# David Southam appointed Managing Director

## Former Mincor MD joins Cygnus as it prepares for its maiden drilling program at Pontax Lithium Project in James Bay, Canada

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**ASX ANNOUNCEMENT:**
**October 4, 2022**

**ASX: CY5**

**CORPORATE DIRECTORY**

**Non-Executive Chairman**
Raymond Shorrocks
**Executive Director**
Michael Naylor
**Non-Executive Directors**
Michael Bohm
Shaun Hardcastle
**CFO & Company Secretary**
Susan Field

**Major Shareholders**
Merk Investments 9.9%
Steve Parsons 5.7%
Southern Cross 5.3%
Michael Naylor 4.2%
Michael Bohm 4.2%

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### Key Points

- **David Southam to join the Cygnus Board as a Non-Executive Director from 1 November 2022 and Managing Director from mid-February 2023.**
- **Mr Southam is a highly regarded resources executive with extensive experience in managing ASX-listed mining companies, developing projects and capital markets**
- **Mr Southam was recently recognised by a respected mining publication as Mining CEO of the Year for ASX-listed resources companies**
- **Cygnus has assembled an exceptional and diverse team of industry professionals including lithium geologist Gareth Reynolds and Mark Calderwood.**
- **Combined with the appointment of Mr Southam, the calibre of the professionals who have joined Cygnus is an endorsement of the Pontax Lithium Project and the Company's rapid growth strategy**
- **Cygnus has a major landholding in the heart of the world class James Bay Lithium Province with over 40km of highly prospective strike length adjacent to its Pontax project**
- **Pontax is located in the tier-one lithium jurisdiction of James Bay and sits just ~50km from Allkem's world-class James Bay lithium project**
- **At Pontax Central, confirmed spodumene bearing pegmatites outcrop over 620m and remaining open in all directions**
- **All holes drilled to date have hit spodumene bearing lithium-caesium-tantalum (LCT) pegmatites with shallow intersections grading up to 2.6% $Li_2O$**
- **10,000m drilling program set to start in the coming quarter**
- **James Bay also hosts Patriot Battery Metals' major Corvette lithium discovery**

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Cygnus Gold (ASX:CY5) in pleased to advise that highly experienced resources executive David Southam will join the Board of Directors from 1 November 2022, as a Non-Executive Director for an initial period, and then commence as Managing Director from mid-February 2023.

His distinguished career as a senior executive of listed resources and industrial companies culminated in his appointment in 2019 as Managing Director of Mincor Resources (ASX: MCR), where he led that Company's highly successful return to the ranks of Australian nickel producers within a three-year period, overseeing a major greenfields discovery, resource definition, the completion of off-take arrangements, feasibility studies, project financing and construction of the Kambalda Nickel Operations, nearly all of which was completed during a global pandemic. During Mr Southam's tenure, the market capitalisation of Mincor increased from circa $70 million to $1 billion.

Prior to joining Mincor, Mr Southam was Executive Director of ASX-200 nickel company Western Areas Limited for eight years and held senior executive roles within Brambles Group, Gindalbie Metals, ANZ Investment Bank and WMC Resources.

Mr Southam has been intimately involved in several large project financings in multiple jurisdictions, has completed significant capital market and M&A transactions, negotiated multi-billion-dollar sales off-take arrangements in various commodities and has substantial experience on listed and private company boards.

Importantly, he also has significant experience in battery metals through his non-executive director role at Kidman Resources, which was ultimately acquired by Wesfarmers, and through his work over a decade in the nickel industry.

Mr Southam has a Bachelor of Commerce, Accounting and Finance and is currently a non-executive director of Ramelius Resources Ltd and a Council Member and Chair of the Audit and Risk Committee for Curtin University.

Cygnus Chairman Ray Shorrocks said: "David is an exceptional addition to our highly experienced team. His understanding of resource companies and projects and his vast experience in capital markets will be invaluable as we unlock the huge opportunity at Pontax.

"David's decision to join Cygnus also speaks volumes about the potential at Pontax, where drilling has already established the presence of high-grade spodumene.

"David's appointment alongside our highly experienced technical and financial people leaves no doubt that we have established an A-team to create shareholder value by demonstrating the full value of Pontax".

Mr Southam said: "I'm very excited to be joining the Cygnus team at such an early juncture of its lithium journey and look forward to leading the Company through its next stages of growth. Excitingly, the Company will commence its maiden drill programme in the coming weeks with a clear aim of delivering an inaugural Mineral Resource in 2023.

"Michael Naylor and the team deserve recognition for assembling an enviable tenement package in a magnificent jurisdiction, which when compared to Western Australia, is just as prospective but substantially under explored".

**About Cygnus Gold Limited**

Cygnus Gold Limited (ASX: CY5) is an emerging exploration company focussed on advancing the Pontax Lithium Project (earning up to 70%) in the world class James Bay lithium district in Canada, as well as the Bencubbin Lithium Project and Snake Rock Project in Western Australia. The Cygnus Board of Directors and Technical Management team has a proven track record of substantial exploration success and a creating wealth for shareholders and all stakeholders in recent years.

Cygnus Gold's tenements range from early-stage exploration areas through to advanced drill-ready targets.

For and on behalf of the Board

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**Executive Director**
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**Previous Exploration Results**

The information in this announcement that relates to Exploration Results relating to the Pontax Lithium Project has been previously released in ASX Announcement date 29 July 2022. Cygnus Gold is not aware of any new information or data that materially effects the information in the said announcements.

## Competent Persons Statements

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Duncan Grieve, a Competent Person who is a member of The Australasian Institute of Geoscientists. Mr Grieve is the Exploration Manager and a full-time employee of Cygnus Gold and holds shares in the Company.

Mr Grieve has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Grieve consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

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# Annexure A

**Terms of Employment**

For the purposes of ASX Listing Rule 3.16.4, the material terms of David Southam's Managing Director's employment contract are:

**Commencement Date**: Mid-February 2023 on a part-time basis with transition arrangements to move to full-time

**Term / Notice Period**: Ongoing term, with termination by the Company of six months and termination by the Managing Director of three months. The Company may terminate the employment without notice in certain circumstances.

**Remuneration**: A fixed Total Remuneration Package (**TRP**) of $600,000 (Full Time Equivalent), inclusive of superannuation contributions.

**Short Term Incentive Program (STIP)**: Eligible to participate in a STIP of up to 25% of TRP subject to achievement of STIP hurdles.

**Employee Incentives Securities Plan (EISP)**: Eligible to participate in the EISP. The Company has agreed to issue the following performance rights to Mr Southam subject to shareholder approval:

| Tranche | Number of Performance Rights | Vesting Condition | Expiry Date |
|---|---|---|---|
| Tranche A | 5,000,000 | 2 years continuous employment with the Company from the date of appointment (being 1 November 2022). | 5 years from the date of issue. |
| Tranche B | 2,000,000 | The Company, in respect of any of the mining tenements or projects it holds an interest in at the issue date of the Performance Rights or acquires at any date in the future, announces a JORC 2012 compliant $Li_2O$ resource of at least 5Mt at a grade of no less than 0.9% lithium | 5 years from the date of issue. |
| Tranche C | 2,000,000 | The Company, in respect of any of the mining tenements or projects it holds an interest in at the issue date of the Performance Rights or acquires at any date in the future, announces a JORC 2012 compliant $Li_2O$ resource of at least 10Mt at a grade of no less than 0.9% lithium | 5 years from the date of issue. |
| Tranche D | 4,000,000 | The Company, in respect of any of the mining tenements or projects it holds an interest in at the issue date of the Performance Rights or acquires at any date in the future, announces a JORC 2012 compliant $Li_2O$ resource of at least 20Mt at a grade of no less than 0.9% lithium | 5 years from the date of issue. |
| Tranche E | 2,500,000 | The Company achieving a market capitalisation of at least A$150,000,000 over a period of not less than 10 consecutive trading days on which trades in the Company's shares actually occur | 5 years from the date of issue. |
| Tranche F | 2,500,000 | The Company's share price having a 10-day VWAP of at least $1.00 or a market capitalisation of at least $250,000,000 over a period of not less than 10 consecutive trading days on which trades in the Company's shares actually occur | 5 years from the date of issue. |

The Company has also agreed to issue Long Term Incentives to Mr Southam up to 150% of the base salary component of his TRP commencing 1 July 2023.