

21 March 2023

Pontax Lithium Project, James Bay, Canada

More high-grade results up to 5% Li₂O extend known mineralisation ahead of maiden Resource

Three drill rigs on-site; Resource scheduled for mid-2023

Highlights

- Latest high-grade assays extend known stacked mineralisation at Pontax Central; Intersections are all shallow within 230m of surface and remain open in all directions
- Assays include:
 - DDH975-22-029: 11.1m @ 1.2% Li₂O from 146.3m (including 2.5m @ 2.6% Li₂O), 3.6m @ 1.4% Li₂O from 65.6m & 6.3m @ 1.0% Li₂O from 94.9m
 - DDH975-22-032: 5.5m @ 1.4% Li₂O from 178.7m & 5.9m @ 1.0% Li₂O from 262.0m
 - DDH975-22-026: 3.3m @ 2.8% Li₂O from 107m (including 1.0m @ 5.0% Li₂O) & 4.2m @ 0.9% Li₂O from 124.4m
- High grade results of up to 5% Li₂O are associated with densely concentrated spodumene mineralisation
- The latest results demonstrate multiple wide and shallow zones of mineralisation which are consistent with previously announced¹ assays such as:
 - 16.5m @ 1.1% Li₂O from 239.8m
 - 15.6m @ 1.6% Li₂O from 83.9m
 - 13.3m @ 1.3% Li₂O from 300.2m
 - 13.0m @ 1.4% Li₂O from 36.0m
 - 12.0m @ 1.4% Li₂O from 83.0m
 - 12.0m @ 1.1% Li₂O from 99.5m
 - 9.0m @ 1.7% Li₂O from 46.9m
- Drilling is ongoing with three rigs focussed on both resource and step-out drilling

Cygnus Managing Director David Southam said: "These results are important because they continue to grow the known mineralisation at Pontax. They are also high-grade and shallow, and reveal areas of intense spodumene, all of which is very good news for the upcoming maiden Resource."

"The outlook is exceptional, with mineralisation outcropping from surface, results demonstrating mineralisation remains open in all directions and three diamond drill rigs working 24/7."

Cygnus Metals Limited (ASX:CY5) is pleased to announce more high-grade assays from four holes at the Pontax Lithium Project in the James Bay region of Québec, Canada.

Drilling is continuing with three drill rigs targeting resource definition at Pontax Central and step out exploration. The drill program has been designed to systematically step out from known mineralisation at Pontax Central.

This is a stacked spodumene-bearing pegmatite swarm which is continuous over 700m of strike, only drilled to 230 metres below surface and importantly open in all directions.

The recent intersections include:

- 11.1m @ 1.2% Li₂O from 146.3m (including 2.5m @ 2.6% Li₂O), 3.6m @ 1.4% Li₂O from 65.6m & 6.3m @ 1.0% Li₂O from 94.9m (DDH975-22-029);
- 5.5m @ 1.4% Li₂O from 178.7m & 5.9m @ 1.0% Li₂O from 262.0m (DDH975-22-032); and
- 3.3m @ 2.8% Li₂O from 107m (including 1.0m @ 5.0% Li₂O) & 4.2m @ 0.9% Li₂O from 124.4m (DDH975-22-026)

These results confirm the continuity of spodumene mineralisation at Pontax Central, with multiple spodumene-bearing pegmatite intervals in each drillhole extending the area of the known mineralisation at depth and along strike with 100m spaced drill sections. All intersections highlighted are shallow and demonstrate continuity of mineralisation from surface down to 230m vertical depth. These intersections support previously announced^{1&2} high grade results including:

- 16.5m @ 1.1% Li₂O from 239.8m
- 15.6m @ 1.6% Li₂O from 83.9m
- 13.3m @ 1.3% Li₂O from 300.2m
- 13.0m @ 1.4% Li₂O from 36.0m
- 12.0m @ 1.4% Li₂O from 83.0m
- 12.0m @ 1.1% Li₂O from 99.5m
- 9.0m @ 1.7% Li₂O from 46.9m

Recent results also include high grade intervals of up to 5.0% Li₂O from individual samples. These high-grade results are associated with densely concentrated centimetric spodumene mineralisation rather than large individual crystals, resulting in a representative and even grade distribution.



Figure 1: Intense spodumene mineralisation grading 5% Li₂O from DDH975-23-026.

Planned Exploration

Drilling is ongoing with three drill rigs on site to complete the current program, which is planned to continue into April. This program is focussed on both resource definition drilling at Pontax Central and step out exploration along the Pontax mineralised trend with the aim of delivering the inaugural Mineral Resource by mid-2023. During the summer months, field exploration will resume at Pontax to systematically map and sample along previously identified targets generated through geophysics. This work will also include stepping out on the regional ground, including the recently acquired ground to the NE of Pontax Central which expanded the project to over 180km².

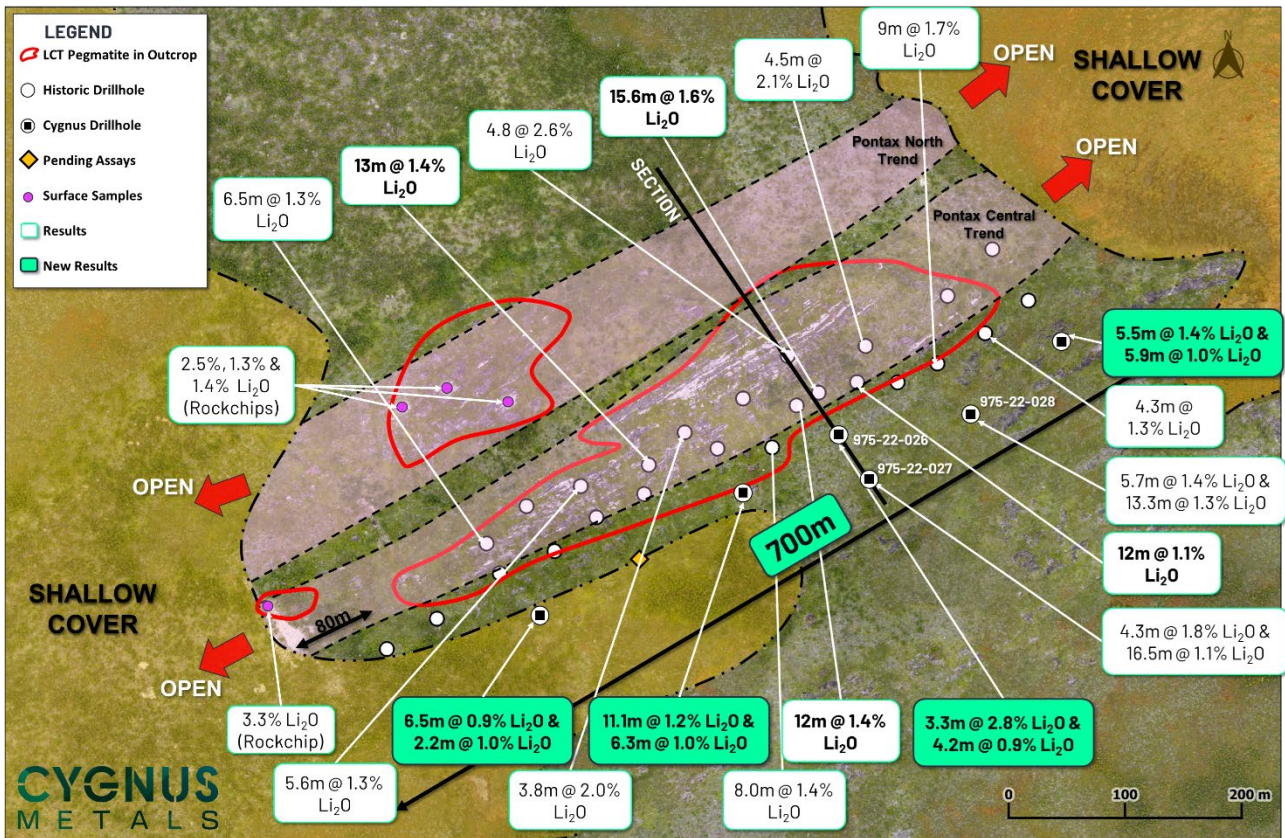


Figure 2: Plan view of Pontax Central with the location of all reported drilling to date, highlighting recent intersections and demonstrating mineralisation remains open along strike.¹

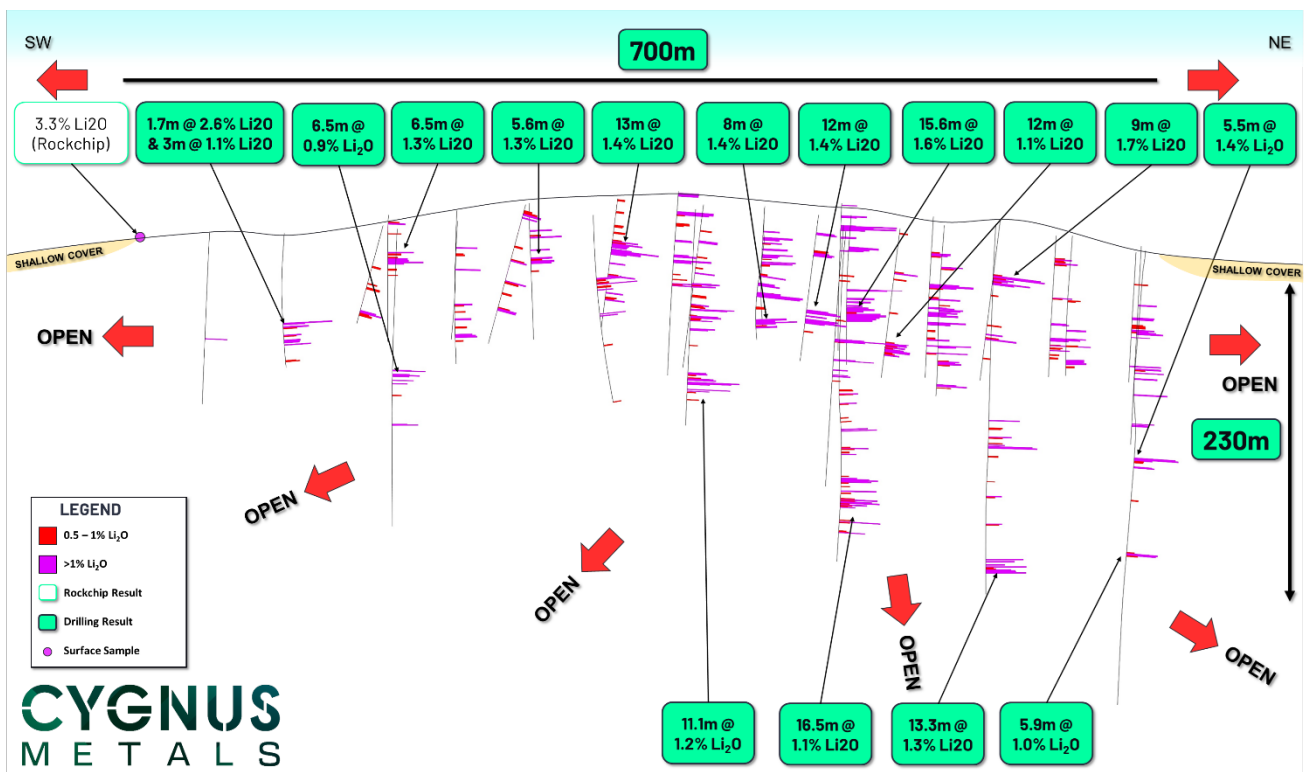


Figure 3: Longsection view through Pontax Central showing mineralisation is open in all directions with recent significant intersections up to 11.1m @ 1.1% Li₂O.¹ All mineralisation sits within 230m of surface.

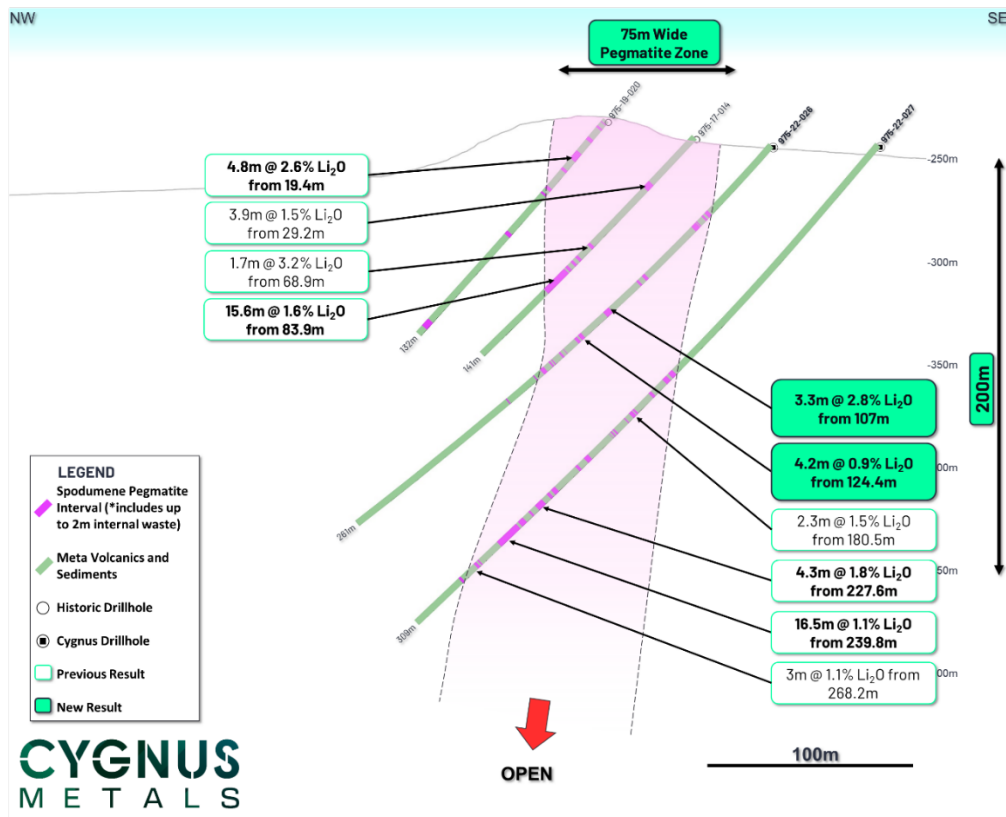


Figure 4: Cross section through Pontax Central looking towards the NE, showing continuous mineralisation from surface to 230m vertical depth, remaining open in all directions.¹

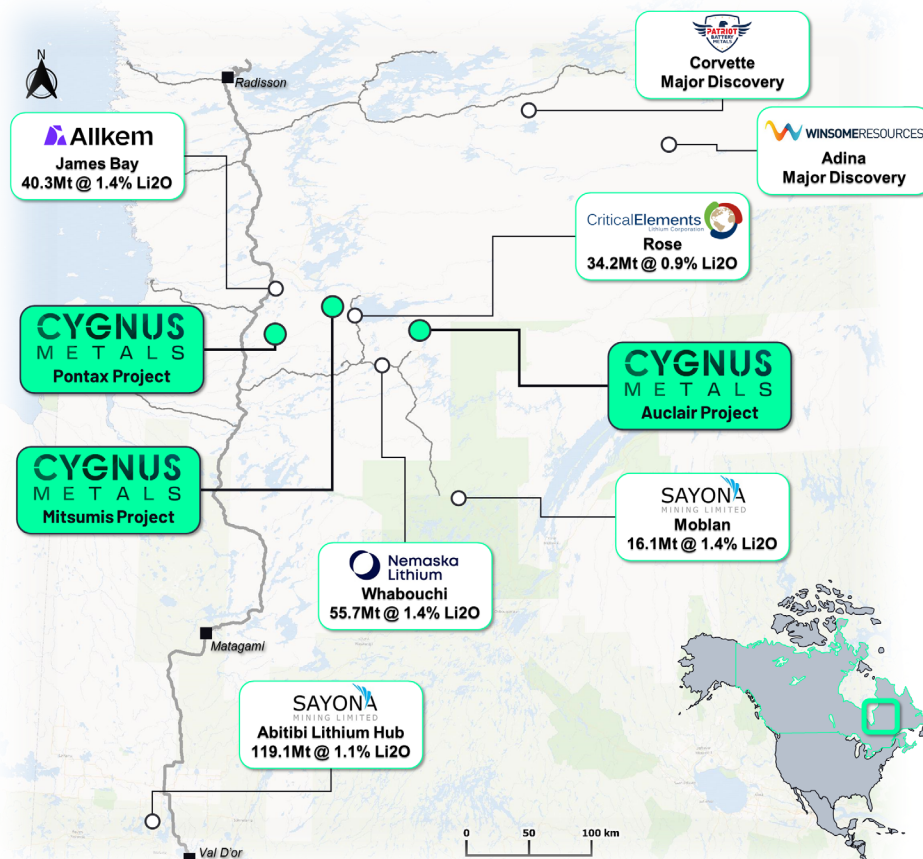


Figure 5: Location of Cygnus projects relative to other major lithium resources and discoveries.²

For and on behalf of the Board

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About Cygnus Metals

Cygnus Metals Limited (ASX: CY5) is an emerging exploration company focussed on advancing the Pontax Lithium Project (earning up to 70%) and the Auclair Lithium Project 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 Metals' tenements range from early-stage exploration areas through to advanced drill-ready targets.

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 Chief Geologist and a full-time employee of Cygnus Metals 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.

Previous Exploration Results

The information in this announcement that relates to previously reported Exploration Results at the Pontax Lithium Project has been previously released by Cygnus Metals in ASX Announcements as noted in the text and End Notes. Cygnus Metals is not aware of any new information or data that materially affects the information in the said announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

End Notes

1. Refer to CY5's ASX announcements on 29 July 2022, 27 September 2022, 18 January 2023 and 14 February 2023.
2. For:
 - (a) James Bay (40Mt @ 1.4% Li₂O), refer to Allkem Ltd's ASX Announcement dated 21 December 2021;
 - (b) Whabouchi (55.7Mt @ 1.4% Li₂O), refer to Nemaska Lithium Inc's NI 43-101 dated 31 May 2019;
 - (c) Rose (34.2Mt @ 0.9% Li₂O), refer for Critical Elements Lithium Corp's TSX-V Announcement dated 13 June 2022;
 - (d) Abitibi Lithium Hub (119.1Mt @ 1.1% Li₂O) operated by Sayona Mining Limited/Piedmont Lithium Inc, refer to Sayona Mining Limited's Annual Report ASX release dated 13 October 2022; and
 - (e) Moblan (16.1Mt @ 1.4% Li₂O) operated by Sayona Mining Limited/SOQUEM Inc, refer to Sayona Mining Limited's ASX Presentation dated 27 May 2022.

APPENDIX A – Drillholes with Results

Coordinates given in UTM NAD83 (Zone 18)

Hole ID	Easting	Northing	RL	Azimuth	Dip	Depth
975-22-026	362910.3	5754717	247	325	-50	261
975-22-029	362826.6	5754663	247	325	-50	195
975-22-031	362656.4	5754558	241	325	-50	285
975-22-032	363102.8	5754787	242	325	-51	405

APPENDIX B – Significant Intercepts

Significant intersections include intercepts greater than 0.8% Li₂O. Intercept lengths may not add up due to rounding to the appropriate reporting precision.

Hole ID	From	To	Interval	Li ₂ O	Ta ₂ O ₅
975-22-026	107.0	110.3	3.3	2.8	90.1
	Including		1.0	5.0	26.3
	124.4	128.6	4.2	0.9	74.7
	Including		1.5	1.9	131.2
	142.7	144.8	2.1	0.9	48.1
975-22-029	65.6	69.2	3.6	1.4	49.8
	88.6	90.0	1.4	2.7	59.7
	94.9	101.3	6.3	1.0	75.9
	106.2	108.0	1.8	1.5	60.7
	146.3	157.4	11.1	1.2	39.1
	Including		2.5	2.6	75.1
	160.9	164.9	4.1	0.8	43.6
975-22-031	128.3	134.8	6.5	0.9	73.7
	181.0	183.2	2.2	1.0	24.2
975-22-032	178.7	184.3	5.5	1.4	52.3
	Including		2.8	2.3	43.9
	187.5	188.8	1.3	1.3	96.2
	262.0	267.9	5.9	1.0	73.3
	Including		2.0	2.0	34.1
			1.0	0.4	217.4

APPENDIX C

Pontax Project Drilling - 2012 JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<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>	<ul style="list-style-type: none"> Diamond holes were completed by NQ diamond core drilling.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<ul style="list-style-type: none"> QAQC samples were inserted in the sample runs, comprising lithium standards (CRM's or Certified Reference Materials) and sourced blank material
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. 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>	<ul style="list-style-type: none"> Sampling was nominally at 1 m intervals however over narrow zones of mineralisation it was as short as 0.3m. Sampling practice is appropriate to the geology and mineralisation of the deposit and complies with industry best practice.
Drilling techniques	<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>	<ul style="list-style-type: none"> Diamond core was drilled using surface diamond rigs with industry recognised contractors RJLL Drilling was conducted using NQ core size Directional surveys have been taken at 50m intervals
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>	<ul style="list-style-type: none"> Diamond core recovery was measured for each run and calculated as a percentage of the drilled interval. Overall, the core recoveries are excellent with fresh rock from near surface
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>	<ul style="list-style-type: none"> All core was geologically and geotechnically logged. Lithology, veining, alteration and mineralisation are recorded in multiple tables of the drillhole database.

Criteria	JORC Code explanation	Commentary
	<p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</p>	<ul style="list-style-type: none"> Geological logging of core is qualitative and descriptive in nature. All core has been catalogued and photographed
	<p>The total length and percentage of the relevant intersections logged.</p>	<ul style="list-style-type: none"> 1,146 metres (100%) has been logged
Sub-sampling techniques and sample preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>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.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	<ul style="list-style-type: none"> Core was cut in half, one half retained as a reference and the other sent for assay Samples were submitted to SGS preparation lab in Lakefield, Ontario. At Lakefield the samples are dried at 105°C, crushed to 75% passing 2 mm, riffle split 250 g, and pulverize 85% passing 75 microns. Laboratory QC procedures involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates. The pulps were shipped by air to SGS Canada's laboratory in Burnaby, BC.
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p>	<ul style="list-style-type: none"> The samples were analysed at SGS Canada laboratory in Burnaby, BC. Industry standard assay quality control techniques were used for lithium related elements. The samples were homogenized and subsequently analysed for multi-element (including Li and Ta) using sodium peroxide fusion with ICP-AES/MS finish (codes GE_ICP91A50 and GE_IMS91A50).
	<p>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.</p>	<ul style="list-style-type: none"> None used
	<p>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.</p>	<ul style="list-style-type: none"> Laboratory QC procedures involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates. The company also submitted certified reference material and blanks with one in every 10 samples. Results for both met QAQC tolerances
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p>	<ul style="list-style-type: none"> Verification was made by Cygnus Metals and other professional consultant geologists.
	<p>The use of twinned holes.</p>	<ul style="list-style-type: none"> No drillholes were twinned

Criteria	JORC Code explanation	Commentary
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<ul style="list-style-type: none"> All data was received in electronic format and has been reviewed and documented by IOS Services Geoscientifiques Inc, a professional exploration services company based out of Saguenay, Québec. The data has then been validated by Cygnus Metals and stored by the company
	<i>Discuss any adjustment to assay data.</i>	<ul style="list-style-type: none"> There were no adjustments to the assay data
Location of data points	<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>	<ul style="list-style-type: none"> The location of the drillholes and the aiming points for the orientation of the drillholes were indicated on the ground using identified stakes. The stakes marking the location of the drillholes were set up and located with a Garmin GPS model "GPSmap 62s" (4m accuracy)
	<i>Specification of the grid system used.</i>	<ul style="list-style-type: none"> The grid system used is UTM NAD83 (Zone 18)
	<i>Quality and adequacy of topographic control.</i>	<ul style="list-style-type: none"> Located with a Garmin GPS model "GPSmap 62s"
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	<ul style="list-style-type: none"> Reported drill holes are on 100m spaced sections and approximately 50m centres The spacing is considered appropriate for this type of exploration
	<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>	<ul style="list-style-type: none"> No resource estimation is made.
	<i>Whether sample compositing has been applied.</i>	<ul style="list-style-type: none"> No sample compositing has been applied
Orientation of data in relation to geological structure	<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>	<ul style="list-style-type: none"> Drill lines are orientated approximately at right angles to the currently interpreted strike of the known outcropping mineralisation.
	<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>	<ul style="list-style-type: none"> No bias is considered to have been introduced by the existing sampling orientation. The drill holes are angled as close as possible to perpendicular to the mineralised structures. Mineralised intervals are reported as downhole lengths not true widths, with more drilling required to fully understand the structural complexity of the orebody
Sample security	<i>The measures taken to ensure sample security.</i>	<ul style="list-style-type: none"> Core samples are logged at the 381 Roadhouse in James Bay before being trucked to the IOS Services Geoscientifiques laboratory in Saguenay, Québec Samples are then secured in poly weave sacks for delivery to the SGS in Lakefield, Ontario

Criteria	JORC Code explanation	Commentary
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	<ul style="list-style-type: none"> No sampling has been undertaken, therefore information on audits or reviews is not yet available

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	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.	<ul style="list-style-type: none"> The drillhole data reported within this announcement is from the Pontax Property with Cygnus Metals 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. 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%.
	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.	<ul style="list-style-type: none"> There are no known issues affecting the security of title or impediments to operating in the area
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<ul style="list-style-type: none"> Limited exploration outside of the results reported by Cygnus Metals in this announcement and previous announcements has been conducted. What exploration that has been conducted includes mapping dating back to the 1970s
Geology	Deposit type, geological setting and style of mineralisation.	<ul style="list-style-type: none"> The Pontax Project is hosted within the La Grande Subprovince of the world class Archean Superior Province of the Canadian Shield. The Project is located in the Chambois Greenstone Belt 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 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

Criteria	JORC Code explanation	Commentary
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"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ 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>	<ul style="list-style-type: none"> • All requisite drillhole information is tabulated elsewhere in this release. Refer Appendix A and B of the body text
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material 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>	<ul style="list-style-type: none"> • Drillhole intersections are reported using a weighted average technique. No lower or upper cut offs have been applied. • A minimum intercept length of 0.7m applies to the sampling in the tabulated results presented in the main body of this release. Up to 2m of internal dilution have been included. • No metal equivalent reporting has been applied.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results. 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>	<ul style="list-style-type: none"> • The geometry of the pegmatite dykes appears to be vertical with intersections around 70% of true width when drilled from surface
Diagrams	<p>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.</p>	<ul style="list-style-type: none"> • Included elsewhere in this release. Refer figures in the body text.
Balanced reporting	<p>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.</p>	<ul style="list-style-type: none"> • All results greater than 0.8% Li₂O have been reported

Criteria	JORC Code explanation	Commentary
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.	<ul style="list-style-type: none"> Mineralised intervals reported above can include up to 1.3m internal waste. This waste rock included within reported intervals sits between closely spaced pegmatite dykes. Two series of preliminary metallurgical test work have been conducted on the property. These tests aimed at demonstrating the amenability of the Pontax pegmatite ore to standard beneficiation techniques. The test were carried out in 2015/2016 at SGS laboratories in Lakefield, Ontario. Samples for variability and bulk testing were largely obtained from channel sampling of near surface and outcropping pegmatites from within the identified spodumene-bearing zones.
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>	<ul style="list-style-type: none"> Cygnus Metals intends to drill test the depth and lateral extensions of the Pontax pegmatite swarm Diagrams in the main body of this document show the areas of possible extensions of the pegmatites All requisite diagrams are contained elsewhere in this release