

Pontax Lithium Project, James Bay, Canada

Numerous targets identified in area with high-grades of up to 2.6% Li₂O¹

Results reveal multiple repetitions of key host rock over 10km strike; Drilling to start early November

ASX ANNOUNCEMENT:

October 20, 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%

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

~\$10.0m Cash²

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Key Points

- Recently completed LiDAR and high-resolution imagery over 10km of strike delivers numerous walk-up targets, including unmapped pegmatites
- Initial interpretation of the magnetics has identified multiple repetitions of the prospective mafic stratigraphy over the 10km strike length of the main Pontax Project
- Drilling to date has tested only a 620m central zone; All holes hit spodumene-bearing LCT pegmatites with high-grade, shallow intersections including:
 - 9.0m @ 1.7% Li₂O from 46.9m¹
 - 15.6m @ 1.6% Li₂O from 83.9m¹
 - 4.8m @ 2.6% Li₂O from 19.4m¹
 - 13.0m @ 1.4% Li₂O from 36m¹
- Cygnus geologists to start mapping program this month ahead of 10,000m drilling program scheduled to start in early November
- The mapping and sampling aim to generate further regional targets to be followed up in the upcoming drilling program
- Cygnus plans to complete resource definition and step out drilling over the next six months
- Cygnus has a major landholding of 266sqkm in the heart of the world-class James Bay Lithium Province
- The recently expanded Pontax Project now covers 40km of strike and hosts multiple known lithium-caesium-tantalum (LCT) pegmatites with high-grade rock chip samples of up to 2.8% Li₂O and 524ppm Ta₂O₅³.

Cygnus Executive Director Michael Naylor said: *“The preliminary results from the magnetics and LiDAR are really exciting for the project and demonstrate the huge potential at Pontax. They reveal numerous walk-up targets, including additional untested pegmatites, in an area where drilling has already returned high-grade results up to 2.6% Li₂O¹.*

“We already know that Pontax hosts high-grade lithium and now we know the host rock extends for 10km and contains multiple drilling targets.

“This knowledge, combined with the fact that no systematic lithium exploration has ever been conducted in the area, highlights the immense upside at Pontax.

“With approximately \$10m in cash and commitments, it’s going to be an exciting six months as exploration begins to ramp up, culminating in the 10,000m drill programme commencing in November”.

Cygnus Gold (ASX:CY5) is pleased to announce highly promising preliminary results from the recently completed magnetics and LiDAR surveys at the Pontax Lithium Project located in the prolific James Bay lithium province, Quebec.

The LiDAR and magnetics were completed over the Pontax main project that was acquired in July 2022¹. This recent work is the first regional exploration to be conducted on the project in over a decade and signifies the first steps in a comprehensive and systematic exploration program to be carried out by Cygnus.

The ongoing detailed magnetics interpretation and LiDAR has generated numerous walk-up targets which will be mapped in the coming month as Cygnus geologists start work on the ground for the first time. The autumn mapping and sampling program aims to generate further regional drill targets to be followed up in the upcoming drilling campaign expected to commence in early November 2022.

The Pontax project has the potential to create significant value for shareholders because high-grade lithium spodumene bearing pegmatites have already been identified through drilling and there is significant scope to continue growing the economic potential through exploration.

The spodumene bearing pegmatites at Pontax outcrop at surface, with limited diamond drilling returning numerous high-grade lithium intersections.

This early-stage exploration will underpin the 10,000m drilling campaign commencing in early November where Cygnus plans to complete both resource definition and step out drilling over the next six months.

LiDAR and Magnetic Results

Results from the first stage of exploration at the Pontax Lithium Project have now been received ahead of the mapping campaign due to commence later this month. This work includes recently flown detailed magnetics alongside LiDAR and high-resolution aerial photography. This is the first time the project has been systematically explored using fundamental exploration tools, in particular for regional targeting. Results from this work has delivered numerous walk-up targets which the Cygnus team will map and sample over the next month, delivering further regional drill targets ahead of the 10,000m drill campaign.

Detailed airborne magnetics is crucial in understanding project scale geology especially in areas where there is limited outcrop. The recently acquired magnetics is currently being interpreted and will be used to underpin the geological interpretation of the belt and to assist with regional targeting. A main focus is delineating the metavolcanic-metasedimentary belts which are known to be the preferred host rock for LCT pegmatite emplacement. Already with the preliminary results the geological understanding has been significantly improved, with the team able to delineate multiple repetitions of the prospective mafic horizon throughout the 10km trend which to date had not been formally recognised.

LiDAR and high-resolution imagery have also provided a comprehensive assessment of the terrane and outcrop coverage throughout the Pontax Lithium Project. Multiple walk-up targets have been generated that appear to represent outcropping pegmatites that have never been mapped or sampled. These outcrops are a high priority for the upcoming mapping campaign.

Collectively, the geophysics and LiDAR results have demonstrated that the project remains totally unexplored, covered by sparse low-level vegetation and minor marshy areas. The LiDAR generated a high-quality digital elevation model (DEM) which has identified multiple areas of elevated topography along prospective trends that may represent areas of outcrop beneath thin vegetation. These are significant targets for stripping and trenching as exploration advances into the summer season.

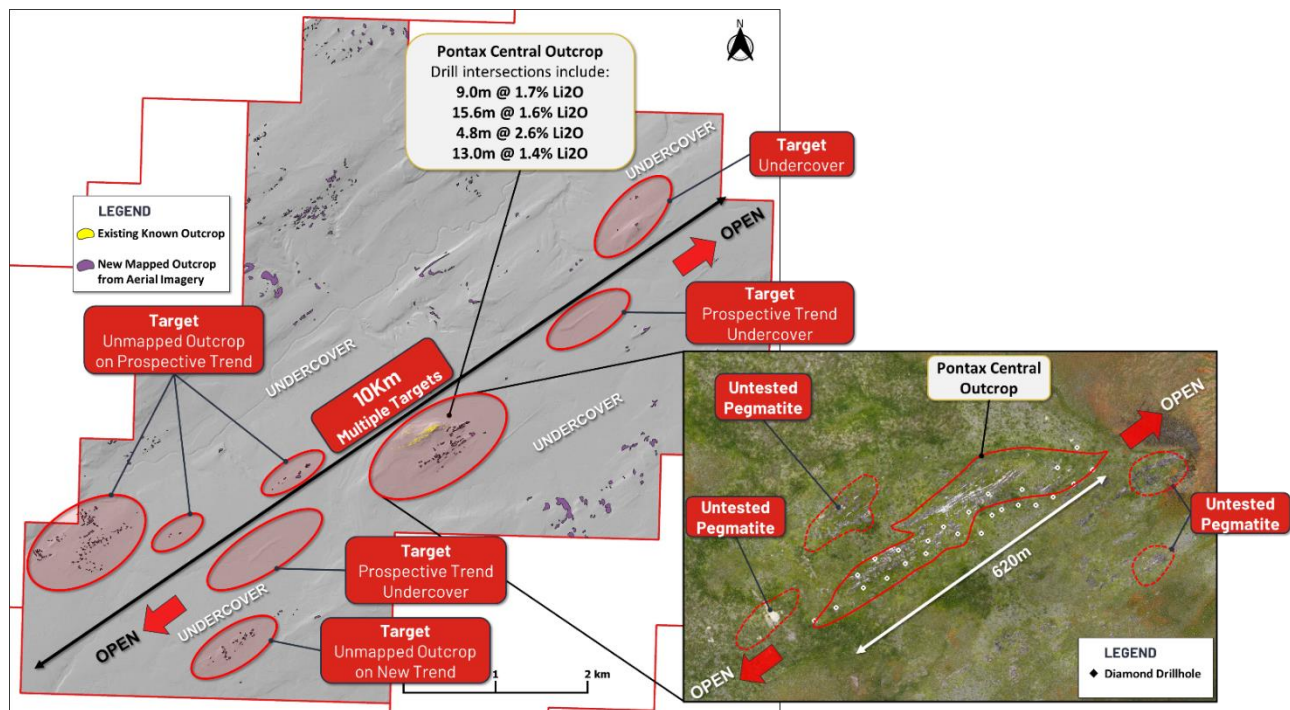


Figure 1: LiDAR over the Pontax Project illustrating total mapped outcrop from the high resolution imagery. The map highlights multiple targets along 10km of prospective strike length, with multiple targets which appear to be beneath shallow cover. **Inset** Close up of Pontax Central from the new high resolution imagery showing multiple untested pegmatites outside the main 620m pegmatite outcrop.

The geophysics and LiDAR program has only been completed over the main Pontax Lithium Project (ie 10km of strike). The Company plans to complete a similar exploration program over the recently acquired Pontax extensions in the second quarter of next year, where the Company has over 40km of strike along the highly prospective Chambois Greenstone Belt.

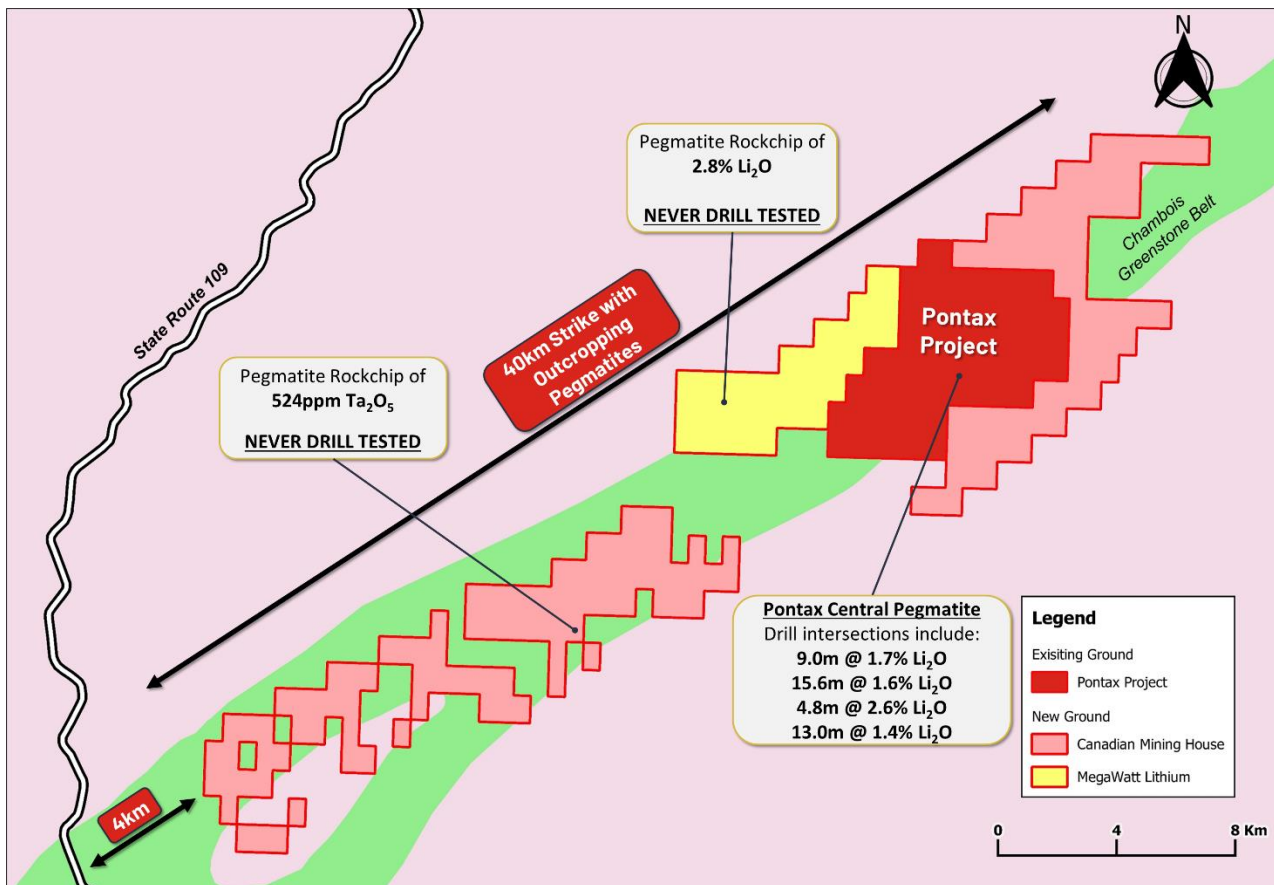


Figure 2: Plan view of the Chambois Greenstone Belt with recently expanded ground position surrounding the Pontax Lithium Project which covers a strike length of 40km. The image illustrates drill intersections from Pontax Central (Refer to Cygnus Gold ASX announcement 29 July 2022)¹ and rock chips³ from regional exploration which have never been followed up. These results now confirm LCT pegmatites outcropping over 15km of strike length highlighting the immense exploration potential of the belt.⁴

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

The Pontax Lithium Project was acquired for its potential to host a substantial lithium Resource. The Project is 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.

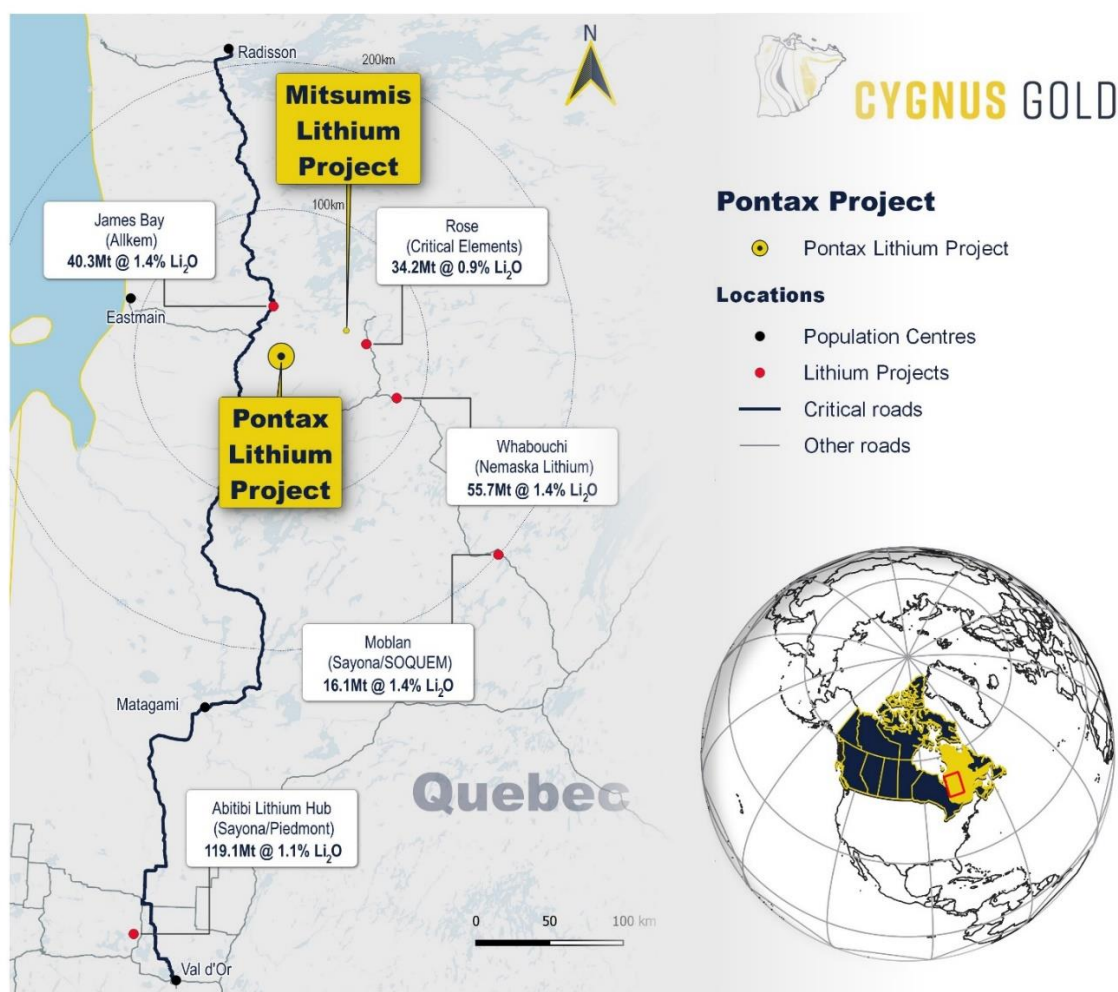


Figure 3: Location of the Pontax and Mitsumis Lithium Projects in relation to other significant lithium deposits in the James Bay Area and major access routes through the region⁵

Pontax: – Unlocking the Potential

The Pontax Lithium Project is host to numerous pegmatite occurrences with the only drill tested pegmatites 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-caesium-tantalum (LCT) pegmatites with significant drill intersections including (Refer to Cygnus Gold ASX announcement 29 July 2022)¹:

- 9m @ 1.7% Li₂O from 46.9m
- 12.0m @ 1.1% Li₂O from 99.5m
- 15.6m @ 1.6% Li₂O from 83.9m
- 12.0m @ 1.4% Li₂O from 83.0m
- 4.8m @ 2.6% Li₂O from 19.4m
- 7.9m @ 1.4% Li₂O from 88.9m
- 13.0m @ 1.4% Li₂O from 36.0m
- 4.1m @ 2.5% Li₂O from 64.3m

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

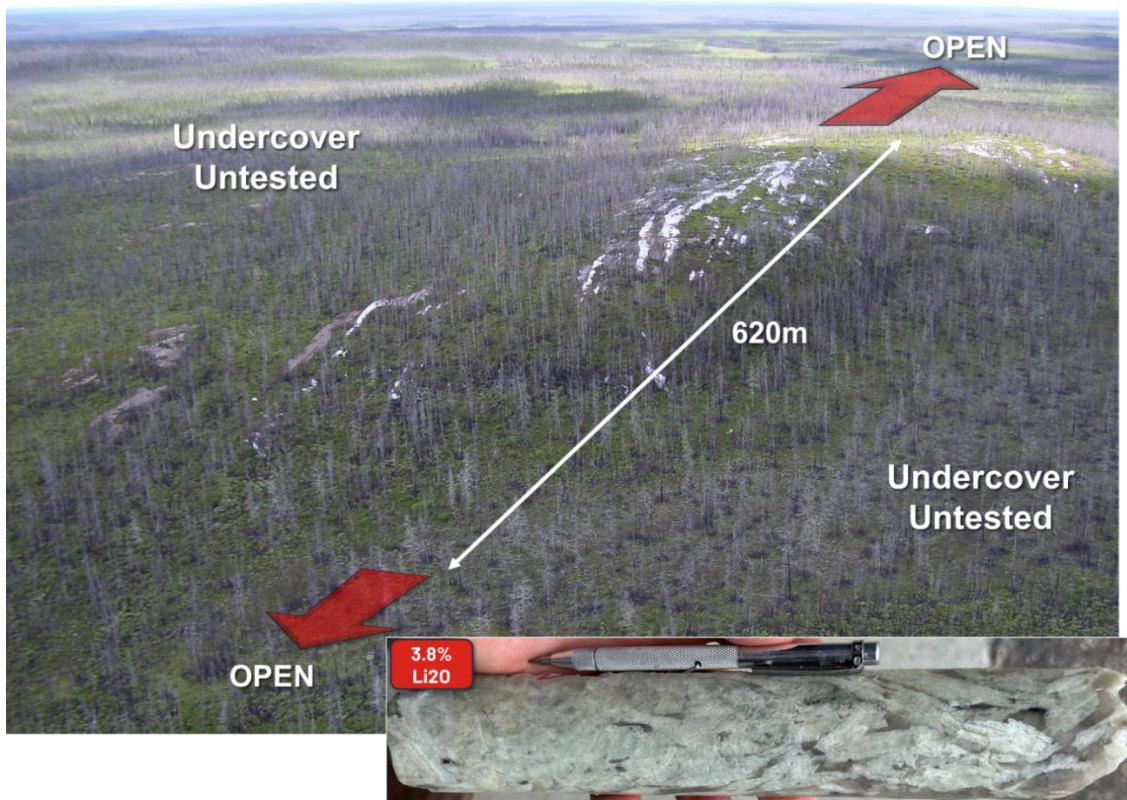


Figure 4: Aerial view of the Central Pontax lithium pegmatite swarm looking towards the south west. The mineralisation outcrops over 620m and has been the sole focus of historic drilling whilst mineralisation remains open in all directions. **Inset:** Example of high grade mineralisation in drill core 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.¹

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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Previous Exploration Results

The information in this announcement that relates to previously reported 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 new Exploration Results (being the LiDAR and high-resolution imagery at the Pontax Lithium Project) 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.

End Notes

¹ Refer to Cygnus Gold ASX announcement 29 July 2022. Cygnus Gold is not aware of any new information or data that materially effects the information in the said announcements.

² Cash includes commitments for \$6.7 million placement that was announced on 13 October. The placement is subject to shareholder approval on 18 November 2022.

³ Refer ASX announcement on 27 September 2022. Cygnus Gold is not aware of any new information or data that materially effects the information in the said announcements.

⁴ For details of acquisition terms, refer to ASX announcements on 29 July 2022 and 27 September 2022.

⁵ 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. 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
Refer to TSX release for Critical Elements Lithium Corporation (TSX-V: CRE) <https://sedar.com/CheckCode.do>

APPENDIX A

Geophysics Results - 2012 JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	No drilling results are reported in this announcement.
Drilling techniques	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	No drilling results are reported in this announcement.
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	No drilling results are reported in this announcement.

Criteria	JORC Code explanation	Commentary
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	No drilling results are reported in this announcement.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	
	<i>The total length and percentage of the relevant intersections logged.</i>	
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling results are reported in this announcement.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	
	<i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i>	
Quality of assay data and laboratory tests	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	No drilling results are reported in this announcement.
	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No drilling results are reported in this announcement.
	<i>The use of twinned holes.</i>	

Criteria	JORC Code explanation	Commentary
Location of data points	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	
	<i>Discuss any adjustment to assay data.</i>	
	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	No drilling results are reported in this announcement.
	<i>Specification of the grid system used.</i>	
Data spacing and distribution	<i>Quality and adequacy of topographic control.</i>	
	<i>Data spacing for reporting of Exploration Results.</i>	No drilling results are reported in this announcement.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	
Orientation of data in relation to geological structure	<i>Whether sample compositing has been applied.</i>	
	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	No drilling results are reported in this announcement.
Sample security	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
	<i>The measures taken to ensure sample security.</i>	No drilling results are reported in this announcement.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No drilling results are reported in this announcement.

Section 2 Reporting of Exploration Results – Historical Surface Sampling

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<p>The exploration results reported within this announcement are from the Pontax Property with Cygnus Gold entering into a binding term sheet to acquire up to 70% of the Pontax Lithium Project from Stria Lithium Inc. Cygnus is currently earning into 51% of the property.</p> <p>The Pontax Property consists of 68 mining titles or cells designated on maps (CDC) for a total area of 3612.65 ha (36.13 km²). Cells or mining titles are duly registered in the name of Stria Lithium inc. (96388) to 100%.</p> <p>There are no known issues affecting the security of title or impediments to operating in the area</p>
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Limited exploration outside of the work described in this announcement and previous announcements has been conducted. What historical exploration that has been conducted includes only minor mapping and surface sampling.
Geology	Deposit type, geological setting and style of mineralisation.	<p>The properties described are hosted within the La Grande Subprovince of the world class Archean Superior Province of the Canadian Shield. The Projects are located in the Chambois Greenstone which sits on the southern margin of a large granitic basement block with the Eastmain Greenstone Belt to the north. Like the other major greenstone belt hosted deposits in the region, the Chambois Greenstone Belt has been metamorphosed to upper greenschist to amphibolite facies with pegmatite hosted in a combination of metamorphosed basalts and metasediments bound to the north and south by the granitic basement</p> <p>Lithium within the area is hosted in spodumene bearing LCT pegmatite dykes hosted in amphibolite often forming multiple parallel dykes which individually are up to 15m thick. These dykes are vertically and laterally extensive</p>
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	<p>No drilling results are reported in this announcement.</p>
Data aggregation	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades	No drilling results are reported in this announcement.

Criteria	JORC Code explanation	Commentary
methods	<p>are usually <i>Material</i> and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	No drilling results are reported in this announcement.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to the figures in the body of this announcement for relevant plans
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Not applicable
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	<p>Results are reported from LiDAR and high-resolution imagery. LiDAR was collected at a Dot density of ≥ 5 pts/m².</p> <p>Results are also reported from airborne magnetics. This data was collected at a flight height of 15m and on a 25m line N-S line spacing.</p>
Further work	<p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	<p>Further work will comprise of validation outcrop sampling and drilling over the next 6 months.</p> <p>Provided in the body of this announcement.</p>