

17 October 2024

Successful capital raising paves way for extensive work program at new Canadian copper project

Firm commitments received for A\$11m amid overwhelming demand ahead of Cygnus' planned merger with TSXV-listed Doré Copper Mining Corp.

Highlights

- Cygnus has received firm commitments totalling A\$11.0m via a share placement to institutional and sophisticated investors
- The Placement was priced at A\$0.072 per share, being a 10% discount to the last sale price of A\$0.08
- The Placement was extremely well-supported with strong demand from existing and new investors and applications had to be scaled back heavily
- The Placement will be split into two tranches (further details later in announcement):
 - Tranche 1 – unconditional tranche to raise approximately A\$6.8m; and
 - Tranche 2 – conditional tranche to raise approximately A\$4.2m
- Completion of Tranche 1 will leave Cygnus with ~A\$9.6m (before costs) based on cash on hand at the date of this announcement, but excludes Tranche 2 and existing cash of approximately A\$5.0 million held by Doré
- While the Merger with Doré Copper Mining Corp. completes (see ASX announcement dated 15 October 2024), Cygnus will work with Doré on activities and work programs it intends to undertake up to completion
- Canaccord Genuity and Euroz Hartleys acted as Joint Lead Managers to the Placement.

Cygnus Managing Director David Southam said: "The merger with Doré is an outstanding opportunity to create value for both groups of shareholders. We are bringing together a copper asset in a tier-one location with huge upside and a management team and consultants with an enviable track record of exploration and project development, as demonstrated by their success at FireFly Metals and Andean Silver.

"This highly successful raising illustrates that the merged group also has access to funding, with firm commitments received for A\$11 million. Along with Doré's significant cash holding, the merged group will be very well-funded to unlock the value of the Chibougamau copper project".

Cygnus Metals Limited (ASX:CY5) is pleased to advise that it has received commitments from institutional and sophisticated investors to raise A\$11.0 million (before costs) through the issue of 152,777,778 fully paid ordinary shares in the Company (“Shares”) at an issue price of A\$0.072 per Share (“Placement”).

Use of funds

Proceeds of the Placement are planned to be used to cover exploration, resource development and study advancement at the Chibougamau Copper-Gold Project following completion of the Merger, which is subject to a Plan of Arrangement. Other uses include advancing the lithium exploration pipeline in James Bay, general working capital and costs associated with the merger transaction and capital raising.

Placement

Cygnus will undertake the Placement in two tranches:

- Tranche 1 of 94,864,785 Shares (“Tranche 1 Shares”) will be conducted using the Company’s existing capacity under ASX Listing Rules 7.1 (56,918,871) and 7.1A (37,945,914) to raise a total of A\$6,830,265 (before costs), with settlement expected to occur on 22 October 2024. The first tranche is not subject to shareholder approval.
- Tranche 2 of 57,912,993 Shares (“Tranche 2 Shares”) will be issued, subject to shareholder approval, to raise up to an additional A\$4,169,735 (before costs). The second tranche is conditional and will be subject to shareholder approval at a forthcoming General Meeting expected to be held in December 2024. The Tranche 2 Shares are also conditional on Doré shareholder approval of the Merger (see ASX announcement dated 15 October 2024).

The issue price represents a discount of 10.0% to the last closing price of A\$0.08 on Monday, 14 October 2024, a discount of 10.3% to the 5-day VWAP of A\$0.08 and a 10.8% discount to the 15-day VWAP of A\$0.081.

Indicative Timetable*

Event	Time/Date
Trading Halt lifted	Thursday, 17 October 2024
Settlement of Tranche 1 Shares	Tuesday, 22 October 2024
Issue and application for quotation of Tranche 1 Shares	Wednesday, 23 October 2024
General meeting of Cygnus shareholders to approve issue of Tranche 2 Shares	Targeting mid-December 2024
Special meeting of Doré shareholders to approve the Merger	
Settlement of Tranche 2 Shares	Shortly after receipt of shareholder approvals

** The above timetable is indicative only and remains subject to change at Cygnus’ discretion, subject to compliance with the Corporations Act, the ASX Listing Rules and other applicable laws. Cygnus reserves the right to change the timetable, subject to regulatory requirements.*

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.