

2 July 2024

Auclair Lithium Project, James Bay, Canada

Successful geophysics reveal potential for significant growth in Pegasus discovery

Gravity survey surrounding drill intersection of 43.7m at 1.15% Li₂O suggests the pegmatite trend extends for 1.7km and remains open in all directions; Drilling set to start this month

Highlights

- Ground gravity survey suggests Pegasus spodumene pegmatite trend extends for at least 1.7km and remains open in all directions*
- First-pass drilling at Pegasus in February 2024 returned a standout intersection of 43.7m @ 1.15% Li₂O¹ below 10m of glacial cover
- Interpretation of the gravity was conducted by NewGen Geo, a consultancy which specialises in the application of geophysics in lithium pegmatite exploration; NewGen successfully applied the same technique at Winsome Resources' (ASX:WR1) Adina Deposit²
- Follow-up drilling at Auclair is scheduled to start in July targeting extensions to the Pegasus pegmatite, which has only been drill-tested over 300m of strike, and the Lyra discovery, which returned rock chip results of up to 6.7% Li₂O³
- Multiple other potential pegmatite targets have also been identified, with the gravity representing an effective technique to detect pegmatites below glacial cover; It has potential to be deployed more widely across the project
- The Auclair Project is located in the same greenstone belt and just 60km due east of Critical Elements' Rose Deposit (34.2Mt @ 0.9% Li₂O), and just 50km north-east of Whabouchi (55.7Mt @ 1.4% Li₂O), owned and operated by Nemaska Lithium⁴
- Outside of Auclair, prospecting at Sakami has started; This will follow up on key LCT pegmatite indicators identified during the 2023 prospecting campaign, which was cut short by fires.

Cygnus Executive Chair David Southam said: "The results from this geophysics program are highly encouraging and provide proof of concept with respect to identifying blind pegmatites below shallow glacial cover at Auclair. This exact style of program was one of the successful exploration tools utilised for Winsome's world-class Adina Deposit, which is now one of the largest in James Bay.

"There is clearly strong potential to grow what is already a significant high-grade spodumene discovery at Pegasus and therefore the upcoming drilling has scope to create substantial shareholder value".

* 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 drilling to commence in July later in the quarter.

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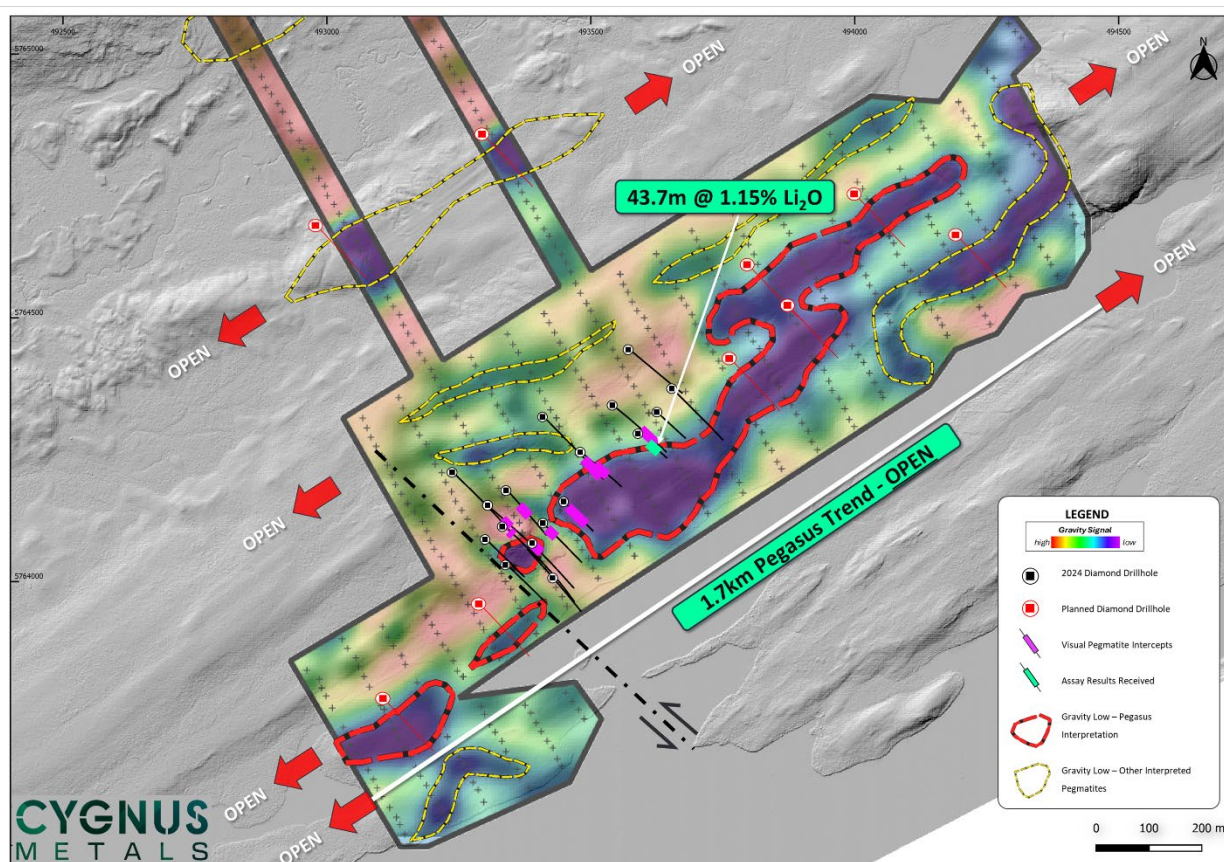


Figure 1: The potential Pegasus Pegmatite trend over 1.7km, identified in recent gravity and corresponding with recent drilling intersections. Remaining open in all directions. Refer to ASX releases dated 8 April and 26 February 2024 for previous drill results and visual estimates.

Cygnus Metals Limited (ASX: CY5) is pleased to announce highly promising results from recent geophysics completed at its Auclair Lithium Project in James Bay, Quebec.

The survey suggests that the spodumene-bearing pegmatite at Pegasus extends for at least 1.7km, remaining open in directions. Drilling at Pegasus recently returned a standout intersection of **43.7m @ 1.15% Li₂O**¹ and remains one of the Company's priority targets for the imminent drilling campaign starting this month.

Details of Gravity Results

Ground gravity survey data was collected at the end of May 2024, in order to test its applicability to detect pegmatites under shallow glacial cover at the Auclair Project. Initially, the survey was undertaken as a trial over the main Pegasus Discovery outcrop, however, following immediate success, the survey was expanded across a larger area. Results highlight a distinct gravity low correlating with the known extent of the Pegasus pegmatite (drilled over 300m) further extending along strike over 1.7km. The full extent of the anomaly is only limited by the extent of the survey area. Multiple other anomalies have also been identified in the surrounding area representing additional targets and potentially a larger pegmatite swarm.

The results of the initial gravity survey are a significant breakthrough for exploration at Auclair, demonstrating the potential to be an effective tool to detect blind pegmatites beneath shallow glacial cover. Successful application of this technique has previously been demonstrated during the discovery of Adina by Winsome Resources (ASX:WR1) with ground gravity helping to delineate the mineralisation which is almost entirely undercover.² The work at Adina and more recently Auclair was led by New GenGeo, a consultancy based in Perth that specialises in the application of geophysics in lithium pegmatite exploration.

Planned Exploration

The Company is well advanced in the current exploration season with geophysics completed at Auclair and ongoing prospecting. Prospecting has just commenced at Sakami ahead of drilling at Auclair which is scheduled to commence mid-July.

Drilling at Auclair will focus initially on Pegasus, targeting extensions to the known pegmatite, which has only been drill tested over 300m of strike to date. Wide spaced drilling will seek to expand the known strike extent of the Pegasus pegmatite system and build upon the standout intersection of 43.7m @ 1.15% Li₂O¹. In addition the Company will complete first drilling at Lyra, which returned rock chip results of up to 6.7% Li₂O.³

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 relating to Exploration Results is based on, and fairly represents, information and supporting documentation reviewed by Ms Laurence Huss, Quebec In-Country Manager of Cygnus Metals Ltd. Ms Huss also holds performance rights in the Company. Ms Huss is a member of the Quebec Order of Geologists (OGQ #486), a Registered Overseas Professional Organisation as defined in the ASX Listing Rules, and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been 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". Ms Huss consents to the inclusion in this release of the matters based on the information in the form and context in which they appear.

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

End Notes

1. Refer to CY5's ASX announcement dated 8 April 2024.
2. Refer to Winsome Resources' ASX announcement dated 11 April 2024.
3. Refer to CY5's ASX announcement dated 28 November 2023.
4. For the information in this announcement that relates to: Whabouchi (55.7Mt @ 1.4% Li₂O), refer to Nemaska Lithium Inc's NI 43-101 dated 31 May 2019; and Rose (34.2Mt @ 0.9% Li₂O), refer for Critical Elements Lithium Corp's TSX-V Announcement dated 13 June 2022.

APPENDIX A – Details of Results - 2012 JORC Table 1

Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|------------------------------|--|--|
| Sampling techniques | <i>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.</i> | <ul style="list-style-type: none"> No sampling reported |
| | <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> | <ul style="list-style-type: none"> No sampling reported |
| | <i>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.</i> | <ul style="list-style-type: none"> No sampling reported |
| Drilling techniques | <i>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).</i> | <ul style="list-style-type: none"> No drilling results are reported |
| Drill sample recovery | <i>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.</i> | <ul style="list-style-type: none"> No drilling results are reported |
| Logging | <i>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.</i> | <ul style="list-style-type: none"> No sampling reported |
| | <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> | <ul style="list-style-type: none"> No sampling reported |
| | <i>The total length and percentage of the relevant intersections logged.</i> | <ul style="list-style-type: none"> No sampling reported |

| Criteria | JORC Code explanation | Commentary |
|---|---|--|
| Sub-sampling techniques and sample preparation | <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> | <ul style="list-style-type: none"> No sampling reported |
| | <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> | |
| | <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> | |
| | <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> | |
| Quality of assay data and laboratory tests | <i>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.</i> | |
| | <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> | |
| | <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> | <ul style="list-style-type: none"> No sampling reported |
| Verification of sampling and assaying | <i>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.</i> | <ul style="list-style-type: none"> None used |
| | <i>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.</i> | <ul style="list-style-type: none"> No sampling reported |
| | <i>The verification of significant intersections by either independent or alternative company personnel.</i> | <ul style="list-style-type: none"> No sampling reported |
| | <i>The use of twinned holes.</i> | <ul style="list-style-type: none"> No drilling results are reported |
| Location of data points | <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> | <ul style="list-style-type: none"> No sampling reported |
| | <i>Discuss any adjustment to assay data.</i> | <ul style="list-style-type: none"> No sampling reported |
| | <i>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.</i> | <ul style="list-style-type: none"> Gravity stations were located using a RTK GPS Leica GS18 (< 1cm accuracy) |
| | <i>Specification of the grid system used.</i> | <ul style="list-style-type: none"> The grid system used is UTM NAD83 (Zone 18) |
| | <i>Quality and adequacy of topographic control.</i> | <ul style="list-style-type: none"> Gravity stations were located using a RTK GPS Leica GS18 (< 1cm accuracy) |
| | <i>Data spacing for reporting of Exploration Results.</i> | <ul style="list-style-type: none"> Gravity stations spacing was 20m x 80m. |

| Criteria | JORC Code explanation | Commentary |
|--|---|--|
| Data spacing and distribution | <i>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.</i> | <ul style="list-style-type: none"> The spacing is considered appropriate for this type of exploration No resource estimation is made |
| | <i>Whether sample compositing has been applied.</i> | <ul style="list-style-type: none"> No sample compositing has been applied |
| Orientation of data in relation to geological structure | <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> | <ul style="list-style-type: none"> Sample lines are orientated approximately at right angles to the currently interpreted strike of the known outcropping mineralisation and ice flow direction |
| | <i>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.</i> | <ul style="list-style-type: none"> No bias is considered to have been introduced by the existing sampling orientation |
| Sample security | <i>The measures taken to ensure sample security.</i> | <ul style="list-style-type: none"> 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 |
| Audits or reviews | <i>The results of any audits or reviews of sampling techniques and data.</i> | <ul style="list-style-type: none"> 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 | <i>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.</i> | <ul style="list-style-type: none"> 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 417km² |
| | <i>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.</i> | <ul style="list-style-type: none"> There are no known issues affecting the security of title or impediments to operating in the area |
| Exploration done by other parties | <i>Acknowledgment and appraisal of exploration by other parties.</i> | <ul style="list-style-type: none"> Some drilling intersections and results discussed are based on historical exploration drilling completed by Virginia Mines Inc (now Osisko Exploration James Bay Inc) |
| Geology | <i>Deposit type, geological setting and style of mineralisation.</i> | <ul style="list-style-type: none"> 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 | <p><i>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:</i></p> <ul style="list-style-type: none"> <i>eastings and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> | <ul style="list-style-type: none"> No drilling results are reported |

| Criteria | JORC Code Explanation | Commentary |
|---|--|---|
| | <ul style="list-style-type: none"> ○ hole length. <p>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.</p> | |
| Data aggregation methods | <p>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.</p> | <ul style="list-style-type: none"> • No data aggregations have been applied |
| | <p>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.</p> | <ul style="list-style-type: none"> • As noted above, no data aggregations have been applied |
| | <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p> | <ul style="list-style-type: none"> • No metal equivalent reporting has been applied |
| Relationship between mineralisation widths and intercept lengths | <p>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.</p> <p>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').</p> | <ul style="list-style-type: none"> • No drilling results are reported |
| Diagrams | <p>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.</p> | <ul style="list-style-type: none"> • Included elsewhere in this release. Refer figures in the body text |
| Balanced reporting | <p>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.</p> | <ul style="list-style-type: none"> • All results have been reported |
| Other substantive exploration data | <p>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.</p> | <ul style="list-style-type: none"> • Ground gravity data was acquired by Abitibi Geophysics using Scintrex CG-6 and CG-5u AutoGrav sensors. |
| Further work | <p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p> | <ul style="list-style-type: none"> • 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 |