

27 March 2024

Cygnus undertakes restructure to maximise investment in exploration

Reduced costs and \$6m cash holding means Cygnus is set to continue driving its highly successful lithium exploration program in James Bay, Canada

Cygnus Metals Limited (ASX: CY5) advises that it proposes to make several changes at Board level to reflect current market conditions and its ongoing commitment to maximise the funds available for exploration at its Canadian lithium projects.

The proposed changes to Board structure and remuneration will see the Directors receive up to 50 per cent of their salary in the form of Cygnus equity and the remainder in cash.

The new measures are proposed to be effective from 1 April 2024. The proposed issue of equity to Directors is subject to shareholder approval to be sought at the upcoming annual general meeting.

Under the proposals:

- Managing Director David Southam will move to Executive Chair. The Company will reduce Mr Southam's remuneration pro rata to three days per week, one-third of which will be paid in CY5 equity. Mr Southam has committed to work beyond the three days without additional compensation, which is consistent with his practice since he commenced as Managing Director;
- Existing Independent Non-Executive Chairman Kevin Tomlinson will become Lead Independent Non-Executive Director. He will be paid 50% in cash and 50% in CY5 equity;
- All other Non-Executive Directors will be paid director fees comprising 50% in cash and 50% equity; and
- Other members of the management team have also elected to swap a portion of their cash remuneration for equity in CY5.

Cygnus Managing Director David Southam said: "I am exceptionally proud of the hard work, expertise and success of our small team since we embarked on an aggressive exploration plan in James Bay, Quebec just over 12 months ago.

"Notwithstanding our exploration success, equity and commodity market headwinds have worked against us and maintaining the status-quo was not an option, despite overall overheads for the group being relatively low.

"The changes made today reflect the commitment of Board Members and staff to reduce expenditure in order to maximise our investment in exploration. It also represents their strong belief in Cygnus' future.

"In particular, the upside of our Auclair Project is immense, as demonstrated by the thick spodumene-bearing pegmatites recently announced. Our team awaits eagerly the snow melt in order to commence our fully-funded summer program which will be focussed on Auclair and Sakami Projects".

Cash at Bank is forecast to be around A\$6m at the end of the March quarter, meaning that Cygnus is well funded to carry out its exploration programs. Spending in Q2 CY2024 naturally reduces due to season changes and restrictions in drilling due to First Nations traditional activities such as geese hunting.

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 target.