ASX Announcement

CYGNUS METALS

ASX Code: CY5

8 April 2024

Auclair Lithium Project, James Bay, Canada

First assays from Pegasus confirm a thick, shallow and strongly mineralised intersection of 43.7m at 1.15% Li_2O

Recent drill result from Pegasus is comparable to major deposits in James Bay and demonstrates the huge opportunity at the Auclair project; Drilling to resume this quarter

Highlights

- Initial assay results from diamond drilling at the Pegasus discovery have returned a highlight intersection of:
    - 43.7m (true width) @ 1.15% Li_2O from 46.4m, including 4m @ 3.0% Li_2O which includes 1m @ 5.9% Li_2O
- The assays confirm visual estimates reported to the ASX on 26 February 2024 which estimated significant intervals of up to 10-12% spodumene mineralisation
- The results confirm thick lithium mineralisation with grades up to 5.9% Li_2O from depths of less than 50m and highlight Auclair's potential to host a substantial Resource
- The width and grade of this recent result is comparable to major lithium deposits in James Bay and other globally significant lithium deposits; Auclair continues to demonstrate significant lithium endowment over 6km of strike to date and remains open in all directions
- At Pegasus and Lyra (also within Auclair) Cygnus has only scratched the surface, with the outcrops being discovered in late 2023 during the final days of prospecting. This season will see the first systematic exploration to be conducted in this highly prospective area with prospecting commencing in May and diamond drilling in late June
- Additional target generation is ongoing with structural interpretation of the magnetics applied with LiDAR imagery to generate walk-up prospecting and drill targets
- The Auclair Project area is located in the same greenstone belt and just 60km due east of Critical Elements' 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: "This outstanding intersection shows exactly why we are on the hunt for lithium in James Bay. Despite its immense lithium potential, the area is still heavily underexplored when compared to more mature lithium terranes like Western Australia. This result puts Auclair on the map as potentially the next breakthrough lithium discovery in James Bay.

"Auclair clearly demonstrates all the key ingredients for a significant discovery, with regional scale, high grades and significant thick intersections. We have only scratched the surface through recent programs and look forward to getting back on the ground in May and continuing with prospecting around Pegasus and Lyra, which were discovered just days before the end of the season. Lyra is only 1.6km north of Pegasus and will be one of the high priority drill targets in June 2024".

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Cygnus Metals Limited (ASX: CY5) is pleased to announce strong first assays from diamond drilling at the Pegasus discovery at its Auclair Lithium Project in James Bay, Quebec.

The assays confirm significant, thick mineralisation at Pegasus within 50m of the surface, with a highlight intersection of **43.7m (true width) @ 1.15% Li_2O from 46.4m, including 4m @ 3.0% Li_2O which includes 1m @ 5.9% Li_2O.**

This result is the standout intersection drilled to date by the Company, with impressive widths and grade comparable to other major deposits in the region and globally. Substantial grades of up to 5.9% Li_2O were returned from a zone of intense spodumene mineralisation, part of a larger interval grading at 3.0% Li_2O over 4m. This recent result confirms the best visual estimated intersection from the diamond drilling conducted in Q1 2024, with visual estimates of 10-12% spodumene (see ASX announcement on 26 February 2024).

Positively, additional results received to date have confirmed lithium mineralisation in line with expectations based on visual spodumene estimates. Generally, these intervals were associated with coarser spodumene mineralisation which has resulted in a nuggety grade distribution in the recent results. While there is some initial variability, recent drilling has identified a definite trend of increased spodumene mineralisation and fractionation moving further along strike from the Pegasus outcrop. This trend will be targeted with follow up drilling due to commence in June.

The significant widths and grades received from diamond drillhole 1557-24-041 indicate substantial potential for the larger system at Auclair which shows an optimal fractionation trend over at least 10km of strike and multiple spodumene pegmatite discoveries over 6km of strike. Much of this trend remains underexplored and there is significant potential for further discovery in the surrounding area and within the 1.6km of unexplored ground between the Pegasus and Lyra outcrops. Lyra, which returned rock chip results of up to 6.7% Li_2O and is yet to be drill tested, is also thought to be shallow to moderate dipping and in the same orientation as Pegasus (refer ASX release dated 28 November 2023).

The Pegasus pegmatite forms one large continuous dyke which has been defined over 300m of strike to date and with a moderate dip towards the north-west. Most of the pegmatite is blind and concealed beneath shallow glacial cover, with the only surface exposure identified to date being the discovery outcrop.

Exploration Plan

There remains significant potential for further discovery within the highly prospective 10km fractionation corridor surrounding Pegasus and Lyra. Much of this area remains unexplored as a result of the 2023 field season being curtailed by the extreme wildfires, and further shortened by early snow which occurred just days following the discovery of the Pegasus and Lyra outcrops.

This season will be the first systematic exploration that will be conducted in this highly prospective area with prospecting to commence in May. The prospecting program will focus on the 10km fractionation trend and area surrounding Pegasus and Lyra, and will be strongly vectored by ongoing structural interpretation of the magnetics, application of LiDAR and till geochemistry. All of which is new data being used for the first time since being collected last season.

Diamond drilling is due to commence in June, with follow up drilling at Pegasus and at Lyra the main priority for the program, along with additional targets generated through prospecting and till geochemistry.

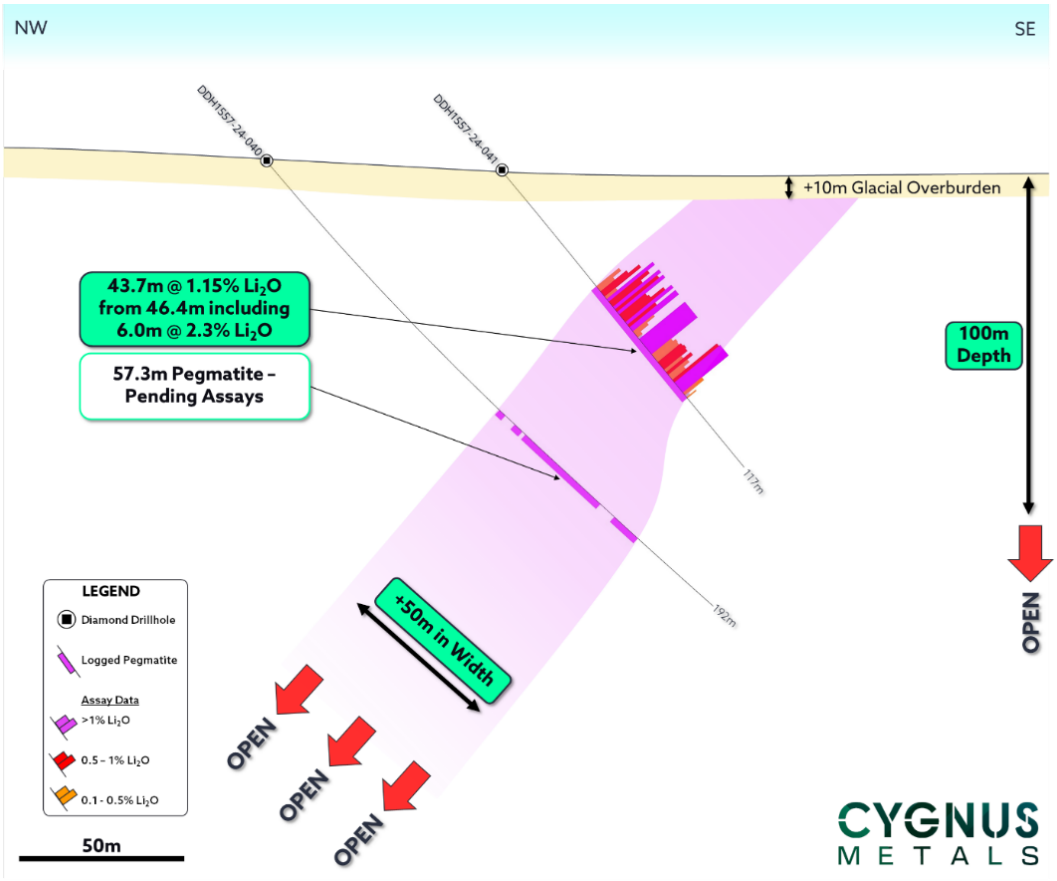

*Figure 1: 43.7m @ 1.15% Li_2O in moderately, north-westerly dipping Pegasus pegmattie. Mineralisation is open at depth and concealed beneath shallow glacial cover. Refer to ASX release dated 26 February 2024.**

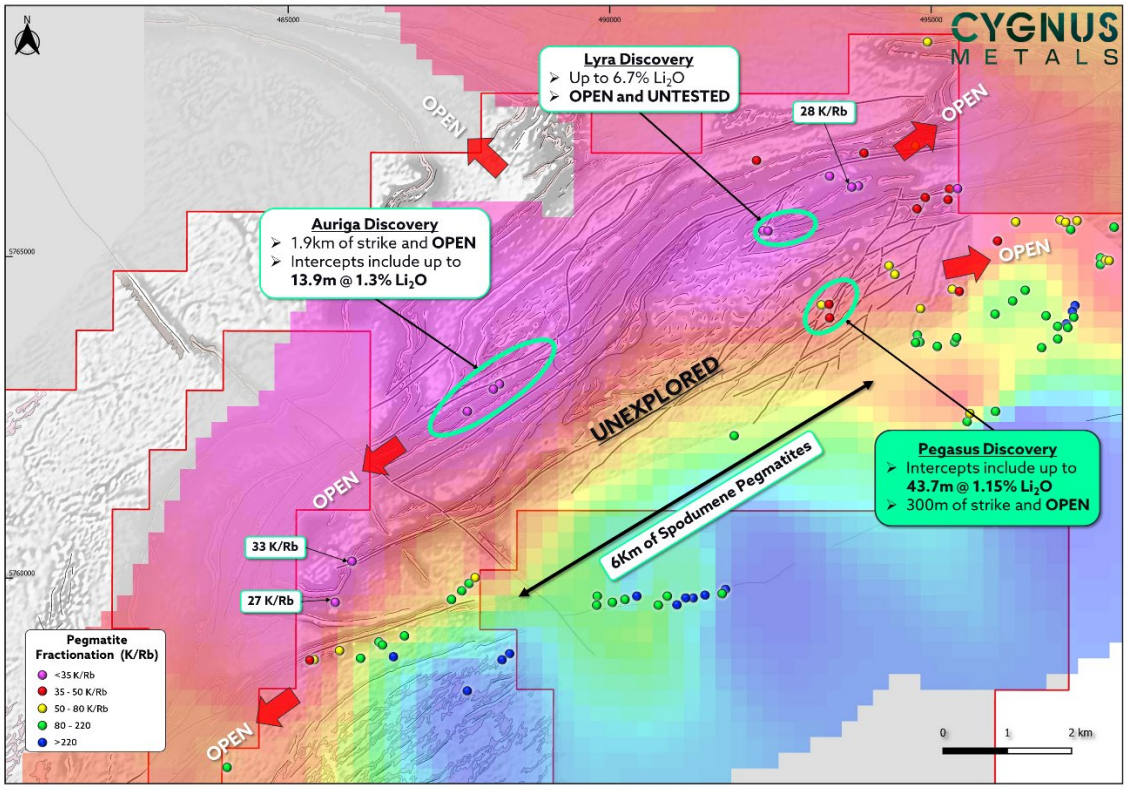

Figure 2: Significant potential over 10km of strike surrounding Pegasus, Lyra and Auriga. Refer to ASX releases dated 28 November 2023 and 10 January 2024.

Figure 3: 43.7m @ 1.15% Li_2O from 46.4m, including 4m @ 3.0% Li_2O which includes 1m @ 5.9% Li_2O in diamond drillhole 1557-24-041.

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.

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; and Rose (34.2Mt @ 0.9% Li_2O), refer for Critical Elements Lithium Corp's TSX-V Announcement dated 13 June 2022.

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.

Disclaimers

* 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 the intersections in Q2 CY24.

APPENDIX A – Details of all drillholes

Coordinates given in UTM NAD83 (Zone 18)

Hole ID	East	North	RL	Azimuth	Dip	EOH
1557-24-028	493334.8	5764106.5	323.2	130	-50	264
1557-24-029	493387.0	5764073.4	325.9	135	-50	174
1557-24-030	493418.4	5764017.9	310.2	135	-50	141
1557-24-031	493417.7	5764019.3	310.8	315	-50	84
1557-24-032	493301.2	5764147.2	320.6	135	-60	153
1557-24-033	493299.2	5764082.3	322.1	135	-50	150
1557-24-034	493337.8	5764034.8	323.5	135	-50	150
1557-24-035A	493409.2	5764110.5	325.5	135	-50	153
1557-24-036	493339.2	5764175.2	324.4	135	-50	159
1557-24-037	493450.0	5764150.3	315.9	135	-50	120
1557-24-038	493476.5	5764249.6	316.0	135	-50	147
1557-24-039	493235.3	5764210.7	329.6	135	-50	201
1557-24-040	493539.4	5764336.1	319.6	135	-50	192
1557-24-041	493588.0	5764284.2	317.2	135	-50	117
1557-24-042	493652.9	5764366.9	322.2	135	-50	195
1557-24-043	493570.6	5764442.0	332.3	135	-50	183
1557-24-044	493622.6	5764323.6	319.1	135	-50	231
1557-24-045	493407.8	5764315.3	329.0	135	-50	120

APPENDIX B – Details of significant intersections

Significant intersections include intercepts greater than 0.3% Li_2O. 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
1557-24-028			Pending Assays		
1557-24-029			Pending Assays		
1557-24-030			Pending Assays		
1557-24-031			Pending Assays		
1557-24-032			Pending Assays		
1557-24-033			Pending Assays		
1557-24-034			Pending Assays		
1557-24-035A			Pending Assays		
1557-24-036			Pending Assays		
1557-24-037	13.6	90.2	76.6	0.3	32.1
Including	30.6	36.6	6.0	1.1	98.9
1557-24-038	59.6	102.4	42.8	0.3	38.1
Including	71.4	73.4	2.0	0.9	31.2
&	91.8	94.5	2.8	0.8	44.3
1557-24-039			Pending Assays		
1557-24-040			Pending Assays		
1557-24-041	46.4	90.1	43.7	1.1	80.8
Including	67.0	73.0	6.0	2.3	163.3

Hole ID	From	To	Interval	Li_2O %	Ta_2O_5 ppm
&	84.0	88.0	4.0	3.0	15.9
Including	84.0	85.0	1.0	5.9	15.3
1557-24-042	Pending Assays				
1557-24-043	Pending Assays				
1557-24-044	Pending Assays				
1557-24-045	Pending Assays				

APPENDIX C – Details of Drilling - 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
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

Criteria	JORC Code explanation	Commentary
	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
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	• Verification of sampling was made by Cygnus Metals and other professional consultant geologists
	The use of twinned holes.	• No drillholes were twinned

Criteria	JORC Code explanation	Commentary
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• All data is 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 was no adjustment 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 100m spaced sections and approximately 100m centres • The spacing is considered appropriate for this type of 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. Reported intersections appear to be true width
	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 perpendicular to the mineralised structures with downhole lengths considered to be true width
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
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 sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole*	• All requisite drillhole information is tabulated elsewhere in this release. Refer Appendix A and B of the body text

Criteria	JORC Code Explanation	Commentary
	○ *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.	• Minimal internal dilution (<10%) has been included within the pegmatite which typically forms a large continuous body
	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 shallow to moderate dipping towards the north-west with downhole intersections representative of true width
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.*	• All results greater than 0.3% Li_2O have been 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.*	• 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