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Pontax Lithium Project, James Bay, Canada

Cygnus on track for maiden Resource after reaching first earn-in milestone

Cygnus and JV partner Stria Lithium Inc agree first milestone payment of C\$2m will be made in Cygnus scrip, increasing available cash for the summer exploration program

Cygnus Metals Limited (**ASX:CY5**) is pleased to announce that it has reached the first payment milestone under the terms of the earn-in agreement with Stria for the Pontax Lithium Project ("Pontax").

Cygnus has earned 51 per cent of Pontax by spending C\$4 million on exploration at the project (refer ASX release dated 29 July 2022). Under the earn-in agreement, Cygnus can earn up to 70 per cent of Pontax.

As a demonstration of the co-operation between Stria and Cygnus, the parties have agreed during JV discussions in June that the C\$2 million payable upon achieving this milestone will instead be satisfied by the issue of Cygnus fully paid ordinary shares. Cygnus is already a 7% shareholder of Stria and the CY5 shares to be issued to Stria will result in positive cross ownership between both partners.

A total of 9,129,825 shares have been issued to Stria utilising the Company's available Listing Rule 7.1 capacity at a deemed price of A\$0.2475 per share (C\$0.2191), which aligns with Cygnus' 30 day VWAP.

As a consequence of this payment being settled in shares (and with \$5.4m cash at bank at 30 June 2023), Cygnus is well funded for the upcoming summer exploration program at the Auclair, Pontax and Sakami lithium projects, all of which are in James Bay, Quebec.

Cygnus remains on track to release a maiden Mineral Resource for Pontax 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 have 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.