10 January 2024

Auclair Lithium Project, James Bay, Canada

Diamond drilling locked in and set to commence from mid-January at the Pegasus Discovery

Plus, recent assay results of up to 13m @ 1.3% Li_2O confirm previously announced visual intercepts from 2H CY2023 along the Auriga Discovery Trend

Highlights

- Drilling will commence shortly at the 50m wide Pegasus discovery outcrop at Auclair, with a drill rig and crews locked in and scheduled to arrive in mid-January
- The Pegasus discovery consists of two large spodumene-bearing pegmatite outcrops that sit side by side, measuring up to 75m long x 50m wide and 65m long x 30m wide
- Recent exploration at Pegasus has demonstrated significant potential for a lithium discovery, with rock chip results of 6.6% Li_2O, 5.5% Li_2O, 5.3% Li_2O, 4.6% Li_2O, 2.2% Li_2O, 1.8% Li_2O, 1.5% Li_2O, and 0.7% Li_2O (refer ASX release dated 28 November 2023)
- Pegasus is a priority target with upcoming drilling aimed at testing both the strike and depth extent, and expanding the footprint of the mineralisation seen at surface
- Assays have also been returned from wide-spaced drilling on the Auriga trend, confirming previously announced visual results (refer ASX release dated 29 August 2023). Shallow, high-grade assay results include:
    - 13.9m @ 1.3% Li_2O from 42.8m;
    - 9.6m @ 1.4% Li_2O from 61.3m; and
    - 9.5m @ 1.4% Li_2O from 217.3m
- Recent results at Auriga cover a strike length of 1.9km, with multiple parallel pegmatites intersected and mineralisation remaining open in all directions under shallow glacial cover
- Auclair has immense potential for further discovery with 6km of known spodumene mineralisation identified within a 10km long highly prospective corridor
- The Auclair Project area is located in the same greenstone belt and just 60km due east of Critical Elements Lithium Corporation's Rose Deposit (34.2Mt @ 0.9% Li_2O), and just 50km north-east of Whabouchi (55.7Mt @ 1.4% Li_2O), owned and operated by Nemaska Lithium[1]

Cygnus Managing Director David Southam said: "Pegasus is an exceptional target and we are excited to see what the upcoming drill program can deliver. The spodumene-bearing outcrop exhibits both length and width, with widespread high-grade rock chip results returned at surface.

"All permits and logistical arrangements are in place, and diamond drilling will begin shortly.

"Our Auclair landholding is vast and the recent assay results demonstrate that the 10km strike corridor is fertile for spodumene-bearing pegmatites."

Cygnus Metals Limited (ASX: CY5) is pleased to announce that its winter exploration program at the Auclair Lithium Project in James Bay, Quebec will commence shortly, with a diamond rig locked in to drill the high-priority outcropping Pegasus discovery.

The Pegasus discovery is the Company's priority drill target moving into 2024 due to the scale of the outcrops seen at surface, which are up to 50m wide, plus the associated grades of up to 6.6% Li_2O (refer ASX release dated 28 November 2023). As a result, Cygnus believes that Pegasus has significant potential to be the next lithium discovery in the James Bay region.

Drilling will aim to test both the strike and depth extent of the mineralisation seen at surface, expand the mineralised footprint and build an understanding of the dyke morphology and structural setting.

Drilling is also planned at the Lyra discovery (1.6km to the north-west), which has also never been drilled and exhibits both scale (up to 15m wide) and grade (up to 6.7% Li_2O) (refer ASX release dated 28 November 2023).

All three discoveries – Pegasus, Lyra and Auriga (covering 6km of strike) – are likely part of the same large mineralised system that to date has seen only limited wide spaced drilling and remains open in all directions.

New results have also been received from the Auriga trend from diamond drilling completed during the second half of calendar year 2023. These results include several significant shallow, high-grade intercepts, such as:

- 13.9m @ 1.3% Li_2O from 42.8m;
- 9.6m @ 1.4% Li_2O from 61.3m; and
- 9.5m @ 1.4% Li_2O from 217.3m

This drilling, which was conducted on a wide spacing of up to 400m, intersected multiple parallel spodumene-bearing pegmatites over a significant strike length of 1.9km.

Most of these pegmatites are blind and concealed beneath shallow glacial overburden, which is widespread across the Auclair Project. Recent success in drilling beneath cover provides encouragement to the Cygnus exploration team, and also highlights the unknown potential of the project which may not be exhibited at surface.

The Auriga trend, although not the current priority for the upcoming drill program, has exhibited both high grades and a significant strike length over 1.9km. Further work is required to understand the structural complexity of the area and how it fits into the bigger picture of the mineralised system at Auclair.

In addition to ongoing drilling and the latest drill results, the Company has also recently completed a till sampling program over the high priority 10km fractionation trend. This program aims to establish the next generation of targets and is particularly effective in generating targets in areas like Auclair, where much of the terrain is covered by glacial overburden.

Results are currently pending for 257 samples which will both be sent for both geochemical and mineralogical analysis.

Canadian Lithium Exploration Plans for 2024

Auclair will be the main focus of exploration for Q1 2024, with drilling expected to continue until the end of March to test both the Pegasus and Lyra targets. The Company is also expecting results from the till sampling program during Q1 which will help to establish additional targets in areas of glacial cover.

Further prospecting work is also planned for the summer field season, with the Pegasus discovery made just days before the early October snow curtailed the 2023 exploration season. As a result, large parts of Auclair remain unexplored, in particular in highly prospective areas surrounding the Pegasus and Lyra discoveries.

The Sakami Project will also become a significant focus for prospecting during the summer months. The Company only managed a brief prospecting campaign during 2023 due to the extreme wildfire season and then early snowfall in the region.

As a result, much of the project remains unexplored and is regarded as highly prospective, being located in the same greenstone belt as Patriot Battery Metals' 110Mt Corvette Deposit.[1]

Work is continuing at the Pontax Project including project studies and ongoing environmental baseline assessments through highly-regarded engineering consultants, Quebec-based BBA.

Prospecting towards the south-west of the 44km long property is expected to commence during the summer months with fractionated pegmatites identified in this area.

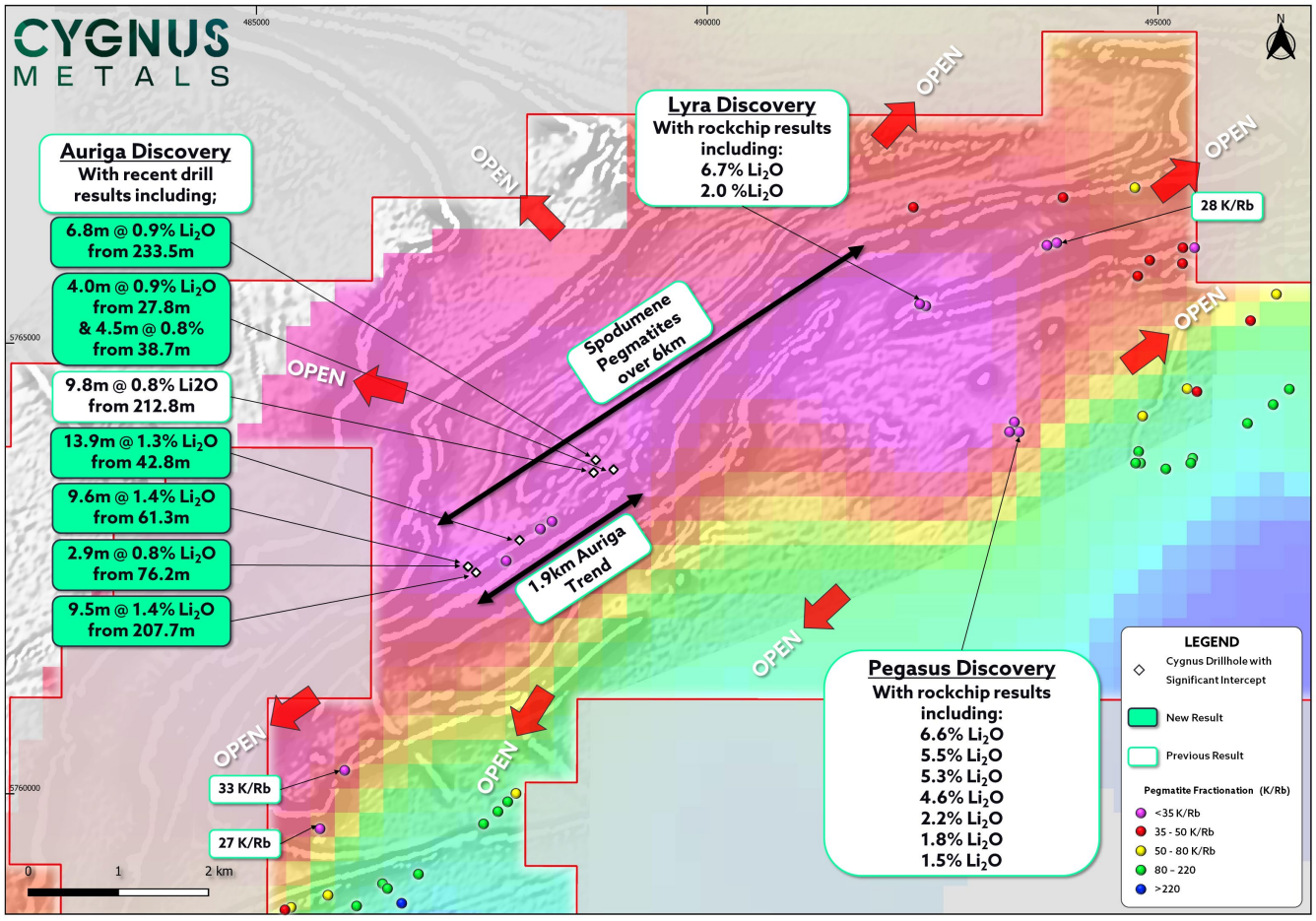

Figure 1: Illustrating mutiple spodumene-bearing pegmatites discoveries across 6km of strike with the Auriga, Lyra and Pegasus outcrops. Recent results from Auriga over 1.9km of strike and open in all directions. For previous results refer to ASX releases dated 22 May 2023 and 28 November 2023.

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.

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 that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 his information in the form and context in which it appears.

End Notes

1. 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; Rose (34.2Mt @ 0.9% Li_2O), refer for Critical Elements Lithium Corp's TSX-V Announcement dated 13 June 2022; and Corvette (109.2Mt @ 1.42% Li_2O), refer to Patriot Battery Metals Ltd's ASX release dated 31 July 2023.

The information in this announcement that relates to previously reported Exploration Results has been previously released in ASX Announcements as noted in the text. Cygnus Metals confirms that it is not aware of any new information or data that materially affects the information in the said announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

APPENDIX A – Details of drillholes

Coordinates given in UTM NAD83 (Zone 18)

Hole ID	East	North	RL	Azimuth	Dip	EOH
AC-23-001	488740	5763564	299	324.5	-60	117.3
AC-23-001A	488740	5763564	299	325	-65	297
AC-23-002	488682	5763646	300	325	-50	276
AC-23-003	488658	5763507	302	325	-60	333
AC-23-004	487919	5762814	300	324	-70	312
AC-23-005	487767	5762686	300	325	-60	239
AC-23-006	488094	5762894	300	325	-60	228
AC-23-007	487969	5762839	300	325	-60	150
AC-23-008	487873	5762784	300	344	-60	123
AC-23-009	487292	5762347	300	325	-60	330
AC-23-010	487980	5762744	314	325	-60	291
AC-23-011	487328	5762264	306	325	-50	258
AC-23-012	487865	5762896	321	325	-50	300
AC-23-013	487437	5762454	311	325	-50	300
AC-23-014	487805	5762980	307	325	-50	200
AC-23-015	487347	5762517	313	325	-50	200
AC-23-016	488082	5763265	304	325	-50	200
AC-23-017	487348	5762519	300	350	-56	102
AC-23-018	487746	5763067	307	325	-50	276
AC-23-019	487540	5762666	314	310	-50	222
AC-23-020	487457	5762606	313	310	-50	165
AC-23-021	488408	5763333	308	325	-50	300
AC-23-022	488764	5763703	300	325	-70	200
AC-23-023	488961	5763597	300	100	-50	300

Appendix B – Details of significant intersections

Significant intersections include intercepts greater than 0.8% Li_2O and 100ppm Ta_2O_5. Intercept lengths may not add up due to rounding to the appropriate reporting precision.

Hole ID	From	To	Interval	Li_2O %	Ta_2O_5 ppm
AC-23-001A	233.5	240.2	6.8	0.9	114
including	234.5	238.6	4.1	1.3	102
AC-23-004	**42.8**	**56.7**	**13.9**	**1.3**	**21**
AC-23-013	**207.7**	**217.3**	**9.5**	**1.4**	**27**
AC-23-015	76.2	79.1	2.9	0.8	33
AC-23-017	**61.3**	**70.9**	**9.6**	**1.4**	**56**
AC-23-022	91.7	96.7	5.0	0.2	124
AC-23-023	27.8	31.8	4.0	0.9	88
and	38.7	43.1	4.5	0.8	132

APPENDIX B – Grab Samples - 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.*	• Diamond holes were completed by NQ diamond core drilling
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• QAQC samples were inserted in the sample runs, comprising lithium standards (CRM's or Certified Reference Materials) and sourced blank material
	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.*	• Sampling was nominally at 1m intervals however over narrow zones of mineralisation it was as short as 0.3m • Sampling practice is appropriate to the geology and mineralisation of the deposit and complies with industry best practice
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).*	• Diamond core was drilled using surface diamond rigs with industry recognised contractors Forage G4 • Drilling was conducted using NQ core size • Directional surveys have been taken at 50m intervals
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.*	• Diamond core recovery was measured for each run and calculated as a percentage of the drilled interval. Overall, the core recoveries are excellent with fresh rock from near surface

Criteria	JORC Code explanation	Commentary
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.*	• All core was geologically and geotechnically logged. Lithology, veining, alteration and mineralisation are recorded in multiple tables of the drillhole database
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	• Geological logging of core is qualitative and descriptive in nature. All core has been catalogued and photographed
	The total length and percentage of the relevant intersections logged.	• 100% of the core has been logged
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.*	• Core was cut in half, one half retained as a reference and the other sent for assay • Samples were submitted to SGS preparation lab in Lakefield, Ontario • At Lakefield the samples are dried at 105°C, crushed to 75% passing 2mm, riffle split 250g, and pulverize 85% passing 75 microns • Laboratory QC procedures involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates • The pulps were shipped by air to SGS Canada's laboratory in Burnaby, BC
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.*	• The samples were analysed at SGS Canada laboratory in Burnaby, BC • Industry standard assay quality control techniques were used for lithium related elements • The samples were homogenized and subsequently analysed for multi-element (including Li and Ta) using sodium peroxide fusion with ICP-AES/MS finish (codes GE_ICP91A50 and GE_IMS91A50)
	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.	• Laboratory QC procedures involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates • The Company also submitted certified reference material and blanks with 1 in every 10 samples • Results for both met QAQC tolerances

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	• Verification was made by Cygnus Metals and other professional consultant geologists
	The use of twinned holes.	• No drillholes were twinned
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• All data was received in electronic format and has been reviewed and documented by IOS Services Geoscientifiques Inc, a professional exploration services company based out of Saguenay, Québec. The data has then been validated by Cygnus Metals and stored by the company
	Discuss any adjustment to assay data.	• There were no adjustments to the assay data
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 the drillholes and the aiming points for the orientation of the drillholes were indicated on the ground using identified stakes. The stakes marking the location of the drillholes were set up and located 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.*	• Reported drill holes are on 200-400m spaced sections and approximately 50m centres • The spacing is considered appropriate for this type of early exploration
	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 sample compositing has been applied
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.*	• Drill lines are orientated approximately at right angles to the currently interpreted strike of the known outcropping mineralisation
	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 bias is considered to have been introduced by the existing sampling orientation. The drill holes are angled as close as possible to perpendicular to the mineralised structures. Mineralised intervals are reported as downhole lengths not true widths, with more drilling required to fully understand the structural complexity of the orebody
Sample security	*The measures taken to ensure sample security.*	• Core samples are logged on site in James Bay before being trucked to the IOS Services Geoscientifiques laboratory in Saguenay, Québec • Samples are then secured in poly weave sacks for delivery to the SGS in Lakefield, Ontario

Criteria	JORC Code explanation	Commentary
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	• No audits have been undertaken, therefore information on audits or reviews is not yet available

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 • A further 22 claims have been acquired through a transaction with Noranda Royalties and 6998046 Canada Inc. announced July 2023 giving Cygnus 100% ownership of the claims • Combined these properties form the Auclair Lithium Project, which consists of 786 mining titles or cells designated on maps (CDC) for a total area of 417km^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.*	• Some 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*	• All requisite drillhole information is tabulated elsewhere in this release. Refer Appendix A and B of the body text

Criteria	JORC Code Explanation	Commentary
	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.*	
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.*	• Drillhole intersections are reported using a weighted average technique. No lower or upper cut offs 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.	• A minimum intercept length of 0.7m applies to the sampling in the tabulated results presented in the main body of this release
	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').*	• The geometry of the pegmatite dykes appears to be vertical with intersections around 80% of true width when drilled from surface
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*	• All results greater than 0.8% Li_2O have been reported

Criteria	JORC Code Explanation	Commentary
	grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
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 material exploration data
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