



## QUARTERLY ACTIVITIES REPORT

For the period ended 31 December 2021

28 January 2022

ASX: CY5

### CORPORATE DIRECTORY

#### Executive Chairman

Raymond Shorrocks

#### Non-Executive Directors

Michael Bohm

Shaun Hardcastle

Simon Jackson

#### Joint Company Secretaries

Michael Naylor

Susan Field

**Advancing 2,100km<sup>2</sup> in the highly sort after Yilgarn region of West Australia**

**Prospective for Nickel, Copper, Gold, Silver, Zinc & PGE's**

**\$2.8m Cash**

#### Major Shareholders:

Steve Parsons	6.9%
Merk Investments	6.9%
Southern Cross Capital	6.7%
Michael Naylor	5.2%
Michael Bohm	5.1%

#### Cygnus Gold Limited

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Cygnus Gold Limited

### Exploration

During the quarter exploration has continued on the 100% owned Bonnie Rock, Julimar East and Bencubbin Projects, whilst the company awaits results from early-stage geochemical programmes at Panhandle.

#### Bonnie Rock ~129km<sup>2</sup> (100% CY5)

- Field reconnaissance rock chips have confirmed significant Ag-Pb-Zn mineralisation over 1.2km of strike and remains open
- Results include samples grading up to 89g/t Ag, 3% Pb and 6.7% Zn (*refer to CY5 ASX Announcement 24 January 2022*)<sup>j</sup>
- These results align with limited early-stage historic exploration drilling over the area with grades of up to 760g/t Ag, 1.9% Pb and 1.7% Zn (*refer to CY5 ASX Announcement 24 January 2022*)<sup>j</sup>
- Follow up exploration programmes have been scheduled for February

#### Julimar East Project ~325km<sup>2</sup> (100% CY5)

- Highly prospective tenure in the Jimperding metamorphic belt which hosts the Julimar Ni-Cu-PGE discovery by Chalice Mining Limited (ASX:CHN)
- Reconnaissance soil programmes have now been completed to test areas of geophysical anomalism analogous to the Julimar Ni-Cu-PGE intrusion. Results pending.
- Ground gravity survey recently completed to delineate follow up drill targets. Result pending.

#### Bencubbin Project ~800km<sup>2</sup> (100% CY5)

- Completed ground electro-magnetic survey over ultramafic lithologies in the north of the Project, prospective for nickel-copper-PGE sulphides. Results pending.
- Field reconnaissance and rock chipping has confirmed prospective greenstone belt lithologies in the south the Project. This will be followed up with an auger geochemical programme ahead of drilling later this year.

#### Panhandle Project ~100km<sup>2</sup> (100% CY5)

- Contiguous to the Perrinvale Project owned by Cobre Limited (*refer Cobre ASX Announcement 31 January 2020*)<sup>i</sup>
- Initial soil sampling over prospective lithologies has been completed. Results pending.

### Project Generation and Review

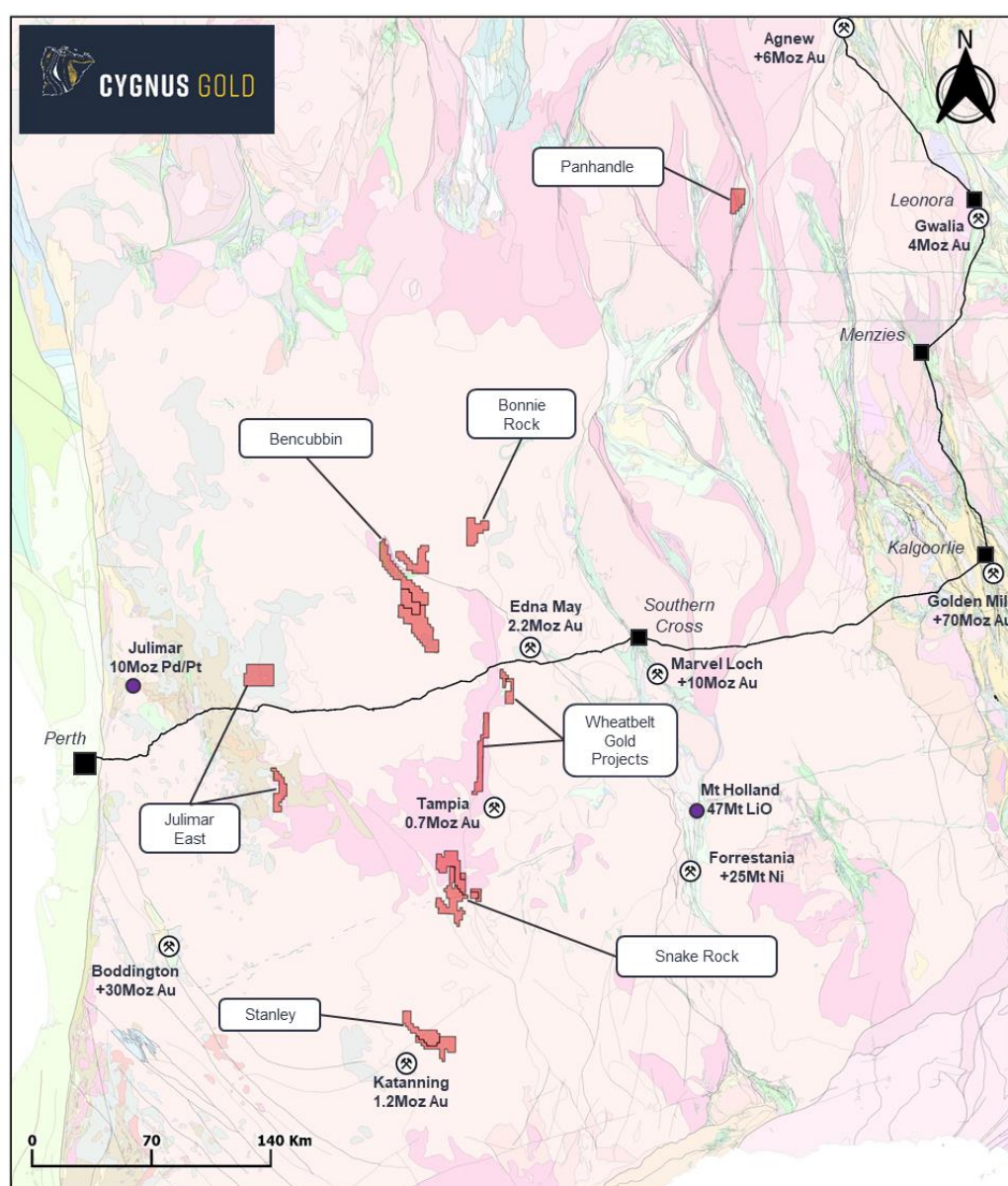
During the quarter the company continued project generation activities and reviews. This included multiple project reviews, including detailed due diligence. The company is continuing this work as it seeks an advanced asset to complement its existing projects.

### Corporate

- The Company is well funded and as at 31 December 2021, \$2.8m (Sept 2021: \$2.3m) in cash.
- Experienced mining executive, Mr Raymond Shorrocks appointed to Executive Chair
- The Company raised \$1.1M (before costs) through the issue of 9,565,217 fully paid ordinary shares in the Company at an issue price of \$0.115 per share

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

During the quarter the Cygnus geological team continued exploration on priority tenure outlined in January (refer to CY5 ASX Announcement 24 January 2022)<sup>i</sup>. A number of results from this work are pending with further exploration planned for Q1 & Q2 2022.



**Cygnus Gold Limited**



## BONNIE ROCK (100% CY5)

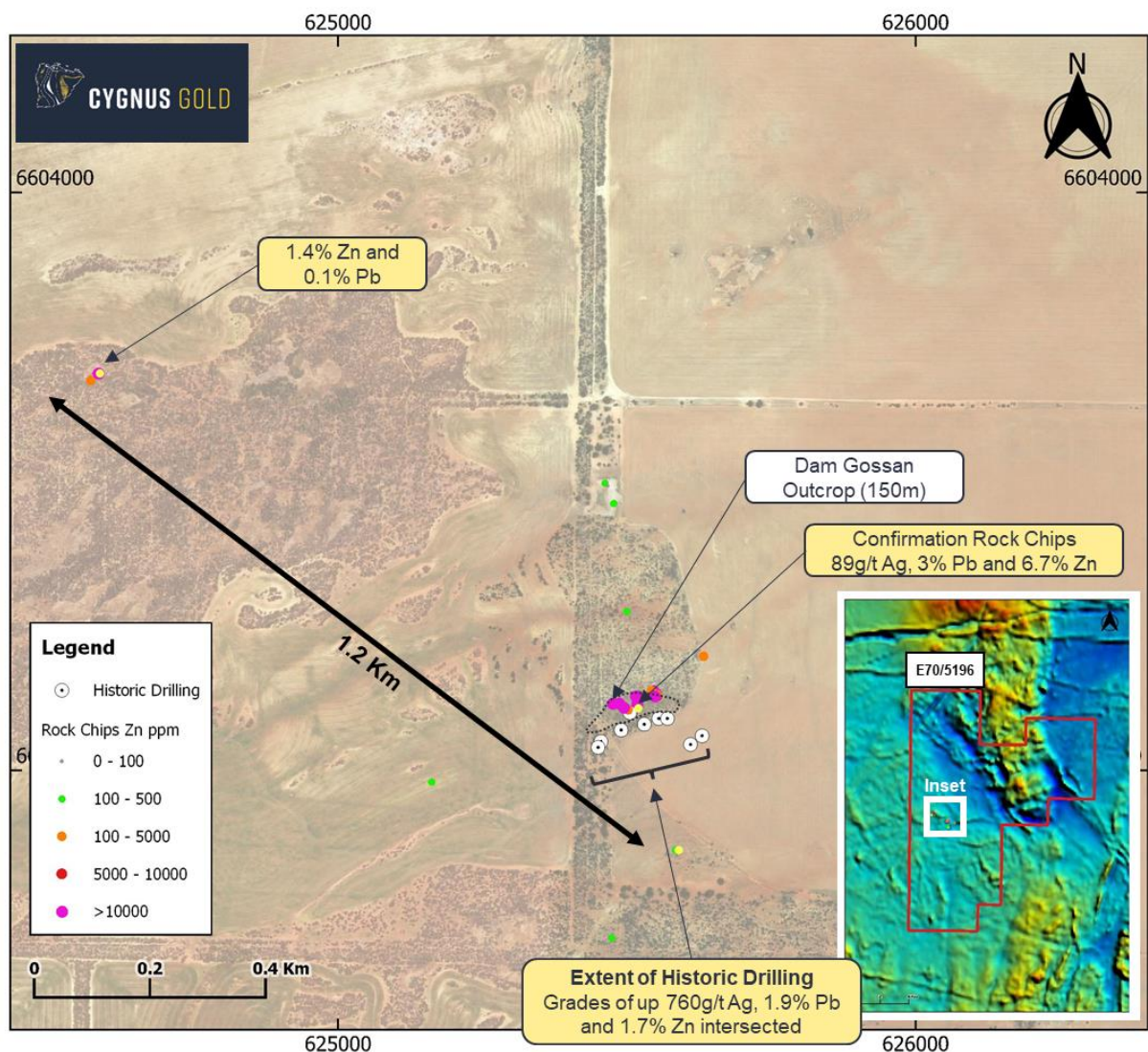
Cygnus Gold's Bonnie Rock Project (E70/5196) is located within the Youanmi Terrane of the Yilgarn Craton, around 25km north of the major terrane bounding Koolanooka fault.

The project covers 129km<sup>2</sup> and was initially explored during the late 1970s and early 1980s but has seen very little modern exploration since. Previous explorers identified the Dam Gossan Target, an area of outcropping silver-lead-zinc mineralisation associated with manganese rich gossanous veins in 150m long suite of outcropping felsic intrusives. Limited subsequent drilling from the Dam Gossan confirmed grades of up to 760g/t Ag, 1.9% Pb and 1.7% Zn which remains open along strike and at depth with only 200m of strike extent tested by drilling within a larger 1.2km area of anomalous silver-lead-zinc rock chips (*refer to CY5 ASX Announcement 24 January 2022*)<sup>i</sup>.

### Current Exploration and Next Steps

Cygnus Gold's exploration has included confirmation rock chipping and field mapping with results to date returning significant grades of up to 89g/t Ag, 3% Pb and 6.7% Zn from 35 samples (*refer to CY5 ASX Announcement 24 September 2022*)<sup>j</sup>. These samples displayed in Figure 2 show anomalism over 1.2km, indicating the scale of the anomaly has yet to be tested with historic exploration only focussed on 200m of strike. To date 10 short holes have been completed on the prospect which was last drilled in 1981. Of the 10 holes drilled, 3 failed to meet target depth due to drilling conditions (RC).

The next step for exploration will include an auger geochemical programme over the Dam Gossan area to better understand the scale of the anomalism and generate follow up drill targets. This programme will commence in February.



**Figure 2:** Bonnie Rock Project (E70/5196). Rockchip samples with anomalous grades over 1.2km as well as location of historic drillholes. Drilling only covers 200m of strike within 1.2km of anomalous rock chips. Mineralisation remains open. Inset: Location of Dam Gossan within larger Bonnie Rock Tenement (E70/5196) with background magnetics (GSWA RTP).

## PANHANDLE PROJECT (100% CY5)

Cygnus Gold's E29/1075 (Panhandle Project) is located approximately 300km north of Kalgoorlie in the Central Yilgarn Craton.

The ~100km<sup>2</sup> Panhandle tenement covers a 13km section of the Panhandle Greenstone Belt (Youanmi Terrane, Yilgarn Craton) where the Company's review of historical exploration has revealed no drilling and limited surface sampling and geophysical surveys.

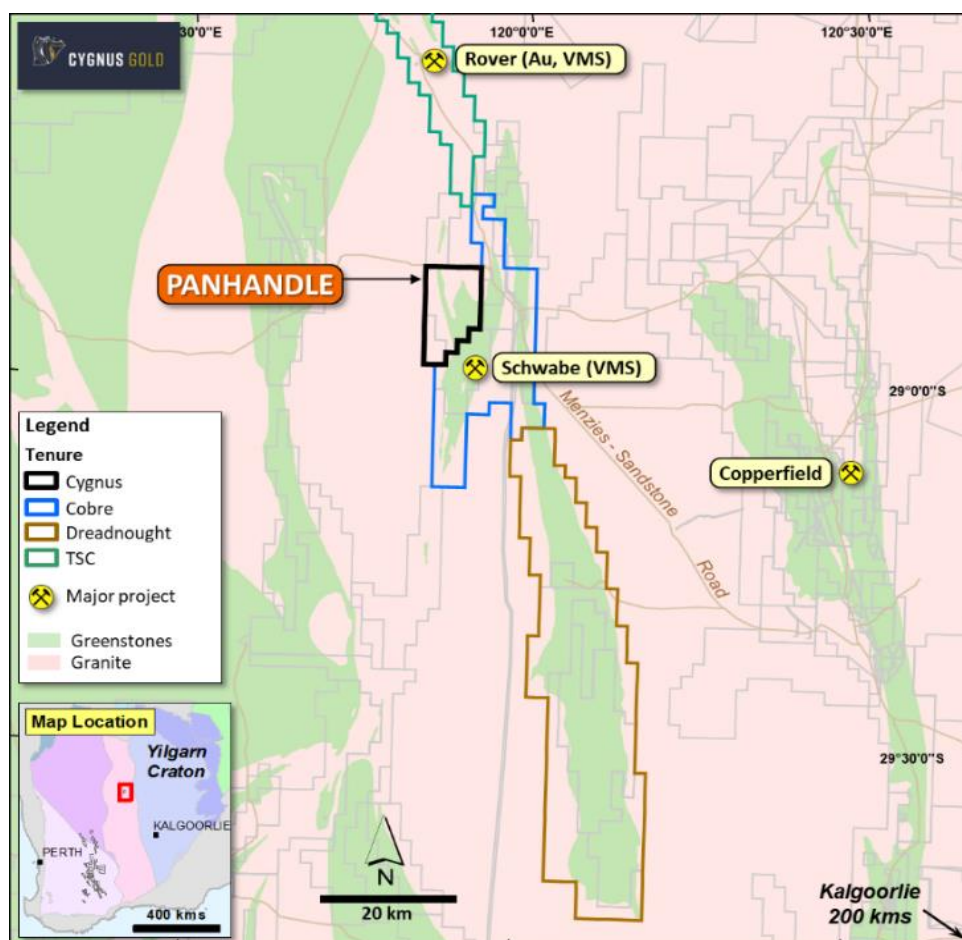
The greenstone sequences at Panhandle are interpreted to be extensions of the rock units targeted by listed explorer Cobre Limited (ASX:CBE) on the adjacent Perrinvale project (Figure 3) and are considered highly prospective for:

- Volcanogenic massive sulphide (VMS) (lead-zinc-copper) mineralisation. Cobre have announced drill intersections on the Schwabe prospect along strike from Panhandle (*refer Cobre ASX Announcement 31 January 2020*)<sup>i</sup>
- Orogenic gold mineralisation similar to the Rover Project where ASX-listed TSC Limited (ASX: TSC) have intersected high grade gold (*refer TSC ASX Announcement 25 February 2020*)<sup>i</sup>
- 'Kambalda-style', komatiite-hosted magmatic nickel-copper sulphides hosted in ultramafic sequences.

## Current Exploration and Next Steps

The company is awaiting results from initial surface geochemical sampling completed in Q3 2021, which consisted of ~333 soil samples and 1 rock chip sample over areas of in situ regolith close to known outcrop. This program looked to identify the prospective trends continuous from the Cobre Limited (ASX:CBE) Perrinvale Project with drill intersection include 5m @ 9.75% Cu, 3.2g/t Au, 34g/t Ag, 3.1% Zn (*refer Cobre ASX Announcement 31 January 2020*)<sup>i</sup>

Follow up AC programs are planned to test areas with interpreted thin alluvial cover along strike from known enrichment on the adjacent tenements. To facilitate this a heritage survey is being completed in early February.



**Figure 3:** Cygnus' Panhandle tenement (E29/1075) relative to competitor tenements and prospects in the Central Yilgarn, Western Australia. Inset show's location of the Panhandle tenement and Cygnus projects in the Southwest Terrane

## BENCUBBIN PROJECT (100% CY5)

The ~800km<sup>2</sup> Bencubbin Project is located ~220km northeast of Perth and covers the Bencubbin Greenstone Belt, an underexplored greenstone sequence extending for over 70km of strike, and up to 5km in width. The property is considered highly prospective for:

- 'Kambalda-style', komatiite-hosted magmatic nickel-copper sulphides, associated with the Bencubbin North Komatiite and Bencubbin South Ultramafic. Bencubbin North in particular, defined by a regionally extensive nickel-in-soil geochemical anomaly developed over 18km with >1000ppm Ni and >100ppm Cu (refer to CY5 ASX Announcement 30 November 2018)<sup>i</sup>
- Volcanogenic massive sulphide (VMS) base metals (lead-zinc-copper) associated with the Mandiga-Grylls trend, defined by a 3.3km long zone of copper (Cu), lead (Pb) and zinc (Zn) mineralisation with max drillhole anomalism up to 2m @ 1.7% Zn in historic drillhole DMA5 (refer to CY5 ASX Announcement 30 November 2018)<sup>i</sup>

## Current Exploration and Next Steps

Work this quarter at Bencubbin included a ground electromagnetic survey (EM), targeting an area of prospective ultramafic lithology with potential for nickel-copper-PGE sulphides. This survey covered an area of 3km over previously identified elevated Ni, Cu, Co, Cr soil geochemistry. Results are pending. In addition to the EM survey, an airborne magnetic survey is scheduled for early February. This survey will enable broad comprehensive coverage of a large portion of the tenure with the aim of better identifying prospective host lithologies and structures for follow up drilling.

Geological mapping and rockchipping last quarter confirmed the presence of prospective greenstone belt lithologies in the south of the extensive 800km<sup>2</sup> tenement package. A program of auger geochemistry is planned in this southern part of the tenure aiming to infill and extend the area of strong anomalism ahead of drill testing.

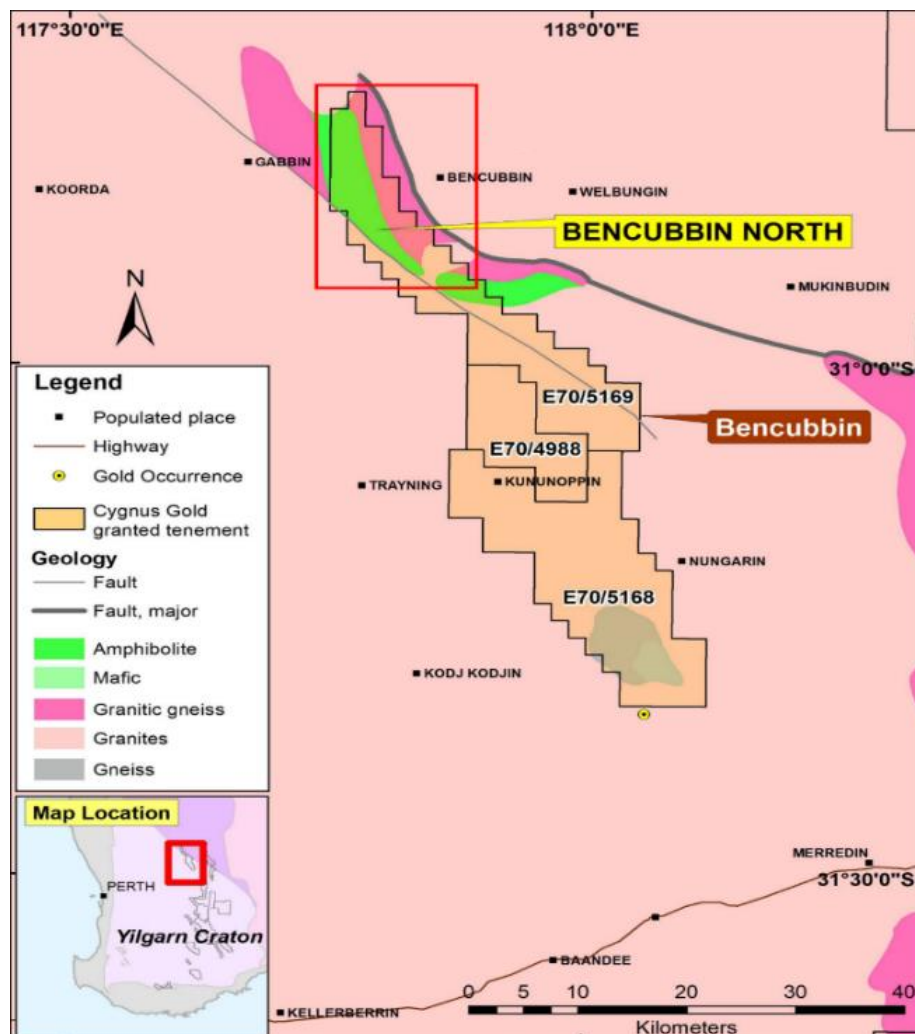


Figure 4: Cygnus' Bencubbin project on mapped regional geology (1:500,000 GSWA mapping)



## **JULIMAR EAST PROJECT (100% CY5)**

The Julimar East Project is made up of two tenements, Culbarring (E70/5492) and Mackie (E70/5397) for a combined 325km<sup>2</sup> located in the highly prospective Julimar district. The tenements, like Julimar, sit on the margin of the Jimperding metamorphic belt and are adjacent to Anglo-American's significant ground holding of >10,000km<sup>2</sup> picked up in 2020 following the Julimar discovery.

On both tenements, magnetic and gravity anomalies considered prospective for Ni sulphide mineralisation have been identified, analogous to Chalice Mining's Julimar Ni-Cu-PGE discovery within the Southwest Terrane.

E70/5492 (Culbarring) contains a strong magnetic anomaly, possibly representing a folded package of BIF and "Julimar" style mafic-ultramafic rocks. There is around 7km of strike, with no historical exploration identified to date.

E70/5397 (Mackie) is a continuous holding over 26km of NE striking interpreted remnant greenstone belt, immediately along strike from historical drilling that intersected mafic-ultramafic rocks.

As a result, both EL's are considered prospective for mafic-ultramafic lithologies with potential Ni-Cu-PGE mineralisation.

### **Current Exploration and Next Steps**

First pass geochemical sampling has been completed over the geophysical anomalies analogous to the Julimar Ni-Cu-PGE discovery with results pending.

Ground gravity has now been completed over E70/5397 (Mackie), to better define a large gravity high running the 26km length of the tenement. This gravity high is interpreted to be an ultramafic with potential to host Ni-Cu-PGE mineralisation. Results are pending. Both the geochemistry and geophysics will assist in generating follow up drill targets.

## **SNAKE ROCK PROJECT (100% CY5)**

The Snake Rock Project (E70/4911) is located 230km east of Perth and 70km north of the town of Lake Grace in the Yilgarn Cratons, South West Terrane.

The project covers 221Km<sup>2</sup> over an area considered highly prospective for Ni, Cu and PGEs forming the south eastern extent of the mobile belt which hosts the Julimar Ni-Cu-PGE discovery (ASX:CHN).

The ground is dominated by a regional gravity high with localised intense magnetic anomalies, with the geology interpreted to be a layered ultramafic complex. Ultramafics have been confirmed from historic drilling during the late 1960's on the adjacent tenure to (E70/4911) which is currently being explored by ASX listed Sultan Resource (ASX:SLZ). The historic drilling also confirmed the presence nickel-copper bearing sulphides and as a result is currently being drill tested by Sultan (*refer Sultan Resources ASX Announcement 12 January 2022*)<sup>i</sup>

### **Current Exploration and Next Steps**

A detailed review of the project has confirmed the propectivity of the Snake Rock Project for ultramafic hosted Ni, Cu and PGEs which has been confirmed by encouraging drill results with nickel-copper bearing ultramfics on the adjacent tenure (*refer Sultan Resources ASX Announcement 12 January 2022*)<sup>i</sup>. During the quarter land access has been granted to several high priority geophyscial targets with follow up drilling planned for March.

## **WHEATBELT GOLD PROJECTS (100% CY5)**

A geological review is ongoing over our holdings in the Southwest Terrane, Yilgarn Craton. The tenure is considered highly prospective for gold mineralisation with significant deposits in the region including at Boddington, Edna May, Tampia and Katanning. The prospectivity of the tenure has been demonstrated by the Company's previous exploration programs which returned significant intercepts of:

- **10.95m @ 15.1g/t gold** (incl. 4.8m @ 34g/t Au) in BNDD003<sup>ii</sup>
- **9.50m @ 29.2g/t gold** (incl. 2.4m @ 114.62g/t Au) in BNDD001<sup>ii</sup>

## **CORPORATE**

### **Cash Position and Movements**

As of 31 December 2021, Cygnus Gold held \$2.8 million in cash (September 2021: \$2.3 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.

### **Appointment of Executive Chairman and Board Changes**

In November 2021, experienced mining executive, Raymond Shorrocks was appointed Executive Chair.

Mr Shorrocks has a history of generating significant shareholder value. He has more than 28 years' experience in corporate finance in the mining sector and has advised a diverse range of resources companies during his career at one of Australia's largest investment banking and stockbroking/financial services firms.

He was founding Chair of Bellevue Gold Limited and was instrumental in the acquisition of the Bellevue Gold Project and the implementation of the management team that then went on to deliver over three million ounces of gold Resources in rapid time.

At the same time, Michael Bohm moved from Non-Executive Chair to Non-Executive Director and Mr Simon Jackson moved from Executive Director to Non-Executive Director.

### **Placement**

In November 2021, the Company completed a capital raise of approximately \$1,100,000 (before costs) through the issue of up to 9,565,217 fully paid ordinary shares in the Company at an issue price of \$0.115 per Share. There was strong participation by directors and current shareholders of the Company.

Authorised on behalf of the Board.

### **Cygnus Gold Limited**

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## **ABOUT CYGNUS GOLD**

Cygnus is targeting the discovery of gold and base metals deposits within the Southwest Terrane, in the Wheatbelt region of Western Australia. The Southwest Terrane is an underexplored package of high metamorphic-grade rocks forming part of the well mineralised Yilgarn Craton.

Cygnus Gold's tenements ranges from early-stage exploration areas through to advanced drill-ready targets.

**End Notes (No exploration data or results are included in this report that have not been released publicly. All data or results have been referenced on the text)**

- i Refer ASX announcement on the said date for full details of these results. Cygnus Gold is not aware of any new information or data that materially effects the information in the said announcements.
- ii Refer ASX announcement on 22 February 2018 for full details of these results. Cygnus Gold is not aware of any new information or data that materially effects the information in the said announcements.

**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.
2.1(c)	Property plant and equipment	This represents minor assets acquired during the quarter such as office furniture, laptops and other computer equipment.
2.1(d)	Payments for exploration and evaluation (capitalised)	During the quarter, Cygnus continued exploration and evaluation activities for its 100% owned tenements.
6.1	Aggregate amount of payments to related parties and their associates	Payments relate to an apportionment of the executive director's salaries and superannuation for corporate activities, and non-executive director fees and company secretarial services. This amounted to \$132,000 for the quarter.
8.0	Future operating activities	For the upcoming quarter, the Company has forecasted expenditure relating to exploration activities on its wholly owned Cygnus tenements.



## APPENDIX 2 - CYGNUS GOLD LIMITED TENEMENTS (AS OF 31 DECEMBER 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%
E70/4911	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%
E70/5050	Western Australia	Deneb Resources Pty Ltd	100%
E70/5131	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%
E70/5492	Western Australia	Deneb Resources Pty Ltd	100%
E70/5617	Western Australia	Deneb Resources Pty Ltd	100%
E77/2405	Western Australia	Deneb Resources Pty Ltd	100%
<b>Lake Grace Joint Venture Project</b>			
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%)
<b>Yandina Joint Venture Project</b>			
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%)
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: E70/4939

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.

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## **COMPETENT PERSONS STATEMENT**

The information in this announcement that relates to Exploration Targets and Exploration Results is based on 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 Exploration Manager and a full-time employee of Cygnus Gold 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.

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