



QUARTERLY ACTIVITIES REPORT

For the period ended 30 June 2022

18 July 2022

ASX: CY5

CORPORATE DIRECTORY

Non-Executive Chairman

Raymond Shorrocks

Executive Directors

Michael Naylor

Non-Executive Directors

Michael Bohm

Shaun Hardcastle

Company Secretary and CFO

Susan Field

Advancing 2,000km² in the highly sort after Yilgarn region of West Australia

Prospective for Nickel, Copper, Gold, PGE's & Lithium

\$1.9m 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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Exploration

During the quarter the exploration team identified multiple significant lithium-caesium-tantalum pegmatite geochemical anomalies at the company's 100% owned Bencubbin Project, this has become a key focus with immediate follow up work planned for next quarter. The company also advanced the Snake Rock Project with the completion of two drill programmes as well as a ground gravity acquisition. Further exploration programmes have scheduled for the coming quarter to advance the Julimar East Project.

Highlights include:

Bencubbin Project ~800km² (100% CY5)

- Significant coincident pathfinder geochemical anomalies indicating lithium bearing pegmatites proximal to interpreted late granite intrusions
- The main auger anomaly extends for over 2.2km and is open to the north. Peak values in the geochemistry are up to 152 ppm Li₂O, 26 ppm Ta₂O₅ and 152 ppm Nb₂O₅ which ranks as a significant geochemical anomaly for potential lithium bearing pegmatites in the South Western regolith environment
- Immediate follow up auger geochemical programme commenced in July to evaluate the target ahead of drill testing
- Anomalies situated within hugely underexplored 22km of prospective greenstone belt (100% Cygnus owned tenure)

Snake Rock ~448km² (100% CY5)

- First ever drillholes to test bedrock at Snake Rock confirms previously unknown mafic to ultramafic lithologies with potential to host nickel sulphides and gold. Two programmes completed for 1,553m of drilling with both aircore and reverse circulation drilling. Assay results pending.
- Recent ground gravity acquisition supports this interpretation with further major dense bodies across the interpreted Kondinin Ultramafic Complex delineated.

Project Generation and Review

During the quarter the company continued project generation activities and reviews in the gold and battery metal space. This included multiple project reviews, including detailed due diligence and site visits. 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 30 June 2022, \$1.9m (Mar 2022: \$2.4m) in cash.
- Board and Management changes including Michael Naylor appointed to Executive Director and Susan Field appointed to CFO and Company Secretary.

Exploration

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.

The Company has approximately 2,000km² (100% Cygnus) granted tenements covering interpreted and known greenstone belts where previous explorers identified numerous prospects with widespread high grade, near surface gold and/or base metals mineralisation.

During the quarter the Cygnus continued exploration on priority tenure prospective for Lithium as well as Gold, Nickel, Copper and PGE's.

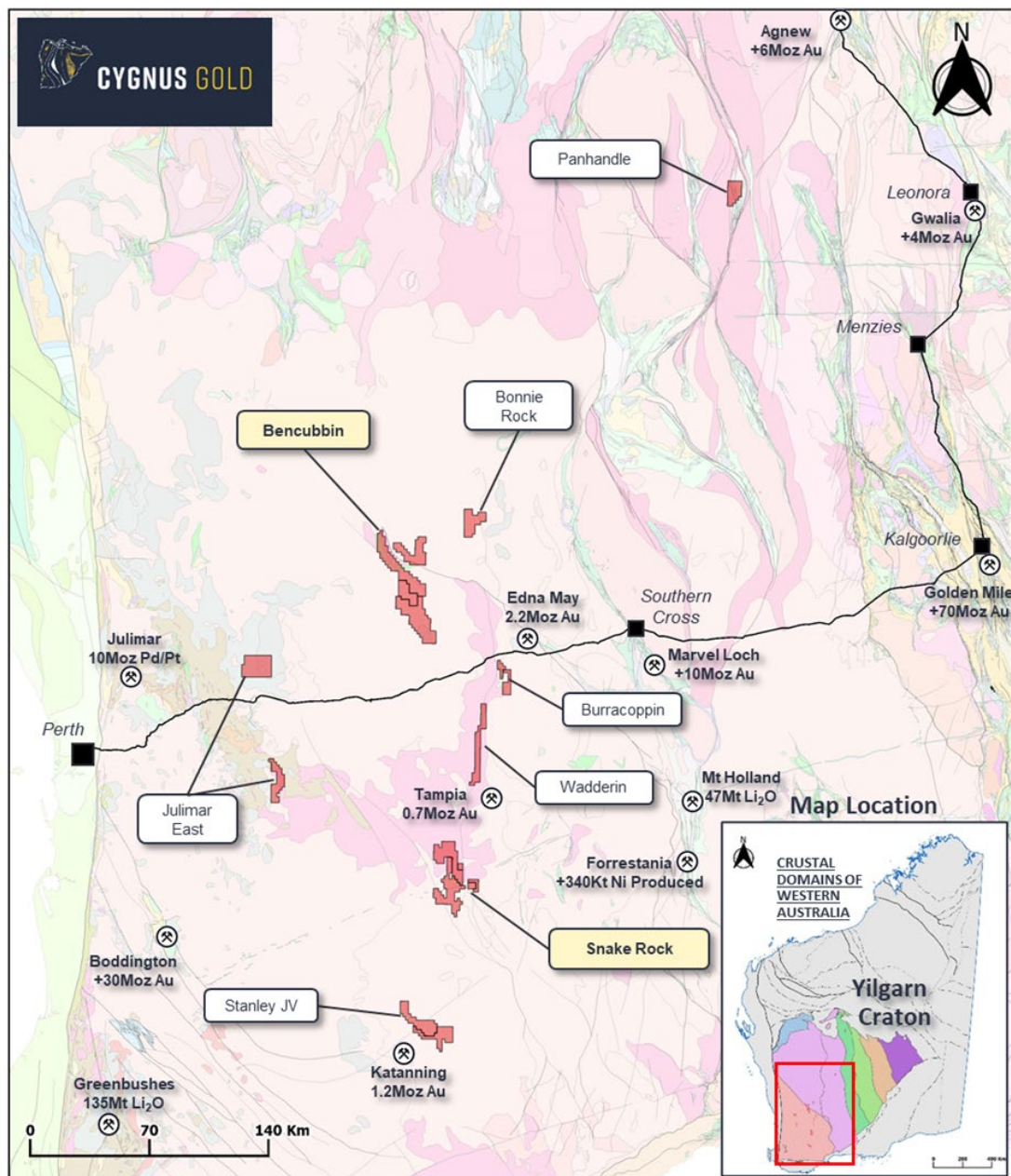


Figure 1: Cygnus current tenure with background geology from GSWA mapped regional geology (1:500,000)

BENCUBBIN PROJECT (100% CY5)

The ~800km² 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. Greenstone belts such as Bencubbin are highly prospective for LCT pegmatites around late granitoid intrusions, many of which have recently been identified in the newly flown airborne magnetics.

An extensive and significant auger geochemical pathfinder anomaly with elevated Li, Ta and Nb, typically associated with LCT pegmatite mineralisation, has been identified in the project auger data. Peak values in the auger returned values up to 152 ppm Li₂O, 26 ppm Ta₂O₅ and 152 ppm Nb₂O₅, with two large coherent anomalies defined over 2.2km of strike, both proximal to a late granite intrusions (*refer CY5 ASX Announcement 30 May 2022*)ⁱ. These values are comparable to soil signatures over major lithium deposits in the southwestern regolith environment including Greenbushes Lithium mine with a up to 100ppm Li and 75ppm Nb recorded in the pisolitic lateriteⁱⁱ. Both significant areas of anomalism are open to the north while there is no existing geochemistry surrounding some of the other late granite intrusions.

A reconnaissance field trip completed during the quarter confirmed multiple areas with weathered pegmatite float identified in the same paddock as the 2.2km anomaly that looks to be proximal to outcrop. This recent work confirms coincident late granite intrusions, pathfinder LCT pegmatite geochemistry and sub cropping pegmatites making Bencubbin North an excellent follow up target for the exploration team.

Current Exploration and Next Steps

An initial phase of auger geochemistry is planned to infill the existing wide spaced anomalism which is currently on 100m spaced samples and 200m spaced lines, this spacing is considered broad when looking to define LCT pegmatite mineralisation, with many of the elements having minimal dispersion. Sampling aims to tighten the geochemistry and refine the anomaly ahead of drill testing in the summer drill season. This phase of auger geochemistry is expected to commence mid-July.

A secondary phase of auger is planned for later in the year once the harvest has been completed, this aims to extend the existing anomalies which remain open to along strike as well as other prospective areas with no surface geochemistry.

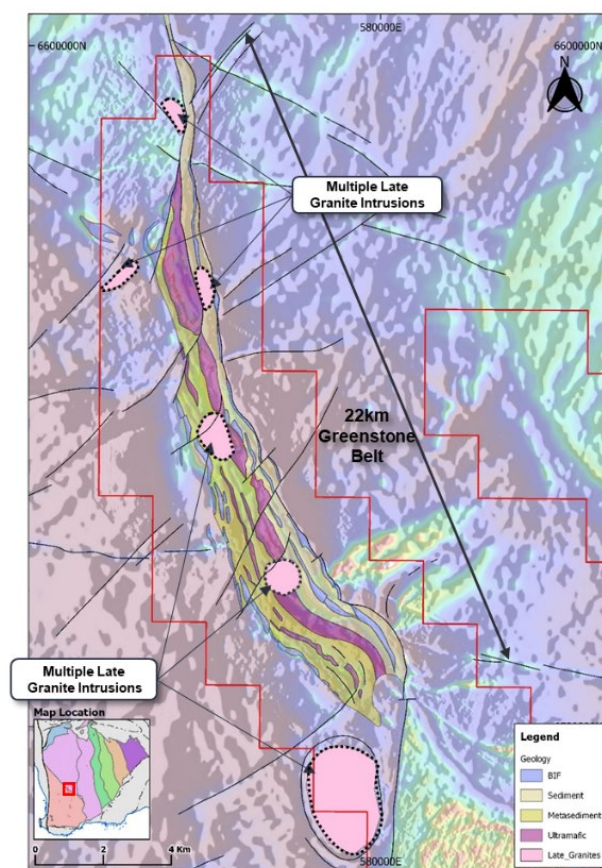


Figure 2: Map of Bencubbin North (E70/5169) with background RTP magnetics recently flown by Cygnus Gold and interpreted geology. Illustrating 22km long prospective greenstone belt with multiple interpreted late intrusions prospective for the development of LCT pegmatites.

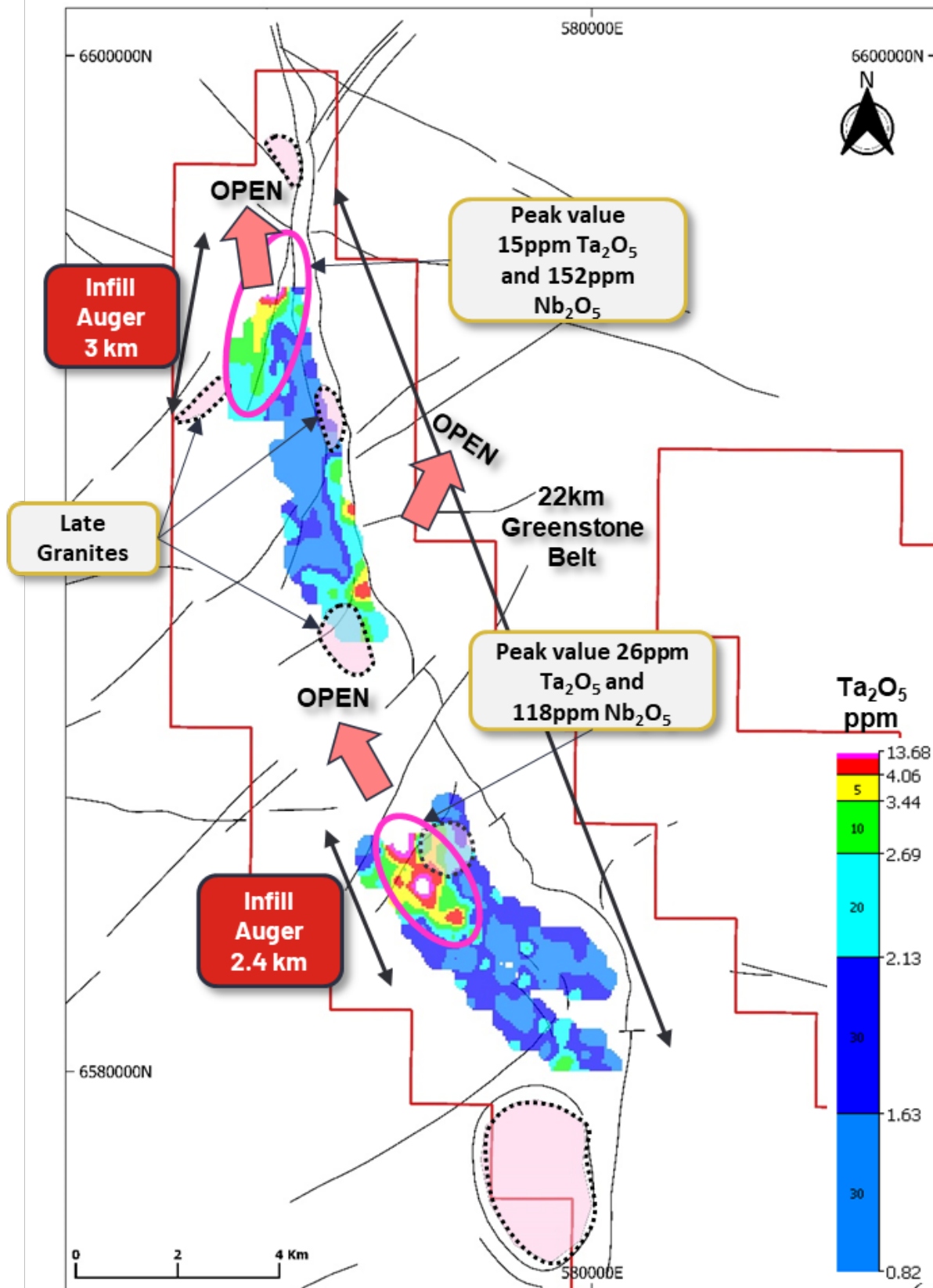


Figure 3: Map of Bencubbin North (E70/5169) illustrating the location of prospective late granites over 22km of NNW striking greenstone belt with Ta₂O₅ ppm gridded auger geochemistry. Illustrating main target areas for infill geochemistry in phase 1 of the planned auger (refer CY5 ASX Announcement 30 May 2022)ⁱ.

SNAKE ROCK PROJECT (100% CY5)

The Snake Rock Project (E70/4911, E70/5098 & E70/4990) is located 230km east of Perth, Western Australia in the Yilgarn Craton's, south-west terrane. The project covers 448km² of an area considered highly prospective for Ni, Cu and PGEs; covering the south eastern extent of the same mobile belt which hosts the Julimar Ni-Cu-PGE discovery (ASX:CHN). The project is also prospective for gold mineralisation, located just 30km south west and along the same structural lineament as the 700Koz Tampia gold deposit (ASX:RMS).

The company has recently completed two drill programmes, a 19-hole air core programme to test a distinct gravity anomaly on the east of the project and a 7-hole RC programme to test magnetic anomalies analogous to a nickel-cobalt bearing ultramafic on the adjacent tenure being targeted by Sultan Resources (ASX:SLZ).

Recent Drilling

The 19-hole air core programme completed in April was designed to test a distinct gravity anomaly defined through ground gravity completed in 2018. The programme has successfully defined prospective mafic to intermediate lithologies with 11 out of the 19 holes intersecting a medium to coarse grained mafic gneiss and granodiorite at bottom of hole (refer CY5 ASX Announcement 30 May 2022)ⁱ. The company has also just completed a 7-hole reverse circulation programme designed to target three areas of high magnetism, analogous to the geophysical signature of a prospective ultramafic lithology on the adjacent tenure. Interpretation of this drilling is currently ongoing and the company looks forward to providing an update once results are received with assays expected toward the end of August.

Proposed Follow Up

The recent round of drilling and recently acquired ground gravity demonstrates that Snake Rock Project Area is significantly endowed with prospective mafic to ultramafic lithologies, something which was previously assumed but not yet demonstrated.

Follow up work is dependent on full interpretation of pending assays results as well as interpretation of the recent ground gravity. However, the Cygnus technical team is excited by initial observations and is in the process of developing additional drill programmes which will be co funded by the West Australian Governments Exploration Initiative Scheme (EIS). Alongside additional drilling further reconnaissance geophysics is also being considered.

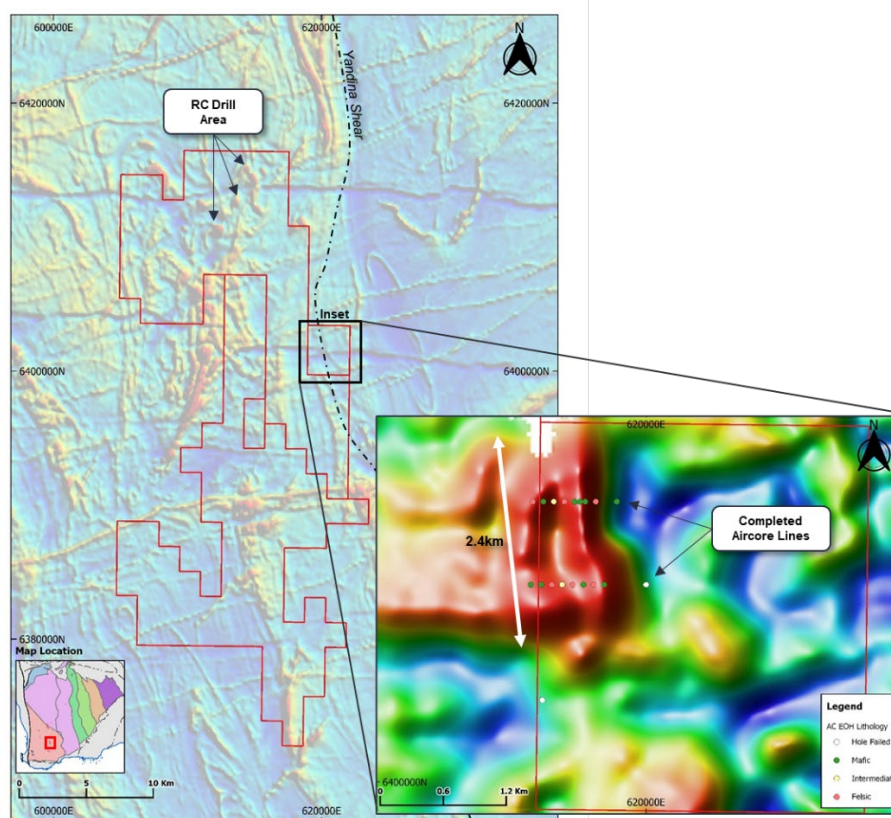


Figure 4: Map of the Snake Rock Project (E70/4911, E70/5098 & E70/4990). Inset on right showing location of completed AC holes on both E70/4990 and E70/4911 with bottom of hole geology (refer CY5 ASX Announcement 30 May 2022)ⁱ

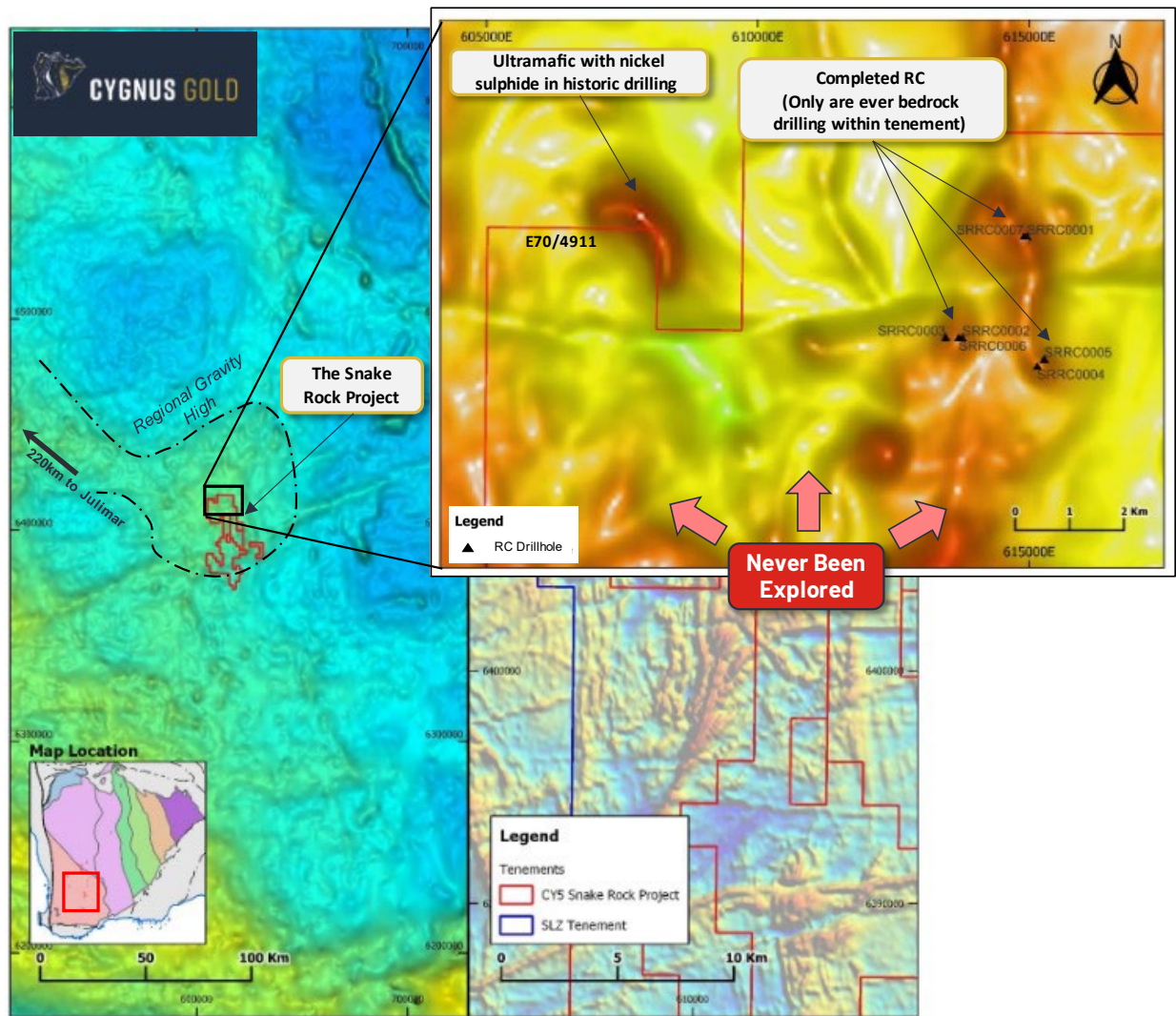


Figure 5: Left: Map of the Snake Rock Project, consisting of tenements E70/4911, E70/5098 & E70/4990 with background GSWA regional gravity. Top Right: Illustrating the location of RC drilling against regional RTP magnetics with location of confirmed nickel sulphide bearing ultramafic on adjacent tenure.

JULIMAR EAST PROJECT (100% CY5)

The Julimar East Project is made up of two tenements, Culbarting (E70/5492) and Mackie (E70/5397) for a combined 325km² 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 >10,000km² picked up in 2020 following the Julimar discovery.

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

Current Exploration and Next Steps

Results from a ground gravity survey on E70/5397 which makes up part of the Julimar East Project highlighted an interpreted 9km long and 2km wide ultramafic that sits beneath a thin veneer of cover which is a target for possible Ni-Cu-PGE mineralisation. Modelling of the results by Southern Geoscience (SGC) indicates a dense unit that has a significant thickness of up to 400m and appears to be close to surface. (refer CY5 ASX Announcement 10 Feb 2022) The area has been subjected to limited historic exploration with drilling in the early 2000's focussing on kaolin exploration with shallow AC and RAB. Much of this drilling was not submitted for any element analysis.

Land access over the priority area of the anomaly has now been secured with a reconnaissance auger geochemistry programme scheduled for August.

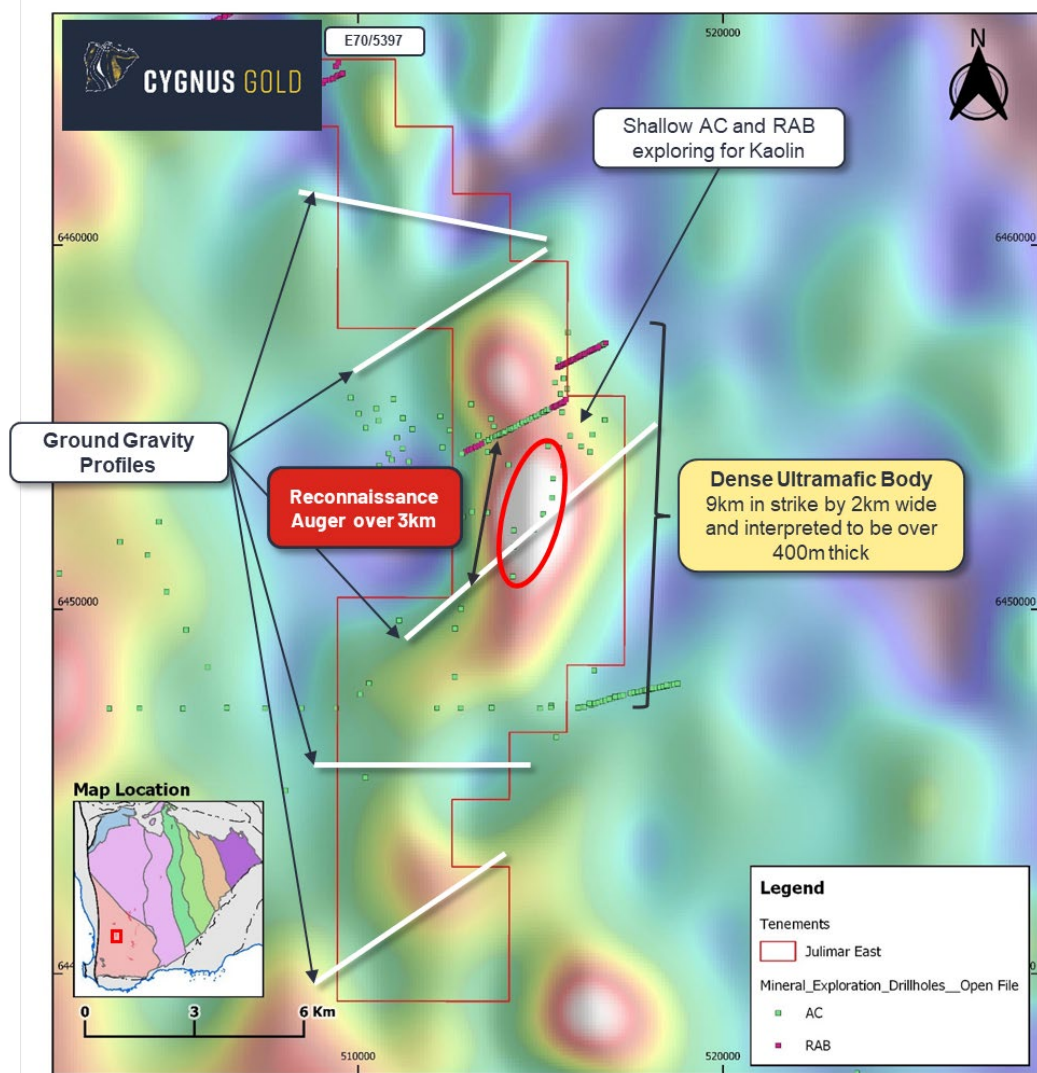


Figure 6: Julimar East Project (E70/5937) with interpreted ultramafic body highlighted in the re-stretched GSWA regional gravity, showing a significant gravity high in the centre of the E70/5397 tenement covering 9km of strike length. Location of the gravity profiles show in white with location of open file drill collars which have historically been focussed on kaolin exploration. Scheduled reconnaissance auger planned over the centre of gravity anomaly, highlighted in red.

PANHANDLE PROJECT (100% CY5)

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

The ~100km² 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 5) 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*)ⁱ
- 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*)ⁱ
- 'Kambalda-style', komatiite-hosted magmatic nickel-copper sulphides hosted in ultramafic sequences.

Current Exploration and Next Steps

Results from the surface geochemical programme completed in Q4 2021 confirmed that prospective trends from the adjacent Corbe (ASX:CBE) Perrinvale Project continue into Cygnus's Panhandle project, with outcrop and geochemical signatures indicating the presence of ultramafics, mafic volcanics and BIF.

Heritage surveys have been completed which will accommodate follow up AC programs that are planned to test areas with interpreted thin alluvial cover along strike from known enrichment on the adjacent tenements. These programmes are expected to commence later this year.

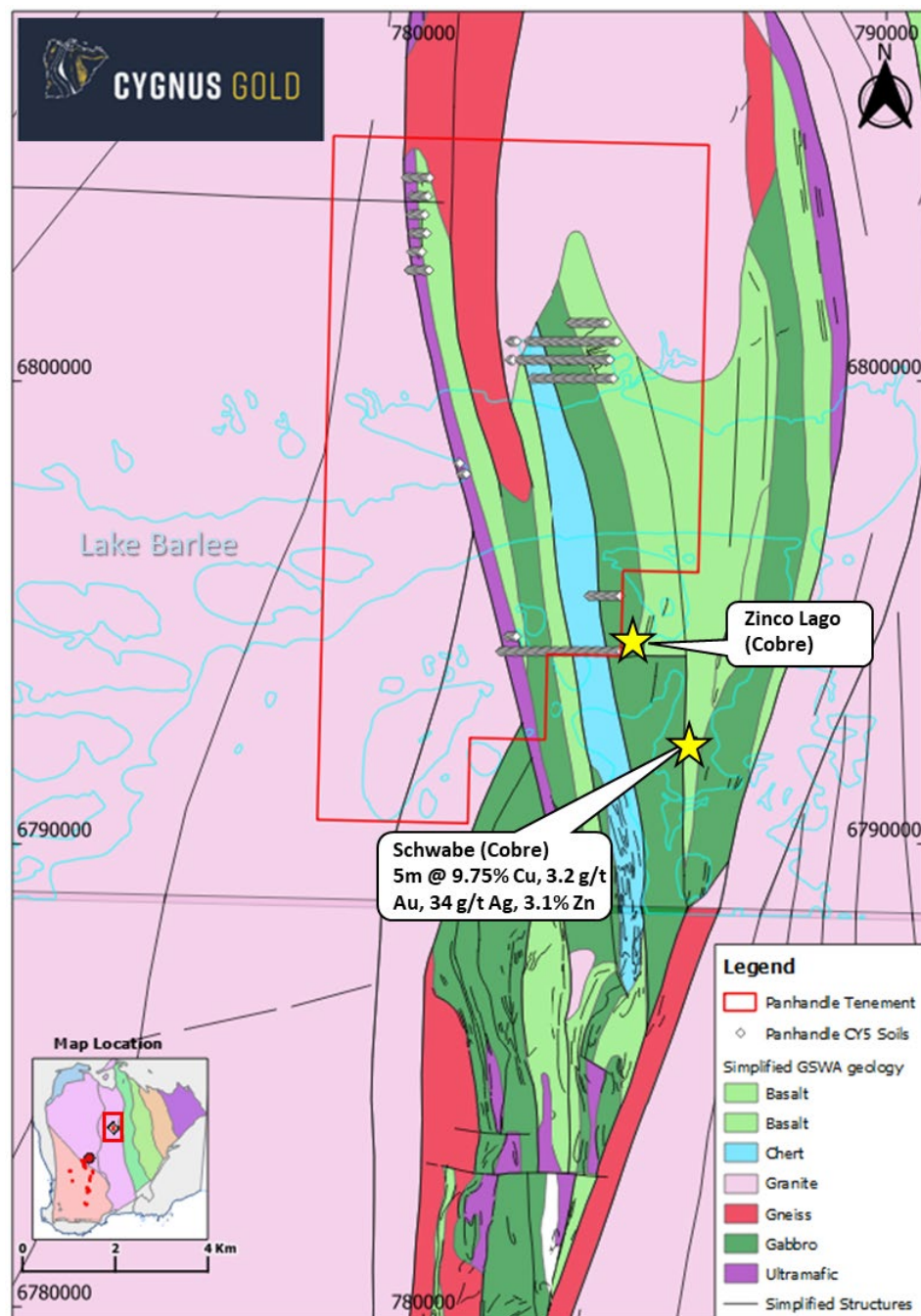


Figure 7: Cygnus' Panhandle project interpreted geology with adjacent Cobre prospects highlighted. Drill intersections quoted are from CBE ASX Announcement 31 January 2021. Illustrating location of completed soils programme.

CORPORATE

Cash Position and Movements

As of 30 June 2022, Cygnus Gold held \$1.9 million in cash (March 2022: \$2.4 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.

Board and Management Changes

On 25 May 2022, Michael Naylor was appointed to Executive Director of the Company. Mr Naylor was the Company's Chief Financial Officer (CFO) and Joint Company Secretary (JCS) since 2017 and has 26 years' experience in corporate advisory, public company management and global project generation.

Mr Naylor is also a Non-Executive Director of Bellevue Gold Limited, where he previously held an Executive Director position helping drive the success of the Company from junior explorer to an emerging gold producer with a market capitalisation of nearing one billion dollars. Mr Naylor is also a co-founder and Non-Executive Director of ASX listed Auteco Minerals Limited and Midas Minerals Limited.

In addition, Mr Naylor resigned as CFO and JCS and replaced as CFO by Ms Susan Field, Cygnus Gold's current JCS. Ms Field is a Chartered Accountant with 29 years' experience in the corporate sector and in public practice. Since qualifying as a Chartered Accountant with Ernst & Young, Ms Field has worked in several management roles in both the public and private sector.

Mr Raymond Shorrocks moved from Executive Chairman to Non-Executive Chairman and Mr Simon Jackson resigned as Non-Executive Director 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 to scientific paper 'Recent pegmatite-hosted spodumene discoveries in Western Australia: insights for lithium exploration in Australia and globally written by Zoe Phelps-Barber, Allan Trench & David I. Groves. Paper available at <https://www.tandfonline.com/doi/full/10.1080/25726838.2022.2065450?scroll=top&needAccess=true>

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, office occupancy and business development costs.
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. Exploration work related to this expenditure is outlined above.
6.1	Aggregate amount of payments to related parties and their associates	Payments (\$104,000) relate to an apportionment of the directors' salaries and superannuation for corporate activities, technical consulting fees, rent for office space and company secretarial services.
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 further business development.

APPENDIX 2 - CYGNUS GOLD LIMITED TENEMENTS (AS OF 30 JUNE 2022)

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%
E70/5098	Western Australia	Cygnus (JV Projects) Pty Ltd	100%

Mining Tenements disposed:

Tenement	Location	Registered Owner	Structure and Ownership
E77/2405	Western Australia	Deneb Resources Pty Ltd	100%

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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