



QUARTERLY ACTIVITIES REPORT

For the period ended 31 March 2021

29 April 2021

Corporate Directory

ASX: CY5

Non-Executive Chairman

Michael Bohm

Executive Director

Simon Jackson

Non-Executive Directors

Raymond Shorrocks

Shaun Hardcastle

Joint Company Secretaries

Michael Naylor

Susan Field

Exploration

Yandina Joint Venture (CY5 diluting to 10%)

- 3,843m of drilling completed by Gold Road Resources during the quarter.
- Drilling ongoing.
- Results are expected in May 2021.

Southwest Terrane Nickel Projects

- The Company continued to review nickel and base metals targets on the Bencubbin project. Detailed review of the geological database undertaken.
- At Bencubbin, the Company is targeting the discovery of economic magmatic nickel-copper and VMS base metals mineralisation associated with the Bencubbin Greenstone where Cygnus' aircore drilling has defined several discrete target areas at Mandiga-Grylls, BN Ni1 and Bn Cu 14.
- The Company continues to manage its land holdings prudently.

Strategy

- Cygnus continues to focus on assessing new opportunities in the gold and base metals sectors. With an experienced Board and supportive key shareholders to complement our loyal register, the Company is well placed to grow its asset base and will keep the market informed in accordance with its continuous disclosure obligations.

Corporate

- As at 31 March 2021, Cygnus held \$3.1 million in cash (Dec 2020: \$3.4 million)

Cygnus Gold Limited

Ground Floor
24 Outram St
West Perth WA 6005

T: +61 8 6118 1627

E: info@cygnusgold.com

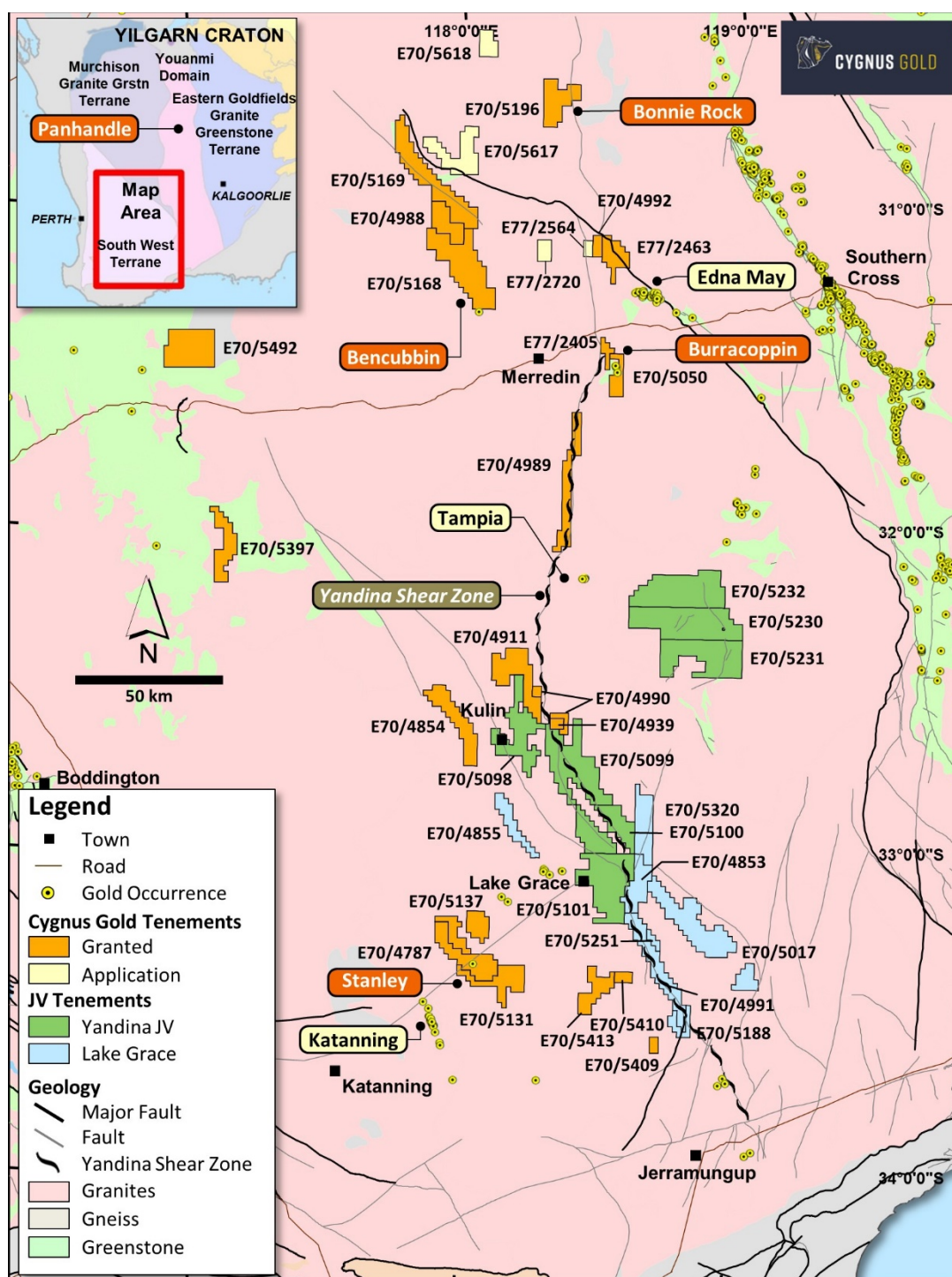
W: www.cygnusgold.com

Exploration

Cygnus Gold's (**Cygnus** or the **Company**) exploration activities are currently focused on the Southwest Terrane (SWT), an underexplored belt of highly prospective geology within the prolific Yilgarn Craton, Western Australia.

The Company has more than 5,700km² in granted tenements and applications covering interpreted and known greenstone rocks where previous explorers identified numerous prospects with widespread high grade, near surface gold and/or base metals mineralisation (Figure 1).

Following a handover of management of the Gold Road Joint Venture (JV) projects (GRJV) to our partner Gold Road Resources (ASX:GOR), the Company has focussed internally on a detailed review of its licence holdings, particularly in reference to success achieved in the region by other companies.



SOUTHWEST TERRANE NICKEL AND BASE METALS (CYGNUS 100%)

Cygnus has more than 1,600km² of granted tenements and applications focussed on geological targets considered prospective for Nickel (Ni) - Copper (Cu) and Platinum Group Element (PGE) mineralisation in the Southwest Terrane (SWT).

The Company's nickel tenements in the SWT include the 851km² Bencubbin Project as well as applications for nickel exploration in the Jimperding Metamorphic Belt (host to Chalice Gold Mines' (ASX:CHN) Julimar discovery).

Cygnus is taking time to analyse results from other explorers as it considers the next steps of exploration for base metals.

Bencubbin

The Bencubbin Project (Bencubbin) comprises three granted tenements (E70/4988, Bencubbin, E70/5169, Bencubbin North and E70/5168, Bencubbin South), and two applications (E70/5617 and E70/5618)

Bencubbin is approximately 200km northeast of Perth, and the project covers the Bencubbin Greenstone Belt – a suite of rocks extending over a strike length of 70km and up to 5km in width - where the Company's review of historical exploration confirmed the belt's prospectivity for (refer Figure 2 and ASX *announcement* 30/11/2018)¹:

- Magmatic nickel-copper sulfide deposits associated with mafic and ultramafic rocks of the Bencubbin Greenstone at Bencubbin North and South, *and*
- Volcanogenic massive sulfide (VMS) base metals (lead-zinc-copper) mineralisation associated with the Mandiga gossan at Bencubbin North where exploration by previous explorers included (refer Figure 3 and ASX *announcement* 25/2/2020)¹:
 - 18m @ 0.14% Ni from 32m in Hole DMA4;
 - 2m @ 0.63% Pb from 52m in Hole DMA2; and
 - 2m @ 1.7% Zn from 176m in Hole DMA5.

Cygnus continues to review options for advancing the Bencubbin project where wide-spaced drilling by the Company (on 100m hole spacing on lines often kilometres apart) in early 2020, targeted priority nickel and base metals targets at Bencubbin North (for details of targets refer ASX *Announcement* 30/11/2018)¹:

This broad-spaced drilling intersected the target ultramafic lithologies, in some places more than 800m wide, on all the nickel targets and often associated with zones of elevated copper, considered an important element association in fertile belts elsewhere in the Yilgarn,

Drilling by the Company across the Grylls - Mandiga system intersected low level Pb-Zn mineralisation including (Figure 3 and ASX *announcement* 25/2/2020)¹:

- 1m @ 0.13% Pb + Zn from 18m in BBNAC0041 and
- 1m @ 0.45% Pb + Zn in hole BNAC0042.

This confirmed the Pb-in-soils anomalies and also extended the Mandiga (Cu-Pb-Zn-Ag) system a further 1,600m south of the original historical drilling.

The drilling confirmed that the Mandiga-Grylls mineralisation is part of a more than 7km long broadly stratabound Ag-Pb-Zn-Cu and pathfinder element system associated with broad alteration haloes and consistent with a VMS style mineralised system.

The Company considers the anomalism identified in the three lines of drilling at Mandiga significant, particularly given the widespread drilling to date with limited stratigraphic and depth coverage.

Other significant results at Bencubbin North included a line of AC hole BNAC0072 on target Cu14 which intersected base metals anomalism including 4m @ 1,264ppm Pb + Zn and elevated copper (5m @ 319ppm Cu) associated with anomalous arsenic (up to 10m at 2,458ppm As). The anomalous results in BNAC0072 remain open to the west and are considered a high priority target for follow up drilling (refer ASX *announcement* 25/2/2020)¹.

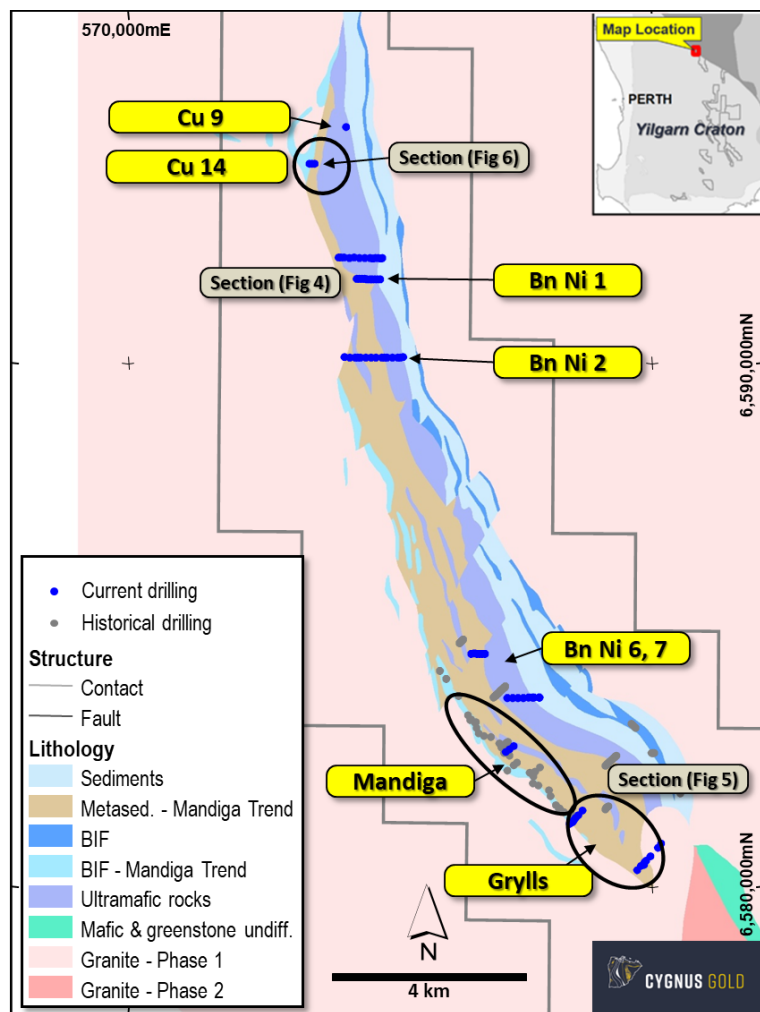


Figure 2: Bencubbin North, geology, targets, and Cygnus Dec. 2019-Jan 2020 aircore program and historical drilling (refer ASX Announcement 7 October 2019)¹.

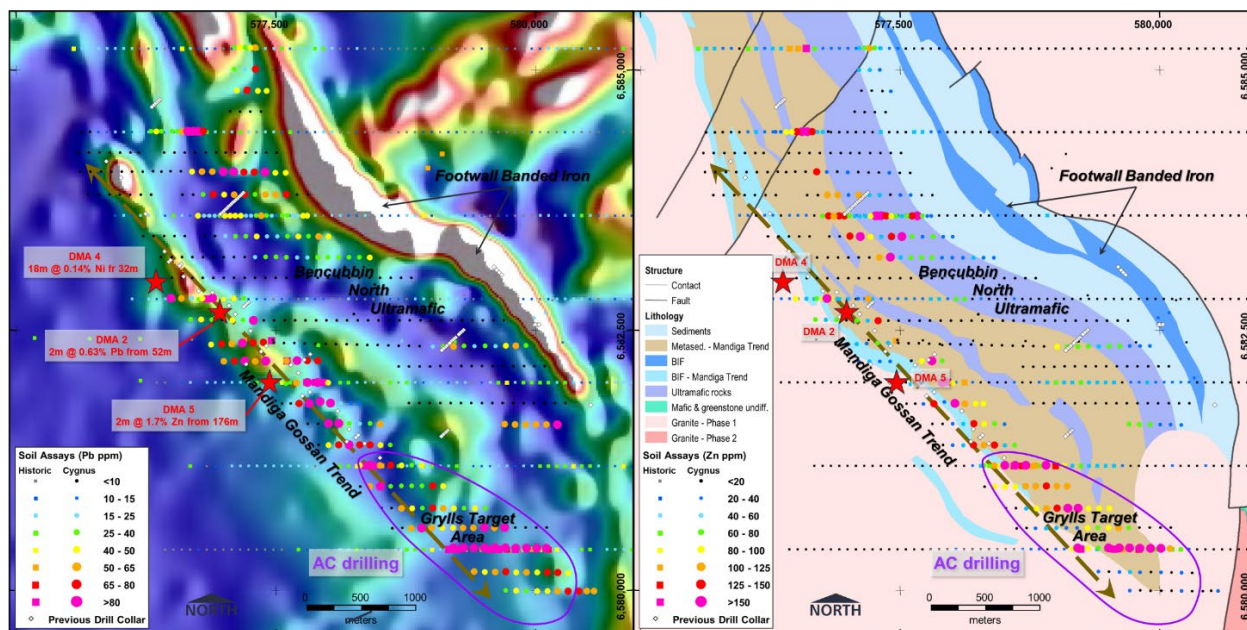


Figure 3: Historic and Cygnus sampling Mandiga-Grylls prospects, Bencubbin North. Left: lead (ppm) in soils RTP TMI magnetics. Right: zinc in soils (ppm) on interpreted geology.

OTHER PROJECTS (CYGNUS 100%)

Stanley (Au)

Cygnus' ~160km² Stanley tenement covers a ~20km length of prospective greenstone including numerous prospects where previous explorers intersected high-grade gold mineralisation.

The Company's exploration at Stanley is focused on the discovery of high-grade gold where several high priority targets remain to be tested including (Figure 4):

- The **Kepler Zone** defined by a distinct metadacite rock unit interpreted to control gold mineralisation originally targeted by the Company at the high-grade Bottleneck prospect. The Kepler unit extends up to a kilometre along strike from Bottleneck and has only been lightly tested by deeper drilling. High grade intercepts (refer ASX announcement 22 February 2018) include:
 - BNDD001: 9.5m @ 29.2 g/t from 36.7m including 2.4m @ 114.63 g/t from 38.7m
 - BNDD003: 10.95m @ 15.10 g/t from 24.7m including 4.75m @ 34.17 g/t from 24.7m
- The **McDougalls Prospect** where Cygnus drilling intersected anomalous gold over wide intervals including (refer ASX announcement 2/4/2019)¹:
 - STRC0007: 4m @ 0.25g/t Au from 32m
 - STRC0008: 16m @ 0.19g/t Au from 32m
 - STRC0016: 10m @ 0.37g/t Au from 50m.

The Company continues to review options for advancing exploration at Stanley.

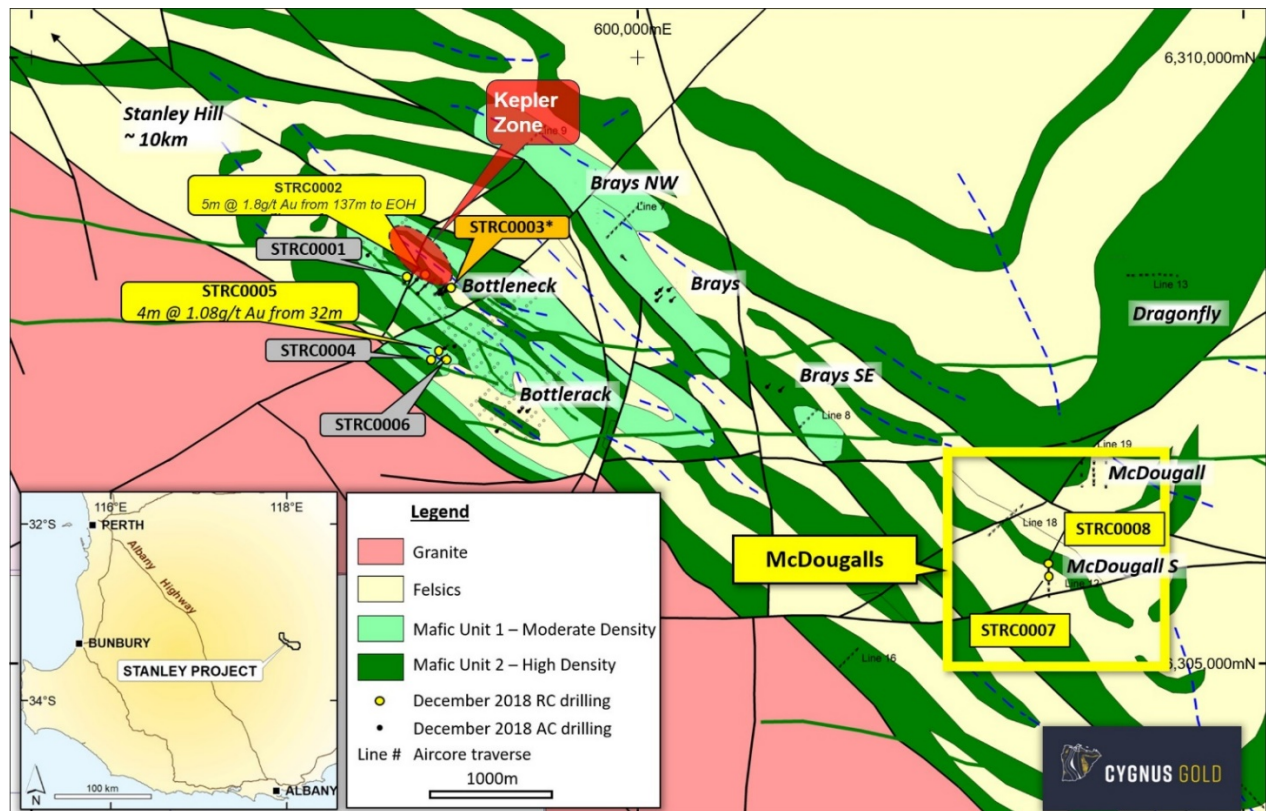


Figure 4: Cygnus Gold's Stanley Project highlighting the Kepler Zone and McDougalls, Western Australia. Refer ASX announcement 28/5/2019¹ for drill results and target descriptions.

Burracoppin Project (Cu-Pb-Zn)

Cygnus' Burracoppin tenements, ~25km east-northeast of Merredin, are along strike from the Edna May gold mine, owned and operated by Ramelius Resources Ltd (ASX:RMS) (Figure 1).

Exploration by previous explorers at Burracoppin identified a more than 2.5km long by 0.7km wide gold-in-soil anomaly at Anomaly 47. This anomaly is open to the east where it is obscured by a paleochannel system.

The geochemical signature of mineralisation at Anomaly 47 is similar to that of known volcanogenic massive sulphide ("VMS") deposits globally, and Cygnus' detailed ground gravity and airborne electromagnetic (AEM) surveys identified several anomalies with signatures comparable with known VMS systems and which warrant follow up drill testing (*for details refer ASX Announcement 22/10/2018*)¹.

GOLD ROAD JOINT VENTURES (CYGNUS DILUTING TO 10%)

In addition to the 100% projects, Cygnus is also in joint venture (JV) with ASX-listed developer Gold Road Resources Ltd (Gold Road, ASX:GOR) over the Lake Grace (diluting to 10%) and Yandina (diluting to 10%) JVs (Figure 1).

The JV tenements cover an area of approximately 3,000km² targeting gold mineralisation associated with the prospective Yandina Shear which is known to host gold mineralisation elsewhere in the Southwest Terrane (SWT).

Gold Road assumed management of the JV's on 1 October 2020.

During the quarter exploration activities commenced with aircore drill testing of priority targets. A total of 3,843 metres were completed, with the start-up delayed due to COVID-19 travel restrictions. Drill testing was completed at the HR3 and Uma prospects, and is currently in progress at the Tarin South and Hideaway prospects (Figure 5). Assay results are pending and are expected in April/May 2021.

Detailed ground gravity surveys were also completed during the reporting period, over the Hyden and central Lake Grace tenement package. This geophysical method has been critical in identifying favourable basement host rocks and key structural lineaments, which has improved and validated our targeting. 3D inversion of the new gravity data over tenement E70/5100 (Figure 6) suggests the presence of an interpreted dense, folded (mafic) rock package bound by major regional structures (shear zones), which are considered fundamental to the formation of significant gold deposits. A full-field aircore and 4,000 metre diamond drill programme are scheduled to commence early in the second quarter to assist in effectively testing this encouraging structural-gravity target.

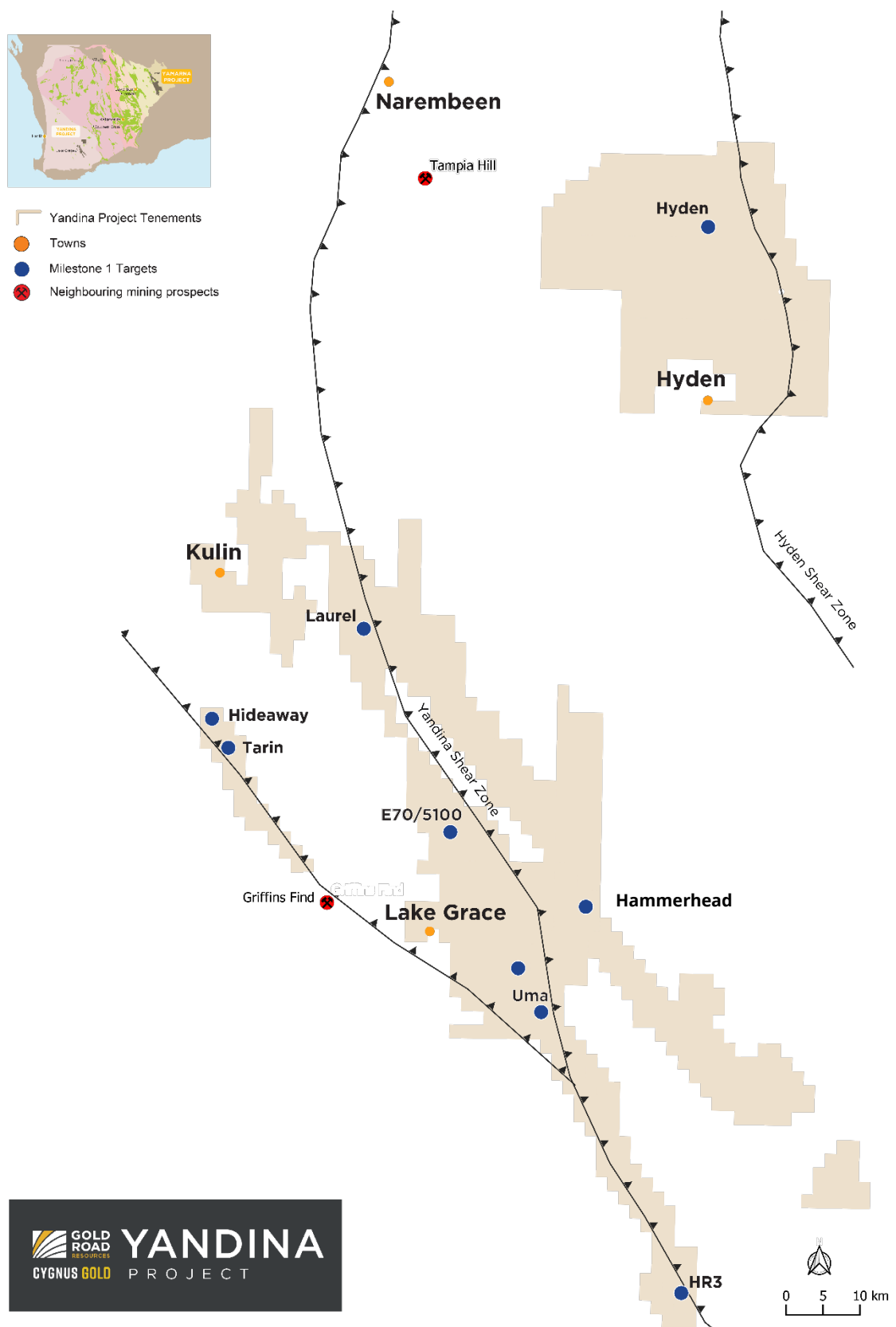


Figure 5: Yandina JV regional map

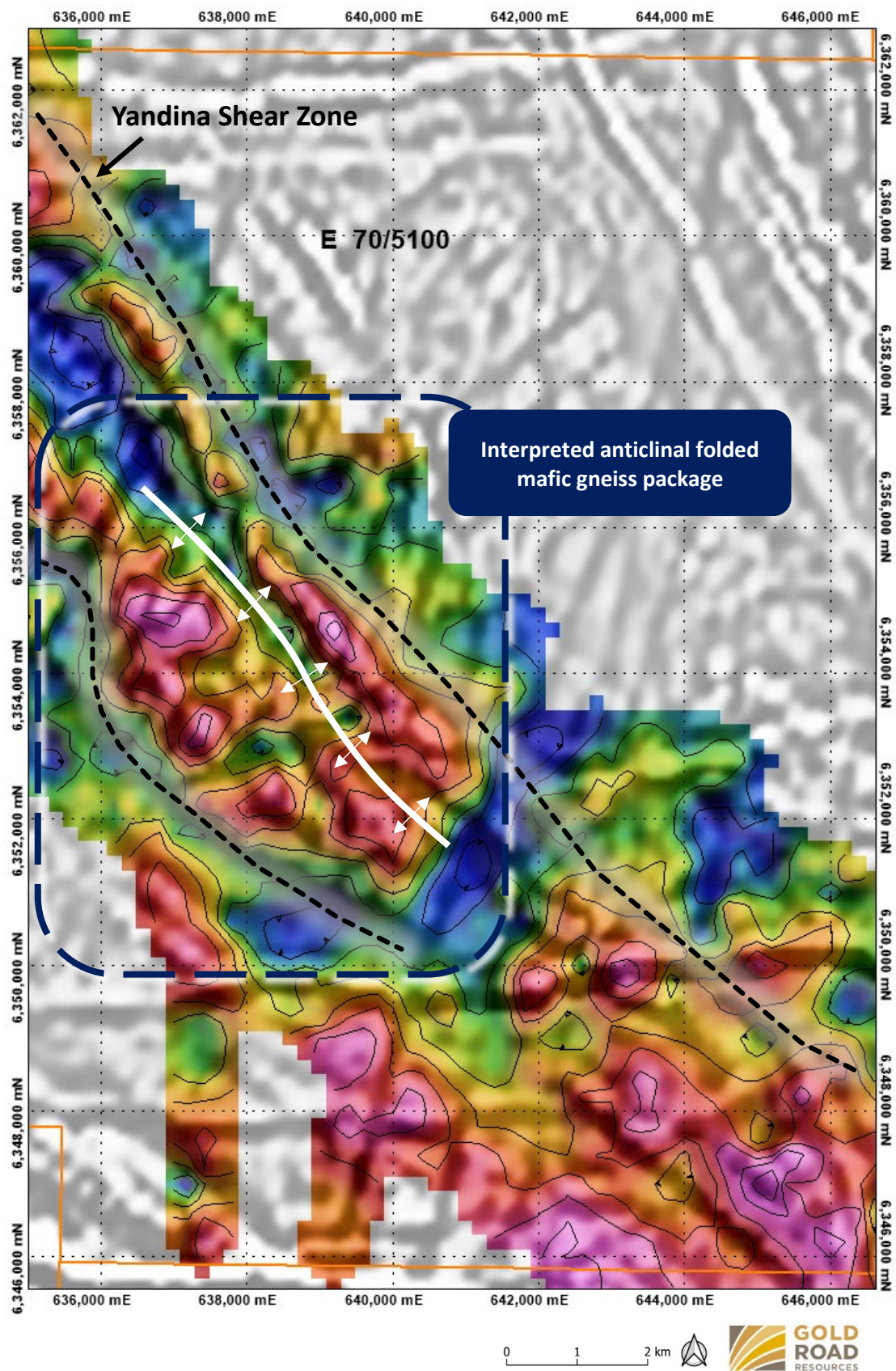


Figure 6: Interpreted anticlinal folded mafic gneiss package at E70/5100

PANHANDLE

There was no activity at Panhandle in the quarter.

The ~100km² Panhandle tenement (approximately 300km north of Kalgoorlie in the Central Yilgarn of Western Australia) covers a ~13km long section of the Panhandle Greenstone Belt where the Company's review of historical exploration has revealed limited surface sampling and geophysical surveys with no previous drilling (Figure 6). The Company considers the Panhandle tenement prospective for:

- Volcanogenic massive sulfide (VMS) base metals (lead-zinc-copper) mineralisation analogous to Cobre Ltd's (ASX:CBE) Perrinvale Project which includes an intersection of 5m @ 9.75% Cu, 3.2g/t Au, 34g/t Ag, 3.1% Zn on the Schwabe prospect (refer CBE ASX Announcement 31/1/2020)
- Orogenic gold mineralisation similar to ASX-listed TSC Ltd's (ASX:TSC) Rover Project intersected high grade gold including 5m @ 9g/t Au (refer TSC ASX Announcement 25/2/2020)
- Magmatic nickel-copper sulfides hosted in mafic/ultramafic rocks identified in the Panhandle Greenstone.

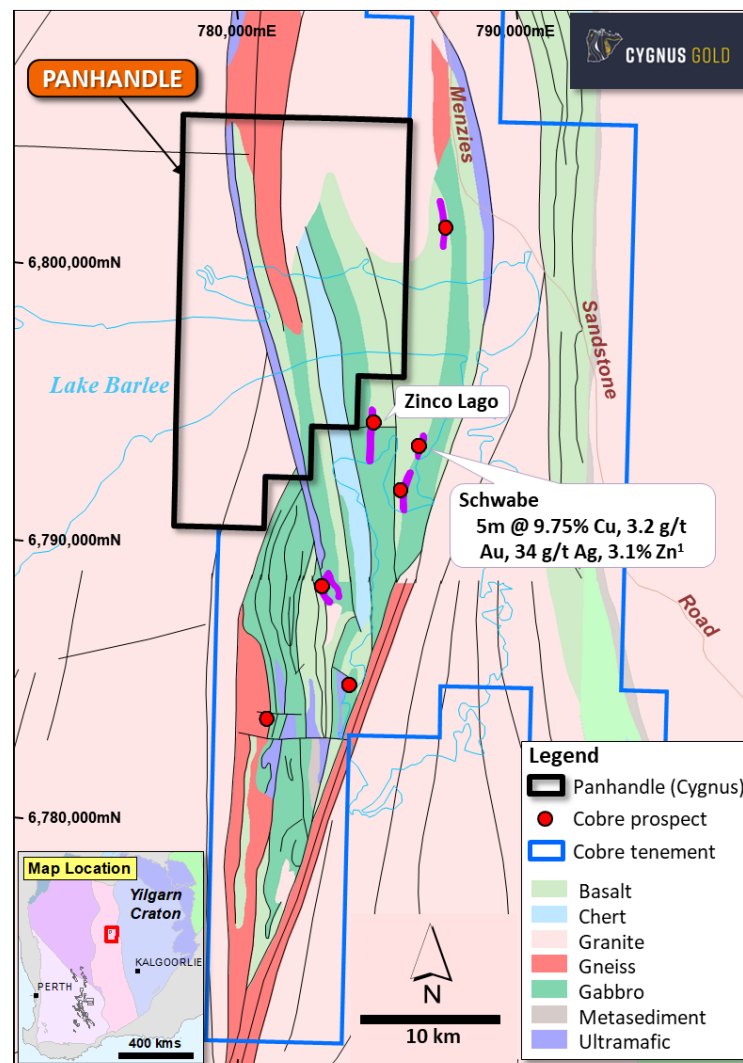


Figure 6: Cygnus' Panhandle project interpreted geology with adjacent Cobre prospects highlighted. Drill intersections quoted are from CBE ASX Announcement 31 January 2020¹.

CORPORATE

Cash Position and Movements

As at 31 March 2021, Cygnus Gold held \$3.1 million in cash (December 2020: \$3.4 million). For further movements in cash during the quarter, refer to Appendix 5B.

Appendix 1 contains the financial analysis of selected items within the Appendix 5B.

Authorised on behalf of the Board.

Cygnus Gold Ltd

T: +61 8 6118 1627

E: info@cygnusgold.com

End Notes

- 1 Refer ASX announcement on the said date for full details of these exploration results. Cygnus is not aware of any new information or data that materially affects the information included in the said announcement.
- 2 Information on historical results, including JORC Code Table 1 information, is contained in the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017. Cygnus is not aware of any new information or data that materially affects the information included in the Prospectus.

APPENDIX 1

Financial Analysis of selected items within the Appendix 5B

Appendix 5B reference	ASX description reference	Summary
1.2(d)	Staff costs	Relates to Perth office staff and director costs.
1.2(e)	Administration and corporate costs	This item relates to costs for and associated with operating the Company's Perth office and includes listing and compliance costs (ASIC, ASX and share registry), audit fees, insurance, and office occupancy.
1.8	Joint Venture Management fee	As of 1 October 2020; Gold Road has taken over management of the Lake Grace Project and Yandina Project joint ventures and as such no fee was received this quarter.
2.1(d)	Payments for exploration and evaluation (capitalised)	During the quarter, Cygnus continued exploration and evaluation activities for its 100% owned tenements and exploration expenditure on behalf of the Joint Ventures. Exploration expenditure is presented gross of Gold Road (Projects) Pty Ltd reimbursements (refer item 2.5 below).
2.1 (f)	Payments for other non-current assets	Relates to term deposit provided as security to cover Business Visa facilities.
2.5	Other	With the change of management of the Lake Grace Project and Yandina Project Joint Ventures effective 1 October 2020, Cygnus was required to transfer the remaining balance of funds held in trust on behalf of the Joint Ventures.
3.4	Costs related to issues of equity	Relates to fees paid to brokers and to meet ASX listing costs from share placements completed.
6.1	Aggregate amount of payments to related parties and their associates	Payments relate to an apportionment of the executive directors' salaries and superannuation for corporate activities, and non-executive director fees.
8.0	Future operating activities	For the upcoming quarter, the Company has forecasted expenditure relating to exploration activities on its wholly owned Cygnus tenements and to maintain its 10% interest in Joint operations now being managed by Fold Road Resources Limited and corporate costs.

Appendix 2 - Cygnus Gold Limited Tenements (as at 31 March 2021)

Tenement	Location	Registered Owner	Structure and Ownership
E29/1075	Western Australia	Deneb Resources Pty Ltd	100%
E70/4787	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/4854	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/4911	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/4939	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/4988	Western Australia	Deneb Resources Pty Ltd	100%
E70/4989	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/4990	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/4992	Western Australia	Deneb Resources Pty Ltd	100%
E70/5050	Western Australia	Deneb Resources Pty Ltd	100%
E70/5131	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/5137	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/5168	Western Australia	Deneb Resources Pty Ltd	100%
E70/5169	Western Australia	Deneb Resources Pty Ltd	100%
E70/5196	Western Australia	Deneb Resources Pty Ltd	100%
E70/5397	Western Australia	Deneb Resources Pty Ltd	100%
E70/5409	Western Australia	Deneb Resources Pty Ltd	100%
E70/5410	Western Australia	Deneb Resources Pty Ltd	100%
E70/5413	Western Australia	Deneb Resources Pty Ltd	100%
E70/5492	Western Australia	Deneb Resources Pty Ltd	100%
E70/5617	Western Australia	Deneb Resources Pty Ltd	Pending 100%
E70/5618	Western Australia	Deneb Resources Pty Ltd	Pending 100%
E77/2405	Western Australia	Deneb Resources Pty Ltd	100%
E77/2463	Western Australia	Deneb Resources Pty Ltd	100%
E77/2564	Western Australia	Cygnus Gold Limited	Pending, 100%
E77/2720	Western Australia	Deneb Resources Pty Ltd	Pending 100%
Lake Grace Joint Venture Project			
E70/4853	Western Australia	Cygnus (JV Projects) Pty Ltd	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/4855	Western Australia	Cygnus (JV Projects) Pty Ltd	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/4991	Western Australia	Cygnus (JV Projects) Pty Ltd	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5017	Western Australia	Cygnus (JV Projects) Pty Ltd	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5188	Western Australia	Cygnus (JV Projects) Pty Ltd	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5251	Western Australia	Cygnus Gold Limited	Pending, Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5320	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
Yandina Joint Venture Project			
E70/5098	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5099	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5100	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5101	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5230	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)

Tenement	Location	Registered Owner	Structure and Ownership
E70/5231	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5232	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)

Mining Tenements disposed: Nil

Mining Tenements acquired: Nil

Beneficial percentage interests held in farm in or farm-out agreements: Refer above.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil

Forward Looking Statement

This announcement may contain certain forward-looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of Cygnus Gold Limited. The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Cygnus Gold Limited does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward-looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither Cygnus Gold Limited or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of Cygnus Gold Limited, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this announcement.