



Airborne survey identifies new VMS targets at Burracoppin

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Highlights

- Airborne EM survey identifies several new priority targets at Anomaly 47 within the Burracoppin Project;
- Targets associated with previously identified zones of Au-Ag-Pb-Zn mineralisation;
- Geophysical and geochemical signatures are comparable to known Volcanogenic Massive Sulphide ("VMS") belts globally;
- Drill testing of high priority targets planned for later this quarter.

Cygnus Gold (Cygnus or the Company) (ASX:CY5) has identified several bedrock conductors from a recently flown airborne electromagnetic (AEM) survey on its wholly-owned Burracoppin Project in the southwest of Western Australia (Figure 1).

The Burracoppin Project covers more than 80km strike length of Archaean greenstone rocks along strike from the Edna May deposit owned by Ramelius Resources (ASX:RMS).

Cygnus review of previous exploration at the >2.5km long **Anomaly 47** Au-Ag-Pb-Zn Prospect has demonstrated similarities to known polymetallic VMS belts globally.

A ground gravity survey carried out by the Company over the VMS prospective horizon successfully identified 14 priority targets which have now been flown with airborne EM (AEM)

This 277-line km high-resolution AEM survey using NRG's Xcite™ system was designed to further screen the priority gravity targets, plus identify other anomalies within the package.

Preliminary results from this survey, reviewed by the Company's geophysical consultants Newexco, indicate a discrete bedrock source (the Capley target) of a favourable conductance for VMS mineralization at a depth of 80 m along line 1530 (Figure 2).

The Capley target is coincident with a discrete gravity anomaly reported previously being located on the western edge of the strong Au-Ag-Zn-Pb anomalism defined in historical auger soil sampling and shallow regolith drilling (refer ASX Announcement 19 September 2018¹).

The nearest historical drilling (which is shallow RC assayed for gold only) is 200m east of Capley, with the only deeper RC hole 400m to the east which intersected narrow higher-grade zones within broader mineralised intervals including²:

- A47RC003 4m @ 0.69g/t Au, 14.7g/t Ag, 0.52% Pb, 0.75% Zn from 27m

Cygnus Gold Managing Director James Merrillees said a drill program is planned to test high priority anomalies at Burracoppin this year once approvals have been received.

"We're pleased these results appear to support the findings from our earlier ground gravity survey - which defined 14 high priority targets at Anomaly 47 – as well as finding new targets along strike," said Mr Merrillees

"We aim to start drilling these exciting targets later this year."



BURRACOPPIN PROJECT (100% CY5)

2018 Geophysical Program

As previously reported Cygnus commissioned a detailed ground gravity survey over the VMS horizon in the broader Anomaly 47 area (Figure 2). The VMS horizon at Anomaly 47 was defined in historical drilling which targeted strong Au-Ag-Zn-Pb anomalism in historical auger soil sampling and shallow regolith drilling (refer ASX Announcement 19 September 2018¹).

The nearest historical drilling (which is shallow RC assayed for gold only) is 200m east of Capley, with the only deeper RC hole 400m to the east which intersected narrow higher-grade zones within broader mineralised intervals including²:

- A47RC003 4m @ 0.69g/t Au, 14.7g/t Ag, 0.52% Pb, 0.75% Zn from 27m
- A47RC004 2m 0.23g/t Au, 6.2g/t Ag, 0.31% Pb, 0.90% Zn from 66m

Cygnus' gravity survey identified thirty-one discrete positive gravity anomalies, with 14 ranked as priority targets for follow-up.

In September Cygnus commissioned NRG to carry out an Xcite™ AEM survey to screen the prospective gravity anomalies as well as identify additional conductive targets. In total, 277-line kms of AEM data were flown on 100m spaced north-south lines. The survey identified several discrete bedrock conductors, in addition to numerous shallow conductors which likely correspond to conductive zones within transported cover (Figure 2).

A review of the preliminary results from the AEM survey has identified up to four possible bedrock conductors, three of which have coincident gravity anomalies. To date, detailed modelling by the Company's geophysical consultants, Newexco has been completed over one of the coincident anomalies (the 'Capley' target on Line 1530). Additional modelling will be completed once final data are received from NRG which is expected over the next 2-3 weeks.

Newexco reported:

"Modelling of the data over line 1530 indicates a discrete bedrock source (~150 x 300 m) at a depth of 80 m dipping 40 degrees toward the north. The conductance is 250 Siemens. The north dip was imposed as an a-priori constraint based on geological observations. An attempt was made to model a flat overburden source. The result was a deep flat-lying discrete conductor with a poor fit. This provides robust evidence the source is bedrock derived."

Drill testing of targets identified from the gravity and EM surveys is now planned to commence in late Q4 once approvals are received.

OTHER PROJECTS

The Company continues to evaluate greenfields exploration targets on its wholly owned and joint venture tenements including:

- Completing detailed geological and regolith interpretation on the Gold Road Earn-in projects at Lake Grace, Waddarin and Yandina with first pass ground geophysical (gravity) and surface sampling (auger soils and laterite) now completed. Results from this work are expected in the coming weeks with drill testing to commence later in the year.
- The Bencubbin Project (100% CY5) where planning is well advanced for drilling later this year and the Company has received additional co-funding from the WA State Government to drill high priority targets (refer ASX announcement 14 June 2018¹). Land access agreements have now been signed with key landowners. and drilling is expected to commence in Q4 once programs of work permits are approved.
- A targeting exercise is underway on the Stanley Project (100% CY5) to prioritise areas for drill testing with results from this work expected in the coming weeks.

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

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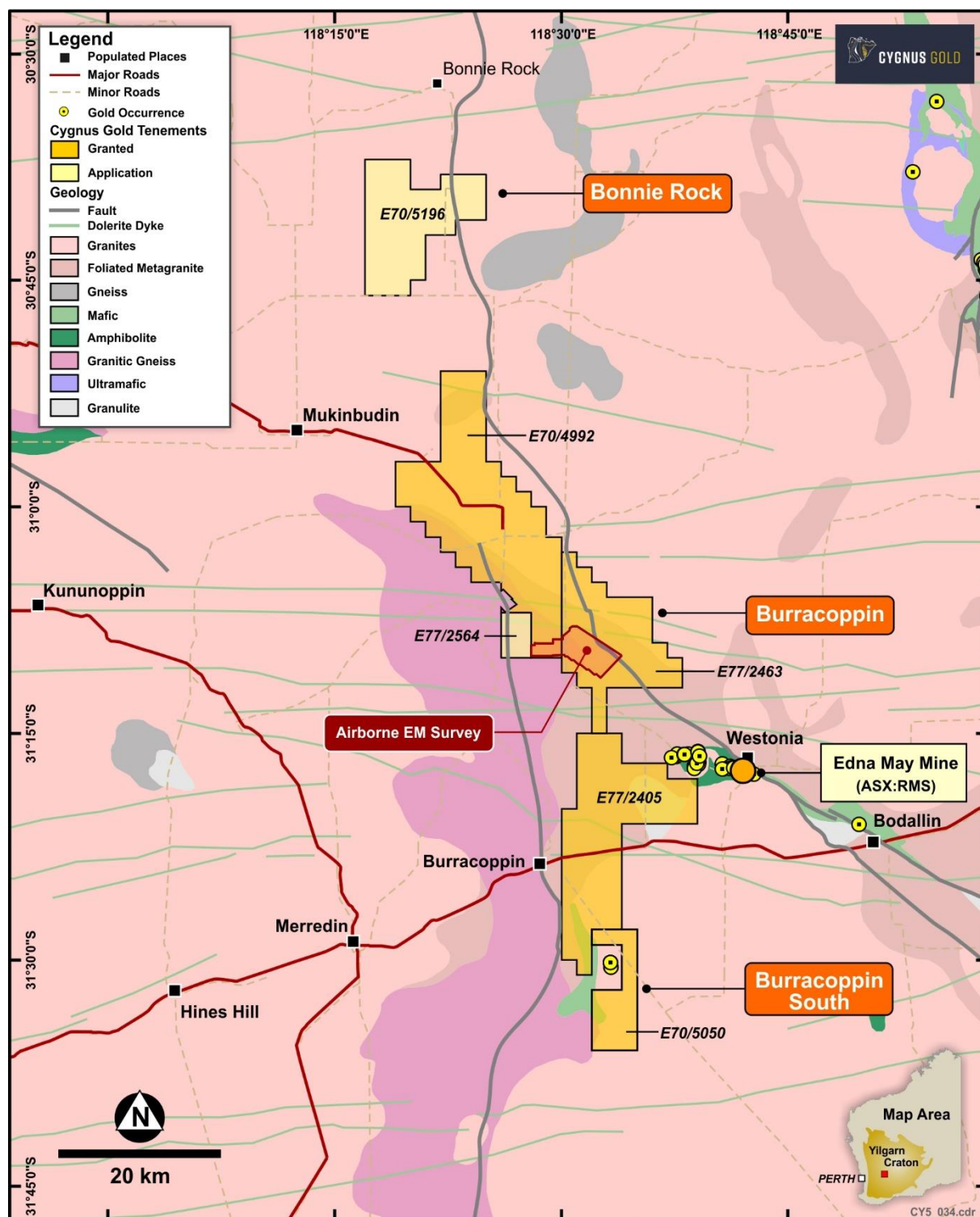


Figure 1: Burracoppin Project and location of Cygnus Gold's airborne EM survey. Regional geology from 1:500,000 GSWA mapping.

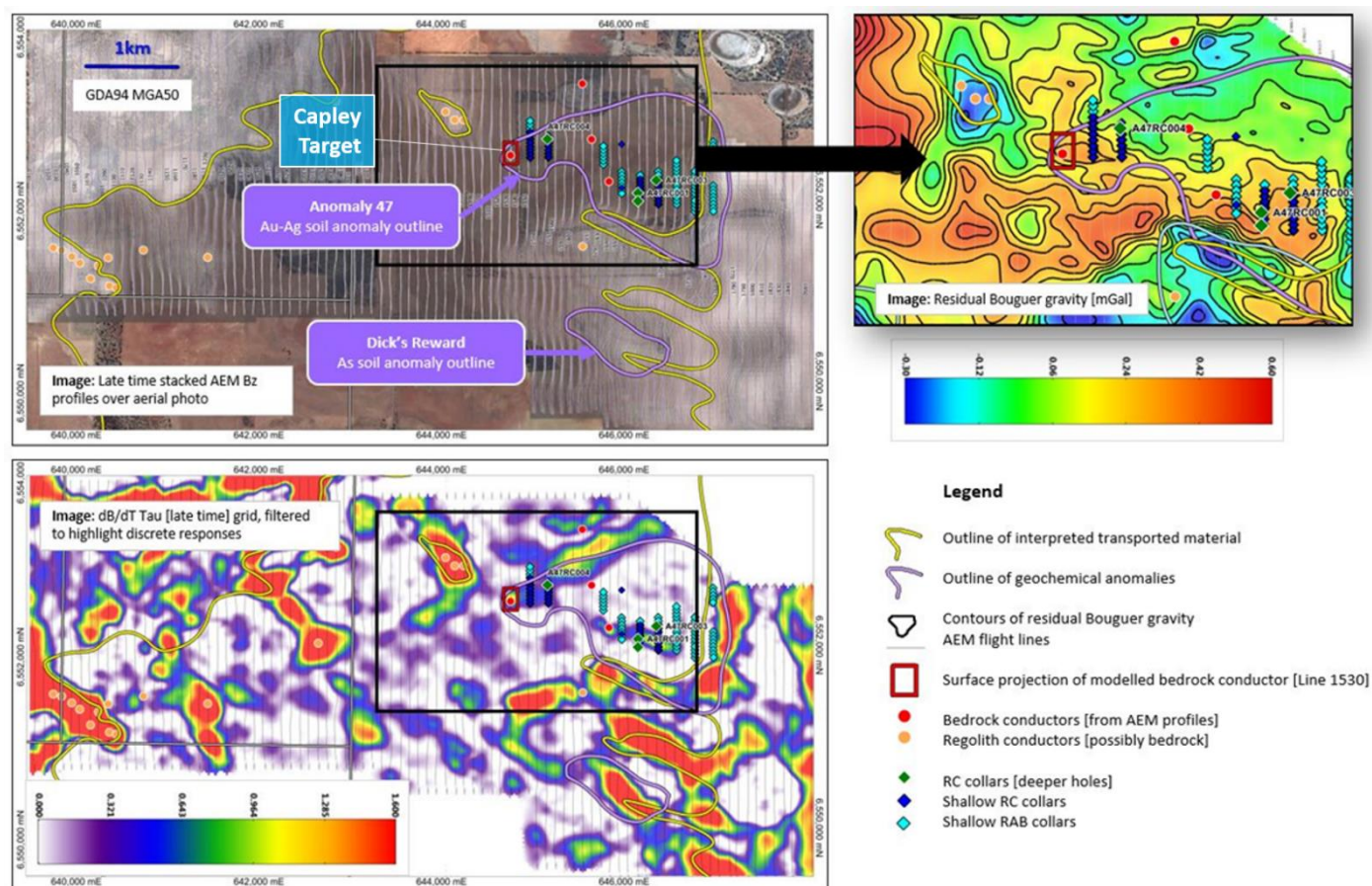


Figure 2: TOP LEFT: AEM survey location with respect to the Anomaly 47 and Dicks Reward prospects. The location of previous drilling, discrete AEM conductors and the modelled bedrock conductor at the newly identified Capley target [on Line 1530] is shown. The red polygon indicating the location of the modelled body on line 1530 is the surface projection of the 3D plate. BOTTOM LEFT: Gridded image of Tau [decay constant] derived from dB/dT, long wavelength removed. RIGHT: inset over the Anomaly 47 prospect showing the ground gravity anomaly coincident with the Capley AEM bedrock conductor, and historical drill collars.



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 Waddarin Projects. The Company is also managing exploration on the Yandina Project, in joint venture with Gold Road.

Cygnus' team has considerable technical expertise 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 2: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data – Burracoppin 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>Cygnus Gold Limited is reporting a new airborne electromagnetic survey at the Burracoppin project. The survey, flown by New Resolution Geophysics Australia (NRG), commenced on 27th September 2018 and was completed on 30th September 2018. The survey was flown over tenements E77/2564, E70/4992 and E77/2463.</p> <p>Airborne magnetic and electromagnetic data were acquired using NRG's Xcite™ Airborne Electromagnetic (AEM) system. In total, 277-line kms of data were collected along 100m spaced survey lines oriented north-south.</p> <p>The Xcite™ system specifications are as follows:</p> <p>Sensor Configuration: Coincident Transmitter-Receiver [Tx-Rx]</p> <p>Altitude of Tx-Rx array: 30 to 40m</p> <p>Tx loop diameter: 18.4m</p> <p>Tx number of turns: 4</p> <p>Tx current: 235A</p> <p>Tx Dipole Moment: 250, 000 NIA</p> <p>Tx Base frequency: 25 Hz</p> <p>Receiver [Rx] Coils: X & Z; concentric to Tx</p> <p>Rx diameter: 0.613m [X], 1.0m [Z]</p> <p>Rx number of turns: 200 [X], 100 [Z]</p> <p>Altitude of helicopter: 60-70m</p> <p>Altitude of magnetometer: mid-way between the bird [Tx-Rx array] and the helicopter.</p> <p>Acquisition System: NRG RDAS II</p> <p>Measurements: dB/dT [integrated B-field]</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	NA

Criteria	JORC Code explanation	Commentary
	<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>	NA
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>	Drilling was not conducted
Drill sample recovery	<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>	Drilling was not conducted
Logging	<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>	Drilling was not conducted
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Drilling was not conducted
	<i>The total length and percentage of the relevant intersections logged.</i>	Drilling was not conducted

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<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 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>	NA
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><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><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>NA</p> <p>EM System type: NRG Xcite™ with coincident Tx-Rx sensor configuration</p> <p>Transmitter: 18.4m diameter transmitter with 4 turns, 235A current, 250,000 NIA dipole movement, and 25Hz base frequency</p> <p>Receiver: 0.613m (effective) (X), 1.0m (Z) diameter with 200 (X), 100 (Z) turns recording dB/dT and integrated B-field digitally at 624kbps</p> <p>Acquisition system: NRG RDAS II</p> <p>GPS System: Novatel DL-V3L1L2</p> <p>Magnetometer: single sensor Scintrex CS3 [airborne], NRG VER2 [base]</p> <p>Laser altimeter: SF11/C (Loop), SF00 (helicopter)</p> <p>Time gate windows: 0.04 ms to > 11 ms</p> <p>NA</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Data detailed in this report have been reviewed by Fathom Geophysics and Newexco Services. Identification of possibly bedrock conductors and the plate modelling of the anomaly on Line 1530 was carried out by Newexco. Only preliminary data have been received as at the date of this announcement.

Criteria	JORC Code explanation	Commentary
	<i>The use of twinned holes.</i>	NA
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	NA
	<i>Discuss any adjustment to assay data.</i>	NA
<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>	NA
	<i>Specification of the grid system used.</i>	All data used in this report are in: Datum: Geodetic Datum of Australia 94 (GDA94) Projection: Map Grid of Australia (MGA), Zone 50
	<i>Quality and adequacy of topographic control.</i>	Data were located using a Novatel DL-V3L1L2 Real Time GPS (recording rate: 20Hz) and SF11/C (Loop) and SF00 (Heli) laser altimeter.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	100m spaced lines were flown at a survey altitude of 30 to 40m (Tx-Rx array) and 60 to 70m (helicopter).
	<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>	NA as no resource estimation is made.
	<i>Whether sample compositing has been applied.</i>	NA
<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>	The flight lines were oriented north-south to cross cut the dominant strike of the geology.
	<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>	NA
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	NA
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	NA

Section 2 Reporting of Exploration Results

(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 airborne EM program was completed within granted tenements E77/2463, E70/4992 and application E77/2564 which are 100% owned by Cygnus Gold. The land ownership within the area where the survey was collected is mostly freehold, and Cygnus is negotiating standard Land Access Agreements according to the Mining Act 1978 (WA) with the underlying landowners prior to drilling.</p> <p>Cygnus has signed a standard Indigenous Land Use Agreement (ILUA) for the granted Burracoppin tenements.</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>	<p>Granted tenements E77/2463 and E70/4992 are 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.</p>
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Modern exploration over the Burracoppin Project area has seen several phases intermittently since the 1980s, mostly associated with periods of increased activities at the nearby Edna May gold mine. From 1986-1990 Aurex (later known as ACM Gold Ltd) followed up arsenic anomalism identified at Dicks Reward with shallow RAB drilling which obtained anomalous Au from the Anomaly 47 Prospect. Limited follow up RC drilling intersected 1m @ 1.21 g/t Au in DRA057 and 2m @ 0.78 g/t Au in DRA109. Reassaying Anomaly 47 for base metals returned a best intercept in hole DRC027 of 4 m at 1% Pb, 0.14% Zn and 24 g/t Ag within a 26 m zone from surface to EOH, aggregating 0.42% Pb, 0.23% Zn, 12 g/t Ag and 0.12 g/t Au.</p> <p>1993-1994 Dominion Mining investigated the potential of the Dicks Reward and Anomaly 47 prospects for metamorphosed polymetallic VMS deposits, with work limited to rock chip and soil sampling</p> <p>1994-1998 Equinox Resources NL completed geological and regolith mapping and minor lag sampling focused on an area ~800m west of Dicks Reward and returned a best assay result of 14 ppb Au, 86ppm Cu and 2,340 ppm As.</p> <p>2003-2015 Westonia Mines Ltd (and successors) explored Dicks Reward and Anomaly 47 targeting weakly magnetic horizons (known as M1 and M2), which were considered prospective for VMS and magnetite-pyrrhotite-gold deposits. Follow up RC drilling of auger and RAB anomalies returned four wide, shallow intercepts of base and precious metals anomalism in holes A47RC001, A47RC002, A47RC003 and A47RC004.</p> <p>Refer to the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017 for more 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 Burracoppin tenements straddle the boundary of the Southwest Terrane and Youanmi Terranes 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>Gold mineralisation observed at Burracoppin is similar in style to the nearby Edna May gold mine where lode gold mineralisation is associated with a sulphidic quartz-feldspar-biotite gneiss.</p>

Criteria	JORC Code explanation	Commentary
		<p>Recently explorers have observed widespread polymetallic mineralisation at Anomaly 47 and Dicks Reward Prospects with geochemical and geological similarities to known VMS deposits globally.</p> <p>For more detail refer to the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017.</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>	NA
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>	NA
	<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>	NA
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	NA
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>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').</p>	NA

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.
<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>	All airborne EM data are presented. All Historical drilling are shown in plan. For further detail refer to the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017.
<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 is planned once final results from the EM survey are received and permits for drilling granted.