4 July 2023

Sakami Lithium Project, James Bay, Canada

Dozens of pegmatite targets identified ahead of maiden field campaign

Sakami is located just 44km along strike from Patriot Battery Metals' Corvette Project; Geophysical surveys and fieldwork scheduled to commence in August

Highlights

- First desktop studies have identified multiple pegmatite targets, with outcrops up to 140m long and 30m wide, ahead of initial prospecting scheduled to commence in August
- The 118km^2 Sakami Project is ideally located within the La Grande greenstone belt just 44km west of Patriot Battery Metals' (ASX:PMT) Corvette discovery and adjacent to Winsome Resources' (ASX:WR1) Cancet Project
- Immense potential for discovery with no lithium exploration previously undertaken at Sakami
- Exploration to commence with airborne magnetics, LiDAR, and high resolution orthophotography
- Highly experienced consultants Dahrouge Geological engaged to undertake initial mapping and prospecting in August, supported by senior Cygnus personnel
- Sakami sits close to major infrastructure with both Hydro Quebec powerlines and the Tran-Taiga highway running through the project
- At the Pontax Project, the maiden JORC Resource is set for release in late July/early August and helicopter-supported drilling is set to commence in September
- At the Auclair Project, drilling is expected to commence in early August to follow up on known spodumene-bearing pegmatites which returned significant grades from resampling of historic drilling,[1] including 9.8m @ 0.8% Li_2O from 212.8m, incl. 5.1m @ 1.0% Li_2O and 1m @ 1.2% Li_2O

Cygnus Managing Director David Southam said: "The potential at Sakami is clearly immense. We have already identified multiple pegmatite targets, Patriot's Corvette lithium project is located on the same greenstone belt just 44km along strike and there has been no lithium exploration done on our ground.

"Sakami is also just one of three premier lithium projects Cygnus holds in James Bay, Quebec, all of which are located adjacent to major discoveries and infrastructure. These projects will all be subject to ongoing exploration and are expected to generate strong newsflow over coming months".

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Cygnus Metals Limited (**ASX:CY5**) is pleased to announce that multiple pegmatite targets have been identified at its Sakami Lithium Project in James Bay, Canada.

With fieldwork set to commence in August, initial desktop studies have revealed multiple pegmatite targets visible in satellite imagery, with outcrops up to 140m long and 30m wide which have never been sampled (see Figure 1). No lithium exploration has ever been completed on the Sakami Project. The only drilling undertaken on the property was for gold and base metals in 1976, and comprised 5 diamond drill holes. The lack of targeted lithium exploration in this highly prospective greenstone belt presents Cygnus with an exceptional opportunity to make the next significant discovery in the region.

The Sakami project is located in the La Grande greenstone belt, which is one of the most prolific lithium districts in the world. Sakami is just 44km west of Patriot Battery Metals' Corvette project and adjacent to Winsome Resources' Cancet deposit. The project also has excellent infrastructure with both Hydro Quebec powerlines and the Tran-Taiga highway running through the project area.

Exploration is scheduled to commence in August with initial airborne magnetics, LiDAR, and high resolution orthophotography to assist with further target generation. These techniques have been highly effective at Cygnus' Pontax Project in identifying outcrop, both exposed and under thin cover amid dense vegetation and marshland. The surveys will be followed by on-ground field teams from well-known consultants Dahrouge Geological, who will conduct mapping and rock chip sampling. These activities will be supported by senior Cygnus personnel who will be onsite for the duration of the summer exploration season in Quebec. The initial focus of the field team will be to map and sample pegmatite targets identified through desktop studies concentrating on high priority targets including large pegmatites up to 140m in strike length.

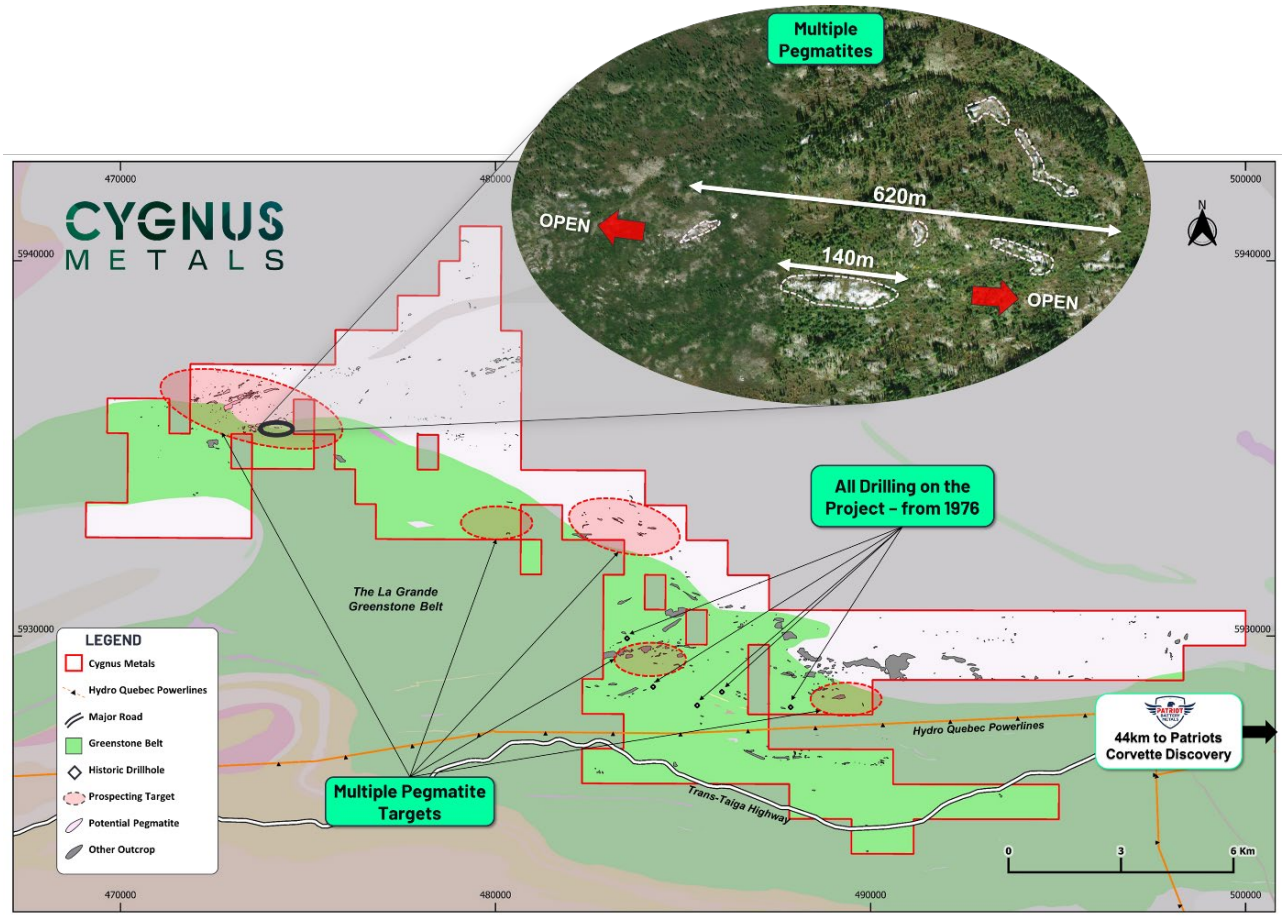

Figure 1: Multiple pegmatite targets across the Sakami Project. Sakami is located just 44km from Patriot Battery Metals' Corvette Project and in the same greenstone belt.

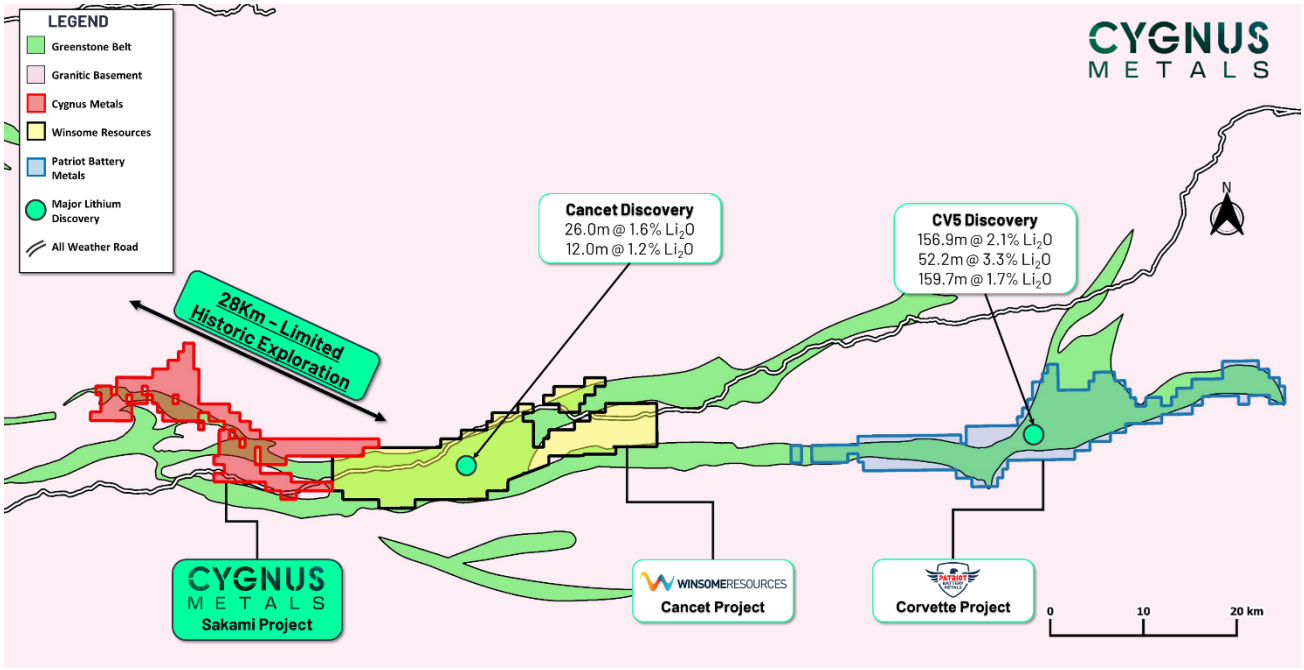

Figure 2: Location of the Sakami Project relative to other major discoveries in the La Grande greenstone belt.[2]

Quebec Exploration Update

The fires in Quebec are continuing and although conditions are improving, work programs have been temporarily delayed by the ongoing dry and hot weather. The Company expects to have teams on the ground in July and a drill rig operating in August at Auclair before switching focus back to Pontax in September. At Auclair, high resolution airborne magnetics have already been completed with interpretation currently in progress, helping to generate additional targets ahead of the prospecting. The Pontax Maiden Mineral Resource Estimate remains unaffected and is on target for release in late July/early August.

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%), the Auclair Lithium Project and Sakami Lithium Project in the world class James Bay lithium district in Canada. In addition, the Company has REE and base metal projects at Bencubbin and Snake Rock 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.

End Notes

1. Refer to CY5's ASX announcement on 22 May 2023.
2. Refer to ASX:WR1's announcement on 14 July 2022 and ASX:PMT's announcements on 30 January 2023 and 5 February 2023.

The information in this announcement that relates to previously reported Exploration Results has been previously released in ASX Announcements as noted in the End Notes above. 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.

APPENDIX A

Sakami Pegmatite Targets - 2012 JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*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.*	• Not applicable as no drilling or sampling work has been undertaken.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• Not applicable as no drilling or sampling work has been undertaken.
	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.*	• Not applicable as no drilling or sampling work has been undertaken.
Drilling techniques	*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).*	• Not applicable as no drilling or sampling work has been undertaken.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *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.*	• Not applicable as no drilling or sampling work has been undertaken.
Logging	*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.*	• Not applicable as no drilling or sampling work has been undertaken.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	• Not applicable as no drilling or sampling work has been undertaken.

Criteria	JORC Code explanation	Commentary
	The total length and percentage of the relevant intersections logged.	• Not applicable as no drilling or sampling work has been undertaken.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *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.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable as no drilling or sampling work has been undertaken.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Not applicable as no drilling or sampling work has been undertaken.
	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.	• Not applicable as no drilling or sampling work has been undertaken.
	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.	• Not applicable as no drilling or sampling work has been undertaken.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	• Not applicable as no drilling or sampling work has been undertaken.
	The use of twinned holes.	• Not applicable as no drilling or sampling work has been undertaken.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• Not applicable as no drilling or sampling work has been undertaken.
	Discuss any adjustment to assay data.	• Not applicable as no drilling or sampling work has been undertaken.
Location of data points	*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.*	• Not applicable as no drilling or sampling work has been undertaken.
	Specification of the grid system used.	• Not applicable as no drilling or sampling work has been undertaken.
	Quality and adequacy of topographic control.	• Not applicable as no drilling or sampling work has been undertaken.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	• Not applicable as no drilling or sampling work has been undertaken.
	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.	• Not applicable as no drilling or sampling work has been undertaken.
	Whether sample compositing has been applied.	• Not applicable as no drilling or sampling work has been undertaken.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Not applicable as no drilling or sampling work has been undertaken.
	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.	• Not applicable as no drilling or sampling work has been undertaken.
Sample security	*The measures taken to ensure sample security.*	• Not applicable as no drilling or sampling work has been undertaken.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	• Not applicable as no drilling or sampling work has been undertaken.

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.*	• Cygnus Metals has entered into a binding term sheet to acquire up to 100% of the Sakami Lithium Project under an option agreement with Canadian Mining House, Anna Rosa Giglio and Steve Labranche. • The Sakami Project consists of 231 mining titles or cells designated on maps (CDC) for a total area of 118.3km^2.
	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.	• 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.*	• Limited exploration has been completed at the Sakami Project. • The only previously documented exploration was completed in 1976 with 5 diamond holes drilled.

Criteria	JORC Code explanation	Commentary
Geology	*Deposit type, geological setting and style of mineralisation.*	• The Sakami Project is situated within the La Grande greenstone belt, which forms part of the La Grande sub-province of the Archean Superior Province of the Canadian Shield. • The area is considered prospective for both gold and lithium although no significant mineralisation has been reported.
Drill hole Information	*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:* ○ *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.* *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.*	• Not applicable as no drilling or sampling work has been undertaken.
Data aggregation methods	*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.*	• Not applicable as no drilling or sampling work has been undertaken.
	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.	• Not applicable as no drilling or sampling work has been undertaken.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable as no drilling or sampling work has been undertaken.
Relationship between mineralisation widths and intercept lengths	*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.* *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').*	• Not applicable as no drilling or sampling work has been undertaken.
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.*	• Not applicable as no drilling or sampling work has been undertaken.

Criteria	JORC Code explanation	Commentary
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 as no drilling or sampling work has been undertaken.
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.*	• No other substantive exploration data exists with the project at such an early stage.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Cygnus Metals intends to complete magnetics and LiDAR followed up by on-ground prospecting teams.