



## Cygnus Gold Bottleneck drilling results in

### ASX ANNOUNCEMENT:

4 July 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](mailto:info@cygnusgold.com)

W: [www.cygnusgold.com](http://www.cygnusgold.com)

### Key points

- Diamond core results from Bottleneck drilling intersected target mineralised horizon
- Grades and thicknesses have not replicated previously reported high-grade intersected in Cygnus hole BNDD006
- Diamond hole BNDD007 (near Brays Prospect) intersected a 25m interval of disseminated sulphides hosted by mafic-ultramafic granulite
- Follow up drilling on the more than 20km of prospective greenstone Stanley Project will focus on the Brays and Stanley Hill Prospects
- Ground geophysics and auger soil sampling underway on the Company's JV Projects with Gold Road at Lake Grace and Wadderin.

**Cygnus Gold** (or the **Company**) (**ASX:CY5**) advises that results have been received from the final seven diamond core holes drilled on the Company's wholly-owned Stanley Project in the southwest of Western Australia.

The most recent assay results are from six diamond (DD) holes drilled to extend reverse circulation (RC) precollars, targeting mineralisation intersected in the basement at the Bottleneck Prospect in Cygnus hole BNDD006, as well as a single diamond hole drilled on the Brays Prospect (refer ASX announcement 08 June 2018).

Significant intersections in the six DD holes at Bottleneck include BNRD010 with:

- 1.0m @ 0.32g/t Au from 116.2m
- 2.0m @ 0.58g/t Au from 131.2m
- 1.0m @ 0.66g/t Au from 152.3m; and

BNRD024 which intersected:

- 2.7m @ 0.33g/t Au from 151.4m
- 1.0m @ 0.10g/t Au from 190.0m

Although these intervals coincide with the targeted extensions of the mineralised zone intersected in Cygnus hole BNDD006, the latest assays have not replicated earlier high-grade results.

DD hole BNDD007 at Brays intersected a dense, magnetite and sulphide-rich (pyrite, pyrrhotite and trace chalcopyrite) mafic-ultramafic unit. Detailed structural logging demonstrated that the hole was drilled down the limb of a fold and missed the targeted fold nose structure.

Cygnus Gold's Managing Director James Merrillees said, "It is early days at our Stanley Project and there are several, highly- promising targets the Company has identified which we plan to test at Stanley and elsewhere on our significant tenement package in the south west of WA.

"The detailed ground surveys and four drilling programs we've completed since listing in January have increased our understanding of mineralisation at Stanley, also reflecting the team's ability to execute our exploration strategy. We are well funded to leverage this capability as we continue to test high-quality targets in our portfolio over the coming months."



## Diamond Drilling Program

Cygnus has now received all assays from the six diamond (DD) tails that targeted extensions to gold mineralisation surrounding the Company's hole BNDD006, which intersected 6m @ 3.27 g/t Au from 157.5m including a higher-grade zone of 2m @ 8.82 g/t Au from 161.5 (refer CY5 ASX announcement dated 7 March 2018)<sup>1</sup>. Hole BNDD006 was the first hole in the more than 20km strike of greenstone rocks on the Stanley Project to intersect high-grade gold mineralisation in fresh rock (Figure 1).

In addition, a single DD hole (BNDD007) was drilled to target a structural zone to the northwest of the main Brays Prospect.

A total of 612m of drilling was completed with all collars and significant results tabulated in Appendix 1.

At Bottleneck six previously reported RC holes were extended with diamond tails to reach target depths (Figure 2). Significant intersections from these new holes included:

- BNRD010 with:
  - 1.0m @ 0.32g/t Au from 116.2m
  - 2.0m @ 0.58g/t Au from 131.2m
  - 1.0m @ 0.66g/t Au from 152.3m
- BNRD024:
  - 2.7m @ 0.33g/t Au from 151.4m
  - 1.0m @ 0.10g/t Au from 190.0m

Although drilling successfully tested the mineralised position intersected in BNDD006, overall these narrow, lower grade zones demonstrated that mineralisation in this part of the Bottleneck system is variable. Detailed structural review of the core is now focused on confirming the strike and dip of the mineralising system to determine remaining scope for new targets here.

Hole BNDD007, drilled ~600m to the NW of the Brays Prospect, intersected a dense, magnetite and sulphide-rich (pyrite, pyrrhotite and trace chalcopyrite) mafic-ultramafic unit. Detailed structural logging demonstrated that the hole was drilled down the limb of a fold and missed the targeted fold nose structure. A review of the Company's geological interpretation (based on detailed ground gravity) also demonstrated that the hole was drilled away from the potentially more prospective fold nose position (Figure 3).

Further drilling at Brays will include testing this fold nose position as well as follow up of mineralisation intersected by the Company in RC drilling including 8m @ 0.53 g/t Au from 80m in hole BRRC031 (refer ASX announcement 8 June 2018)<sup>1</sup>.

The diamond drilling program was co-funded by a grant from the WA government's Exploration Initiative Scheme, and the Company has now received the first 80% instalment of this grant with the balance to be received on submission of a final report later this month.



## Other Projects

Ground geophysical (gravity) and surface sampling (auger soils and laterite sampling) programs are well advanced on the two Gold Road (ASX:GOR) earn-in projects at Lake Grace and Wadderin, located in the south-west of Western Australia, with plans to drill test high potential targets in the second half of the year.

The earn-in joint venture provides GOR with the opportunity to earn up to a 75% interest in the ~3,400km<sup>2</sup> area of Cygnus' Wadderin and Lake Grace exploration projects by spending \$3.7m over four years (refer GOR ASX announcement 10 October 2017).

Planning is also well advanced for drilling on the Bencubbin Project where the Company has received co-funding from the WA Government to drill high priority targets on the Jefferies Prospect (refer ASX announcement 14 June 2018).

For further information please visit [www.cygnusgold.com](http://www.cygnusgold.com) or contact:

### Cygnus Gold

James Merrillees - Managing Director

T: +61 8 9489 2680

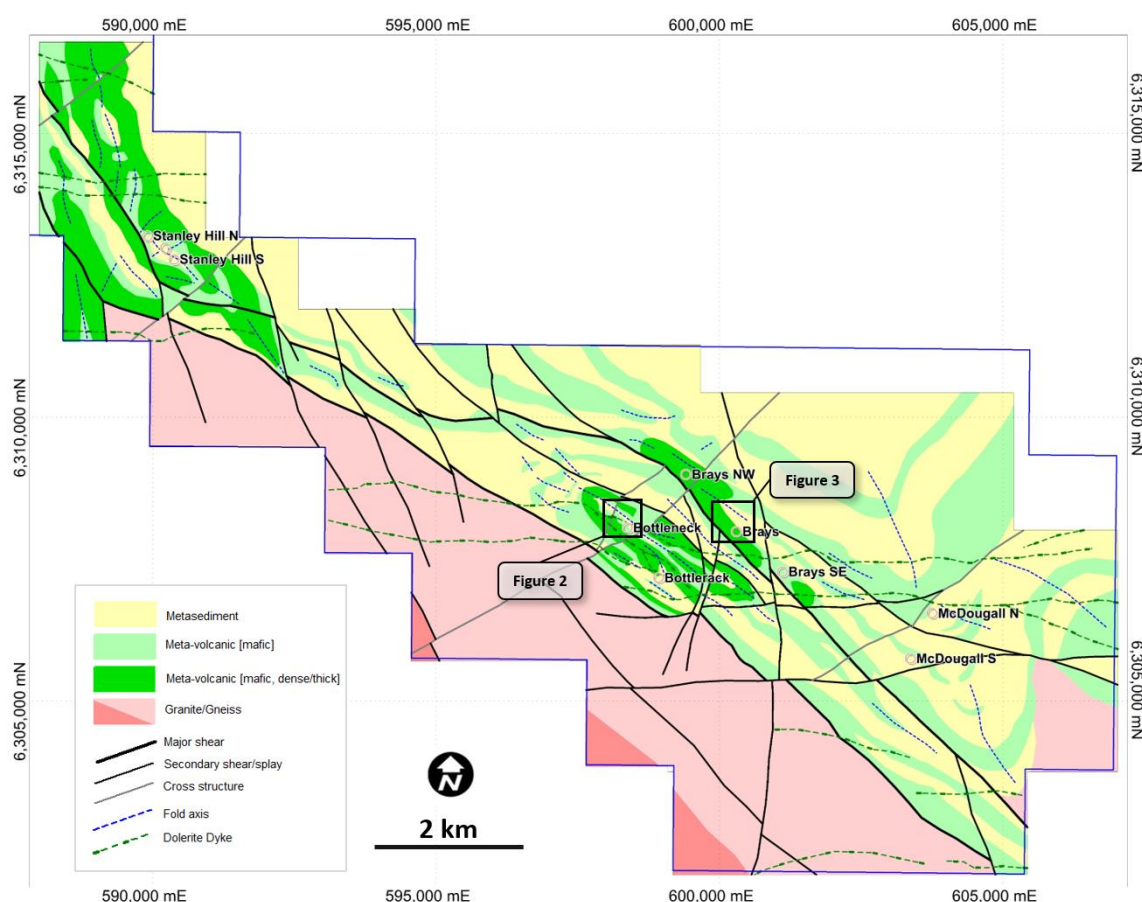
E: [info@cygnusgold.com](mailto:info@cygnusgold.com)

### Investors/Media

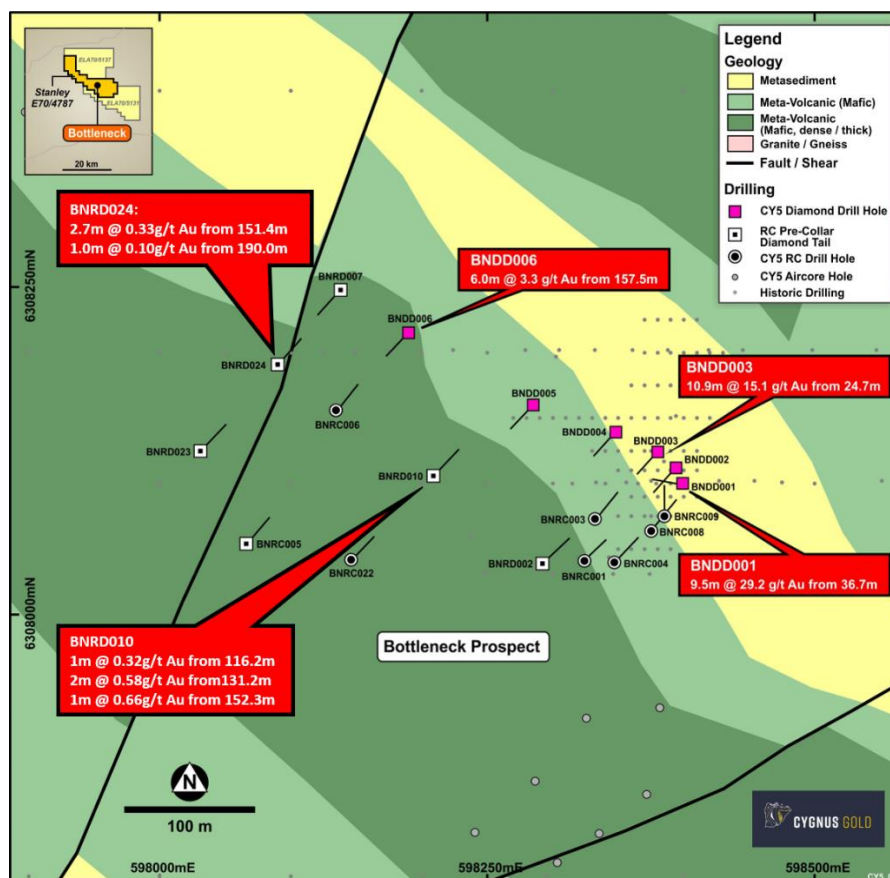
Karen Oswald - NWR Communications

T: +423 602 353

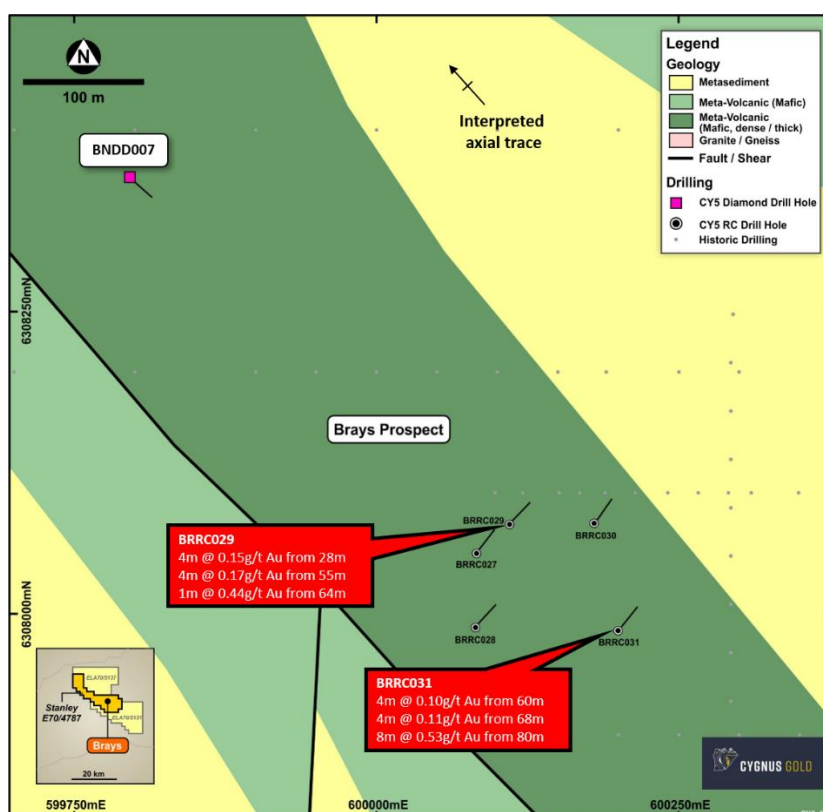
E: [karen@nwrcommunications.com.au](mailto:karen@nwrcommunications.com.au)



**Figure 1: Cygnus' Stanley Project, interpreted geology with main prospects labelled.**



**Figure 2:** Plan view of Cygnus' drilling at Bottleneck over interpreted geology. Holes BNDD001 - BNDD006 are previously reported Cygnus holes (refer CY5 ASX announcement 7 March 2018)<sup>1</sup>.



**Figure 3:** Plan view of Cygnus' drilling at Brays over interpreted geology with arrow on axial trace indicating location of fold nose.

## 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 wholly- 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.

*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.*



## APPENDIX 1 – DRILL HOLE INFORMATION

**TABLE 1:** Reverse circulation and diamond collar coordinate details – Bottleneck Prospect, Stanley Project (E70/4787). Drill hole coordinates MGA94 Zone 50 (GDA94). Collars located with handheld GPS ( $\pm 5$  m accuracy), EOH= end of hole depth; RC= Reverse Circulation Hole, DD = Diamond core hole, RD Reverse circulation pre-collar, diamond core tail

**Note that only the DD portion of the RD holes are reported in this announcement with results from the reverse circulation component previously reported (refer ASX announcement 8 June 2018)<sup>1</sup>.**

Prospect	Hole ID	Hole Type	EOH (m)	MGA East	MGA North	Nominal RL (m)	Dip	Azimuth (MGA)
Bottleneck	BNRD002	DD	144.2	598289	6308037	306	-59	43
Bottleneck	BNRD005	DD	231.0	598070	6308095	301	-59	50
Bottleneck	BNRD007	DD	156.2	598138	6308248	298	-60	222
Bottleneck	BNRD010	DD	156.5	598209	6308106	302	-59	46
Bottleneck	BNRD023	DD	201.1	598031	6308125	300	-59	46
Bottleneck	BNRD024	DD	162.8	598090	6308191	300	-60	49
Brays	BNDD007	DD	101.8	599842	6308356	311	-60	138





**TABLE 2:** Significant 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

Note assays from diamond holes (diamond component of RD holes and the DD hole) are outstanding as at the date of this report.

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
BNRD002	101.92	102.92	1	0.14
BNRD002	111.44	113.7	2.26	0.23
BNRD002	123.7	124.7	1	0.14
BNRD005	97.3	98.3	1	0.10
BNRD005	158.4	159.4	1	0.11
BNRD005	162.4	165	2.6	0.19
BNRD005	189.3	191.3	2	0.30
BNRD005	223	224	1	0.15
BNRD005	227	228	1	0.13
BNRD007	124.7	126	1.3	0.22
BNRD010	116.2	117.2	1	0.32
BNRD010	131.2	133.2	2	0.58
BNRD010	152.2	153.2	1	0.66
BNRD023	151.4	154.1	2.7	0.33
BNRD023	190	191	1	0.10

## 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>	Six RC holes were completed with diamond tails These holes are designated “RD”. A total of six RD holes were drilled for 612m. In addition, one diamond hole (BNDD007) was drilled to test a structural target at the Brays Prospect.  The entire length of drill core was halved, and half core submitted for analysis.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Sampling including QAQC was done under Cygnus Gold’s standard procedures. The laboratory also applied their own internal QAQC protocols.  See further details below.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>  <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>	Diamond drilling was completed using a HQ3 or NQ2 drilling bit. Core is transported to ALS Laboratory in Perth where it was halved for sampling with a half core sample assayed at measured intervals.  All samples are pulverised at the lab to 85% passing -75µm to produce a 50g charge for Fire Assay with an ICP-AES finish.  Samples are analysed by ALS Laboratories in Perth.
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>	Diamond Drilling (DD and RD holes) were drilled by drill contractor Terra Drilling. Drilling from surface (BNDD007) was NQ2 (50.6mm) diameter to end of hole for sampling and analysis.  The six holes which extended previously drilled RC ‘pre-collars’ were cased to the end of the RC pre-collar with steel HQ casing and then drilled with NQ2 diameter core to target EOH.  The drill bit size is considered appropriate for this style of mineralisation.  A north seeking gyro downhole survey system was used approximately every 30m to monitor downhole trajectory.  Suitably competent core was oriented using a Reflex orientation tool, with core cleaned and pieced together on site.  The program was supervised by experienced Cygnus Gold geologists.



Criteria	JORC Code explanation	Commentary
<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>Diamond drill core is collected dry, and drillers measure core recoveries for every drill run completed using 6m and 3m barrels.</p> <p>Diamond drilling collects uncontaminated fresh samples which are cleaned on site to remove drilling fluids etc with clean core laid out in core trays for logging and sampling.</p> <p>Drill core recovery was determined after every run by measuring the length of core returned against the distance drilled by the drilling contractor.</p> <p>Core recovery was mostly 100% with minimal core loss in strongly weathered, near surface material.</p> <p>There is no apparent correlation between gold grades and ground conditions. There is no apparent sample bias.</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><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>Geological logging of the entire holes was conducted 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>Diamond drill core is oriented where possible and structural data recorded.</p> <p>Magnetic susceptibilities and specific gravity (SG) was measured on diamond core samples at approximately 5m intervals.</p> <p>Geological logging is qualitative whereas magnetic susceptibility readings and density readings are quantitative</p> <p>All core trays are photographed wet and dry in the field.</p> <p>No geotechnical logging has been done as the program is early stage exploration.</p> <p>All holes are logged over their entire length.</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><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</i></p>	<p>Core was cut at ALS Laboratory in Perth using an industry standard automatic core saw. Half core samples were pulverized for analysis.</p> <p>The remaining half of the core is stored in the core trays, and at the end of the program remaining core will be returned to the WA Department of Mines, Industry Regulation and Safety (DMIRS) as a condition of a co-funding agreement with the Department under their Exploration Initiative Scheme (EIS).</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>No duplicates were collected for diamond core holes.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>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>Sample sizes are considered appropriate given the particle size and the need to keep 1-2m samples below a targeted 3kg weight which meet the targeted grind size using LMS the mills used in sample preparation by ALS.</p>
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<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 are 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>
	<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>	Magnetic susceptibilities were recorded in the field using a magROCK magnetic susceptibility metre with a sensitivity of $1 \times 10^{-5}$ SI units.
	<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>For diamond core drilling Cygnus has submitted a mix of certified Reference Materials (CRMs) and blanks at a rate of five per 100 samples. No field duplicates are collected.</p> <p>Umpire checks are not required for early stage exploration projects.</p>
	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant results are checked by the Project Geologist and Competent Person in addition to checks by the Database Manager.
Verification of sampling and assaying	<i>The use of twinned holes.</i>	No twinned holes have been completed at this early stage of exploration
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	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 Expedito Ltd in Perth.
	<i>Discuss any adjustment to assay data.</i>	No assay data is adjusted.
	<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>	<p>DDH collars were determined by handheld GPS, which are considered accurate to <math>\pm 5</math>m in Northing and Easting.</p> <p>Angled holes are set up using a clinometer to set the angle of the drill rig's mast.</p> <p>Diamond core holes are surveyed using a north seeking gyroscope at approximately 30m intervals and at the end of hole.</p>
Location of data points	<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 for reporting of Exploration Results.</i>	Drill holes are approximately 10 to 10,000m spacing.

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<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>	N/A as no resource estimation is made.
	<i>Whether sample compositing has been applied.</i>	No sample compositing was applied.
<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>	Orientation and dip of drill holes was determined from an interpretation of geophysics and modelling of geochemistry drilled by previous explorers and a detailed structural interpretation undertaken by Cygnus.  In general drilling intersected structural fabrics perpendicular to the long core axis.  Detailed structural analysis is ongoing to better understand orientation of structures controlling mineralisation.
	<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>	The true width of mineralised intersections is not known at this stage.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Core trays containing the entire core were packed in the field and stored on site prior to shipment, along with a pre-determined set of labelled calico bags for sampling. Pallets of securely strapped core were freighted directly from site to ALS 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 are logged prior to being cut and 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.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling and assaying techniques are considered to be industry standard. At this stage of exploration, no external audits or reviews have been undertaken.

## 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 ( <b>DMIRS</b> ). 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"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul> <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 (&gt;10 g/t Au) are commonly enclosed within broader low-grade envelopes (&lt;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 <math>\pm</math> 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><i>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:</i></p> <ul style="list-style-type: none"> <li>o <i>easting and northing of the drill hole collar</i></li> <li>o <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>o <i>dip and azimuth of the hole</i></li> <li>o <i>down hole length and interception depth</i></li> <li>o <i>hole length.</i></li> </ul> <p><i>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.</i></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>
Data aggregation methods	<p><i>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.</i></p>	<p>No top cuts have been applied to high grade results, and individual grades &gt; 10g/t Au are reported as received from the lab.</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><i>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.</i></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><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>No metal equivalent values are reported.</p>
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><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></p>	<p>Drill hole intersections are reported down hole, and true width is unknown.</p>

Criteria	JORC Code explanation	Commentary
<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>	Refer to the figures in the body of this announcement for relevant plans and sections including a tabulation of intercepts.
<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>	Intersection lengths and grades are reported as down-hole, length weighted averages of grades above a cut-off (0.1 g/t Au). Higher grade intervals (>1 g/t Au) within these zones are reported separately.  Individual grades >10 g/t Au are reported, and no top cut has been applied.  Numbers of drill holes and metres are included in the body of the announcement.
<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>	Follow up drilling at the Bottleneck Prospect is dependent on the outcomes of a detailed structural and geological review of results to date.  Follow up aircore drilling is planned to test extensions to the Brays Prospect.