

Cygnus to start drilling high-priority Stanley targets

ASX ANNOUNCEMENT:

12 April 2018

ASX: CY5

CORPORATE DIRECTORY

Non-Executive Chairman

Michael Bohm

Managing Director

James Merrillees

Non-Executive Directors

Amanda Buckingham

Simon Jackson

Oliver Kreuzer

Company Secretary

Michael Naylor

Cygnus Gold Limited

Level 3, 20 Parkland Rd,
Osborne Park, WA 6017

T: +61 8 9489 2680

E: info@cygnusgold.com

W: www.cygnusgold.com

Highlights

- ~3,000m RC drilling program to commence in April testing high-grade targets identified in recent diamond drilling
- Aircore drilling over broader Bottleneck area identifies anomalous gold mineralisation
- Visible gold identified in review of core from diamond drilling program
- Final results from detailed gravity survey results now interpreted over wider Stanley tenement (including Bottleneck) with additional targets for drill testing

Stanley Project (Cygnus 100%)

Cygnus Gold (ASX:CY5, the 'Company') plans to commence a ~3,000m reverse circulation drill program once its Programme of Works (PoW) are approved, which is expected imminently. This drilling will target the areas of high-grade gold results achieved in the recent diamond drill program, in addition to other priority targets.

Cygnus has also received final results from a 176-hole (3,300 m) aircore program which was drilled to follow-up broad target zones defined by a ground gravity survey collected in late 2017.

Drilling has identified several coherent anomalous zones that warrant follow up (Figure 1).

Cygnus has also now received the final data and completed an interpretation of an expanded, detailed ground gravity survey collected over the Stanley Project area. This detailed data provides an outstanding picture of the geology and structure of the Stanley Project, with high-priority targets identified for follow up testing (Figure 2).

Review of diamond core at Bottleneck identified visible gold associated with high grade zones in holes BNDD001 and BNDD006, indicating shallow high-grade gold is primary.

Cygnus Gold's Managing Director James Merrillees said the Company was encouraged by the aircore results, given the limited deep drilling in the broader Bottleneck area.

"Our first aircore campaign at Bottleneck identified several low-level gold anomalies that coincide with prospective structures," Mr Merrillees said.

"A high-impact RC drilling campaign starting this month will test not only these anomalies, but also targets defined from the new gravity survey as well as the high-grade gold system we've identified at Bottleneck."



RC Drilling Program

Cygnus is about to start a ~3,000m RC drilling program to follow up results from the initial programs completed at Stanley. The program will test high-priority targets at Bottleneck and other prospects identified from the Company's review of historical exploration in the Stanley Project. The program is summarised in Table 1 below.

Drilling will start when Cygnus' PoW is approved which was applied for in February and is expected later this month.

TABLE 1: Proposed RC Drilling Program, Stanley Project

Prospect	Target	Previous Drilling	Planned RC Drilling *
Bottleneck	Extensions to shallow, high-grade mineralisation intersected in Cygnus' diamond drilling program	Includes 114.63 g/t Au over 2.40 m from 38.70m in hole BNDD001 and 4.75m @ 34.17 g/t Au from 24.7m in hole BNDD003 (refer CY5 ASX announcement 22 February 2018) ¹	6 -7 holes (~600m)
Bottleneck	Extensions to basement mineralisation intersected in hole BNDD006	6m @ 3.3 g/t Au in fresh basement rock ~250m along strike from the Bottleneck discovery hole, and which is open at depth and along strike (refer CY5 ASX announcement 7 March 2018) ¹	5-8 holes (750-1,000m)
Bottleneck	Follow up Zones of >0.1 g/t Au coincident with structural targets identified from gravity survey	Refer Appendix 1	10-12 holes (800-1,000m)
Brays	Extensive auger gold anomalism of greater than 25 ppb Au over an area of 0.2 km x 0.2 km	5m at 2.45 g/t Au from 40m to end of hole (EOH) in RAB hole PRRB119, and 4m at 0.6 g/t Au from 48m to EOH in aircore hole 07KUAC134a ²	3-5 holes (300-500m)
Brays SE	Structural target zones identified from Cygnus' ground gravity survey coincident with NW-SE trending, >1 km-long and 0.2km to 0.4km-wide auger gold anomaly with up to 59 ppb Au	Aircore hole 09KUAC020 with 9m at 0.4 g/t Au from 39m ²	4 holes (400m)
Brays NW	Structural target zones identified from Cygnus' ground gravity survey coincident with gold anomaly in historical drilling	08KUAC032 intersected 11m at 165 ppb Au from 36m to EOH – open for over 800m to the southeast ²	1 hole (100m)
Stanley Hill	Structural target zones identified from Cygnus' ground gravity survey coincident with gold anomalies in historical drilling	11KUAC374 and 11KUAC380 which returned 3m at 1.55 g/t Au from 15m, and 3m at 3.77 g/t Au from 18m respectively, as well as hole 11KUAC405 located 350m to the north west of 11KUAC374, which intersected 3 m at 1.64 g/t Au from 12m. ²	1 hole (100 – 200m)

* Estimated

Aircore Drilling Results

Cygnus has now received and interpreted results from a 176-hole (3,300 m) aircore program, which was drilled to follow up broad target zones defined from a ground gravity survey the Company completed in late 2017.

Vertical drilling to blade refusal – typically occurring in the upper saprolite – has defined several NW-trending gold anomalies coincident with interpreted structural zones, considered important controls on gold mineralisation at Stanley. These anomalies are defined by aircore results greater than 0.1 g/t Au (Figure 1).

Several holes with greater than 0.1 g/t Au in bottom of hole samples are located at the end of drill lines and anomalism is therefore open in several directions. In particular, a cluster of holes in the west of the survey area map out a series of anomalous zones outboard of, and parallel with, the main Bottleneck structural trend.

A cluster of holes targeting a NW plunging regional fold closure to the north west of and along strike from Bottleneck were terminated in transported sediments so are therefore not considered to have been an effective test of this area.

All significant results from this program are shown in Appendix 1.

Ground Gravity Survey

Ground gravity data was acquired over a large part of the Stanley tenement during February and March. Data was collected over 3054 stations using a regular 150m x 150m grid. The results from this survey provide details of the complexity of the greenstone belt, which is only now available now due to the poor data resolution. of historical data Detailed interpretation of this high-resolution ground gravity data has now been completed and several high priority target zones have been identified for follow up (Figure 2).

At Stanley, the gravity method has been effective in mapping the denser, commonly more mafic greenstone rocks; the Company's target host rock types for gold mineralisation. Gravity data also maps out the key structures, interpreted as the pathways or 'plumbing system' along which gold bearing fluids are transported, as well as the key structural 'traps' such as fold hinges or closures that commonly focus gold and are targets for follow up testing.

Review of Diamond Drilling

During the recent review of the diamond drill program completed by Cygnus earlier in the year (*refer CY5 ASX announcement 7 March 2018*)¹, the Company's geologists identified several specks of visible gold associated with the high-grade intersections in hole BNDD001 (**2.40 m @ 114.63 g/t Au** from 38.70m) and BNDD006 with **2 m @ 8.82 g/t Au** from 161.5m (Figure 4).

Importantly, the quartz-hosted visible gold in weathered bedrock in hole BNDD001 suggests that the shallow high grades intercepted in hole BNDD001 are primary rather than secondary.

This observation combined with the recognition of key structures controlling gold mineralisation at Bottleneck is an exciting development in the Company's evolving understanding of the Bottleneck mineralisation and will guide exploration over the broader Stanley Project.

For further information please visit www.cygnusgold.com or contact:

Cygnus Gold

James Merrillees - Managing Director

T: +61 8 9489 2680

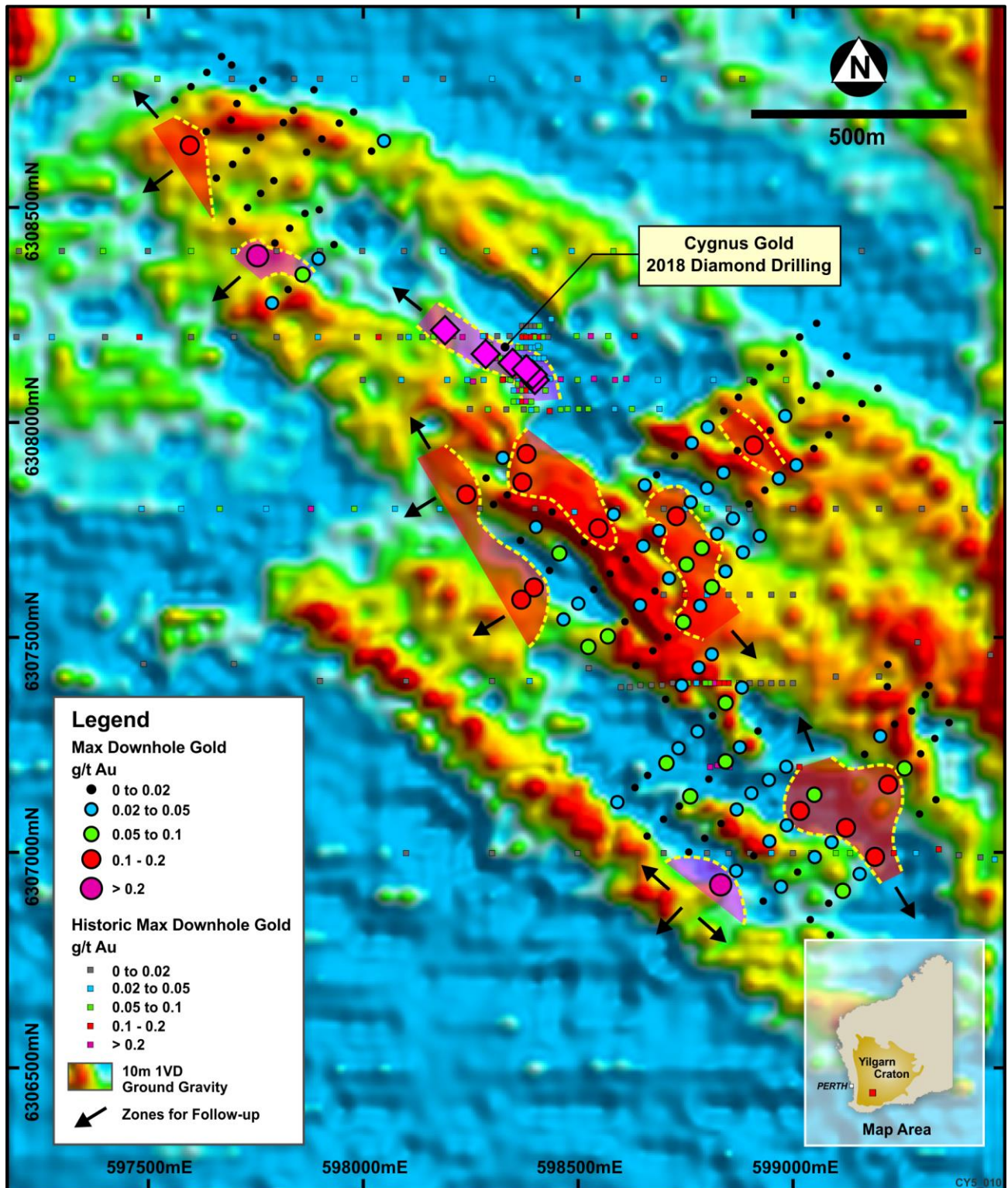


Figure 1: Plan view of Cygnus' Bottleneck aircore and diamond drilling with historical drilling on detailed ground gravity (first vertical derivative of Bouguer gravity).

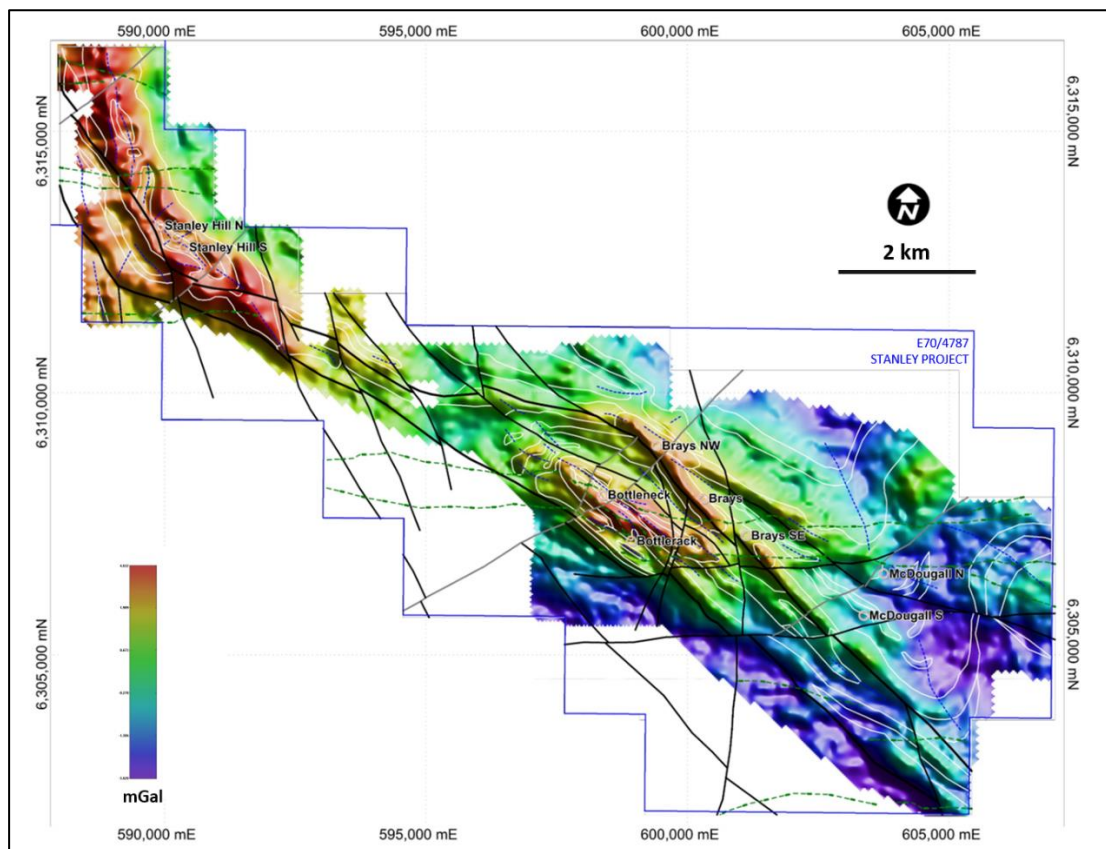


Figure 2: Residual Bouguer gravity image of detailed gravity collected over the Stanley Project with main prospects and interpreted geology (refer figure 3 below for geological legend)

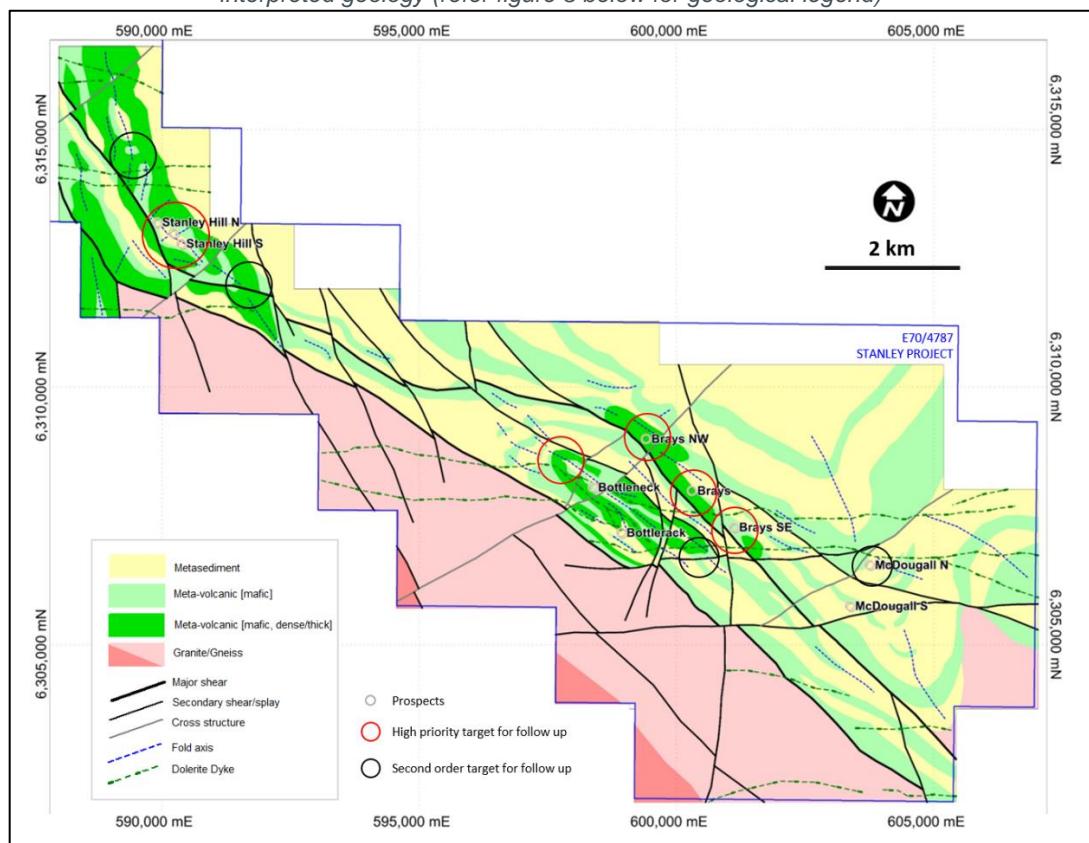


Figure 3: Geological interpretation of detailed gravity collected over the Stanley Project with location of prospects and priority zones for follow up



Figure 4: (a) Gold speck in quartz vein BNDD0001-39.8m.

(b) Gold in quartz vein BNDD0006-162.1m

About Cygnus Gold

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

Cygnus Gold's tenements include both early stage exploration areas through to advanced drill-ready targets, where high-grade gold results were achieved in drilling by previous explorers. In addition to the 100 per cent owned Projects, Cygnus is managing two significant earn-in agreements with ASX-listed Gold Road Resources, whereby Gold Road is earning into Cygnus' Lake Grace and Wadderin Projects. The Company is also managing exploration on the Yandina Project, in joint venture with Gold Road.

Cygnus' technical team has considerable knowledge and experience in targeting and evaluating gold mineralised systems world-wide, using a regional-scale, mineral systems approach to identifying areas prospective for economic mineral deposits.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information and supporting documentation compiled by Mr James Merrillees, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Merrillees is Managing Director and a full-time employee of Cygnus Gold and holds shares in the Company.

Mr Merrillees 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 Merrillees consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

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 – DRILL HOLE INFORMATION

Table 2: Aircore collar coordinate details – Bottleneck Prospect, Stanley Project (E70/4787). Drill hole coordinates MGA94 Zone 50 (GDA94). Collars located with handheld GPS (± 5 m accuracy), EOH= end of hole depth; AC= Aircore Hole

Hole ID	Hole Type	EOH (m)	Easting	Northing	Nominal RL (m)	Dip	Azimuth (MGA)
BBAC001	AC	25	597788	6308279	298	-90	0
BBAC002	AC	34	597824	6308310	296	-90	0
BBAC003	AC	35	597859	6308346	295	-90	0
BBAC004	AC	27	597896	6308383	297	-90	0
BBAC005	AC	18	597931	6308414	297	-90	0
BBAC006	AC	12	597864	6308487	298	-90	0
BBAC007	AC	4	597828	6308453	297	-90	0
BBAC008	AC	18	597794	6308418	297	-90	0
BBAC009	AC	22	597754	6308388	299	-90	0
BBAC010	AC	7	597694	6308469	289	-90	0
BBAC011	AC	7	597730	6308500	290	-90	0
BBAC012	AC	6	597761	6308534	293	-90	0
BBAC013	AC	6	597791	6308563	295	-90	0
BBAC014	AC	15	597761	6308664	296	-90	0
BBAC015	AC	13	597728	6308633	294	-90	0
BBAC016	AC	10	597695	6308601	293	-90	0
BBAC017	AC	11	597658	6308569	294	-90	0
BBAC018	AC	20	597596	6308645	295	-90	0
BBAC019	AC	7	597634	6308677	295	-90	0
BBAC020	AC	9	597692	6308704	293	-90	0
BBAC021	AC	12	597705	6308742	292	-90	0
BBAC022	AC	45	597743	6308778	291	-90	0
BBAC023	AC	39	597766	6308796	292	-90	0
BBAC024	AC	32	597670	6308851	291	-90	0
BBAC025	AC	34	597635	6308815	292	-90	0
BBAC026	AC	29	597599	6308781	292	-90	0
BBAC027	AC	36	597561	6308751	291	-90	0



Hole ID	Hole Type	EOH (m)	Easting	Northing	Nominal RL (m)	Dip	Azimuth (MGA)
BBAC028	AC	18	597813	6308698	295	-90	0
BBAC029	AC	22	597837	6308726	293	-90	0
BBAC030	AC	36	597885	6308774	291	-90	0
BBAC031	AC	30	597977	6308723	291	-90	0
BBAC032	AC	39	597944	6308697	292	-90	0
BBAC033	AC	15	597903	6308660	294	-90	0
BBAC034	AC	20	597868	6308629	295	-90	0
BBAC035	AC	35	598048	6308656	295	-90	0
BBAC036	AC	33	598018	6308632	296	-90	0
BBAC037	AC	17	597897	6308495	299	-90	0
BBAC038	AC	41	599086	6308115	307	-90	0
BBAC039	AC	38	599124	6308155	306	-90	0
BBAC040	AC	37	599196	6308080	312	-90	0
BBAC041	AC	31	599159	6308045	311	-90	0
BBAC042	AC	11	599123	6308010	311	-90	0
BBAC043	AC	5	599082	6307972	312	-90	0
BBAC044	AC	5	599047	6307941	312	-90	0
BBAC045	AC	7	598869	6307935	309	-90	0
BBAC046	AC	5	598907	6307948	310	-90	0
BBAC047	AC	3	598945	6307982	311	-90	0
BBAC048	AC	4	598981	6308017	309	-90	0
BBAC049	AC	15	599018	6308052	309	-90	0
BBAC050	AC	35	599054	6308086	308	-90	0
BBAC051	AC	51	599054	6308232	306	-90	0
BBAC052	AC	30	599014	6308199	307	-90	0
BBAC053	AC	40	598978	6308162	306	-90	0
BBAC054	AC	39	598945	6308129	308	-90	0
BBAC055	AC	26	598908	6308095	309	-90	0
BBAC056	AC	14	598872	6308060	308	-90	0
BBAC057	AC	5	598837	6308027	308	-90	0



Hole ID	Hole Type	EOH (m)	Easting	Northing	Nominal RL (m)	Dip	Azimuth (MGA)
BBAC058	AC	11	598801	6307991	308	-90	0
BBAC059	AC	11	598764	6307954	309	-90	0
BBAC060	AC	12	598723	6307923	312	-90	0
BBAC061	AC	9	598682	6307879	314	-90	0
BBAC062	AC	8	598655	6307856	315	-90	0
BBAC063	AC	14	598651	6307715	317	-90	0
BBAC064	AC	9	598688	6307750	315	-90	0
BBAC065	AC	12	598728	6307783	315	-90	0
BBAC066	AC	6	598762	6307816	315	-90	0
BBAC067	AC	14	598800	6307850	314	-90	0
BBAC068	AC	8	598838	6307885	311	-90	0
BBAC069	AC	5	599007	6307902	312	-90	0
BBAC070	AC	9	598966	6307872	312	-90	0
BBAC071	AC	7	598933	6307843	313	-90	0
BBAC072	AC	3	598897	6307811	315	-90	0
BBAC073	AC	6	598860	6307778	317	-90	0
BBAC074	AC	10	598823	6307743	317	-90	0
BBAC075	AC	6	598787	6307709	319	-90	0
BBAC076	AC	10	598751	6307671	321	-90	0
BBAC077	AC	10	598711	6307640	322	-90	0
BBAC078	AC	8	598678	6307609	322	-90	0
BBAC079	AC	3	598644	6307577	324	-90	0
BBAC080	AC	11	598634	6307436	332	-90	0
BBAC081	AC	3	598673	6307470	331	-90	0
BBAC082	AC	3	598708	6307502	330	-90	0
BBAC083	AC	8	598744	6307538	328	-90	0
BBAC084	AC	7	598783	6307576	325	-90	0
BBAC085	AC	7	598810	6307619	322	-90	0
BBAC086	AC	8	598843	6307655	319	-90	0
BBAC087	AC	6	598883	6307700	320	-90	0



Hole ID	Hole Type	EOH (m)	Easting	Northing	Nominal RL (m)	Dip	Azimuth (MGA)
BBAC088	AC	4	598922	6307738	319	-90	0
BBAC089	AC	3	598780	6307432	335	-90	0
BBAC090	AC	6	598810	6307463	334	-90	0
BBAC091	AC	4	598611	6307682	321	-90	0
BBAC092	AC	3	598608	6307538	329	-90	0
BBAC093	AC	16	598523	6307480	329	-90	0
BBAC094	AC	12	598569	6307504	330	-90	0
BBAC095	AC	4	598573	6307649	324	-90	0
BBAC096	AC	28	598535	6307613	325	-90	0
BBAC097	AC	41	598500	6307581	326	-90	0
BBAC098	AC	6	598514	6307722	323	-90	0
BBAC099	AC	4	598547	6307755	320	-90	0
BBAC100	AC	15	598582	6307788	317	-90	0
BBAC101	AC	30	598456	6307697	324	-90	0
BBAC102	AC	46	598432	6307657	324	-90	0
BBAC103	AC	44	598397	6307618	327	-90	0
BBAC104	AC	29	598367	6307589	324	-90	0
BBAC105	AC	33	598466	6307544	328	-90	0
BBAC106	AC	7	598439	6307793	319	-90	0
BBAC107	AC	21	598402	6307759	319	-90	0
BBAC108	AC	45	598365	6307727	319	-90	0
BBAC109	AC	17	599085	6306809	318	-90	0
BBAC110	AC	29	599039	6306845	319	-90	0
BBAC111	AC	17	599082	6306883	321	-90	0
BBAC112	AC	11	599115	6306913	322	-90	0
BBAC113	AC	31	599154	6306952	322	-90	0
BBAC114	AC	37	599190	6306991	321	-90	0
BBAC115	AC	44	599123	6307059	327	-90	0
BBAC116	AC	11	599089	6307025	326	-90	0
BBAC117	AC	8	599050	6306991	326	-90	0



Hole ID	Hole Type	EOH (m)	Easting	Northing	Nominal RL (m)	Dip	Azimuth (MGA)
BBAC118	AC	17	599010	6306956	324	-90	0
BBAC119	AC	19	598972	6306923	323	-90	0
BBAC120	AC	28	598930	6306888	321	-90	0
BBAC121	AC	22	598831	6306926	323	-90	0
BBAC122	AC	29	598867	6306959	324	-90	0
BBAC123	AC	6	598907	6306994	326	-90	0
BBAC124	AC	3	598944	6307028	326	-90	0
BBAC125	AC	16	598985	6307065	325	-90	0
BBAC126	AC	31	599016	6307098	327	-90	0
BBAC127	AC	28	599049	6307136	330	-90	0
BBAC128	AC	22	598984	6307201	333	-90	0
BBAC129	AC	33	598943	6307171	334	-90	0
BBAC130	AC	46	598903	6307140	333	-90	0
BBAC131	AC	3	598868	6307102	331	-90	0
BBAC132	AC	3	598832	6307069	331	-90	0
BBAC133	AC	24	598793	6307034	328	-90	0
BBAC134	AC	33	598757	6307002	326	-90	0
BBAC135	AC	5	598659	6307039	331	-90	0
BBAC136	AC	39	598698	6307079	331	-90	0
BBAC137	AC	23	598735	6307109	331	-90	0
BBAC138	AC	29	598760	6307133	333	-90	0
BBAC139	AC	47	598803	6307172	337	-90	0
BBAC140	AC	25	598591	6307119	334	-90	0
BBAC141	AC	23	598631	6307152	334	-90	0
BBAC142	AC	24	598661	6307180	336	-90	0
BBAC143	AC	41	598705	6307210	337	-90	0
BBAC144	AC	49	598733	6307244	338	-90	0
BBAC145	AC	30	598843	6307214	339	-90	0
BBAC146	AC	16	598876	6307247	340	-90	0
BBAC147	AC	15	598917	6307283	339	-90	0



Hole ID	Hole Type	EOH (m)	Easting	Northing	Nominal RL (m)	Dip	Azimuth (MGA)
BBAC148	AC	5	598881	6307385	337	-90	0
BBAC149	AC	5	598843	6307350	341	-90	0
BBAC150	AC	13	598812	6307319	342	-90	0
BBAC151	AC	39	598777	6307284	341	-90	0
BBAC152	AC	5	598740	6307390	336	-90	0
BBAC153	AC	13	598703	6307357	335	-90	0
BBAC154	AC	18	599166	6307230	329	-90	0
BBAC155	AC	8	599202	6307272	328	-90	0
BBAC156	AC	4	599235	6307300	329	-90	0
BBAC157	AC	3	599275	6307330	329	-90	0
BBAC158	AC	3	599307	6307368	332	-90	0
BBAC159	AC	5	599315	6307389	332	-90	0
BBAC160	AC	23	599362	6307303	334	-90	0
BBAC161	AC	29	599329	6307266	331	-90	0
BBAC162	AC	14	599295	6307231	327	-90	0
BBAC163	AC	17	599259	6307197	325	-90	0
BBAC164	AC	20	599221	6307160	321	-90	0
BBAC165	AC	31	599293	6307091	322	-90	0
BBAC166	AC	31	599331	6307124	324	-90	0
BBAC167	AC	1	599218	6307387	332	-90	0
BBAC168	AC	3	599220	6307438	330	-90	0
BBAC169	AC	21	598334	6307832	313	-90	0
BBAC170	AC	39	598302	6307810	312	-90	0
BBAC171	AC	42	598239	6307833	309	-90	0
BBAC172	AC	43	598285	6307872	309	-90	0
BBAC173	AC	33	598370	6307862	315	-90	0
BBAC174	AC	36	598324	6307920	313	-90	0
BBAC175	AC	27	598380	6307928	315	-90	0
BBAC176	AC	41	597693	6308832	291	-90	0



Table 3: Bottleneck – significant aircore drilling assay results. Intervals are calculated with a lower cut-off of 0.1 g/t Au with up to 1m of below cut-off internal dilution included. Higher grade intervals reported >1 g/t Au. No top-cut applied. All widths quoted are downhole widths, true widths are not known at this stage. * EOH End of Hole intersection

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
BBAC009	21	22 (EOH)	1	0.27
BBAC018	16	19	3	0.14
BBAC046	4	5 (EOH)	1	0.12
BBAC065	4	8	4	0.18
BBAC099	3	4 (EOH)	1	0.11
BBAC103	43	44 (EOH)	1	0.14
BBAC104	0	4	4	0.10
BBAC114	20	24	4	0.13
BBAC115	0	4	4	0.14
BBAC121	20	21	1	0.20
BBAC126	30	31 (EOH)	1	0.15
BBAC164	19	20 (EOH)	1	0.14
BBAC171	40	41	1	0.15
BBAC173	28	32	4	0.16
BBAC175	24	26	2	0.20

APPENDIX 2: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data – Stanley Aircore Drilling and Ground Gravity Survey

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	<p><u>Aircore Drilling</u></p> <p>The results in this release relate to holes BBAC001 - BBAC176 all drilled within Cygnus Gold's 100% owned Stanley Project.</p> <p><u>Gravity Survey</u></p> <p>Gravity readings taken at 150m x 150m spacing, located with Real Time Kinematic GPS</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<p><u>Aircore Drilling</u></p> <p>Sampling was undertaken under Cygnus Gold's standard procedures including QAQC. The laboratory also applied QAQC protocols.</p> <p>One metre samples were collected from individual plastic bags using a spear sampler, although scoops were used where the spear method was unsuitable (e.g. when the sample was wet).</p> <p>A four-metre composite was then made up these individual one metre samples to obtain an approximately 2.5 - 3kg sample. An individual one metre 'end of hole' sample was also collected for submission.</p> <p><u>Gravity Survey</u></p> <p>Repeat readings were taken at an established control station within the survey area.</p>
	<p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>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.</i></p>	<p><u>Aircore Drilling</u></p> <p>All samples are pulverised at the lab to 85% passing -75µm to produce a 50g charge for Fire Assay with an ICP-AES finish.</p> <p><u>Gravity Survey</u></p> <p>N/A</p>
Drilling techniques	<i>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).</i>	<p><u>Aircore Drilling</u></p> <p>Aircore drilling with a blade bit was completed to "refusal", giving 1-2m of fresh bedrock sample</p> <p>Drill holes were drilled vertically.</p> <p>The program was supervised by experienced Cygnus Gold geologists.</p> <p><u>Gravity Survey</u></p>

Criteria	JORC Code explanation	Commentary
		N/A
<i>Drill sample recovery</i>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>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.</i></p>	<p><u>Aircore Drilling</u></p> <p>One metre samples were collected in individual plastic bags via a cyclone on the rig.</p> <p>Sample recovery was estimated visually and was generally around 80-90% but was as low as 30-40% in some near surface samples.</p> <p><u>Gravity Survey</u></p> <p>N/A</p>
<i>Logging</i>	<p><i>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.</i></p>	<p><u>Aircore Drilling</u></p> <p>Samples were wet sieved and logged for colour, weathering, grain size, major lithology (where possible) along with any visible alteration, sulphides or other mineralisation</p> <p>The entire hole is logged by experienced geologists employed by Cygnus Gold using Cygnus Gold's logging scheme.</p> <p>The level of detail is considered sufficient for early stage exploration of the type being undertaken here.</p> <p><u>Gravity Survey</u></p> <p>N/A</p>
	<p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p>	<p><u>Aircore Drilling</u></p> <p>Geological logging is qualitative whereas magnetic susceptibility are quantitative</p> <p>All chip trays are photographed in the field.</p> <p><u>Gravity Survey</u></p> <p>N/A</p>
	<p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p><u>Aircore Drilling</u></p> <p>All holes are logged over their entire length.</p> <p><u>Gravity Survey</u></p> <p>N/A</p>
<i>Sub-sampling techniques and sample preparation</i>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p>	<p><u>Aircore Drilling</u></p> <p>Samples were composited over 4m intervals with a 1m end of hole sample also collected.</p> <p>Samples were generally dry and duplicate samples were taken at the frequency of 1 duplicate per 50 samples.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>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.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>All samples were prepared at the ALS Laboratory in Perth. All samples were dried and pulverised to 85% passing 75µm and a sub sample of approximately 200g retained. A nominal 50g charge was used for the fire assay analysis. The procedure is industry standard for this type of sample and analysis.</p> <p>Sample sizes are considered appropriate given the particle size and the need to keep 4m samples below a targeted 3kg weight which meet the targeted grind size using LMS the mills used in sample preparation by ALS.</p> <p><u>Gravity Survey</u></p> <p>N/A</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p>	<p><u>Aircore Drilling</u></p> <p>Samples were analysed at ALS Laboratory, Perth. The analytical method used was a 50g charge for Fire Assay with an ICP-AES finish for gold only. This method gives a near total digest of the sample and is considered appropriate for the material and mineralisation.</p> <p>Representative samples were also analysed using the ALS method ME-MS61 which is a four-acid digest with an ICP-MS or ICP-OES finish depending on the element being reported with Cygnus requesting analyses for 48 elements. Four acid digestion is considered a 'near total' digest.</p> <p><u>Gravity Survey</u></p> <p>N/A</p>
	<p><i>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.</i></p>	<p><u>Aircore Drilling</u></p> <p>Magnetic susceptibilities were recorded in the field using a magROCK magnetic susceptibility metre with a sensitivity of 1×10^{-5} SI units.</p> <p><u>Gravity Survey</u></p> <p>The survey was undertaken by Atlas Geophysics Pty Ltd using a Scintrex CG-5 Autograv Gravity Meter and V100 GNSS receiver [3D positioning].</p>
	<p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<p><u>Aircore Drilling</u></p> <p>Cygnus has submitted a mix of Certified Reference Materials (CRMs) and blanks at a rate of five per 100 samples.</p> <p>Umpire checks are not required for early stage exploration projects.</p> <p><u>Gravity Survey</u></p> <p>Repeat readings conducted a frequency of 2%</p>
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p>	<p><u>Aircore Drilling</u></p> <p>Significant results are checked by the Project Geologist and Competent Person in addition to checks by the Database Manager.</p>

Criteria	JORC Code explanation	Commentary
		<u>Gravity Survey</u> No verification completed
	<i>The use of twinned holes.</i>	<u>Aircore Drilling</u> No twinned holes have been completed at this early stage of exploration. <u>Gravity Survey</u> N/A
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<u>Aircore Drilling</u> All field logging is carried out on a laptop using Ocris Mobile software. Logging data is submitted electronically to the Database Manager based in Perth. Assay files are received from the lab electronically and all data is stored in the Company's SQL database managed by Expedio Ltd in Perth. <u>Gravity Survey</u> Gravity and positional data were recorded digitally on the field equipment. The formatted GNSS data are imported into Atlas Geophysics data processing software "AGRIS" (Atlas Geophysics Reduction and Information Software) and combined with gravity data to produce a gravity database for the project. Data quality assurance [QA] procedures are applied daily, and data is uploaded to the Atlas server in Perth.
	<i>Discuss any adjustment to assay data.</i>	<u>Aircore Drilling</u> No assay data is adjusted. <u>Gravity Survey</u> N/A
<i>Location of data points</i>	<i>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.</i>	<u>Aircore Drilling</u> Aircore collars were determined by handheld GPS, which are considered accurate to $\pm 5\text{m}$ in Northing and Easting. <u>Gravity Survey</u> The survey was planned on a 150 x 150m regular grid, using Real Time Kinematic GPS. The GNSS measurements give an accuracy of better than 0.5m for x, y coordinates and better than 10m for the z coordinate.
	<i>Specification of the grid system used.</i>	The grid system used is MGA94 Zone 50 (GDA94).
	<i>Quality and adequacy of topographic control.</i>	RLs are allocated to the hole collar using a DTM derived from detailed topography. The accuracy is estimated to be better than 2m in elevation.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	<u>Aircore Drilling</u> Drill holes were planned on a nominal 50 x 100m grid.

Criteria	JORC Code explanation	Commentary
		<u>Gravity Survey</u> Survey planned on a 150 x 150m grid, using Real Time Kinematic GPS.
	<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>	<u>Aircore Drilling</u> The current drill spacing is broad spaced and designed to follow up regolith anomalism and structural targets identified from a ground gravity survey completed by Cygnus in 2017. <u>Gravity Survey</u> Station spacing is appropriate for a first pass project-wide gravity survey
	<i>Whether sample compositing has been applied.</i>	<u>Aircore Drilling</u> Samples were composited over 4m intervals. <u>Gravity Survey</u> N/A
<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>	<u>Aircore Drilling</u> Drilling is along SW-NE traverses, orthogonal to the general trend of stratigraphy. <u>Gravity Survey</u> Gravity readings were taken over a regular 150m x 150m grid to eliminate directional bias when gridding and processing/filtering.
	<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>	<u>Aircore Drilling</u> Drill holes are vertical, whereas it is interpreted that the stratigraphy has a sub-vertical or steep westerly dip. <u>Gravity Survey</u> N/A
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	<u>Aircore Drilling</u> Samples were placed in calico bags which were then placed in larger polyweave bags and sealed with cable ties before transport to the laboratory in Perth by B&J Bracknell Haulage (approximately 300km by road). The sample dispatches were accompanied by supporting documentation, signed by the site project geologist, which outlined the submission number, number of samples and preparation/analysis instructions. Samples were logged prior to being sampled. ALS maintains the chain of custody once the samples are received at the preparation facility, with a full audit trail available via the ALS Webtrieve site. <u>Gravity Survey</u>

Criteria	JORC Code explanation	Commentary
		N/A
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<u>Aircore Drilling</u> Sampling and assaying techniques are considered to be industry standard. At this stage of exploration, no external audits or reviews have been undertaken. <u>Gravity Survey</u> None completed.

Section 2 Reporting of Exploration Results - Stanley Aircore Drilling and Ground Gravity Survey

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>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.</i>	<p>The drill holes were all completed within E70/4787 (Stanley tenement) which is 100% owned by Cygnus Gold. The landownership within E70/4787 is mostly freehold, and Cygnus has a Land Access Agreement according to the Mining Act 1978 (WA) with the underlying landowners that own the ground (i.e. lots 9721, 9722 and 13192) at and around Cygnus's Bottleneck Prospect.</p> <p>Cygnus has signed a standard Indigenous Land Use Agreement (ILUA) for E70/4787.</p>
	<i>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.</i>	The Stanley tenement (E70.4787) is in good standing with the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS). Cygnus is unaware of any impediments for exploration on this licence.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Historical exploration within E70/4787 occurred in three distinct time periods:</p> <ul style="list-style-type: none"> 1979 to 1988: Shell Company of Australia Ltd (Shell), Otter Exploration NL (Otter), and Associated Gold Fields NL (AGF) in joint venture with Golden Valley Mines NL. Work during this period was mainly undertaken in the northern part of E70/4787 and resulted in the discovery of several gold prospects. 1996 to 2002: Tiger Resources NL (Tiger) and Elward Nominees Pty Ltd (a wholly owned subsidiary of Tiger). Work during this period mainly focused on the northern portion of E70/4787 and was mostly directed towards follow-up of previously identified gold-in-regolith anomalies and gold prospects. 2006 to 2013: Dominion Mining Ltd (Dominion), Quadrio Resources Ltd (Quadrio; a wholly owned subsidiary of Dominion) and Kingsgate Consolidated Ltd (Kingsgate; which acquired Dominion in 2011). Work during this period was mainly undertaken in the southern and central parts of E70/4787 and resulted in the discovery in 2008 of the shallow, high-grade Bottleneck Prospect. Fieldwork and drilling ceased in early 2012 after the merger of Kingsgate and Dominion. In 2013, Kingsgate sold Quadrio and its extensive portfolio of Australian exploration projects to Caravel Minerals Ltd. The latter did not undertake any further work and relinquished the project in 2014. <p>Please refer to the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017 for details of and references to the previous work.</p>
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>Cygnus's projects are located in the Southwest Terrane of the Archaean Yilgarn Craton. Project-scale geology consists of granite-greenstone lithologies that were metamorphosed to amphibolite to granulite facies grade. The Archaean lithologies are cut by Proterozoic dolerite dykes.</p> <p>Mineralisation observed to date is similar in style to that at the nearby Katanning, Tampia and Griffins Find gold deposits. These deposits, classified as metamorphosed orogenic lode deposits, are characterized by multiple stacked lodes up to 25 m thick and greater than 1,000 m long in quartz rich gneiss and felsic to intermediate granulite. Narrow high-grade ore shoots (>10 g/t Au) are commonly enclosed within broader low-grade envelopes (<2 g/t Au) hosting the bulk of the ore at these deposits.</p>

Criteria	JORC Code explanation	Commentary
		<p>Gold is commonly associated with pyrrhotite, pyrite, chalcopyrite, magnetite \pm molybdenite. Quartz veins are rare. The mineralization is controlled by the schistosity of the metamorphosed host rocks and plunging folds preserved in these rocks.</p> <p>Please refer to the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017 for more detail.</p>
Drill hole Information	<p>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:</p> <ul style="list-style-type: none"> 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 o down hole length and interception depth o hole length. <p>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.</p>	<p><u>Aircore Drilling</u></p> <p>All assay and collar information are tabulated in Appendix 1 of this report.</p> <p>All significant intercepts are reported at a 0.1 g/t Au cut-off.</p> <p>Summaries of significant previous drill intersections at Bottleneck (including JORC Table 1 information) are provided in the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017.</p> <p><u>Gravity Survey</u></p> <p>N/A</p>
Data aggregation methods	<p>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.</p>	<p><u>Aircore Drilling</u></p> <p>Intersection lengths and grades for all holes are reported as a down-hole, length weighted average of grades above a cut-off of 0.1 g/t Au.</p> <p><u>Gravity Survey</u></p> <p>N/A</p>
	<p>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.</p>	<p>Intersection lengths and grades for all holes are reported as a down-hole, length weighted average of grades above a cut-off of 0.1 g/t Au and may include up to 1m of 'internal waste' below that cut-off.</p> <p>Details of all intersections are included in Appendix 1 in the body of the announcement.</p>
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>No metal equivalent values are reported.</p>
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p>	<p>Drill hole intersections are reported down hole, and true width is unknown.</p>

Criteria	JORC Code explanation	Commentary
	<i>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').</i>	
<i>Diagrams</i>	<i>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.</i>	<u>Aircore Drilling</u> Refer to the figures in the body of this announcement for relevant plans including a tabulation of intercepts. <u>Gravity Survey</u> Plan of Bouguer gravity data shown as Figure 2, also showing all gravity station locations.
<i>Balanced reporting</i>	<i>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.</i>	<u>Aircore Drilling</u> Intersection lengths and grades are reported as down-hole, length weighted averages of grades above a cut-off (0.1 g/t Au). Numbers of drill holes and metres are included in the body of the announcement. <u>Gravity Survey</u> All data reported.
<i>Other substantive exploration data</i>	<i>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.</i>	No other substantive exploration data is available for reporting.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Targeted RC drilling is planned.