

14 June 2023

Pontax Lithium Project, James Bay, Canada

First stage of project studies to commence ahead of imminent Maiden Resource

Cygnus initiates its development strategy amid strong global interest in James Bay lithium

Highlights

- Consultants BBA appointed to conduct an initial environmental baseline assessment and geochemical characterisation at the Pontax Lithium Project
- The decision to accelerate development studies reflects Cygnus' strong confidence in Pontax and the outlook for the James Bay lithium province
- BBA is a highly-regarded, Quebec-based engineering consultancy with a strong track record in lithium projects and mine development, including assignments with Patriot Battery Metals, Sayona Mining, Nemaska Lithium and Critical Elements
- Aspects of these studies will be funded by a grant from Canada's Ministry of Energy and Natural Resources (MERN) under its 'Plan for the Development of Critical and Strategic Minerals'
- The Pontax Project has an enviable location in central James Bay, just 4km from a main highway and with Hydro-Quebec power infrastructure running through the project
- The region's development is being led by Allkem's James Bay Deposit (40.3Mt @ 1.4% Li₂O)¹ which is located just 30km to the north of Pontax
- Cygnus' Maiden Resource Estimate is on track for release in late July/early August, less than a year after project acquisition and with just 11,328m drilled, which will make Cygnus only the third ASX-listed company with a lithium resource in Quebec

Cygnus Managing Director David Southam said: "The decision to commence the first stage of development studies reflects our strong confidence in the Pontax project."

"This stems from the outstanding drilling results achieved so far, the imminent completion of the maiden resource and the substantial scope for ongoing resource growth given the relatively small amount of drilling completed in a rapid timeline."

"Pontax also has a highly advantageous position with existing infrastructure and neighbours in the development phase."

Cygnus Metals Limited (ASX:CY5) is pleased to advise that it has started project development studies, including a preliminary environmental baseline assessment and geochemical characterisation, at its Pontax Lithium Project in the James Bay region of Quebec, Canada.

The studies, which will be completed by consultants BBA, are an important step towards project development and will help outline the economic viability of the project's mineral resources and identify key issues relating to project development.

BBA will prepare an Environmental and Social Scoping Report (ESSR), which is the initial requirement towards completing environmental baseline studies on the path to a Preliminary Economic Assessment (PEA). In addition to the ESSR, an initial geochemical assessment of the ore and waste rock will also be completed. This is a key requirement for mine permitting and plays an integral role in supporting mine planning and development at the PEA level.

These early-stage studies will be part funded by an approved grant of up to C\$275,000 from Quebec's Ministry of Energy and Natural Resources (MERN). The grant was awarded as part of the Government of Quebec's program to support mineral exploration for minerals needed for green and renewable energy technologies as outlined in its 2020-25 Plan for the Development of Critical and Strategic Minerals.

The location of the Pontax Project provides a distinct advantage and significantly increases the development prospects. Not only is the project located just 4km from a main highway with Hydro-Quebec power infrastructure running through the project, but it also sits in central James Bay just 30km from Allkem's James Bay deposit. James Bay is currently in development stage with federal ESIA approval, ongoing engineering works and completion of Hydro-Quebec powerlines installed to site.

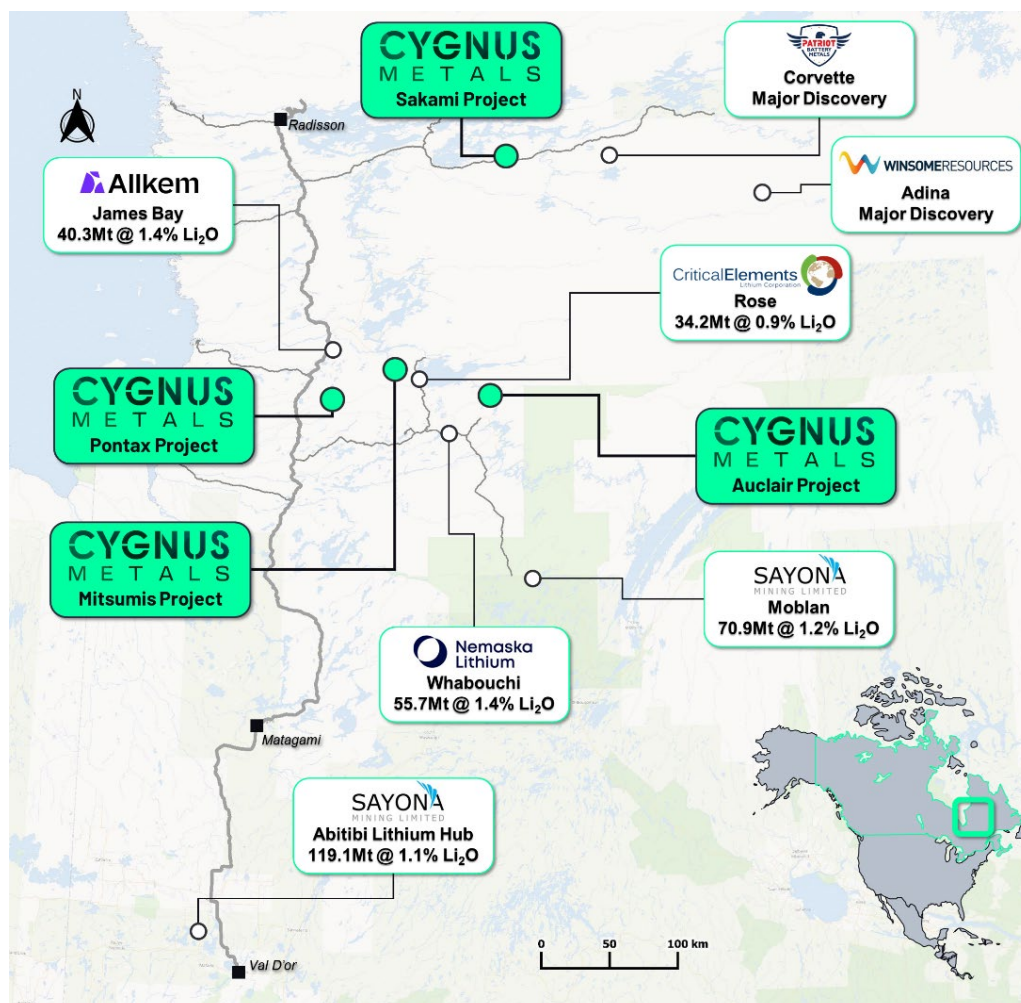


Figure 1: Location of Cygnus' projects relative to other major lithium resources and discoveries.¹

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.

End Notes

1. For the information in this announcement that relates to Mineral Resources, refer to the following: James Bay (40Mt @ 1.4% Li₂O), refer to Allkem Ltd's ASX release dated 21 December 2021; Whabouchi (55.7Mt @ 1.4% Li₂O), refer to Nemaska Lithium Inc's NI 43-101 dated 31 May 2019; Rose (34.2Mt @ 0.9% Li₂O), refer for Critical Elements Lithium Corp's TSX-V announcement dated 13 June 2022; Abitibi Lithium Hub (119.1Mt @ 1.1% Li₂O) operated by Sayona Mining Limited/Piedmont Lithium Inc, refer to Sayona Mining Limited's ASX release dated 1 March 2022; and Moblan (51.4Mt @ 1.3% Li₂O) operated by Sayona Mining Limited/SOQUEM Inc, refer to Sayona Mining Limited's ASX release dated 17 April 2023.

Cygnus Metals is not aware of any new information or data that materially affects the information in the said announcements, and in the case of estimates of Mineral Resource or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.