

21 September 2023

Auclair Lithium Project, James Bay, Canada

Second drill rig arrives to test the spodumene-bearing pegmatite outcrop

Cygnus accelerating Auclair exploration with two diamond rigs drilling the 1.9km prospective corridor; Mineralisation already identified over 1.1km

Highlights

- Second diamond drill rig has arrived at Auclair following last month's discovery of a 80m long x 9m wide spodumene-bearing pegmatite outcrop*
- Four channel samples across the discovery outcrop have been completed with results expected in the December Quarter
- The pegmatite, which was concealed beneath a thin layer of vegetation, has very coarse spodumene crystals measuring up to 50cm long by more than 10cm wide
- The pegmatite discovery is a major breakthrough for the Auclair Project because it demonstrates the potential scale of mineralisation, which will be tested by ongoing drilling
- The LiDAR survey has recently been completed and will assist with identifying further outcrops concealed beneath thin vegetation cover
- The project is located in the same greenstone belt and just 60km due east of Critical Elements Lithium Corporation's Rose Deposit (34.2Mt @ 0.9% Li₂O), and just 50km northeast of Whabouchi (55.7Mt @ 1.4% Li₂O), owned and operated by Nemaska Lithium¹
- Exploration drilling at Pontax project is expected to commence at the start of November while prospecting at Sakami is scheduled to commence mid-October

** 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 channel samples and drilling in the December quarter.*

Cygnus Managing Director David Southam said: "We are aiming to understand the opportunity at Auclair as quickly as possible by putting two rigs on what is already known to be a mineralised spodumene-bearing corridor. Combined with LiDAR and other activities, we look forward to testing this discovery and receiving the assays taken from channel sampling".

Cygnus Metals Limited (ASX: CY5) is pleased to announce that it is accelerating exploration at its Auclair Lithium Project in Central James Bay, Quebec with the arrival of a second diamond drilling rig.

Last month, Cygnus made a significant breakthrough with the discovery of an 80m long x 9m wide, spodumene-bearing pegmatite outcrop (refer to ASX release dated 29 August 2023).

This discovery, plus the previously announced discovery of spodumene-bearing boulders (refer to ASX release dated 28 July 2023), has opened up a 1.9km prospective corridor for exploration, most of which is under cover. Having two diamond drill rigs will allow the Company to effectively explore this 1.9km corridor with drilling aiming to confirm mineralisation at depth as well as stepping out along strike.

In addition, four channel samples have now been completed across the newly exposed pegmatite, which is estimated to contain up to 50% spodumene in places with coarse-grained crystals up to 50cm in length (refer to ASX release dated 29 August 2023). Results from this work are expected in the December quarter. Results are also pending for 66 rock chip samples from prospecting across the landholding; these results will give the Company an indication of prospectivity across the wider project area.

The Company has recently completed a LiDAR survey which will be an additional tool in uncovering further outcrop that may be concealed beneath vegetation and assist the ongoing prospecting work at Auclair.

Planned Exploration

Recent exploration success has identified a 1.9km prospective corridor at Auclair, most of which is concealed beneath shallow glacial cover. The second drill rig will significantly speed up exploration and allow the Company to test multiple target areas simultaneously, increasing the chance for exploration success. Drilling will initially target the newly discovered outcrop before stepping out along strike to confirm the scale of mineralisation.

Prospecting will also continue over the next month with multiple target areas still to be visited, plus the imminent return of the LiDAR imagery which is expected to deliver additional targets concealed beneath thin cover.

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% Li₂O), which is owned and operated by Nemaska Lithium.¹ 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: Second drill rig onsite at Auclair and ready to drill.



Figure 2: Channel sampling of the recently discovered 80m long x 9m wide, mineralised pegmatite outcrop. Coarse-grained spodumene crystals (pale green/gray mineral) visible in channel sample.*

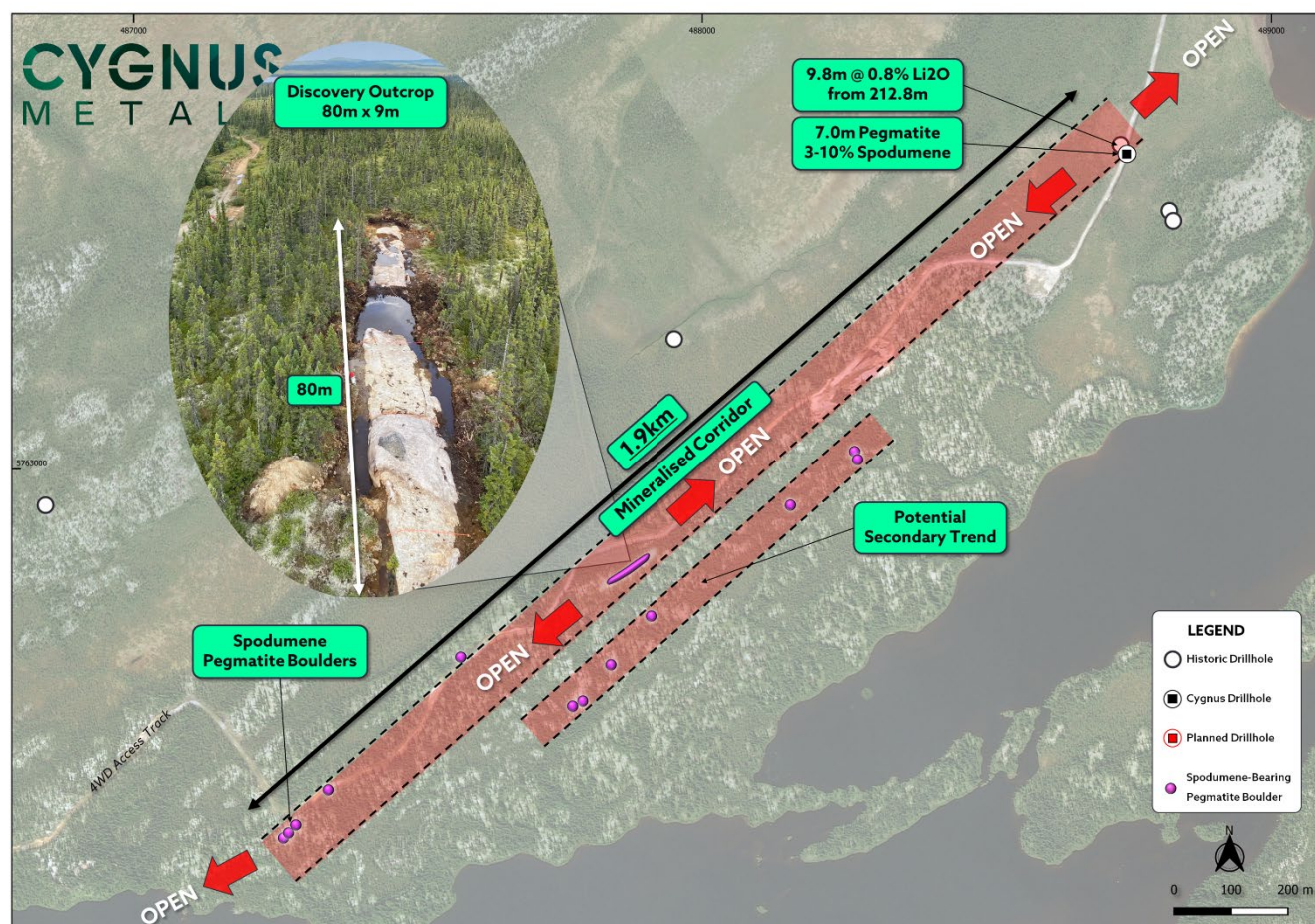


Figure 3: Map view showing the discovery outcrop in relation to the downhole intercepts and various spodumene-bearing boulder locations.²

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 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. 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 @ 0.90% Li₂O), refer for Critical Elements Lithium Corp's TSX-V announcement dated 13 June 2022.
2. Refer to CY5's ASX announcements on 22 May 2023 (assays are partial as the full pegmatite interval could not be recovered due to winter conditions) and 29 August 2023.

The information in this announcement that relates to previously reported Exploration Results, Mineral Resources and Ore Reserves has been previously released in ASX Announcements as noted in the text and End Notes above. Cygnus Metals 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 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, channel samples and drilling in the December quarter.*

APPENDIX A – Channel 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.	Channel samples were collected from surface exposure using a diamond saw. The sample between 0.5-2kg is collected in a marked calico bag for submission for assay
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.
Sub-sampling techniques and	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.	Whole channel samples were collected in calico bags

Criteria	JORC Code Explanation	Commentary
sample preparation	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.	- QAQC samples were inserted in the sample runs, comprising lithium standards (CRM's or Certified Reference Materials) and sourced blank material - 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
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 dispatched but not yet received by 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 dispatched but not yet received by 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 dispatched but not yet received by 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 dispatched but not yet received by laboratory, therefore information sub-sampling techniques and sample preparation is not yet available
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)

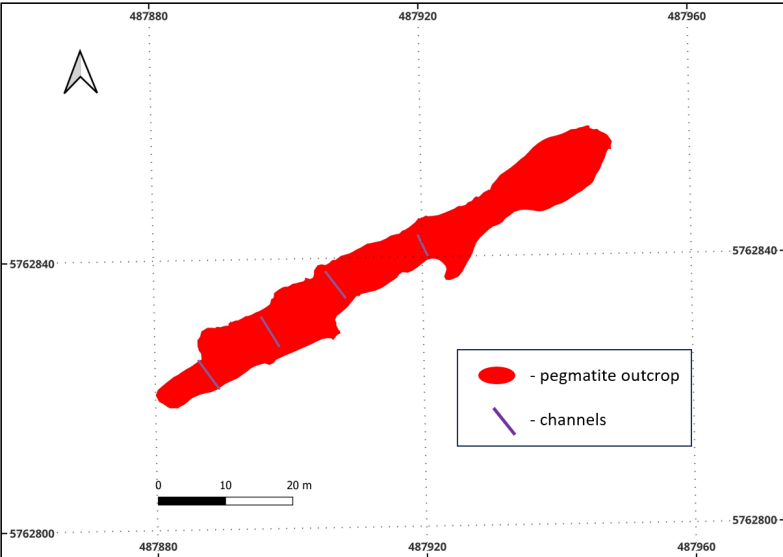
Criteria	JORC Code Explanation	Commentary
	<i>Quality and adequacy of topographic control.</i>	Located with a Garmin GPS model "GPSmap 62s"
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	No samples have been reported in this announcement
	<i>Whether the 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>	No resource estimation is made
	<i>Whether sample compositing has been applied.</i>	No compositing has been applied to the exploration results
<i>Orientation of data in relation to geological structure</i>	<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>	Chanel samples have been collected perpendicular to the strike of the outcrop
	<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>	No drilling results are reported therefore information about drilling orientation is not available
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	- 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
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	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 - 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
	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: - o easting and northing of the drill hole collar - o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - o dip and azimuth of the hole	No drilling results are reported therefore detailed drillhole information is not available

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.	• 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 • Map below shows the mineralised pegmatite outcrop polygon with 4 channels cut perpendicular to the pegmatite. Assays are pending on the channel samples

Criteria	JORC Code Explanation	Commentary
		
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