

2 May 2023

Cygnus well-funded for maiden resource and ongoing growth at Pontax lithium project

Exercise of options takes cash holding to \$8.7m

Cygnus Metals Limited (**ASX:CY5**) is pleased to announce that its cash on hand at May 1, 2023 stood at \$8.7 million following the exercise of options in the Company.

The cash position includes the \$1.824 million contribution from the exercise of the options from Directors, management and advisors of the Company and is after deducting acquisition payments and drilling costs at its Pontax lithium project in James Bay, Canada.

The acquisitions include the previously announced transactions with Canadian Mining House (Auclair and Sakami) and Sirios (tenements along strike at Pontax) totalling \$1.64 million.

This substantial cash position means Cygnus is funded to achieve its primary objectives of 2023 including:

- Completion of the maiden Resource for Pontax, which is scheduled for mid-year;
- Further exploration along the 44km strike of fertile greenstone belt at Pontax to build on the anticipated maiden Resource;
- Exploration activities including mapping, LIDAR, geophysics and commencement of drilling at Auclair; and
- Exploration activities including mapping, LIDAR and geophysics at the Sakami Project, which is located just 44km west of Patriot's Corvette Project and adjacent to Winsome's Cancet Project in the La Grande greenstone belt.

Cygnus substantial shareholder Steve Parsons has increased his shareholding by 6.5m shares to 15.9m shares as a result of exercising his options. Mr Parsons is the second-largest shareholder in Cygnus with a 7.58 per cent stake.

The Company also notes that Non-Executive Directors Ray Shorrocks, Michael Bohm and Michael Naylor have sold the minimum number of shares in Cygnus required to fund the exercise of their options. With the assistance of Canaccord Genuity (Australia) Limited, the Directors' shares were placed to a large North American Institution seeking exposure to Cygnus. Note that all proceeds from the Directors' sales were used to exercise the Directors' options and therefore their respective shareholdings in the Company have increased.

Further details of the changes to Directors' holdings are provided in their respective Appendix 3Y - Change of Director's Interest Notices, lodged with the ASX today.

Finally, the Company has cancelled 1,700,000 options with an exercise price of \$0.08.

Cleansing Notice

The Company has today issued a total of 22,800,000 fully paid ordinary shares ("Shares") upon exercise of the above noted options. In accordance with section 708A(6) of the *Corporations Act 2001* (Cth) (**Act**), the Company gives notice under paragraph 708A(5)(e) that:

1. The Shares were issued without disclosure to investors under Part 6D.2 of the Act; and

2. As at the date of this notice:

- a) The Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- b) The Company has complied with sections 674 and 674A of the Act; and
- c) There is no excluded information within the meaning of sections 708A(7) and 708A(8) of the Act which is required to be disclosed under section 708A(6)(e) of the Act, save for the Company is currently in discussions with an asset vendor regarding satisfying a cash milestone payment through the issue of Shares in the Company in lieu of cash. As at the date of this notice, no formal agreement has been reached and the quantum of Shares has not been determined. There is no guarantee that an agreement will be reached.

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.