

Pontax Lithium Project, James Bay, Canada

Maiden Resource Drilling Commenced

Initial 10,000m program targeting multiple outcropping spodumene zones with up to 2.6% Li₂O¹

ASX ANNOUNCEMENT:

November 8, 2022

ASX: CY5

CORPORATE DIRECTORY

Non-Executive Chairman

Raymond Shorrocks

Executive Director

Michael Naylor

Non-Executive Directors

David Southam

Michael Bohm

Shaun Hardcastle

Joint Company Secretaries

Susan Field

Maddison Cramer

Major Shareholders

Merk Investments 9.9%

Steve Parsons 5.7%

Southern Cross 5.3%

Michael Naylor 4.2%

Michael Bohm 4.2%

~\$10.0m Cash²

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Key Points

- 10,000m diamond drill program has commenced on schedule, focussing on resource definition and step out discovery drilling
- Historic reconnaissance drilling has already outlined spodumene over a 620m strike length with grades of up to 2.6% Li₂O
- Cygnus drilling is targeting multiple shallow spodumene bearing pegmatites in the top 150 meters over an initial 1,000 metres strike
- Recently completed fieldwork, mapping, magnetics and LiDAR has delivered numerous additional walk-up drill targets
- Results from rock chip and channel sampling from numerous unmapped pegmatites across the project expected next month
- Cygnus holds a contiguous landholding of highly prospective tenure across 40km strike potential
- Historic shallow reconnaissance drilling¹ confirmed spodumene-bearing 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
- Cygnus has a major landholding of 266sqkm in the heart of the world-class James Bay Lithium Province

Cygnus Executive Director Michael Naylor said: *“We are delighted to be drilling such highly prospective lithium targets within just three months of acquiring the project.*

“We know from previous drilling that there is significant high-grade spodumene over a 620m strike length. This initial phase of drilling is designed to extend that known mineralisation down dip and along strike.

“The bulk of existing drilling only scrapes the surface at around 80m vertical depth. The first few holes will test the potential to increase the size of the system rapidly.

“The Cygnus team has also just completed a recent site visit to assist with executing the mapping and sampling programs from which we are eagerly awaiting results.

“We are already seeing exciting results across the board with LiDAR proving to be a highly efficient tool in identifying vegetation-covered outcrop, with several new pegmatites now mapped and sampled across the project.

“With approximately \$10m in cash and commitments, it’s going to be an exciting six months as exploration begins to ramp up, with 10,000m of drilling just beginning.”



Figure 1: Unmapped pegmatite outcrop covered by vegetation identified in the recently flown LiDAR.⁶



Figure 2: Diamond drill in place and drilling the maiden drillhole for Cygnus at Pontax Central. Targeting down dip of known high grade mineralisation.



Figure 3: The mapping team exposing a covered spodumene bearing pegmatite from the north eastern extent of Pontax Central. Illustrating the use of LiDAR in an environment where thick mossy vegetation can completely obscure outcrop.⁶



Figure 4: Geologists taking channel samples from north-east trending pegmatites at Pontax North.⁶



Figure 5: Business Development Manager Gareth Reynolds, standing on one of the spodumene bearing pegmatite outcrops at Pontax Central.⁶



Figure 6: Large spodumene crystals >15cm in length from outcrop at Pontax Central.⁶

Cygnus Gold Limited (ASX:CY5) is pleased to announce that drilling is underway at its Pontax Lithium Project in the James Bay lithium region of Quebec, Canada.

Cygnus also advises that the initial-stage ground mapping and sampling has been completed around the main outcrop of the Pontax Project.

The 10,000m drill program will focus on both resource definition and step out drilling over the next six months. The initial focus of this first stage drill program is to target down dip and along strike extents of the known high grade Pontax Central outcrop, which has existing known shallow, high grade intercepts of up to 2.6% Li₂O from only 19.4m.¹

The recently completed mapping and sampling campaign focussed on key areas identified by recent LiDAR, magnetics and high-resolution imagery. The initial results of this work have been highly encouraging with numerous unmapped pegmatites now identified and sampled with assay results expected before the end of the year. The LiDAR in particular has proven its value in identifying a number of unmapped pegmatite outcrops that were entirely covered by vegetation (Figure 3).

The Cygnus team is in the process of interpreting the results of the mapping and sampling campaign while results from the assays are pending. Once assays are received, additional targets will be finalised for the ongoing drill program into the Quebec winter.

Due to the success of the recently flown LiDAR and magnetics surveys, the team 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.

The Pontax Lithium 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 to grow the economic potential through exploration.

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

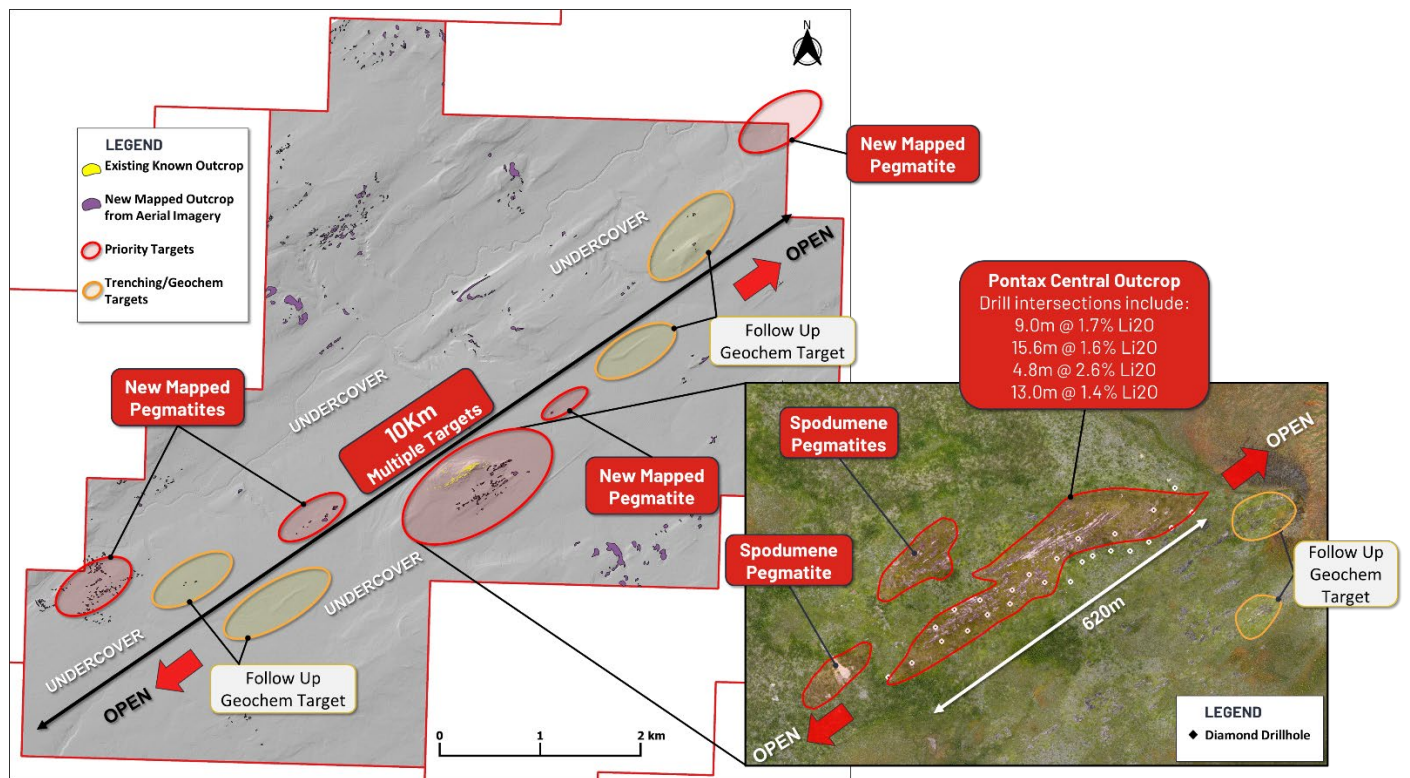


Figure 7: LiDAR over the Pontax Project illustrating total mapped outcrop from the high resolution imagery.⁷ The map highlights areas with new mapped pegmatites (red), which will be priority areas for follow up work; assays from recent sampling in these areas are pending. Further geochemistry targets are also illustrated (orange) and will be targets for follow up trenching where cover is interpreted to be thin over the target horizon. **Inset:** Close up of Pontax Central from the new high resolution imagery showing new spodumene bearing pegmatites outside of known mineralisation from the main 620m pegmatite outcrop.

Pontax Lithium Project (CY5 Earning Up To 70%): Located in one of Canada's most prolific lithium provinces⁴

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.

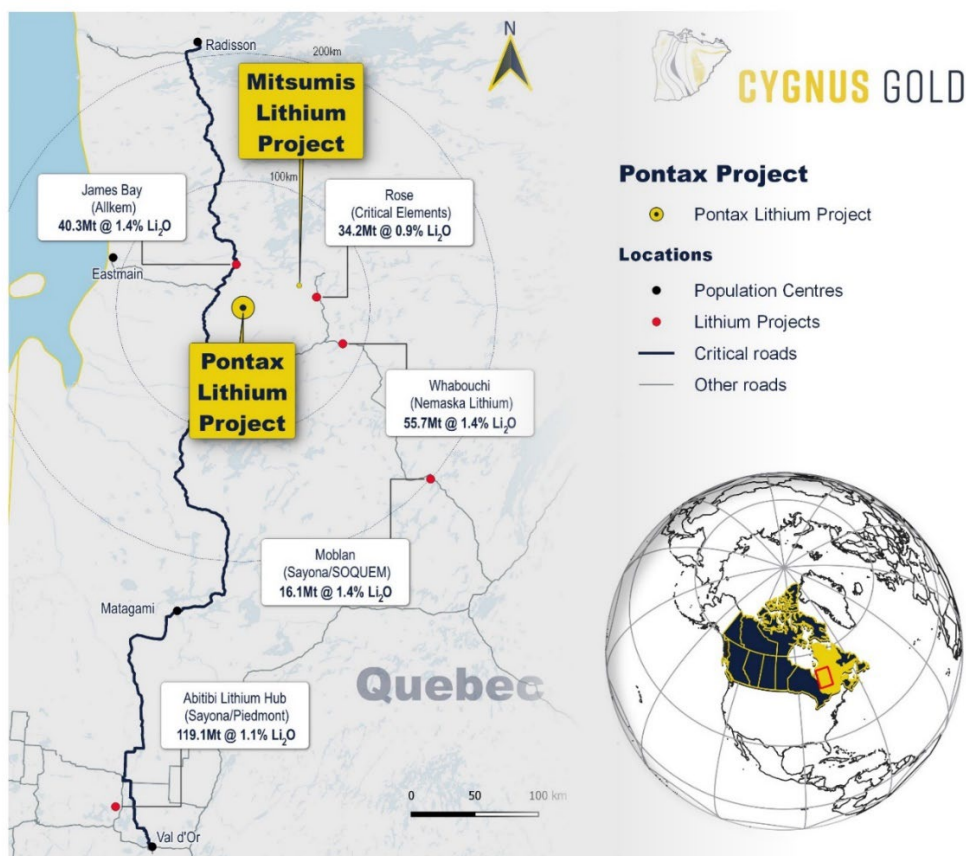


Figure 8: Location of the Pontax and Mitsumis Lithium Projects in relation to other significant lithium deposits in the James Bay Area and major access routes through the region⁵

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: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.

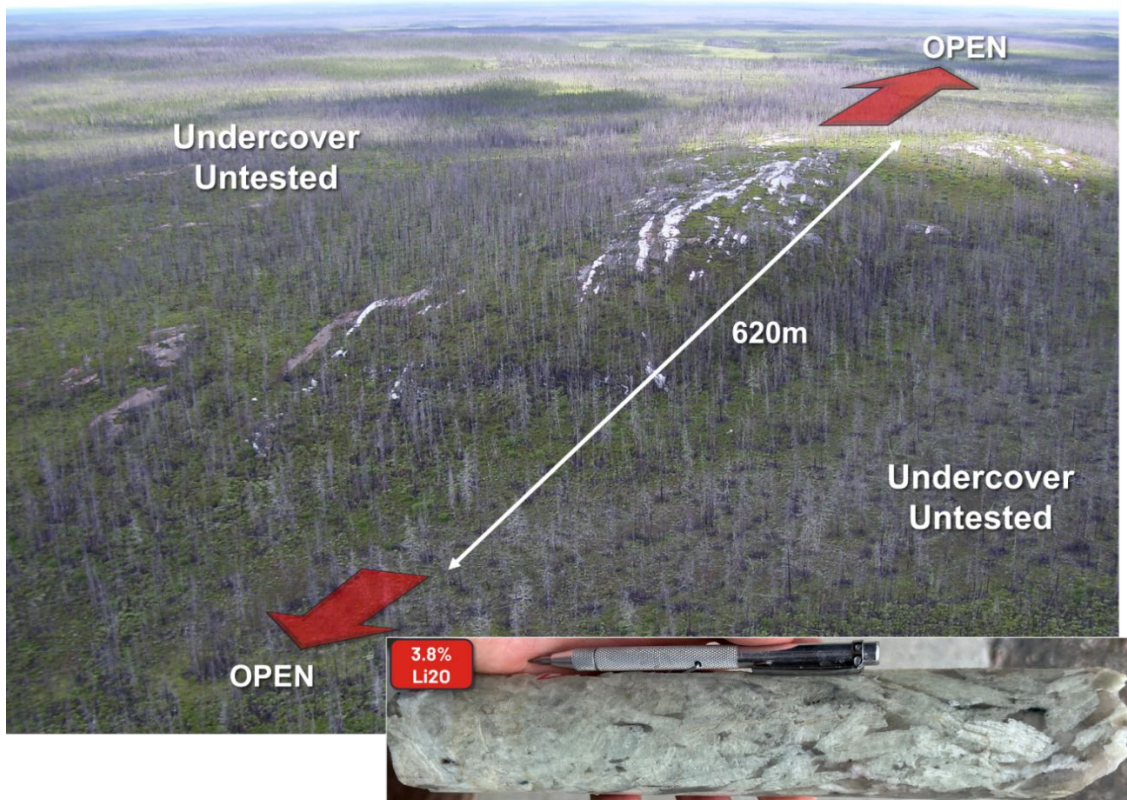


Figure 9: Aerial view of the Central Pontax lithium pegmatite swarm looking towards the south west. The mineralisation outcrops over 620m and has been the sole focus of historic drilling whilst mineralisation remains open in all directions. **Inset:** Example of high grade mineralisation in drill core with abundant spodumene 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

Significant Land Holding (option to earn up to 80-100% CY5)⁴

Cygnus has a significant land holding in the James Bay lithium region of 266km².

The Pontax Lithium Project now covers 145km² and 40km of strike along the highly prospective Chambois Greenstone Belt. This ground is host to known LCT pegmatites with limited historical rock chip sampling returning high grades of up to 2.8% Li_2O and 524ppm Ta_2O_5 .³

High grade tantalum (Ta_2O_5) in pegmatite rockchips is highly significant, indicating enrichment in incompatible elements which is likely to include lithium and caesium, part of the diagnostic signature elements of LCT pegmatites. These rockchip results are significant for the regional potential of the project with LCT pegmatites identified over an area of at least 15km of strike length, with no follow up work completed. This is highly encouraging for the exploration team as they embark on the first systematic exploration of Pontax.

The exploration package also includes the 121km² Mitsumis Project which is just 12km from the 34Mt @ 0.9% Li_2O Rose Deposit, currently in feasibility with Critical Elements Lithium (TSXV:CRE).⁵ The newly acquired area is hugely underexplored with only minor amounts of mapping and sampling. Given the proximity to Rose, the comparable geology and the lack of exploration to date there is high potential for similar style LCT pegmatite mineralisation within the Mitsumis Project.

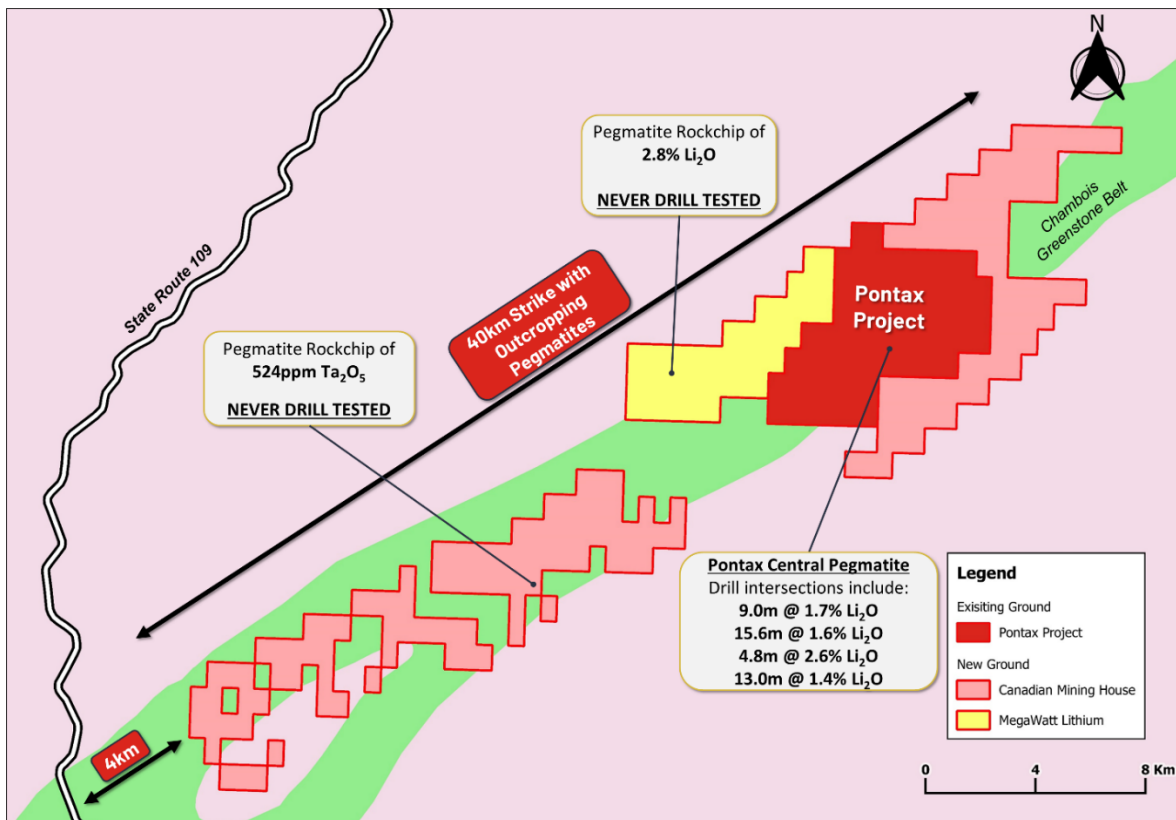


Figure 10: Plan view of the Chambois Greenstone Belt with new tenure surrounding the Pontax Project which now covers a strike length of 40km. The image illustrates drill intersections from Pontax Central and rock chips from regional exploration which have never been followed up.¹ These results now confirm LCT pegmatites outcropping over 15km of strike length highlighting the immense exploration potential of the belt.

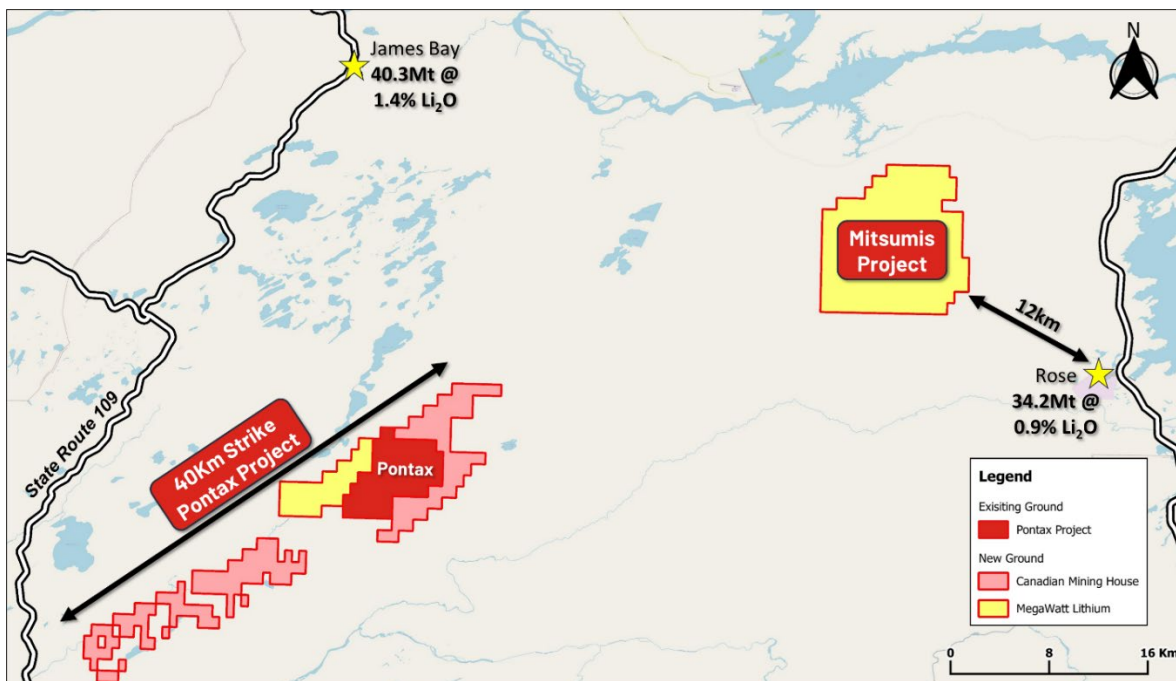


Figure 11: Location of Mitsumis Project relative to the Pontax Project. Mitsumis covers 121km² and is located only 12km from the Rose Deposit (34.2Mt @ 0.9% Li₂O) operated by Critical Elements Lithium Corp.⁵

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 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 by Cygnus Gold in ASX Announcements as noted in the End Notes. 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 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 that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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 his information in the form and context in which it appears.

End Notes

¹ Refer to Cygnus Gold ASX announcement dated 29 July 2022.

² Cash includes commitments for \$6.7 million share placement that was announced by Cygnus Gold on 13 October 2022. The placement is subject to shareholder approval, which is being sought at the general meeting on 18 November 2022.

³ Refer to Cygnus Gold ASX announcement dated 27 September 2022 for further details on exploration results.

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

⁵ Refer to ASX announcement for Galaxy Resources Limited (ASX: GXY) dated 17 November 2020 located at <https://www.asx.com.au/asxpdf/20201117/pdf/44pz2xpqltcb4m.pdf>

Refer to NI 43-101 report on the Estimate to Complete for the Whabouchi Lithium Mine and Shawinigan Electrochemical Plant Nemaska Project dated 31 May 2019 and available at: https://www.nemaskalithium.com/assets/documents/NMX_NI4301_20190809.pdf

Refer to TSX release for Critical Elements Lithium Corporation (TSX-V: CRE) dated 13 June 2022 available at: <https://sedar.com/CheckCode.do>

⁶ In relation to the disclosure of visual intersections of pegmatite and spodumene, the Company cautions that visual intersections should never be considered a proxy or substitute for laboratory analysis. Laboratory assay results are required to confirm the widths and grade of visual intersections of pegmatite reported in the preliminary geological logging. The Company will update the market when laboratory analytical results become available.

⁷ Refer to Cygnus Gold ASX announcement dated 20 October 2022 for further details on exploration results.