



Pontax Lithium Project, James Bay, Canada

Cygnum appoints two highly regarded lithium specialists ahead of maiden drilling program

Former SQM Chief Exploration Geologist Gareth Reynolds and WA lithium expert Mark Calderwood join Cygnum

ASX ANNOUNCEMENT:

September 1, 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

Steve Parsons 6.9%

Merk Investments 6.9%

Southern Cross 6.7%

Michael Naylor 5.2%

Michael Bohm 5.1%

Advancing the Pontax Lithium Project in the world class James Bay lithium district in Canada and Bencubbin Lithium Project in Western Australia.

~\$5.0m Cash

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Cygnum Gold Limited

Key Points

- Cygnum has appointed two highly experienced lithium experts to help drive the upcoming exploration campaign at its recently-secured Pontax Lithium Project
- Pontax is located in the tier-one lithium jurisdiction of James Bay, which hosts Patriot Battery Metals' new lithium discovery, Corvette lithium project and several other world-class lithium deposits
- Gareth Reynolds has been appointed Head of Business Development; Mr Reynolds is a geologist with over 18 years experience, having worked at the Bald Hill, Wodgina and Mt Marion lithium projects. He was also Chief Exploration Geologist for Sociedad Química y Minera (SQM), Exploration Manager for Tawana Resources and Senior Geologist at Mineral Resources
- Mark Calderwood has been appointed as an advisor to the Cygnum Board; Mr Calderwood has significant experience with lithium exploration and mine development and is co-author of a guidebook to the pegmatites of WA
- 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 high-grade, shallow intersections including:
 - 9.0m @ 1.7% Li₂O from 46.9m
 - 15.6m @ 1.6% Li₂O from 83.9m
 - 4.8m @ 2.6% Li₂O from 19.4m
 - 13.0m @ 1.4% Li₂O from 36m
- Metallurgical test work generated 6% spodumene concentrate using conventional processing techniques with potential tantalum biproduct with grades of up to 549ppm Ta₂O₅ in drilling
- Exploration commenced with geophysics followed by field mapping in preparation for 10,000m drill program

Cygnus Executive Director Mr Michael Naylor said: *“Securing the services of two such highly regarded lithium experts is an exceptional outcome for Cygnus.*

“We know we have an outstanding asset in a world-class lithium location. To have Gareth and Mark advising us will ensure we unlock the full value of this opportunity.

“They have both reviewed Pontax and their desire to join us speaks volumes about the project’s immense potential.

“Their appointments come at the perfect time given we are about to embark on an extensive exploration program aimed at creating significant value in a timely manner.

“We have already commenced early-stage geophysics and imagery. This will be followed by field mapping which will enable us to identify potential additional lithium outcrops in addition to the 620m-long pegmatite already established at Pontax.

“The entire 10km prospective strike length has never been systematically explored and there is immense potential to uncover further pegmatites within the project area.

“This will all culminate in a 10,000m drilling program across the main outcrop and regional targets commencing in the coming quarter”.

Cygnus Gold (ASX:CY5) is pleased to advise that it has appointed two highly experienced lithium experts to help drive the exploration and development strategy at its Pontax Lithium Project in James Bay, Canada.

Gareth Reynolds has been appointed as Head of Business Development and Mark Calderwood as Board Advisor.

Mr Reynolds is a geologist with more than 18 years’ experience having held senior positions at major lithium projects including Bald Hill, Wodgina and Mt Marion Lithium Projects.

His previous roles include Chief Exploration Geologist for Sociedad Química y Minera (SQM) identifying and assessing lithium projects for acquisition in Western Australia and abroad; Exploration Manager for Tawana Resources undertaking a lead role in the development and implementation of the exploration program which defined the 26MT+ lithium deposit at Bald Hill; and Senior Geologist for Mineral Resources where he undertook management and supervision of the resource definition program at Mt Marion and early-stage exploration at Wodgina.

Mr Calderwood has more than 30 years’ experience in exploration and production. He has played key roles in the discovery of several world-class gold deposits including Edikan (Perseus), Kibali (Barrick-AGA) and Tarmoola (King of the Hills) in Western Australia.

His previous roles include Chief Executive of Perseus Mining, where he led the Company from a micro-cap explorer to a \$1.6B, ASX-100 gold producer. Mr Calderwood also has significant experience with lithium exploration and mine development and is a co-author of a guidebook to the pegmatites of Western Australia.

Pontax Lithium Project (CY5 Earning Up To 70%): Located in one of Canada’s most prolific lithium provinces

The Pontax Lithium Project was acquired due to the potential to host a substantial lithium Resource. The Project covers 36km² located in the prolific Superior Province of Quebec, with the James Bay region one of the most endowed lithium terranes in the world, even though only minimal modern exploration has been seen over the past 20 years.

Advanced significant lithium projects of northern Quebec include (*refer to Figure 2*):

- Abitibi Lithium Hub (**119.1Mt @ 1.1% Li₂O^{iv}**) operated by Sayona Mining Limited/Piedmont Lithium Inc (*Refer to Sayona Mining’s ASX Presentation dated 27 May 2022*)
- James Bay (**40.3Mt @ 1.4% Li₂Oⁱ**) operated by Allkem Ltd (*Refer to Allkem’s ASX Announcement dated 21 December 2021*)

- Whabouchi (**55.7Mt @ 1.4% Li₂Oⁱⁱ**) operated by Nemaska Lithium Inc (Refer to Nemaska Lithium NI 43-101 dated 31 May 2019)
- Rose (**34.2Mt @ 0.9% Li₂O^{iv}**) operated by Critical Elements Lithium Corp (Refer to Critical Elements' TSX-V Announcement dated 13 June 2022)
- Moblan (**16.1Mt @ 1.4% Li₂O^{iv}**) operated by Sayona Mining/SOQUEM Inc (Refer to Sayona Mining's ASX Presentation dated 27 May 2022)

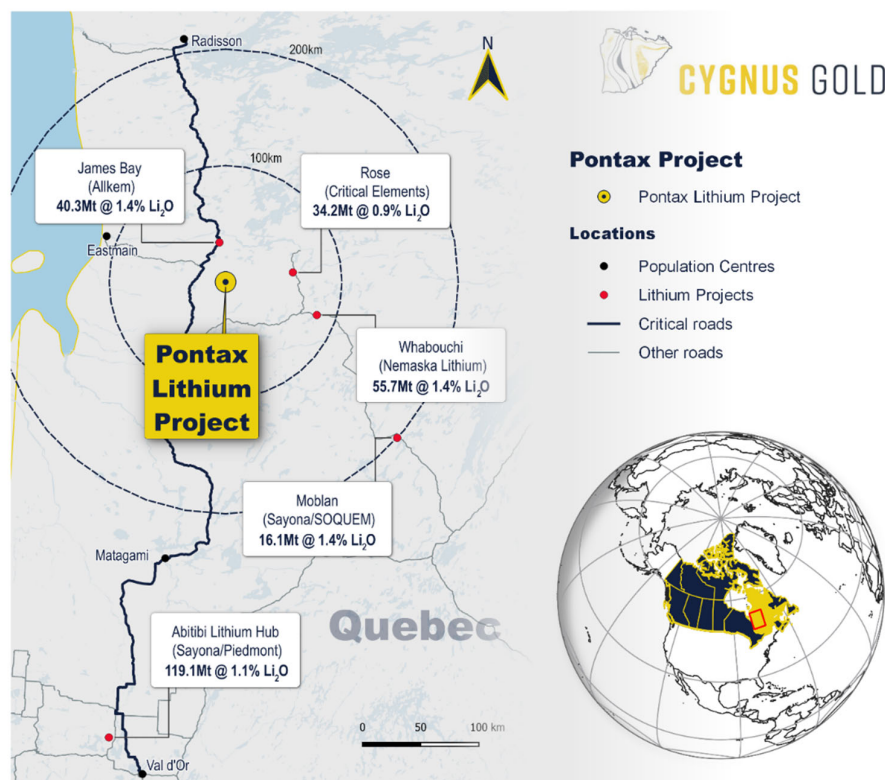


Figure 1: Location of the Pontax Lithium Project and significant lithium deposits in the James Bay Area as well as major access routes through the region

Pontax: – Unlocking the Potential

The Pontax Lithium Project is host to numerous pegmatite swarms with the only explored swarm being Central Pontax which outcrops over 620m of strike and remains open along strike and at depth. There are untested pegmatite outcrops north of the central outcrop that have never been drilled and multiple targets for follow up drilling.

To date 25 diamond drill holes for ~3,286m have been completed at the project with drilling entirely focussed upon the known extent of the outcrop. All holes drilled to date have hit spodumene bearing lithium-cesium-tantalum (LCT) pegmatites with significant drill intersections including:

- | | |
|---|---|
| • 9m @ 1.7% Li ₂ O from 46.9m | • 12.0m @ 1.1% Li ₂ O from 99.5m |
| • 15.6m @ 1.6% Li ₂ O from 83.9m | • 12.0m @ 1.4% Li ₂ O from 83.0m |
| • 4.8m @ 2.6% Li ₂ O from 19.4m | • 7.9m @ 1.4% Li ₂ O from 88.9m |
| • 13.0m @ 1.4% Li ₂ O from 36.0m | • 4.1m @ 2.5% Li ₂ O from 64.3m |

The drilling from Central Pontax is completely open in all directions with some of the thickest intervals from the deepest drilling which is still shallow at less than 130m vertical depth.

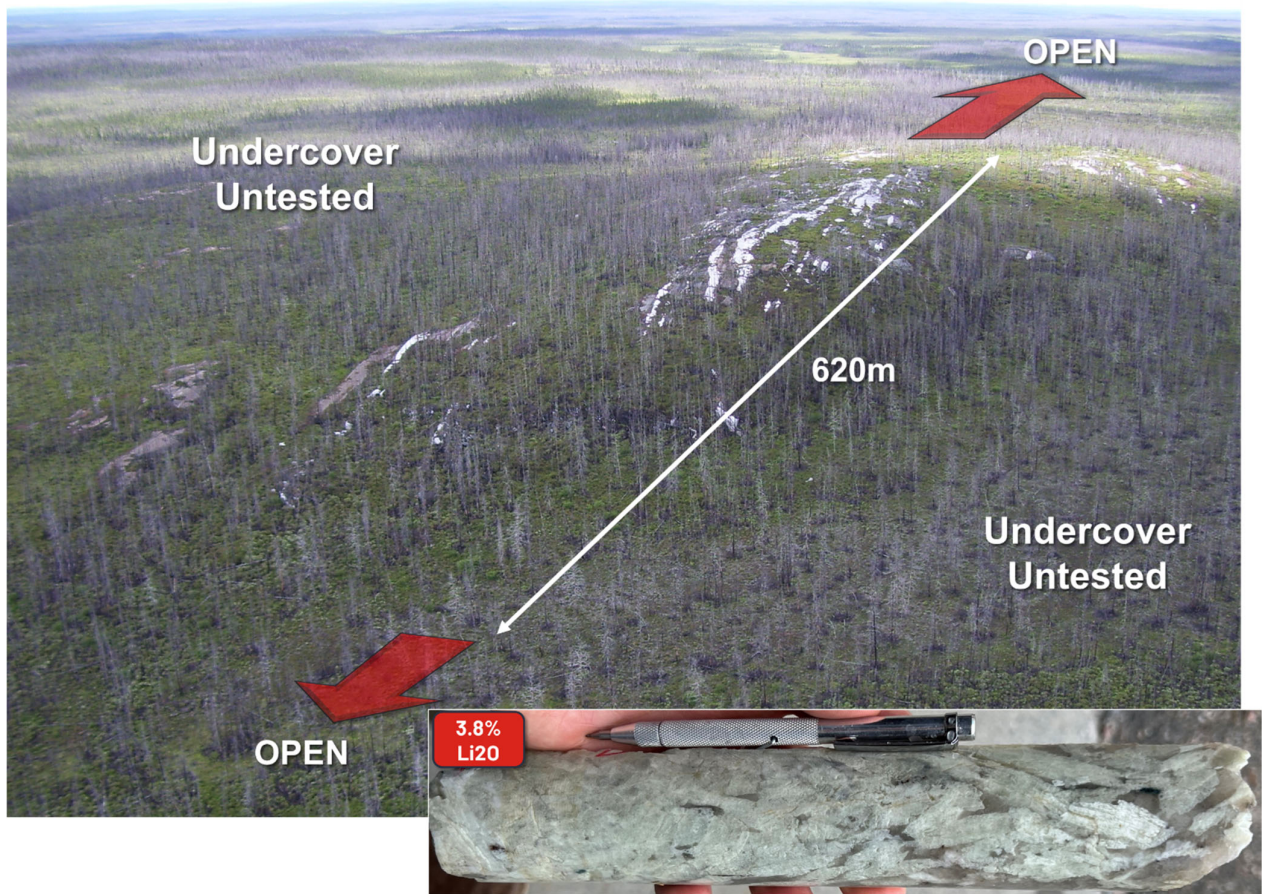


Figure 2: Aerial view of the Central Pontax lithium pegmatite swarm looking towards the south west. The mineralisation outcrops over 620m and has been the sole focus of historic drilling whilst mineralisation remains open in all directions. **Inset:** Example of high grade mineralisation in drill core with abundant spodume crystals from just 20m depth in hole 975-19-020. Interval grading 3.8% Li_2O within a broader intercept of 4.8m at 2.6% Li_2O from 19.4m.

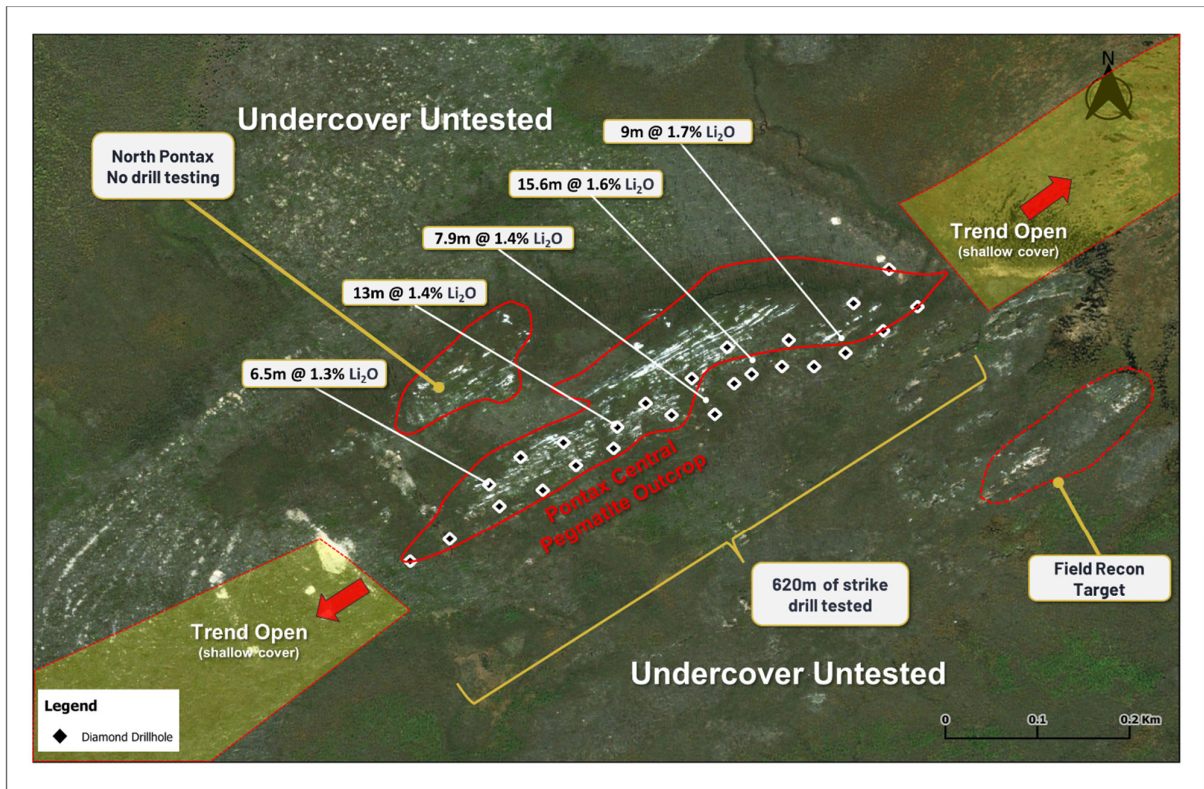


Figure 3: Plan view of the main area within the Pontax Project that has been the focus of historic exploration. Illustrating the Pontax Central pegmatite swarm with the location of the 25 holes drilled to date and selected significant intercepts. This trend remains open and untested under shallow cover in both directions along strike as well as at depth. The map also illustrates the North Pontax pegmatite swarm which has not yet been drilled as well as other outcrops in the area that have not been assessed.

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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End Notes

i: Refer ASX announcement for Galaxy Resources Limited (ASX: GXY) located at <https://www.asx.com.au/asxpdf/20201117/pdf/44pz2xpqltcb4m.pdf> . Cygnus Gold is not aware of any new information or data that materially effects the information in the said announcements.

ii Refer to NI 43-101 report on the Estimate to Complete for the Whabouchi Lithium Mine and Shawinigan Electrochemical Plant Nemaska Project. Report available at :

https://www.nemaskalithium.com/assets/documents/NMX_NI4301_20190809.pdf

iii Refer to TSX release for Critical Elements Lithium Corporation (TSX-V: CRE)

<https://sedar.com/CheckCode.do>

iv Refer ASX/TSX announcement on the said date for full details of these results. Cygnus Gold is not aware of any new information or data that materially effects the information in the said announcements.

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.

The information in this release that relates to metallurgy and metallurgical test work has been reviewed by Mr Noel O'Brien, FAusIMM, MBA, B. Met Eng. Mr. O'Brien is not an employee of the Company but is employed as a contract consultant. Mr O'Brien is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience with the style of processing response, the type of deposit under consideration and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr O'Brien consents to the inclusion in this report of the contained technical information in the form and context in which it appears.