12 June 2023

Auclair Lithium Project, James Bay, Canada

Spodumene-bearing pegmatite boulders identified over 2.6km

Auclair emerging as exceptionally prospective with samples grading up to 1.2% Li_2O; Geophysics and mapping underway ahead of drilling

Highlights

- **Mapping commenced last week has already identified spodumene-bearing pegmatite boulders over 2.6km of strike, highlighting potential for a large pegmatite system***
- **Importantly, some of the most promising targets are yet to be visited due to helicopter availability issues caused by the ongoing wildfires in Quebec. These include the 67 previously identified and unsampled pegmatites, some of which are up to 1.6km long and 60m wide[1]**
- **Cygnus considers these results to be extremely promising, particularly given they stem from a limited amount of work and come from an area which has never been explored for lithium**
- **An airborne magnetic survey was completed in late June. LiDAR and high resolution orthophotography are expected to commence later this month**
- **Geophysics, mapping and sampling are expected to be followed by diamond drilling commencing in August, with a rig and crew contracted for the entire summer season**
- **Auclair is known to host spodumene-bearing pegmatites which have returned significant grades from resampling of historic drilling,[1] including a partial assay of 9.8m @ 0.8% Li_2O from 212.8m, including 5.1m @ 1.0% Li_2O and 1m @ 1.2% Li_2O**
- **Auclair boasts excellent infrastructure, with year-round road access and high-voltage transmission lines running through the project, as well as being located within 80km of the Nemiscau Airport and just 50km northeast of Whabouchi (55.7Mt @ 1.4% Li_2O)[2]**
- **At the Pontax Lithium Project, the maiden JORC Resource is set for release in late July/early August, with the drill rig set to be mobilised from Auclair to Pontax later in the season**
- **Cygnus is one of the largest ASX-listed landholders in James Bay and has recently secured further ground increasing Auclair to 405sqkm and the total land position in James Bay to 827sqkm**

** In relation to the disclosure of visual occurrences of pegmatite and spodumene, the Company cautions that visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. The Company expects to receive the laboratory analytical results of rock chip samples this quarter.*

Cygnus Metals Limited
Level 2, 8 Richardson Street, West Perth WA 6005
T: +61 8 6118 1627 E: info@cygnusmetals.com W: www.cygnusmetals.com

***Cygnus Managing Director David Southam said**: "We have been on the ground at Auclair for less than a week and already established an extensive spodumene-bearing pegmatite boulder field 2.6km-long. And we are just scraping the surface. Auclair is rapidly emerging as an exceptional opportunity to create substantial value for shareholders because it has never been explored for lithium.*

"The geophysics and mapping work will pave the way for the start of drilling in August. In parallel with this, we are finalising the maiden Resource at our Pontax lithium project for release.

"We are now one of the largest ASX-listed landholders in James Bay, with numerous sources of near-term newsflow and opportunities to generate significant value for shareholders".

Cygnus Metals Limited (ASX:CY5) is pleased to announce that it has made an outstanding start to exploration at its Auclair Lithium Project in James Bay, Canada.

Field teams arrived on the project last week and have rapidly defined a spodumene-bearing pegmatite boulder field over 2.6km. The pegmatite field surrounds historic drillhole AC-2010-004 which returned a partial assay of **9.8m @ 0.8% Li_2O from 212.8m**, including 5.1m @ 1% Li_2O and 1m @ 1.2% Li_2O.[2]

Spodumene mineralisation in pegmatite boulders was observed across three separate sites, with typically white to green crystals up to 8cm long in large angular boulders up to 4m wide.* The boulders are located both up and down ice flow direction of interpreted mineralisation in drillhole AC-2010-004, indicating a large potential pegmatite system or multiple sources of spodumene mineralisation within the project.

Cygnus considers these initial results to be extremely promising, particularly given that they stem from a very limited amount of work and come from an area which has never been explored for lithium.

Importantly, some of the most prospective targets at Auclair have not yet been visitied due to ongoing helicopter availabilty issues caused by the wildfires in Quebec. These include the 67 pegmatites identified in the existing high-resolution imagery and government datasets,[1] some of which are up to 1.6km in strike and up to 60m wide. In addition, work is ongoing to locate the 14 identified pegmatite intervals across five historic holes which are yet to be verified and resampled, with individual intervals of up to 19.6m.

The mapping will be followed by a diamond drilling campaign commencing in August, with permitting in place for follow up drilling targeting spodumene-bearing pegmatite intersections in historic drillhole AC-2010-004. The mineralised pegmatite in AC-2010-004 remains completely open along strike and down dip with no other drilling along the interpreted prospective trend.

In addition to ongoing fieldwork, a heliborne magnetic survey was completed in late June and a LiDAR survey is due to commence later this month. These two techniques were highly effective in target generation at Cygnus' Pontax lithium project, also in James Bay, in areas with thin cover and dense vegetation. The geophysics combined with the ongoing mapping will be used to generate additional drill-ready targets for August.

The Company has also recently staked an additional 127 claims surrounding the Auclair Project, increasing the project footprint to 405km^2 and total ground position in James Bay to 827km^2. Not only does Cygnus now have one of the largest land positions in James Bay for ASX-listed explorers but also some of the most prospective ground due to first mover advantage and existing in-country relationships. This positions Cygnus as a major player in one of the most exciting lithium exploration precincts in the world.

Location and Infrastructure

The Auclair property is ideally located just 80km northeast of the Nemiscau airport and 50km northeast of Whabouchi (55.7Mt @ 1.4% Li_2O), which is owned and operated by Nemaska Lithium.[2] The property can be accessed year-round by all-weather roads and has Hydro Quebec high-voltage transmission lines running north-south through the project area.

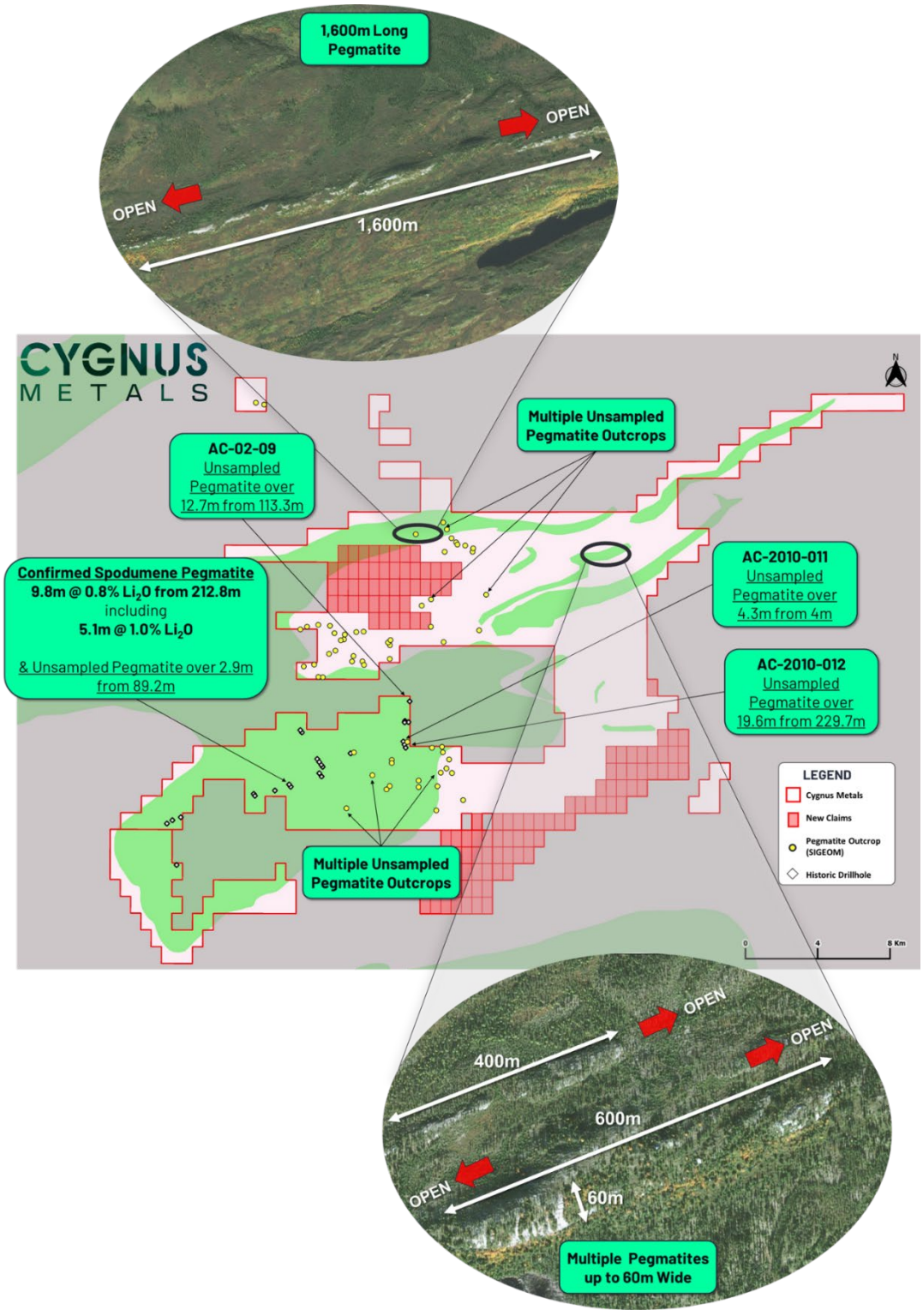

Figure 1: Increased ground position at Auclair with confirmed spodumene[1] and unsampled pegmatites both in drilling and outcrop. Background regional geology interpretation from SIGEOM.*

*Figure 2: Cygnus Business Development Manager and Geologist, Gareth Reynolds, inspecting a large spodumene-bearing pegmatite boulder. Close up of spodumene mineralisation (spodumene crystals circled in white). Sample ID 155790004.**

For and on behalf of the Board

David Southam
Managing Director
T: +61 8 6118 1627
E: info@cygnusmetals.com

Media
For further information, please contact:
Paul Armstrong
Read Corporate
+61 8 9388 1474

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. Assays are partial as the full pegmatite interval could not be recovered due to winter conditions.
2. For the information in this announcement that relates to Whabouchi (55.7Mt @ 1.4% Li_2O), refer to Nemaska Lithium Inc's NI 43-101 dated 31 May 2019.

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.

** In relation to the disclosure of visual occurrences of pegmatite and spodumene, the Company cautions that visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. The Company expects to receive the laboratory analytical results of rock chip samples this quarter.*

APPENDIX A – Location of spodumene-bearing boulders and visual geology, including estimated percentages of spodumene

Coordinates given in UTM NAD83 (Zone 18).

Sample ID	Easting	Northing	Simplified Geology	Estimated % Spodumene
155790001	488270	5763031	Spodumene Pegmatite	5 - 7
155790004	488273	5763017	Spodumene Pegmatite	5 - 7
155790053	490651	5764088	Spodumene Pegmatite	1 - 3

APPENDIX B - Pegmatite Boulder Sampling - 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.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *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.*	• Rock chip samples were collected from surface exposure using rock hammers. The sample between 0.5-2kg is collected in a marked calico bag for submission for assay. • Rock chips were collected by hand and in many cases several rock chips were collected from a single location to ensure representivity.
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).*	• No drilling results are reported therefore information about drilling techniques is not available.
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.*	• No drilling results are reported therefore information about drill sample recovery is not available
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.*	• Samples were logged in the field according to rock type, colour, mineral assemblage, location and date/time of collection before being placed in calico bags and assigned a sample number.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	• Geological logging is qualitative and descriptive in nature.
	The total length and percentage of the relevant intersections logged.	• All samples were logged.

Criteria	JORC Code Explanation	Commentary
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.*	• No sampling has been undertaken, therefore information on sub-sampling techniques and sample preparation is not yet available.
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.*	• Samples not yet submitted to laboratory, therefore information on the quality of assay data and laboratory tests is not yet available.
	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.	• None used.
	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.	• Samples not yet submitted to laboratory, therefore information on quality of assay data and laboratory tests is not yet available. • The Company will present its quality control procedures in the future announcement on the assay results, once received.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	• Samples not yet submitted to laboratory; therefore information sub-sampling techniques and sample preparation is not yet available.
	The use of twinned holes.	• No drilling results are reported therefore information about twinned holes is not available.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• All data has been reviewed, documented, and stored by IOS Services Geoscientifiques Inc, a professional exploration services company based out of Saguenay, Quebec.
	Discuss any adjustment to assay data.	• Samples not yet submitted to laboratory, therefore information sub-sampling techniques and sample preparation is not yet available.

Criteria	JORC Code Explanation	Commentary
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.*	• The location of sample points was recorded with a Garmin GPS model "GPSmap 62s" (4m accuracy).
	Specification of the grid system used.	• The grid system used is UTM NAD83 (Zone 18).
	Quality and adequacy of topographic control.	• Located with a Garmin GPS model "GPSmap 62s".
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	• The samples reported in this announcement were collected randomly from boulders and other areas of interests by field geologists.
	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.	• No resource estimation is made.
	Whether sample compositing has been applied.	• No compositing has been applied to the exploration results.
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.*	• The rock chip samples are taken at the discretion of the geologist on site and are selective by nature.
	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.	• No drilling results are reported therefore information about drilling orientation is not available.
Sample security	*The measures taken to ensure sample security.*	• Samples are taken on site before being trucked to the IOS Services Geoscientifiques laboratory in Saguenay, Quebec through reputable transportation companies. Samples are then sorted and trucked to SGS Lakefield. • The company takes full responsibility on the custody including the sampling process itself and transportation.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been completed

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.*	• The data reported within this announcement is from the Auclair Lithium Project. Cygnus owns 100% of 175 claims at Auclair, following completion of the acquisition from Osisko Exploration James Bay Inc and pegging of open ground. • A further 589 claims at Auclair are under an option agreement with Canadian Mining House, Anna Rosa Giglio and Steve Labranche for the Beryl Property, which is immediately adjacent to and surrounds the original Auclair property. • Combined these properties form the Auclair Lithium Project, which consists of 764 mining titles or cells designated on maps (CDC) for a total area of 404.8km^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.*	• All drilling intersections and results discussed are based on historical exploration drilling completed by Virginia Mines Inc (now Osisko Exploration James Bay Inc).
Geology	*Deposit type, geological setting and style of mineralisation.*	• The Auclair Property is situated within the Middle to Lower Eastmain Greenstone Belt, which forms part of the La Grande sub-province of the Archean Superior Province of the Canadian Shield. The geology of the property comprises tholeiitic basalts and paragneiss with extensive banded iron formation horizons. • The area is considered prospective for both gold and lithium
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.*	• No drilling results are reported therefore detailed drillhole information is not available. The northings and eastings of the rock chip samples are included in Appendix A.

Criteria	JORC Code Explanation	Commentary
	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.	
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.*	• No data aggregation methods have been applied.
	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.	• No data aggregation methods have been applied.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No metal equivalent reporting has been applied.
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').*	• No mineralisation widths are reported.
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.*	• Included elsewhere in this release. Refer figures in the body text.
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.*	• No exploration results are reported
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.*	• All reference to mineralogy of the pegmatites is included within the comments.
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 drill test the depth and lateral extensions of the identified Auclair pegmatites. • Further work will include geophysics and prospecting. • Not enough data is available for geological interpretation.