (**Meeting**) will be held on Thursday, 6 April 2023 at 9:00am (WST) at 32 Harrogate Street, West Leederville, Western Australia 6007.

The Company will not be dispatching physical copies of the notice of Meeting. A copy of the Meeting materials can be viewed and downloaded online as follows:

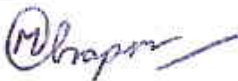
- You can access the Meeting materials online at the Company's website: [www.cyclonemetals.com](http://www.cyclonemetals.com).
- A complete copy of the Meeting materials has been posted to the Company's ASX Market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code "CLE".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting materials and the voting instruction form.

A copy of your Proxy Form is enclosed for convenience.

The Company intends to hold a physical meeting. The Company will notify any changes to this by way of announcement on ASX and the details will also be made available on our website.

The Meeting materials are important and should be read in their entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

Yours faithfully



Melissa Chapman  
**Company Secretary**

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**CYCLONE METALS LIMITED**  
**ACN 095 047 920**  
**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 9:00am

**DATE:** 6 April 2023

**PLACE:** 32 Harrogate Street, West Leederville, WA, 6007

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***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 5:00pm on 4 April 2023.***



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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – APPROVAL TO ISSUE LABRADOR CONSIDERATION SHARES

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,160,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 540,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 4. RESOLUTION 4 – RATIFICATION OF ISSUE STONEFIELD SHARES AND OPTIONS

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 60,000,000 Shares and 30,000,000 Options to Stonefield Developments Pty Ltd (or its nominee), on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 5. RESOLUTION 5 – ISSUE OF SHARES TO RELATED PARTY – MR STIRLING ROSS

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 16,666,667 Shares to Chemfert International Pty Ltd (an entity*

*controlled by Mr Stirling Ross) in satisfaction of director fees accrued and owing to Mr Ross, and otherwise on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**6. RESOLUTION 6 – ISSUE OF SHARES TO RELATED PARTY – MR TIM TURNER**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 16,666,667 Shares to CRMS (ATF The Hallemar Trust) (an entity controlled by Mr Tim Turner) in satisfaction of director fees accrued and owing to Mr Turner, and otherwise on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**7. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY – MR TONY SAGE**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 111,111,095 Shares to Okewood Pty Ltd (an entity controlled by Mr Tony Sage) in satisfaction of director fees accrued and owing to Mr Tony Sage, and otherwise on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**8. RESOLUTION 8 – ISSUE OF SHARES TO RELATED PARTY – MR WILL SCOTT**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 16,666,667 Shares to WYN Contracting Pty Ltd (an entity controlled by Mr Will Scott) in satisfaction of director fees accrued and owing to Mr Will Scott, and otherwise on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**9. RESOLUTION 9 – APPROVAL TO ENTER INTO CONSULTANCY AGREEMENT WITH RELATED PARTY – OKEWOOD PTY LTD**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

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*"That, for the purposes of Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the execution of a consultancy agreement between the Company and Okewood Pty Ltd (an entity controlled by Mr Tony Sage), and otherwise on the terms and conditions set out in the Explanatory Statement."*

A voting prohibition statement applies to this Resolution. Please see below.

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**Dated: 23 February 2023**

**By order of the Board**



**Melissa Chapman  
Company Secretary**

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**Voting Prohibition Statements**

**Resolution 5 to 8 – Issue of Shares to Related Parties**

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 5 to 8 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 to 8 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 to 8 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 9 – Approval to Enter into Consultancy Agreement with Related Party – Okewood Pty Ltd**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolutions set out below by or on behalf of the following persons:

|   |  |
|---|--|
| <b>Resolution 1 – Approval to issue Labrador Consideration Shares</b> | A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Labrador Iron Pty Ltd) or an associate of that person (or those persons).               |
| <b>Resolution 2 – Ratification of prior issue of Shares</b>           | A person who participated in the issue or is a counterparty to the agreement being approved (namely Placement Participants) or an associate of that person or those persons.   |
| <b>Resolution 3 – Ratification of prior issue of Shares</b>           | A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.   |
| <b>Resolution 4 – Approval to issue Stonefield Shares and Options</b> | A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, Stonefield Developments Pty Ltd) or an associate of that person (or those persons).    |
| <b>Resolutions 5 - 8 – Issue of Shares to Related Parties</b>         | Messrs Ross, Turner, Sage or Scott (or their respective nominees) or 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 holder of ordinary securities in the Company) or an associate of that person or those persons. |

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

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



## **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is 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. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

## **Voting in person**

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

***Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 6181 9792.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. RESOLUTION 1 – APPROVAL TO ISSUE LABRADOR CONSIDERATION SHARES

#### 1.1 General

As announced on 4 January 2023, the Company has entered into a binding term sheet with Labrador Iron Pty Ltd (**Labrador**) and its shareholders (**Labrador Shareholders**) to acquire 100% of the issued capital of Labrador, which holds the Block 103 Magnetite Iron Ore Project, located 30km northwest of the mining town of Schefferville, Quebec, Canada (**Acquisition**).

In consideration for the acquisition of Labrador, the Company has agreed to issue, subject to Shareholder approval, 2,160,000,000 Shares (**Labrador Consideration Shares**), to be apportioned between the Labrador Shareholders pro rata according to their ownership interest in Labrador.

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 proposed issue of the Labrador Consideration Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

#### 1.2 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Labrador Consideration Shares which is expected to facilitate completion of the Acquisition. In addition, the issue of the Labrador Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Labrador Consideration Shares and the Company would therefore be unable to complete the Acquisition.

Resolution 1 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Labrador Consideration Shares.

#### 1.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Labrador Consideration Shares will be issued to Labrador Shareholders (or their nominees);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company,

advisers of the Company or an associate of any of these parties;  
and

- (ii) other than those Labrador Shareholders outlined in Schedule 4, issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Labrador Consideration Shares to be issued is 2,160,000,000. The Labrador Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Labrador Consideration Shares will occur on the same date;
- (e) the Labrador Consideration Shares will be issued for nil cash consideration but are issued at a deemed issue price of \$0.0025 per Share;
- (f) the purpose of the issue of the Labrador Consideration Shares is to satisfy the Company's obligations under the binding term sheet and to facilitate completion of the Acquisition;
- (g) the Labrador Consideration Shares are being issued to Labrador Shareholders pursuant to a binding term sheet, the material terms of which are set out in Schedule 1; and
- (h) the Labrador Consideration Shares are not being issued under, or to fund, a reverse takeover.

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## 2. RESOLUTIONS 2 AND 3 – RATIFICATION OF PRIOR ISSUES OF SHARES – LISTING RULE 7.1

### 2.1 General

On 19 January 2023, the Company announced that it had received firm commitments from institutional and sophisticated investors to raise \$1,350,000 (before expenses) through a placement of Shares at an issue price of \$0.0025 per Share (**Placement**).

The Placement comprised the issue of the following Shares:

- (a) 540,000,000 Shares at an issue price of \$0.0025 per Share to raise \$1.35 million (**Placement Shares**) (**Placement**); and
- (b) 25,000,000 Shares at a deemed issue price of \$0.0025 per Share to Barclay Wells Limited (**Lead Manager**) (**Lead Manager Shares**), who managed the issuance of the Placement Shares.

The Placement Shares were issued in two tranches:

- (a) 60,000,000 Placement Shares were issued on 27 January 2023; and
- (b) 412,800,000 Placement Shares were issued on 22 February 2023; and
- (c) the balance of the Placement Shares (comprising 67,200,000 Placement Shares) were issued on 1 March 2023.

The Company also paid the Lead Manager a capital raising fee of 6% of the total amount raised under the Placement and has agreed to pay a retainer of \$5,000 per month (excluding GST) for 12 months commencing from 1 March 2023.

As summarised in Section 1.1 above, 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 securities it had on issue at the start of that 12 month period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 November 2022.

The issue of the Placement Shares and Lead Manager Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, those issues effectively use up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares and Lead Manager Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares and Lead Manager Shares.

## **2.2 Resolution 2 – Placement Shares**

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

## **2.3 Technical information required by Listing Rule 14.1A**

If Resolution 2 is passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 2 is not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

## 2.4 Technical 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 Resolution 2:

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of the Lead Manager (**Placement Participants**). The Placement Participants were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) an aggregate of 540,000,000 Placement Shares were issued as follows:
  - (i) 60,000,000 Placement Shares were issued on 27 January 2023; and
  - (ii) 412,800,000 Placement Shares were issued on 22 February 2023; and
  - (iii) the balance of the Placement Shares (comprising 67,200,000 Placement Shares) were issued on 1 March 2023.
- (d) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the issue price was \$0.0025 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement Shares was to raise not less than \$1 million, which will be applied towards initial work on the Block 103 Magnetite Iron Ore Project, costs of the Labrador Transaction and general working capital; and
- (g) completion of the Placement is a condition precedent to the Labrador Transaction, which was agreed pursuant to a binding term sheet, the material terms of which are set out in Schedule 1.

## 2.5 Resolution 3 – Lead Manager Shares

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Lead Manager Shares.

## 2.6 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Lead Manager Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Lead Manager Shares.

If Resolution 3 is not passed, the Lead Manager Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Lead Manager Shares.

## 2.7 Technical 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 Resolution 3:

- (a) the Lead Manager Shares were issued to Barclay Wells Limited (or its nominees);
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 25,000,000 Lead Manager Shares were issued and the Lead Manager Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Lead Manager Shares were issued on 1 March 2023;
- (e) the issue price was nil per Lead Manager Share. The deemed issue price was \$0.0025 per Lead Manager Share. In addition to the Lead Manager Shares, the Lead Manager has received the fees set out in Section 2.1 above;
- (f) the purpose of the issue of the Lead Manager Shares was to satisfy the Company's obligations under the mandate letter with the Lead Manager;
- (g) completion of the Placement is a condition precedent to the Labrador Transaction, which was agreed pursuant to a binding term sheet, the material terms of which are set out in Schedule 1; and
- (h) the Lead Manager Shares were issued under the mandate letter with the Lead Manager, pursuant to which the Lead Manager agreed to lead manage the Placement in consideration for the fees set out in Section 2.1.

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### 3. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF STONEFIELD SHARES AND OPTIONS – LISTING RULE 7.1

#### 3.1 General

As announced on 28 December 2022, the Company has entered into an agreement to with Stonefield Development Pty Ltd (**Stonefield**) to acquire tenement P47/1812, which forms part of the Company's Nickol River Gold Project, located 10km east of Karratha in the West Pilbara of Western Australia (**Tenement Acquisition**).

In consideration for the Tenement Acquisition, the Company issued 60,000,000 Shares (**Stonefield Shares**) and 30,000,000 unlisted options to acquire Shares exercisable at \$0.003 on or before the date that is 2 years from issue (**Stonefield Options**) (together, **Stonefield Securities**).

As summarised in Section 1.1 above, 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 securities it had on issue at the start of that 12 month period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 November 2022.

The issue of the Stonefield Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Stonefield Securities.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Stonefield Securities.

#### 3.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Stonefield Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Stonefield Securities.

If Resolution 4 is not passed, the Stonefield Securities will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without

Shareholder approval over the 12 month period following the date of issue of the Stonefield Securities. Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.4 for the ratification of the prior issue of the Stonefield Securities.

### 3.3 Technical 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 Resolution 4:

- (a) the Stonefield Securities were issued to Stonefield Developments Pty Ltd (or its nominee);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 60,000,000 Shares were issued and the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) 30,000,000 Options were issued on the terms and conditions set out in Schedule 2;
- (e) the Stonefield Securities were issued on 22 February 2023;
- (f) the Stonefield Options were issued at a nil issue price, and the Stonefield Shares were issued at a deemed issue price of \$0.002 per Share, in consideration for the Tenement Acquisition;
- (g) the Stonefield Securities were issued to Stonefield pursuant to the binding term sheet entered into to give effect to the Tenement Acquisition, the material terms of which are set out in Schedule 3.

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## 4. RESOLUTIONS 5, 6, 7 AND 8 – ISSUE OF SHARES TO RELATED PARTIES

### 4.1 General

As announced on 7 December 2022, the Company has entered an agreement with each of Messrs Stirling Ross, Tim Turner, Tony Sage and Will Scott (or their respective nominees) under which, subject to shareholder approval, the Company has agreed to issue an aggregate 161,111,096 Shares, at a deemed issue price of \$0.0015 each, in lieu of payment of outstanding directors' fees totalling \$241,667 (**Fee Shares**).

Messrs Stirling Ross, Tim Turner, Tony Sage and Will Scott are herein referred to as the **Related Parties**.



The Fee Shares are proposed to be issued to the Related Parties (or their respective nominees) as follows:

| Related Party                               | Outstanding directors' fees owed | Fee Shares proposed to be issued |
|---|----------------------------------|----------------------------------|
| Chemfert International Pty Ltd <sup>1</sup> | \$25,000 <sup>2</sup>            | 16,666,667                       |
| CRMS ATF The Hallemar Trust <sup>3</sup>    | \$25,000 <sup>4</sup>            | 16,666,667                       |
| Okewood Pty Ltd <sup>5</sup>                | \$166,667 <sup>6</sup>           | 111,111,095                      |
| Wyn Contracting Pty Ltd <sup>7</sup>        | \$25,000 <sup>8</sup>            | 16,666,667                       |
| <b>Total</b>                                | <b>\$241,667</b>                 | <b>161,111,096</b>               |

**Notes:**

1. An entity controlled by Director, Mr Ross.
2. non-executive director is \$60,000 per annum plus GST or \$5,000 per month including GST. \$25,000 is for director fees for 5 months from August 2022 to December 2022.
3. An entity controlled by Director, Mr Turner.
4. Outstanding non-executive director fees owed for the 5-month period between August 2022 and December 2022.
5. An entity controlled by Director, Mr Sage.
6. Outstanding executive director fees owed for 5 month period between August 2022 and December 2022.
7. An entity controlled by Director, Mr Scott.
8. Outstanding non-executive director fees owed for the 5-month period between August 2022 and December 2022.

The issue of the Fee Shares to the Related Parties (or their respective nominees) is subject to Shareholder approval being obtained at this Meeting, pursuant to Resolutions 5 to 8.

## 4.2 Director recommendation

Mr Terence Donnelly does not have a material personal interest in the outcome of Resolutions 5 to 8 due to the fact that he has no relevant interest in the Fee Shares and it is not proposed that he will be issued any Fee Shares. Consequently, Mr Donnelly is the only uninterested Director. Despite Mr Donnelly being an uninterested director, as a result of his position on the Board as Chairman, Mr Donnelly does not believe that it is appropriate to make a recommendation and will abstain from voting on Resolutions 5 to 8.

Each Director (other than Mr Donnelly) has a material personal interest in the outcome of Resolutions 5 to 8 on the basis that they will each received Fee Shares in the proportions listed in Section 4.1 in lieu of directors' fees owing (**Interested Directors**). For this reason, the Interested Directors do not believe that it is appropriate to make a recommendation on Resolutions 5 to 8 of this Notice.

## 4.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 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 issue of Fee Shares to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Fee Shares are proposed to be issued to four out of five of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Fee Shares. Accordingly, Shareholder approval for the issue of Fee Shares to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

#### **4.4 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:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder 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;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Fee Shares to the Related Parties falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 5 to 8 seek the required Shareholder approval for the issue of the Shares under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

#### **4.5 Technical information required by Listing Rule 14.1A**

If Resolutions 5 to 8 are passed, the Company will be able to proceed with the issue of the Fee Shares to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Fee Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Fee Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 to 8 are not passed, the Company will not be able to proceed with the issue of the Fee Shares and the Company will be required to consider other mechanisms to properly remunerate the Related Parties, including the payment of the relevant director's fees in cash, which may not be as cost effective for the Company.

#### **4.6 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act**

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 to 8:

- (a) a maximum of 161,111,096 Fee Shares will be issued to the Related Parties (or their respective nominees) as follows:
  - (i) 16,666,667 Fee Shares to Chemfert International Pty Ltd, an entity controlled by Director, Mr Ross (Resolution 5);
  - (ii) 16,666,667 Fee Shares to CRMS (ATF The Hallemar Trust), an entity controlled by Director, Mr Turner (Resolution 6);
  - (iii) 111,111,095 Fee Shares to Okewood Pty Ltd, an entity controlled by Director, Mr Sage (Resolution 7); and
  - (iv) 16,666,667 Fee Shares to Wyn Contracting Pty Ltd, an entity controlled by Director, Mr Scott (Resolution 8),

each Related Party falls within the category set out in Listing Rule 10.11.4 by virtue being entities associated with a Director,

- (b) the issue price of the Fee Shares will be nil as the Fee Shares are being issued at a deemed issue price of \$0.0015 per Fee Share in lieu of outstanding directors' fees totalling \$241,667 accrued and owing to the Related Parties for the period between August 2022 and December 2022; comprising:
  - (i) outstanding directors' fees accrued and payable totalling \$25,000 to Mr Ross (Resolution 5);
  - (ii) outstanding directors' fees accrued and payable totalling \$25,000 to Mr Turner (Resolution 6);
  - (iii) outstanding directors' fees accrued and payable totalling \$166,667 to Mr Sage (Resolution 7); and
  - (iv) outstanding directors' fees accrued and payable totalling \$25,000 to Mr Scott (Resolution 8),
- (c) the deemed issue price per Fee Share was determined based upon a 25% discount to the last closing price of Shares on the ASX immediately prior to the announcement on 7 December 2022 (being \$0.002 per Share);
- (d) the Company will not receive any other consideration in respect of the issue of the Fee Shares. However, the issue of the Fee Shares will result in the Company converting debt owing to the Related Parties to equity;

- (e) the purpose of the issue of the Fee Shares is to preserve the cash reserves of the Company and convert debt accrued and owing to the Related Parties (being, the outstanding directors' fees for the period between August 2022 and December 2022) to equity. Further information regarding the nature of the financial benefit conferred on the Related Parties by the issue of the Fee Shares is set out in Section 4.1;
- (f) the Fee Shares proposed to be issued will be fully paid ordinary shares in the capital of the Company, ranking equally in all respects with existing shares on issue;
- (g) the Fee Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Fee Shares will occur on the same date;
- (h) the current relevant interests of the Related Parties and their total remuneration package for the previous financial year and the current financial year are set out below:

| Related Party    | Financial Year ended 30 June 2023 | Financial Year ended 30 June 2022 | Shares      | Options                |
|------------------|-----------------------------------|-----------------------------------|-------------|------------------------|
| Mr Stirling Ross | \$60,000                          | \$12,959 <sup>1</sup>             | 2,500,000   | -                      |
| Mr Tim Turner    | \$60,000                          | \$60,000 <sup>2</sup>             | 25,723,000  | -                      |
| Mr Tony Sage     | \$400,000 <sup>3</sup>            | \$436,444 <sup>4</sup>            | 312,514,763 | -                      |
| Mr Will Scott    | \$60,000                          | \$128,750 <sup>5</sup>            | 342,514,763 | 2,500,000 <sup>6</sup> |

**Notes:**

1. Comprising director's salary of \$12,959.
  2. Comprising director's salary of \$60,000.
  3. Assuming Resolution 9 is passed.
  4. Comprising a Director's Salary of \$400,000 and share-based payments of \$36,444; and
  5. Comprising a Director's Salary of \$50,000 and share-based payments of \$78,750.
  6. Unquoted Options exercisable at \$0.006 each on or before 31 March 2024.
- (i) if the Fee Shares are issued to the Related Parties are exercised, a total of 161,111,096 Shares would be issued. This will increase the number of Shares on issue from 6,176,736,982 (being the total number of Shares on issue as at the date of this Notice) to 6,337,848,078 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.61%, comprising 0.27% by each of Messrs Ross, Tuner and Scott and 1.80% by Mr Sage;
- (j) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5 to 8;
- (k) the Fee Shares are being issued under agreements between the Company and each of the Related Parties pursuant to which the Company and each Related Party has agreed, subject to shareholder approval, to convert the outstanding director fees set out in Section 4.1 above into Shares at a deemed conversion price of \$0.0015; and

- (l) a voting exclusion statement and a voting prohibition statement is included for each of Resolutions 5 to 8 of this Notice.

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## 5. RESOLUTION 9 – APPROVAL TO ENTER INTO CONSULTANCY AGREEMENT WITH RELATED PARTY – OKEWOOD PTY LTD

### 5.1 Background

Resolution 9 seeks Shareholder approval for the Company to enter into a consultancy agreement with Okewood Pty Ltd (**Okewood**) (**Consultancy Agreement**), an entity controlled by Tony Sage, a related party of the Company by virtue of being a Director, for the purposes of Chapter 2E of the Corporations Act.

Pursuant to the proposed terms of the Consultancy Agreement, the Company will engage Tony Sage via his nominated entity, Okewood, to provide the executive director services to the Company. The term of the Consultancy Agreement is 3 years, commencing 1 April 2023 (**Term**).

In consideration for services provided pursuant to the Consultancy Agreement, Okewood (or its nominee) will receive \$400,000 per annum (plus GST). In addition, Okewood (or its nominee) will be entitled to receive incentive payments during the Term subject to the achievement of the following criteria:

- (a) \$100,000 will be payable to Okewood (or its nominee) on the sale by the Company of 75% or more of its shareholding in European Lithium Limited (ASX: EUR) at a share price at or above \$0.25 per share;
- (b) \$100,000 will be payable to Okewood (or its nominee) if the Company completes a priority capital raising of not less than \$2.5 million; and
- (c) \$100,000 will be payable to Okewood (or its nominee) upon the successful completion of the Acquisition (the subject of Resolution 1) or the completion of another type of acquisition of a major project that significantly enhances the share price of the Company to exceed \$0.015 continuously for more than 20 consecutive trading days during the term of the Consultancy Agreement

(together, the **Incentive Payments**).

The Consultancy Agreement otherwise contains terms and conditions considered standard for an agreement of its type.

### 5.2 Director recommendation

The Directors (other than Mr Sage) do not have a material personal interest in the outcome of Resolution 9 because the Directors (other than Mr Sage) are not proposed to receive any financial benefit as a result of the Company resolving to enter into the Consultancy Agreement, subject to shareholder approval.

Despite Mr Donnelly not having any material personal interest in the outcome of Resolution 9, as a result of his position on the Board as Chairman, Mr Donnelly does not believe that it is appropriate to make a recommendation and will abstain from voting on Resolution 9.

The Directors (other than Mr Sage (who has a material personal interest in the outcome of Resolution 9) and Mr Donnelly (as Chairman)) recommend that

Shareholders vote in favour of Resolution 9 on the basis that the Incentive Payments constitute reasonable remuneration payable to Mr Sage.

Mr Sage has a material personal interest in the outcome of Resolution 9 on the basis that he will benefit from any Incentive Payments received under the Consultancy Agreement. For this reason, Mr Sage does not believe that it is appropriate to make a recommendation and will abstain from voting on this Resolution.

### **5.3 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 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.

Entry into the Consultancy Agreement will result in the giving of a financial benefit to Okewood (or its nominee), which is an entity controlled by Director, Mr Sage. Whilst the Board (with Mr Sage abstaining) considers that the Incentive Payments constitute reasonable remuneration payable to Okewood (or its nominee) (and therefore falls within an exception set out in section 211 of the Corporations Act), the Board (with Mr Sage abstaining) have resolved to seek Shareholder approval to enter into the Consultancy Agreement for the proposes of Chapter 2E of the Corporations Act in the interest of good governance.

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## GLOSSARY

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**\$** means Australian dollars.

**Acquisition** has the meaning given to it in Section 1.1.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Cyclone Metals Ltd (ACN 095 047 920).

**Constitution** means the Company's constitution.

**Consultancy Agreement** has the meaning given to it in Section 5.1.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Fee Shares** has the meaning given to it in Section 4.1.

**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.

**Labrador** means Labrador Iron Pty Ltd.

**Labrador Consideration Shares** has the meaning given to it in Section 1.1.

**Labrador Shareholders** has the meaning given to it in Section 1.1.

**Lead Manager** has the meaning given to it in Section 2.1.

**Lead Manager Shares** has the meaning given to it in Section 2.1.

**Listing Rules** means the Listing Rules of ASX.

**Meeting** means the meeting convened by the Notice.

**Notice** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Okewood** means Okewood Pty Ltd.

**Option** means an option to acquire a Share.

**Placement Participants** has the meaning given to it in Section 2.4(a).

**Placement** has the meaning given in Section 2.1.

**Placement Shares** has the meaning given to it in Section 2.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Stonefield** means Stonefield Development Pty Ltd.

**Stonefield Securities** has the meaning given to it in Section 3.1.

**Stonefield Shares** has the meaning given to it in Section 3.1.

**Stonefield Options** has the meaning given to it in Section 3.1.

**Tenement Acquisition** has the meaning given to it in Section 3.1.

**WST** means Western Standard Time as observed in Perth, Western Australia.



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## SCHEDULE 1 – LABRADOR ACQUISITION TERMS

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The material terms of the binding term sheet entered into between the Company, Labrador and the Labrador Shareholders are as follows:

|                             |  |
|-----------------------------|--|
| <b>Consideration</b>        | Subject to Shareholder approval, the Company has agreed to issue the Labrador Shareholders 2,160,000,000 Shares at a deemed issue price of \$0.0025 per Share ( <b>Consideration Shares</b> ).   |
| <b>Conditions Precedent</b> | <p>The Acquisition is subject to and conditional upon the satisfaction (or waiver) of the following conditions precedent:</p> <ul style="list-style-type: none"><li>(a) CLE obtaining all necessary shareholder approvals pursuant to the ASX Listing Rules, <i>Corporations Act 2001</i> (Cth) (<b>Corporations Act</b>) or any other law, including CLE shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the Labrador Consideration Shares;</li><li>(b) CLE obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules Corporations Act or any other law to lawfully complete the matters set out in this Agreement;</li><li>(c) CLE being satisfied that the issue of the Consideration Shares will also satisfy Labrador's outstanding payment obligations to M3 Metals Corp under the tenement sale agreement entered into between M3 Metals Corp under the tenement sale agreement entered into between M3 Metals Corp and Labrador on or about 2 May 2022 (<b>Tenement Sale Agreement</b>);</li><li>(d) CLE completing the Placement; and</li><li>(e) there being no material adverse change in the circumstances of Labrador and none of the warranties given by Labrador and the Founding Shareholders becoming untrue, incorrect or misleading each prior to the date of satisfaction (or waiver) of all other conditions.</li></ul> |
| <b>Board</b>                | There will be no changes to the CLE's board or senior management. Chapter 10 of the Listing Rules does not apply to an acquisition between unrelated parties. Labrador is not a related party, child entity or substantial shareholder of the Company or associates of any of those persons.   |

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## SCHEDULE 2 – TERMS AND CONDITIONS OF STONEFIELD OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.003 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 2 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being

ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 3 – TENEMENT ACQUISITION TERMS

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The material terms of the binding term sheet entered into between the Company and Stonefield Developments Pty Ltd (**Stonefield**) are as follows:

|                             |  |
|-----------------------------|--|
| <b>Consideration</b>        | In consideration for the acquisition of prospecting licence P47/1812 ( <b>Tenement Acquisition</b> ), which comprises the Nickol River Gold Project, the Company has agreed to issue 60,000,000 Shares at a deemed issue price of \$0.002 per Share ( <b>Stonefield Shares</b> ) and 30,000,000 Options on the terms set out in Schedule 2 ( <b>Stonefield Options</b> ).  |
| <b>Conditions Precedent</b> | <p>The Tenement Acquisition is subject to and conditional upon the satisfaction (or waiver) of the following conditions precedent:</p> <ul style="list-style-type: none"><li>(a) Completion of due diligence by CLE on the Tenement;</li><li>(b) CLE obtaining all necessary shareholder and regulatory approvals pursuant to the ASX Listing Rules, <i>Corporations Act 2001</i> (Cth) (<b>Corporations Act</b>) or any other law, to allow CLE to lawfully complete the Tenement Acquisition;</li><li>(c) Stonefield maintaining the Tenements in good standing; and</li><li>(d) there being no material adverse change in the circumstances of the tenement and none of the warranties given by Stonefield becoming untrue, incorrect or misleading each prior to the date of satisfaction (or waiver) of all other conditions.</li></ul> |
| <b>Board</b>                | There will be no changes to the CLE's board or senior management.  |

## SCHEDULE 4 – LABRADOR SHAREHOLDERS

### Labrador Shareholders with more than 1% holding in CLE:

| Name   | Address                                       | Number of LABRADOR Shares held | % interest in LABRADOR | Upfront Consideration Shares | Dollar value       |
|--|---|--------------------------------|------------------------|------------------------------|--------------------|
| Plus39 Capital Pty Ltd<br>ATF Plus39 Investment Trust  | 39 Guthrie Street,<br>Osborne Park WA<br>6017 | 393,600                        | 9.84%                  | 94,464,000                   | <b>\$236,160</b>   |
| Little Brown Family Trust                              | 1406 Rowley Road,<br>Wungong WA<br>6112       | 266,800                        | 6.67%                  | 64,032,000                   | <b>\$160,080</b>   |
| Angkor Imperial Resources<br><Turkish Bread Super A/C> | Po Box 8292 South<br>Perth WA 6151            | 400,000                        | 10.00%                 | 96,000,000                   | <b>\$240,000</b>   |
| Capretti Investments Pty Ltd.                          | 2 Eileen Street.<br>Cottesloe WA<br>6011      | 400,000                        | 10.00%                 | 96,000,000                   | <b>\$240,000</b>   |
| Barclay Wells  | 1/22 Railway Rd,<br>Subiaco WA 6008           | 1,534,800                      | 54.09%                 | 1,168,352,000                | <b>\$2,920,880</b> |
| M3 Metals Carp   |   |                                |                        | 400,000,000                  | <b>\$1,000,000</b> |

### All Labrador Shareholders:


| Name   | Address   | Number of LABRADOR Shares held | % interest in LABRADOR | Upfront Consideration Shares | Dollar value     |
|--|---|--------------------------------|------------------------|------------------------------|------------------|
| Bath Resources Pty Ltd                                 | Unit 6, 72 Walter Road West   | 140,000                        | 3.50%                  | 33,600,000                   | <b>\$84,000</b>  |
| Plus39 Capital Pty Ltd<br>ATF Plus39 Investment Trust  | 39 Guthrie Street,<br>Osborne Park WA<br>6017   | 393,600                        | 9.84%                  | 94,464,000                   | <b>\$236,160</b> |
| Little Brown Family Trust                              | 1406 Rowley Road,<br>Wungong WA 6112  | 266,800                        | 6.67%                  | 64,032,000                   | <b>\$160,080</b> |
| Angkor Imperial Resources<br><Turkish Bread Super A/C> | Po Box 8292 South<br>Perth WA 6151  | 400,000                        | 10.00%                 | 96,000,000                   | <b>\$240,000</b> |
| Capretti Investments Pty Ltd.                          | 2 Eileen Street.<br>Cottesloe WA 6011   | 400,000                        | 10.00%                 | 96,000,000                   | <b>\$240,000</b> |
| Finkelstein Hickmott Pty Ltd                           | Po Box 111 West<br>Perth WA 6872  | 80,800                         | 2.02%                  | 19,392,000                   | <b>\$48,480</b>  |
| Blake Albert Steele                                    | Apartment 33f,<br>Goldwin Heights, 2<br>Seymour Road, Mid<br>Levels, Hong Kong<br>SAR | 80,800                         | 2.02%                  | 19,392,000                   | <b>\$48,480</b>  |


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| Name                            | Address                                     | Number of LABRADOR Shares held | % interest in LABRADOR | Upfront Consideration Shares | Dollar value       |
|---------------------------------|---|--------------------------------|------------------------|------------------------------|--------------------|
| Quadrangle Capital Pty Ltd      | 15a Kenny Street, Balwyn North VIC 3104     | 161,600                        | 4.04%                  | 38,784,000                   | <b>\$96,960</b>    |
| Maud Briscoe Renaud             | 16 Mary Street, St Kilda West, VIC, 3182    | 80,800                         | 2.02%                  | 19,392,000                   | <b>\$48,480</b>    |
| Pallaras Legal Pty Ltd          | 70 Hindmarsh Square, Adelaide SA 5000       | 64,800                         | 1.62%                  | 15,552,000                   | <b>\$38,880</b>    |
| Empire Capital Partners Pty Lid | 8/448 Roberts Road, Subiaco WA 6008         | 141,600                        | 3.54%                  | 33,984,000                   | <b>\$84,960</b>    |
| Jesse Samuel D'sylva            | 2 Banool Crescent, City Beach WA 6015       | 86,800                         | 2.17%                  | 20,832,000                   | <b>\$52,080</b>    |
| Timothy Malcolm Walker          | Po Box 315, Dunsborough WA 6281             | 86,800                         | 2.17%                  | 20,832,000                   | <b>\$52,080</b>    |
| Jonathan Holmes                 | Unit 7/9 Overton Gardens Cottlesloe WA 6011 | 32,400                         | 0.81%                  | 7,776,000                    | <b>\$19,440</b>    |
| Nathaniel James Gardiner        | 49 Ripley Way, Duncraig WA 6023             | 48,400                         | 1.21%                  | 11,616,000                   | <b>\$29,040</b>    |
| Barclay Wells                   | 1/22 Railway Rd, Subiaco WA 6008            | 1,534,800                      | 54.09%                 | 1,168,352,000                | <b>\$2,920,880</b> |
| M3 Metals Carp                  |   |                                |                        | 400,000,000                  | <b>\$1,000,000</b> |
| <b>TOTAL</b>                    |   | <b>4,000,000</b>               | <b>100.00%</b>         | <b>2,160,000,000</b>         | <b>\$5,400,000</b> |

## Need assistance?

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

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (AWST) on Tuesday, 4 April 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](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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: 182118**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://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.

I N D

# 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 Cyclone 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 Cyclone Metals Limited to be held at 32 Harrogate Street, West Leederville, WA 6007 on Thursday, 6 April 2023 at 9:00am (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 5, 6, 7, 8 and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 5, 6, 7, 8 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 5, 6, 7, 8 and 9 by marking the appropriate box in step 2.

## Step 2 Items of Business

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

|  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 Approval to issue Labrador Consideration Shares                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Ratification of prior issue of Shares – Listing Rule 7.1                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 Ratification of prior issue of Shares – Listing Rule 7.1                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 Ratification of issue Stonefield Shares and Options                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 Issue of Shares to Related Party – Mr Stirling Ross                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 Issue of Shares to Related Party – Mr Tim Turner                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 Issue of Shares to Related Party – Mr Tony Sage                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 Issue of Shares to Related Party – Mr Will Scott                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 Approval to enter into Consultancy Agreement with Related Party – Okewood Pty Ltd | <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  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director 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

