



CYGNUS GOLD

Interim Financial Report
For the half-year ended 30 June 2018

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Directors' report

The Directors of Cygnus Gold Limited (Cygnus or the Company) present their Interim Financial Report of the Company for the period ended 30 June 2018.

Board of directors

The directors of the Company throughout the half year and to the date of this report are as follows:

Michael Bohm	Non-Executive Chairman
James Merrillees	Managing Director
Simon Jackson	Non-Executive Director
Oliver Kreuzer	Non-Executive Director
Amanda Buckingham	Non-Executive Director

Principal activities

Cygnus is a gold exploration company focused on gold exploration in south west Yilgarn region of Western Australia.

There have been no significant changes in the nature of these activities during the period.

Review of operations and financial results

Exploration

Cygnus Gold's exploration activities are focused on the Southwest Terrane of the Yilgarn Craton, Western Australia (Figure 1). The Company has more than 8,000km² in granted tenements and applications covering interpreted and known greenstone rocks where previous explorers have identified numerous prospects with widespread high grade, near surface gold mineralisation.

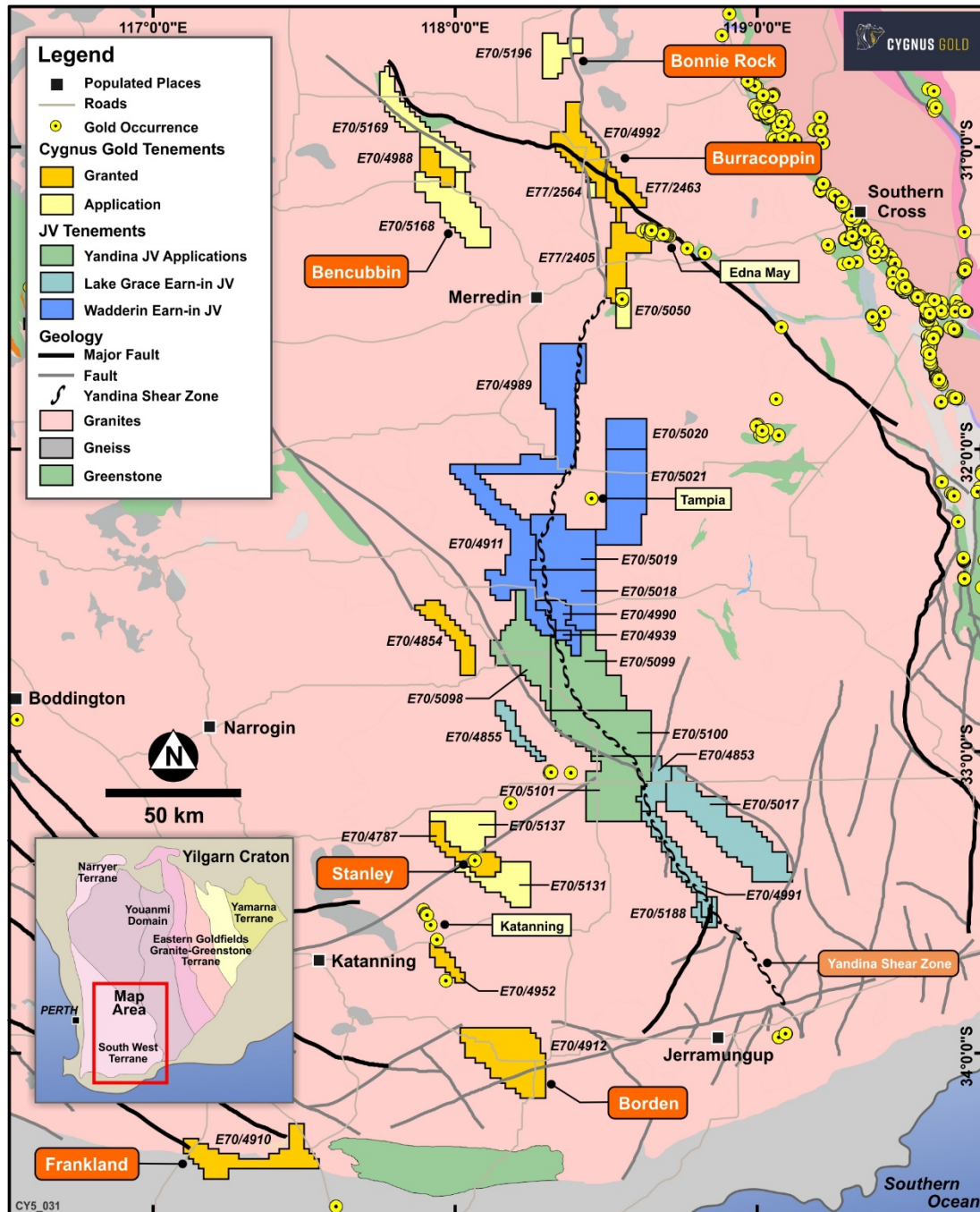


Figure 1: Cygnus Gold granted tenements and applications in the Southwest Terrane, Western Australia.

Stanley Project (Cygnus 100%)

During the period the Company's exploration focus has principally been on the Stanley Project. The ~160km² Stanley tenement covers more than 20km strike length of prospective greenstone including numerous prospects where previous explorers have intersected high grade gold mineralisation.

Exploration included:

- Diamond core drilling at the Bottleneck Prospect targeting historical intersections of shallow, high grade gold, as well as interpreted down-plunge targets which had never been tested;
- A 176-hole (3,300m) aircore program, targeting prospective structural zones defined from the ground gravity survey the Company completed in late 2017;
- A 32-hole (2,975m) RC drilling program (six of these holes were extended with diamond core tails), targeting gold mineralisation surrounding the Bottleneck Prospect, as well as targets at the Brays and Stanley Hill Prospects, which have never been tested with deeper drilling; and
- Extending the detailed ground gravity survey over much of the Stanley tenement.

Diamond Drilling Program

A total of six holes (628.7m) were drilled, which were the first core holes ever drilled into the Stanley Project, with the program co-funded by a grant from the WA Government's Exploration Initiative Scheme.

Significant results included (Refer ASX announcements on 22 February 2018 and 7 March 2018)¹:

- **BNDD001: 9.50m @ 29.20g/t Au from 36.70m**
incl. 2.4m @ 114.63g/t Au from 38.70m
- **BNDD003: 10.95m @ 15.10g/t Au from 24.70m**
incl. 4.75m @ 34.17g/t Au from 24.70m
- **BNDD006: 6m @ 3.27g/t Au from 157.5m**
incl. 2m @ 8.82g/t Au from 161.5m.

Drilling confirmed the width and grade of mineralisation intersected in historical aircore holes. Importantly, holes BNDD001 and BNDD006 intersected mineralisation in fresh basement. Hole BNDD006 was planned as a conceptual 'step-out' hole and was drilled approximately 250m northwest of the first five holes into the Bottleneck Prospect.

Aircore Drilling Program

Vertical drilling to blade refusal – typically occurring in the upper saprolite – defined several NW-trending gold anomalies coincident with interpreted structural zones, considered important controls on gold mineralisation at Stanley.

Several holes with greater than 0.1g/t Au in bottom of hole samples are located at the end of drill lines and anomalism is therefore open in several directions. This includes a cluster of holes in the west of the survey area which map out a series of anomalous zones outboard of, and parallel with, the main Bottleneck structural trend (Figure 2).

A cluster of holes targeting a plunging regional fold closure to the northwest 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.

For full results of the aircore program refer to ASX announcement dated 12 April 2018.¹

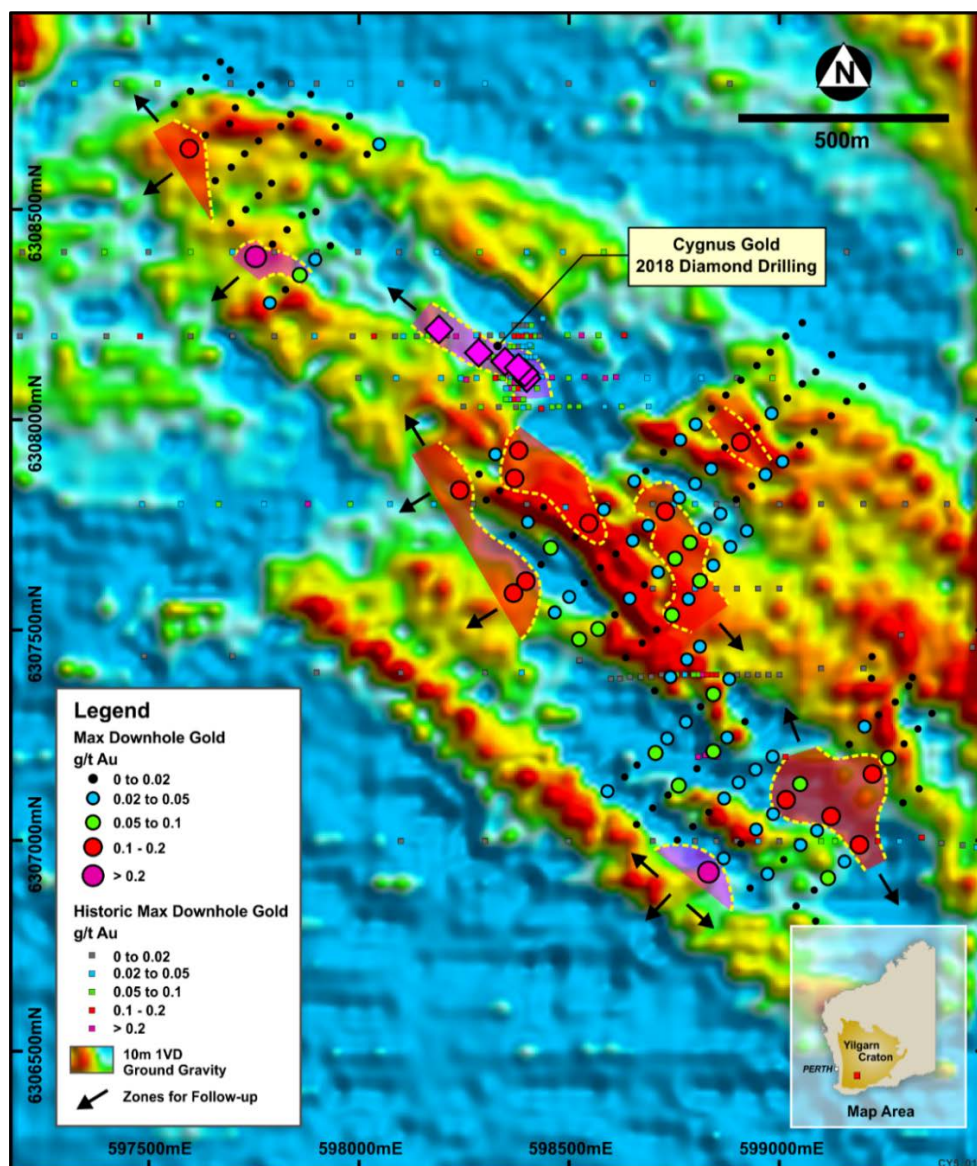


Figure 2: Plan view of Cygnus Gold's Bottleneck aircore and diamond drilling with historical drilling on detailed ground gravity (first vertical derivative of Bouguer gravity).

RC and Diamond Drilling Program

Cygnus completed a 32-hole (2,975m) RC drilling program, targeting gold mineralisation surrounding the Bottleneck Prospect, as well as targets at the Brays and Stanley Hill Prospects, which have never been tested with deeper drilling (Figure 3).

Six of the RC holes at Bottleneck were extended with diamond core 'tails' and one diamond hole (BNDD007) was drilled to test a structural position at Brays.

High-grade Zone

BNRC009 targeted extensions to high-grade mineralisation previously reported by Cygnus Gold around BNDD001 where the Company intersected 4.75m @ 34.17g/t Au from 24.7m (refer CY5 ASX announcement 22 February 2018)¹. BNRC009 intersected:

- 7m @ 4.9g/t Au from 42m incl. 1m @ 33.0g/t Au from 42m

BNRC009 confirmed the targeted high-grade horizon however did not materially extend mineralisation into the basement. A review of any further potential to extend this high-grade zone is underway.

Basement Extensions

Six holes (BNRD005, BNRD007, BNRC022 BNRD023 BNRD024 and BNRD025) targeted extensions to mineralisation previously reported in Cygnus hole BNDD006.

The mineralised zone at BNDD006 was considered a high priority target by the Company as it was the first Cygnus Gold hole to intersect high-grade mineralisation in fresh basement rock, with 6m @ 3.3g/t Au from 157.5m (refer CY5 ASX announcement 7 March 2018)¹, approximately 250m along strike from the shallow high-grade intercepts at the main Bottleneck Prospect. Significant intersections included:

- BNRD010 with:
 - 3.0m @ 1.01g/t Au from 111.0m and
 - 1.0m @ 0.32g/t Au from 116.2m and
 - 2.0m @ 0.58g/t Au from 131.2m and
 - 1.0m @ 0.66g/t Au from 152.3m;
- BNRD024 which intersected:
 - 2.7m @ 0.33g/t Au from 151.4m and
 - 1.0m @ 0.10g/t Au from 190.0m.

BNRD005 intersected several narrow zones of mineralisation coincident with BNDD006 including 1m @ 1.31g/t Au from 83m (refer CY5 ASX announcement 6 June 2018)¹.

Holes BNRC022 and BNRD023 intersected what is interpreted as a narrow, mineralised zone that extends more than 80m between these two holes, with best intervals of 4m @ 0.27g/t Au from 148m in BNRC022 (refer CY5 ASX announcement 6 June 2018)¹:

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.

Bottleneck 'Extended'

Several RC holes were drilled to test aircore gold anomalies drilled by Cygnus Gold up to five kilometres from the Bottleneck Prospect. The best intersections from these holes included (refer CY5 ASX announcement 6 June 2018)¹:

- BNRC012 with 2m @ 0.37g/t Au from 41m
- BNRC013 with 1m @ 1.07g/t Au from 34m
- BNRC015 with 6m @ 0.62g/t Au from 46m



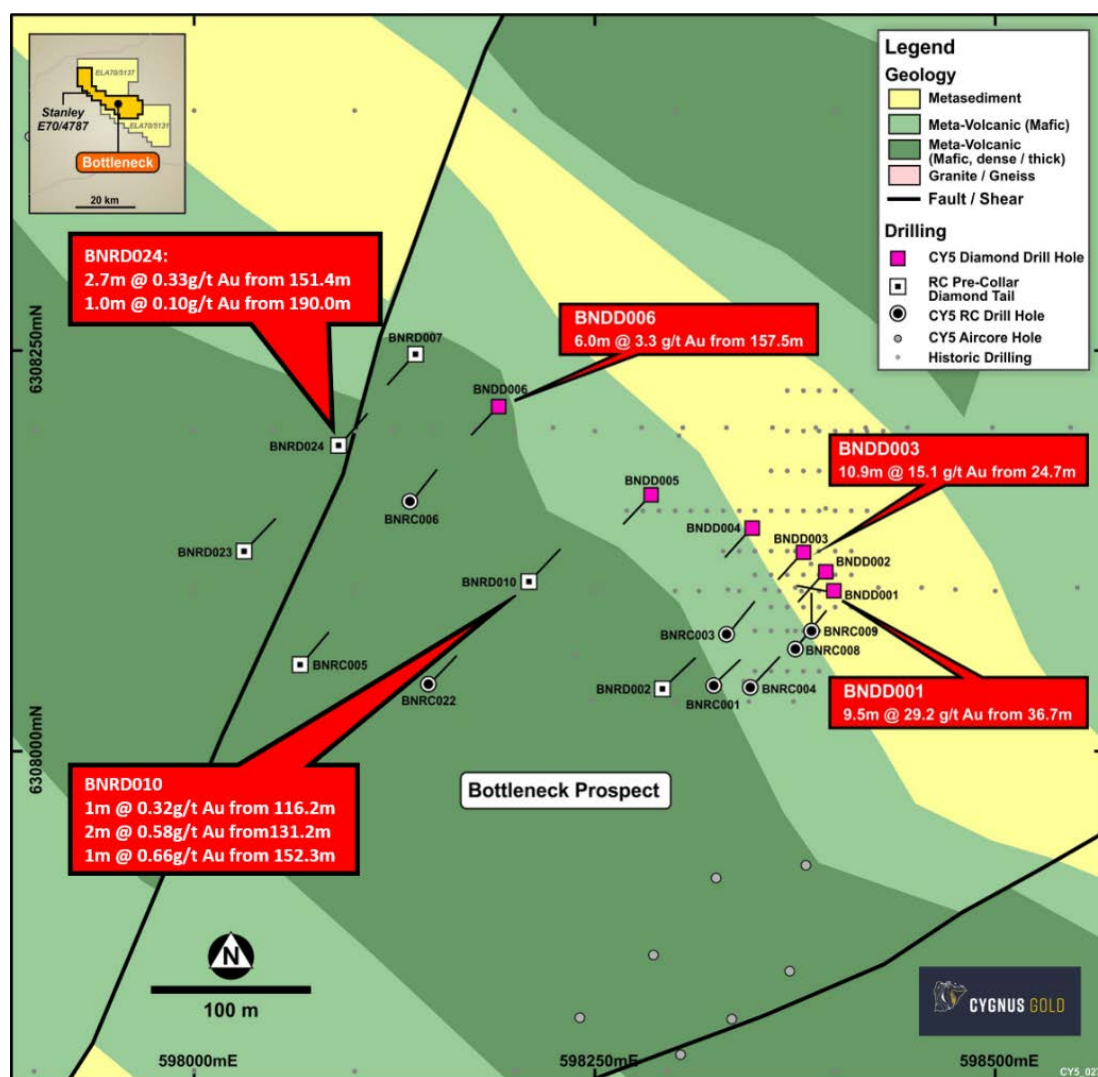


Figure 3: Plan view of Cygnus' drilling at Bottleneck over interpreted geology (refer CY5 ASX announcement 7 March 2018)¹.

Other Prospects

Cygnus Gold's RC program also targeted other zones on the Stanley Project where the Company's detailed gravity survey defined several targets associated with shallow aircore gold anomalies reported by previous explorers.

At Brays - where drilling by previous explorers intersected up to 8m @ 2.97g/t Au² - the Company drilled seven RC holes (BRRC025-BRRC031) with a best intersection of 8m @ 0.53g/t Au from 80m in BRRC031.

A single Cygnus Gold diamond hole immediately north of Brays (BNDD007) did not intersect any significant gold mineralisation but drilled a dense, magnetite and sulphide-rich (pyrite, pyrrhotite and trace chalcopyrite) mafic-ultramafic unit. Detailed structural logging in combination with interpretation of newly acquired ground gravity data demonstrated that the hole was drilled down the limb of a fold and missed the potentially more prospective fold nose structure immediately to the north.

Further drilling at Brays will include testing this fold nose position as well as follow up of mineralisation intersected in hole BRRC031 (refer ASX announcement 8 June 2018)¹.

The Company also drilled one RC hole (SHRC032) into the Stanley Hill Prospect intersecting 8m @ 0.31g/t Au from 28m (refer CY5 ASX announcement 6 June 2018)¹.

Ground Gravity Survey

Cygnus completed processing and interpretation of detailed ground gravity data collected by the Company over much of the Stanley tenement. Data was collected at 3,054 stations using a regular 150m x 150m grid. The interpretation of this high-resolution ground gravity data has identified several high priority target zones for follow up.

As verified by drilling at Stanley, the gravity survey effectively mapped denser, commonly mafic greenstone rocks; the Company's key target host rock types for gold mineralisation. The gravity data has also mapped out the key structures not evident in magnetic data and 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.

Bencubbin (Cygnus 100%)

Cygnus Gold's Bencubbin tenement, located ~220km northeast of Perth, is centred on a 10km long section of the Bencubbin Greenstone Belt.

The Company's initial focus at Bencubbin is on the Jefferies gold prospect, where previous explorers defined a ~3.5km long auger gold anomaly with assay values up to 566ppb Au broadly coincident with a contact between the greenstone belt and a granite intrusion².

The Company has received co-funding from the WA Government to drill high priority targets on the Jefferies Prospect.

Other Projects (Cygnus 100%)

In addition to Stanley and Bencubbin the Company has ~1,700km² of granted tenements and 997km² of applications, covering prospective greenstone rocks of the Southwest Terrane of the Yilgarn Craton.

During the period the Company identified and met with landowners of properties covering prospects and targets identified from Cygnus Gold's review of historical data. The response from landowners was generally positive and field reconnaissance has commenced on several targets that will be the focus of exploration once access has been negotiated.

Gold Road Earn-in Agreements (Cygnus diluting to 25%)

On 9 October 2017, the Company entered into two earn-in and joint venture agreements with Gold Road Resources Limited (ASX:GOR); whereby Gold Road is earning into Cygnus Gold's Wadderin and Lake Grace Projects.

The Company is the manager of the Earn-in Projects, and in collaboration with GOR has developed programs and budgets to further exploration on several high priority areas defined from existing and historical datasets.

The Company commenced ground follow up of high priority targets at both Wadderin and Lake Grace including detailed and regional geochemical sampling over high priority targets as well as follow up ground geophysics.

Targeted aircore and RC drilling is planned in the second half of the year to test targets defined by the current ground programs.

Cygnus Gold completed first pass surface sampling and ground gravity over high ranking targets on the Lake Grace Project. Semi-detailed ground gravity data collected by the Company over the Holland Rock 3 (HR3) and Panhandle prospects successfully identified several high priority targets with coincident surface geochemistry; with follow up drilling planned once all assays are received and interpreted.

Surface sampling over the HR3 target identified a narrow Au anomaly associated with a NE trending structure. This gold anomaly is adjacent to a coherent 800 x 250m multi element As-Sb-Bi-Te-Mo-Pb anomaly, with these 'pathfinder' elements typically associated with gold mineralisation in the region.

Results from surface sampling over the Panhandle Prospect are expected in late September 2018 with follow up aircore and RC drilling planned later in the year to test these emerging targets after the harvest in early December.

Cygnus contractors have also collected semi-detailed ground gravity data at selected prospects on the Wadderin Project. Results from these surveys will be announced once interpretations are complete.

Yandina Joint Venture (Cygnus 25%)

Cygnus entered into a new joint venture agreement with Gold Road Resources over the Yandina Project.

The Yandina Joint Venture comprises four tenement applications covering an area of approximately 1,727km² over the highly prospective Yandina Shear which is known to host gold mineralisation elsewhere in the Southwest Terrane.

The new applications connect the land between the Wadderin and Lake Grace Projects where Gold Road is currently earning in.

A program to explore this new project area is planned to commence once tenements are granted, expected in late 2018.

The Key Terms of the Joint Venture are:

- The initial interests in the joint venture are
 - Gold Road 75%
 - Cygnus Gold 25%
- Should a party's equity in the joint venture fall to 10% or less, its share will be automatically acquired by the other party in exchange for a 1% NSR.
- Cygnus will initially manage the joint venture.

Corporate

Admission to the Australian Securities Exchange

Cygnus Gold Limited (ASX:CY5) was successfully admitted to the Official List with official quotation commencing on 15 January 2018.

Cygnus raised \$6m (before costs) with the raising well supported from cornerstone shareholders including Resource Capital Funds, Southern Cross Capital and Gold Road Resources and lead broker Morgans Corporate Limited.

Financial Information

The loss of the Company for the six months ended 30 June 2018 after providing for income tax amounted to \$396,047. The net assets of the Company are \$5,866,101 as at 30 June 2018.

At 30 June the Company has \$3,833,495 in cash and cash equivalents.

Events arising since the end of the reporting period

There are no matters or circumstances that have arisen since the end of the half year that have significantly affected or may significantly affect either:

- the entity's operations in future financial years
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years

Likely developments and expected results

Cygnus is committed to realising value from its exploration assets and will continue its exploration activities in the Southwest Terrane of the Yilgarn Craton, Western Australia

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 21 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.



James Merrillees
Managing Director

12 September 2018

Competent Persons Statement

The information in this report 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 the report of the matters based on his information in the form and context in which it appears.

End Notes

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

Statement of profit or loss and other comprehensive income

For the half year ended 30 June 2018

	Notes	30 June 2018 \$	30 June 2017 \$
Income			
Other Income		73,857	1,896
Expenses			
Audit fees		(10,177)	(12,250)
Consultants and contractors		(36,272)	(24,438)
Depreciation		(4,968)	-
Employee benefits		(199,613)	(119,102)
Exploration expenditure		(121,746)	(81,422)
Listing & compliance		(27,481)	(1,435)
Office rental & outgoings		(25,154)	(3,290)
Other		(44,493)	(34,594)
		(469,904)	(276,531)
Loss before income tax		(396,047)	(274,635)
Income tax expense		-	-
Loss after income tax for the period		(396,047)	(274,635)
Other comprehensive loss		-	-
Total comprehensive loss for the period net of tax		(396,047)	(274,635)
Loss per share attributable to equity holders of the Company		Cents	Cents
Basic loss per share	11	(0.68)	(1.00)
Diluted loss per share	11	(0.68)	(1.00)

The above statement should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2018

	Notes	30 June 2018 \$	31 December 2017 \$
Assets			
Current			
Cash and cash equivalents	6	3,833,495	145,517
Subscriptions receivable	7	-	6,000,000
Trade and other receivables	7	479,303	374,079
Total current assets		4,312,798	6,519,596
Non-Current			
Exploration & evaluation	8	1,836,859	565,924
Property, plant and equipment		58,514	12,111
Total non-current assets		1,895,373	578,035
Total assets		6,208,171	7,097,631
Liabilities			
Current			
Trade and other payables	9	322,888	479,400
Employee benefit provisions		19,182	10,714
Total current liabilities		342,070	490,114
Total liabilities		342,070	490,114
Net assets		5,866,101	6,607,517
Equity			
Contributed equity	10	7,128,373	1,473,742
Other contributed equity	10	-	6,000,000
Accumulated losses		(1,262,272)	(866,225)
Total equity		5,866,101	6,607,517

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the half year ended 30 June 2018

	Notes	Contributed Equity \$	Accumulated Losses \$	Total \$
Balance at 1 January 2017		951,242	(81,504)	869,738
Loss for the period		-	(274,635)	(274,635)
Other comprehensive loss		-	-	-
Total comprehensive loss for the period		-	(274,635)	(274,635)
Transactions with owners in their capacity as owners:				
Shares issued during the period	10	522,500	-	522,500
Share issuance expense	10	-	-	-
Balance at 30 June 2017		1,473,742	(356,139)	1,117,603
Balance at 1 January 2018		1,473,742	(866,225)	607,517
Loss for the period		-	(396,047)	(396,047)
Other comprehensive loss		-	-	-
Total comprehensive loss for the period		-	(396,047)	(396,047)
Transactions with owners in their capacity as owners:				
Shares issued during the period	10	6,000,000	-	6,000,000
Share issuance expense	10	(345,369)	-	(345,369)
Balance at 30 June 2018		7,128,373	(1,262,272)	5,866,101

The above statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the period from incorporation to 30 June 2018

	Notes	30 June 2018 \$	30 June 2017 \$
Operating activities			
Payments to suppliers for administration		(768,949)	(222,487)
Payments for exploration expenditure		(121,746)	-
Farm in service charge		12,298	-
Interest received		29,799	1,896
Net cash flows used in operating activities		(848,598)	(220,591)
Investing activities			
Payments for capitalised exploration expenditure		(1,151,303)	(285,273)
EIS Grant - Co-funded Exploration Drilling Program		111,319	-
Purchase property, plant and equipment		(51,371)	(7,933)
Net cash flows used in investing activities		(1,091,355)	(293,206)
Financing activities			
Proceeds from issue of shares	10	6,000,000	522,500
Capital raising costs for issue of shares		(372,069)	-
Net cash flows from financing activities		5,627,931	522,500
Net increase in cash and cash equivalents		3,687,978	8,704
Cash and cash equivalents at the beginning of the period		145,517	778,604
Cash and cash equivalents at the end of the period	6	3,833,495	787,308

The above statement should be read in conjunction with the accompanying notes.

Notes to the Interim Financial Statements

1 Nature of operations

Cygnus Gold Limited's ("Cygnus" or "the Company") principal activities consist of exploration and evaluation of high grade gold deposits in Western Australia. Cygnus is a for-profit entity for the purpose of preparing the financial statements. The Company was listed on the Australian Securities Exchange on 15 January 2018.

The address of its registered office and its principal place of business is Level 3, 20 Parkland Rd, Osborne Park, WA 6017.

The interim financial statements for the half year ended 30 June 2018 were approved and authorised for issue by the Board of Directors on 12 September 2018.

2 Basis of presentation and statement of compliance

These general purpose condensed interim financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting and IAS 34 Interim Financial Reporting.

The accounting policies used in the preparation of this financial report are as described below. The financial report has been prepared under the historical cost basis. The financial statements are presented in Australian Dollars, which is also the functional currency of the Company.

Changes in presentation of comparative expense information

Comparative expense information in the statement of profit or loss and other comprehensive income has been restated to provide a more detailed and relevant breakdown of expenditures.

3 New and amended accounting standards and interpretations issued but not yet effective

The accounting policies adopted by the entity in the financial statements are consistent with those adopted in its financial statements for the year ended 31 December 2017.

New, amended and revised accounting standards that are mandatory for the interim period ended 30 June 2018 have been applied in these financial statements and did not have a significant impact on the reported results. Certain new accounting standards and interpretations have been published that are not mandatory for the interim reporting period, which the Company has elected not to apply in these financial statements and has preliminarily assessed will have no material impact on the balances and transactions presented within these financial statements when adopted.

4 Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the period ended 31 December 2017 with the exception of the following estimates and judgements, the transactions of which arose during the reporting period of these financial statements.

Share based payments

During the interim period, the Company issued 1,500,000 performance rights to key management personnel under vesting conditions. When vested, the rights convert to ordinary shares in the company at a ratio of 1 ordinary share for every vested right. Vesting conditions include performance hurdles of which management has estimated the probabilities that those hurdles will be met. Given the conditions of the company and relevant performance as at 30 June 2018, management has estimated that the number of rights expected to

vest multiplied by their value at grant date does not represent a material expense to these financial statements. This estimate will be revisited at upcoming reporting dates based on conditions of the company at that time which may result in an expense being recorded and a charge to a share based payments reserve in Equity.

5 Going Concern

The company has incurred a net loss of \$396,047 during the period ended 30 June 2018 and cash outflows from operating and investing activities respectively equates to \$848,598 and \$1,091,355.

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors consider this to be appropriate given the ability to vary the Company's cost structure and in turn the levels of cash outflow dependent on timing of its exploration activities.

Taking into account the current cash reserves and successful fund raising from the Initial Public Offering of \$6,000,000 before cost, the directors are confident the Company has adequate resources to continue as a going concern for the foreseeable future.

6 Cash and cash equivalents

	30 June 2018 \$	31 December 2017 \$
Cash at bank and in hand	3,833,495	145,517
Cash and cash equivalents	3,833,495	145,517

The amount of cash and cash equivalents accessible to the Company as at 30 June 2018 amounts to \$3,833,495.

7 Trade and other receivables

	30 June 2018 \$	31 December 2017 \$
Trade and other receivables	442,112	35,803
Prepayments	37,191	338,276
Total trade and other receivables	479,303	374,079

All amounts are short term. The net carrying value of trade receivables is considered reasonable approximation of fair value.

Subscriptions receivable

As at 31 December 2017, the company's subscriptions of \$6,000,000 (before costs of issuance) from its Initial Public Offering were being held in trust by the Share Registry. These funds were released to the company during the period and the receivable was therefore extinguished. See Note 10 for further detail to the transaction.

8 Exploration and evaluation asset

	30 June 2018 \$	31 December 2017 \$
Carrying amount at the beginning of the period	565,924	65,047
Capitalised expenditure at cost	1,382,254	500,877
Exploration expenditure State Government Co-Funded exploration drilling support	(111,319)	-
Carrying amount at the end of the period	1,836,859	565,924

9 Trade and other payables

	30 June 2018 \$	31 December 2017 \$
Trade and other payables	322,888	479,400
Total trade and other payables	322,888	479,400

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

10 Contributed equity

	No. of Shares	\$
1 January 2017	25,416,675	951,242
Shares issue	5,266,666	522,500
Shares issue	66,667	5,000
Shares issue	33,333	2,500
Shares issue	66,666	5,000
Shares issue	5,000,000	500,000
Shares issue	100,000	10,000
31 December 2017	30,683,341	1,473,742
Shares issue	30,000,000	6,000,000
Transaction costs	-	(345,369)
30 June 2018	60,683,341	7,128,373

Other contributed equity

	30 June 2018 \$	31 December 2017 \$
Beginning of period	6,000,000	-
Subscriptions received and held in trust by share registry at period end	-	6,000,000
Subscriptions release from trust and received by the company	(6,000,000)	-
Total other contributed equity	-	6,000,000

11 Loss per share

	30 June 2018 \$	30 June 2017 \$
Net loss attributable to ordinary equity holders of the Company	(396,047)	(274,635)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	58,350,008	27,583,712
Loss per share (cents per share)	(0.68)	(1.00)

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of the Company as the numerator (ie no adjustments to profit were necessary in 2018).

12 Operating segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The company operates in one segment being Exploration and Evaluation of Minerals in Australia.

13 Post-reporting date events

There have been no other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Directors' Declaration

1. In the opinion of the Directors of Cygnus Gold Limited:
 - a The financial statements and notes of Cygnus Gold Limited are in accordance with the Corporations Act 2001, including:
 - i Giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and
 - ii Complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - b There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



James Merrillees
Managing Director

Dated the 12th day of September 2018

Independent Auditor's Review Report

To the Members of Cygnus Gold Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Cygnus Gold Limited (the Company), which comprises the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Cygnus Gold Limited does not give a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

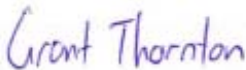
Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cygnus Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M P Hingeley
Partner – Audit & Assurance

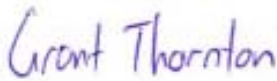
Perth, 12 September 2018

Auditor's Independence Declaration

To the Directors of Cygnus Gold Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Cygnus Gold Limited for the half-year ended 30 June 2018. I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M P Hingeley
Partner – Audit & Assurance

Perth, 12 September 2018