



QUARTERLY ACTIVITIES REPORT

For the period ended 31 March 2019

29 April 2019

Corporate Directory

ASX: CY5

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

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Exploration

Stanley Project

- The Company received results from drilling programs testing gold targets across the 20km of prospective Stanley greenstone.
- RC drilling at the McDougall South prospect intersected widespread and thick intersections of anomalous gold mineralisation.
- Drilling at Bottleneck in late 2018 intersected several zones of >1g/t Au and the identification of the Kepler Zone during the quarter resulted from a detailed review of Cygnus' drilling results including hole STRC0002.
- STRC0002 ended in mineralisation with resampling of the original mineralised intercepts returning:
 - 5m @ 1.8g/t Au from 137m to EOH (end of hole)
 - including 1m @ 6.29g/t Au from 139m
- The Kepler Zone is adjacent to Cygnus' shallow high-grade Bottleneck gold prospect and follow up drilling in April will target a metadacitic rock unit only lightly tested by deeper drilling. This rock unit is now considered to be a key stratigraphic control on the distribution of gold mineralisation in this part of the 20km-long Stanley greenstone.

Bencubbin Project

- Drilling by the Company at the Jefferies gold prospect intersected narrow zones of >0.1 g/t Au. The interpretation of the final results from this program, including a detailed structural review of the core, is underway.

Burracoppin Project

- 231 soil samples were collected at the Bencubbin North nickel project, in addition to the 138 samples already at the laboratory. Results from this soils program are anticipated in Q2 2019.

Earn-in and Joint Venture Projects (with Gold Road Resources)

- At quarter end preparations were underway for an aircore (AC) drilling program to commence in April on the Wadderin and Lake Grace Projects.

Corporate

- As at 31 March 2019, Cygnus Gold held \$2.3m in cash (December 2018: \$3.5m).



Exploration

Cygnus Gold's (**Cygnus** or the **Company**) exploration activities are focused on the Southwest Terrane of the Yilgarn Craton, Western Australia.

The Company has more than 9,000km² 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).

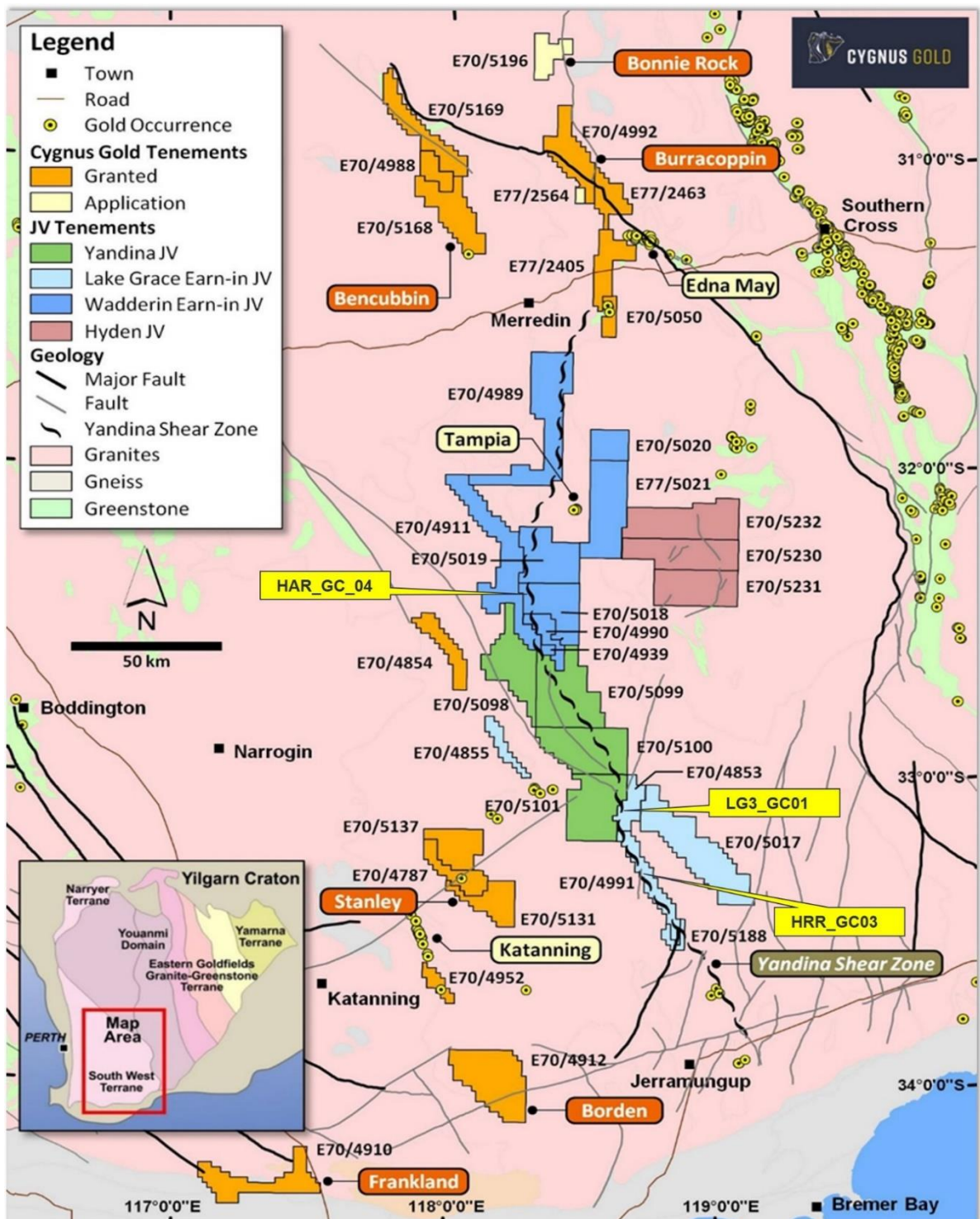


Figure 1: Cygnus Gold's granted tenements and applications in the Southwest Terrane, WA.

Stanley Project (Cygnus 100%)

The ~160km² Stanley tenement covers a more than 20km strike length of prospective greenstone including numerous prospects where previous explorers intersected high-grade gold mineralisation (Figure 2).

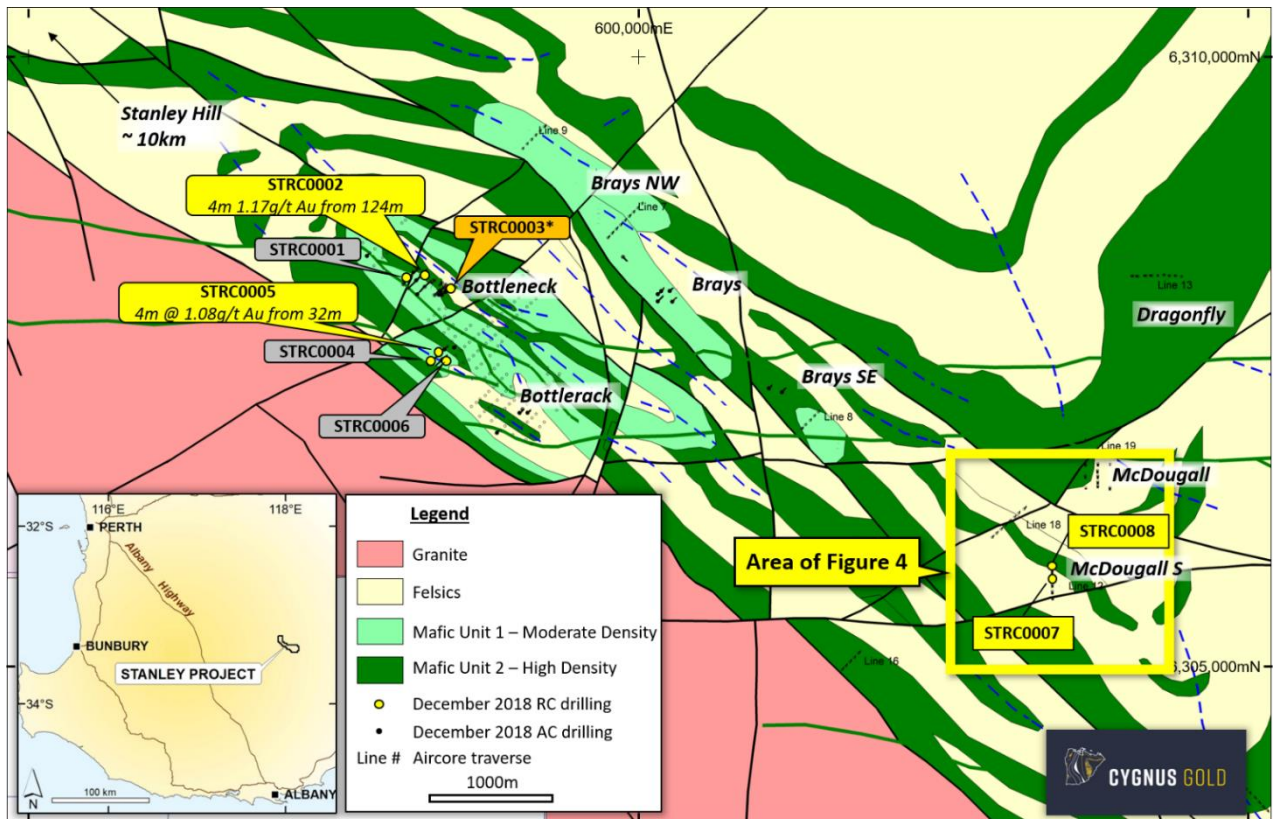


Figure 2: Stanley Project, SW Western Australia with geology and December 2018 drilling.

During the quarter results were obtained from eight reverse circulation (RC) holes drilled in December 2018 which tested several high priority gold prospects at Stanley.

Three holes (STRC0001-0003) targeted extensions to the Bottleneck Prospect with the best result from STRC0002 which intersected a narrow zone of mineralisation at the target depth with 4m @ 1.17g/t Au from 124m. STRC0002 finished in mineralisation with 6m @ 0.74g/t Au from 136m (refer to CY5 ASX announcement 4 February 2019)¹.

STRC0003 was drilled to test extensions of the high-grade mineralisation intersected in Cygnus hole BNDD001 which included 9.50m @ 29.20g/t Au from 36.70m (refer CY5 ASX announcement 22 February 2018)¹.

STRC0004, 0005 and 0006 tested a domal feature to the south of Bottleneck with the best result from STRC0005 with 4m @ 1.08g/t Au from 32m (refer to CY5 ASX announcement 4 February 2019)¹. STRC0004 and STR0006 did not intersect significant mineralisation and the dome is considered to have been tested with no follow up planned.

During the quarter the Company's review of drilling in the vicinity of the Bottleneck prospect identified a new target, the 'Kepler Zone', which is defined by a mineralised metamorphosed dacitic rock package (metadacite) intersected in Cygnus hole STRC0002, which ended in mineralisation as noted above.

Hole STRC0002 was drilled to follow up the high-grade mineralisation intersected in Cygnus hole BNDD006, the first diamond core hole to intersect gold in fresh rock at Stanley with 6m @ 3.27g/t Au from 157.5m (refer to CY5 ASX announcement 7 March 2018)¹.



The original intersection was reported from 4m 'splits', which were resampled on one metre intervals returning an improved intersection of (refer to CY5 ASX announcement 2 April 2019)¹:

- 5m @ 1.8g/t Au from 137m to EOH (end of hole)
- including 1m @ 6.29g/t Au from 139m

As well as identifying a higher-grade component to the mineralisation, the Company's review of new multi-element geochemistry in STRC0002 has demonstrated that mineralisation here, and elsewhere at Bottleneck is hosted in a geochemically distinct felsic granulite after a dacitic precursor (i.e. a metadacite).

The metadacite is logged adjacent to a garnet-biotite bearing metamorphosed andesite and is cut by a dolerite dyke which also marks a faulted offset between the units (Figure 3).

The meta-andesite unit is a distinctive "marker bed" within an otherwise less distinctive succession of granulite facies metamorphic rocks and, thus, was key to developing a better understanding of the gold mineralisation intercepted to date and, ultimately recognition of the Kepler Zone.

Although drilling at the Bottleneck prospect itself tested a narrow sequence of the metadacite, the STRC0002 intersection demonstrates that this sequence may extend further to the north-west along the regional fold structure, with the nearest drilling being shallow AC more than 300m along strike to the north-west.

In addition to this 'along-strike' potential, the multiple lodes intersected in STRC0002 indicate potential for stacking (or fold repetition) of the mineralised structures across strike, and on the north-eastern limb of the Bottleneck antiform, where there has been almost no drilling to date.

The Company considers the Kepler Zone a high priority target and has undertaken RC drilling in April to test the shallower 'up-dip' potential (Figure 3), as well as along and across-strike positions of the Zone.

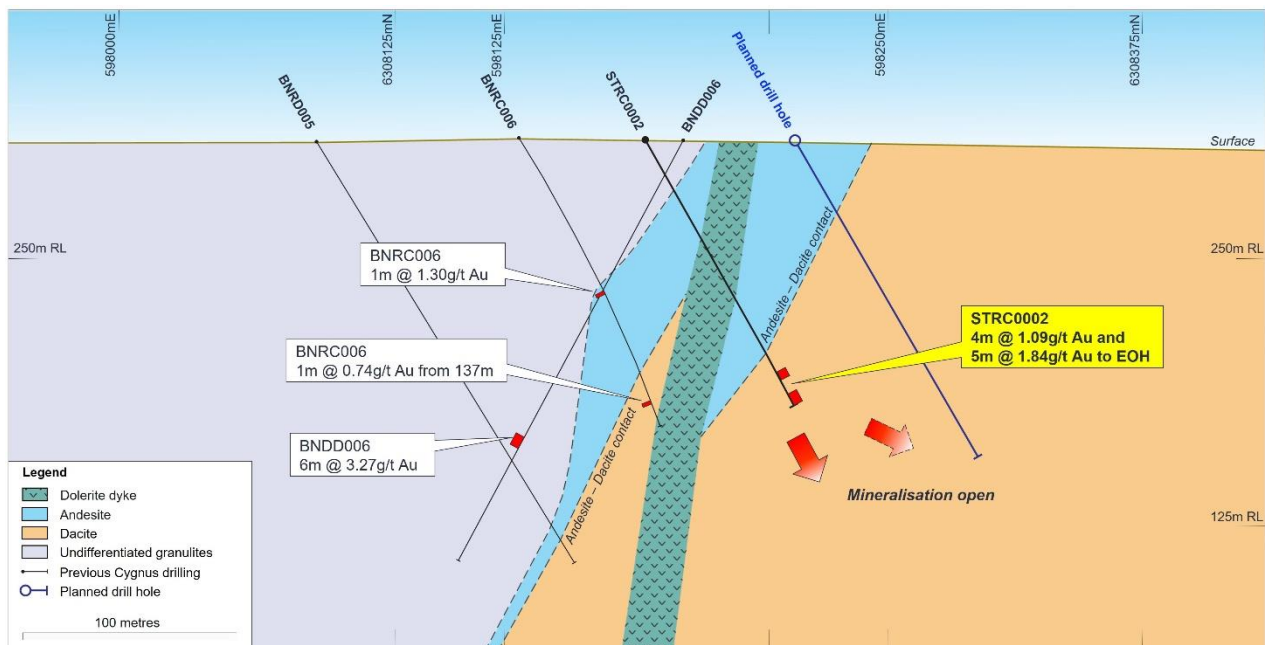


Figure 3: Cross section through hole STRC0002 showing mineralised intersection to EOH and drillhole planned to test up-dip extensions in to the Kepler Zone.

At McDougall South, Cygnus reported two RC holes intersected anomalous gold over wide intervals including (refer to CY5 ASX announcement 4 February 2019)¹:

- STRC0007: 4m @ 0.25g/t Au from 32m, and
- STRC0008: 16m @ 0.19g/t Au from 32m.



Follow-up AC drilling by Cygnus at McDougall South demonstrated these mineralised zones are associated with a shallow, 1km x 500m zone of anomalous gold within a NW-trending structural zone, including STAC028 with 12m @ 0.34g/t Au from 16m (refer to CY5 ASX announcement 4 February 2019)¹.

This gold anomalous zone is defined by a +50ppb Au mineralised halo hosted in basement rock interpreted as a felsic granulite after a granitic precursor (Figure 4).

The Company subsequently drilled a further two RC holes (STRC0015 and 0016) with STRC0016, drilled to a total depth of 136m, intersecting multiple low-grade zones up to 10m wide hosted in the same felsic rock unit intersected in holes STRC007 and 008, including (Figure 4 and refer to CY5 ASX announcement 2 April 2019)¹:

- 6m @ 0.22g/t Au from 31m,
- 5m @ 0.25g/t Au from 40m,
- 1m @ 0.35g/t Au from 46m,
- 10m @ 0.37g/t Au from 50m,
- 3m @ 0.12g/t Au from 61m,
- 1m @ 0.19g/t Au from 74m, and
- 1m @ 0.23g/t Au from 80m.

Cygnus also completed two lines of AC drilling at McDougall South which intersected further widespread gold mineralisation, confirming the Company's interpretation of the mineralised zone.

Intersections >0.1g/t Au from this AC program include (refer to CY5 ASX announcement 2 April 2019)¹:

- STAC0067 with 7m @ 0.12g/t Au from 24m
- STAC0071: 3m @ 0.14g/t Au from 28m and 1m @ 0.96g/t Au from 37m (EOH)
- STAC0075: 4m @ 0.13g/t Au from 4m.

Several other holes intersected anomalous gold and pathfinder geochemistry however the Company believes much of this drilling ended in transported regolith, masking the basement response.

The Company now plans further RC drilling to test basement targets at McDougall South, and this program will follow on from the drilling at the Kepler Zone which began in April.

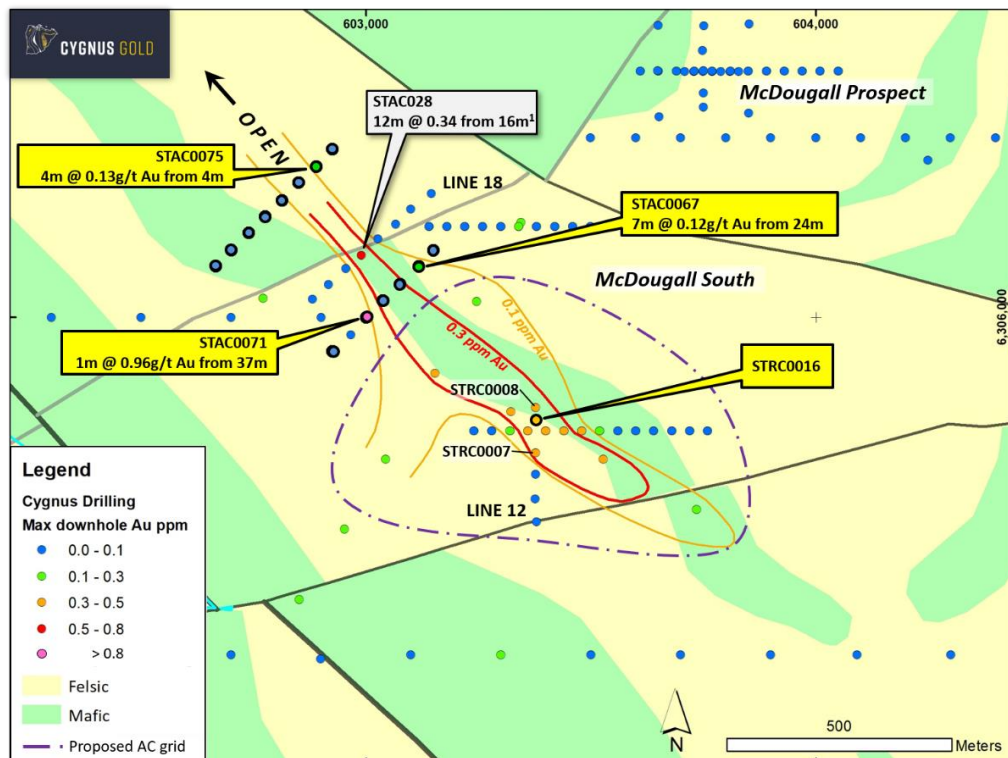


Figure 4: McDougall South (Stanley Project) with gold anomalous zones defined by shallow AC drilling



Stanley Hill

Cygnus' early 2019 RC program included a further three holes (372m) at the Stanley Hill prospect. These holes were drilled to test widespread, shallow high-grade gold intersected by previous explorers in AC and RAB drilling.

The only deeper drilling at Stanley Hill was a 2018 Cygnus hole (SHRC032) which reported an intersection of 8m @ 0.31g/t Au from 28m (refer to CY5 ASX announcement 8 June 2018)¹.

Results from the current program were (refer to CY5 ASX announcement 2 April 2019)¹:

- STRC011 intersected multiple zones of >0.1 g/t Au,
- STRC009 intersected a narrow, mineralised interval in the weathered zone higher in the hole (4m @ 0.11 g/t Au from 16m), and
- STRC0010 was abandoned short of the target depth due to high water flows.

The Company is reviewing these results to determine the next steps at Stanley Hill.

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 has been on the Jeffries 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 intrusion (Figure 5)².

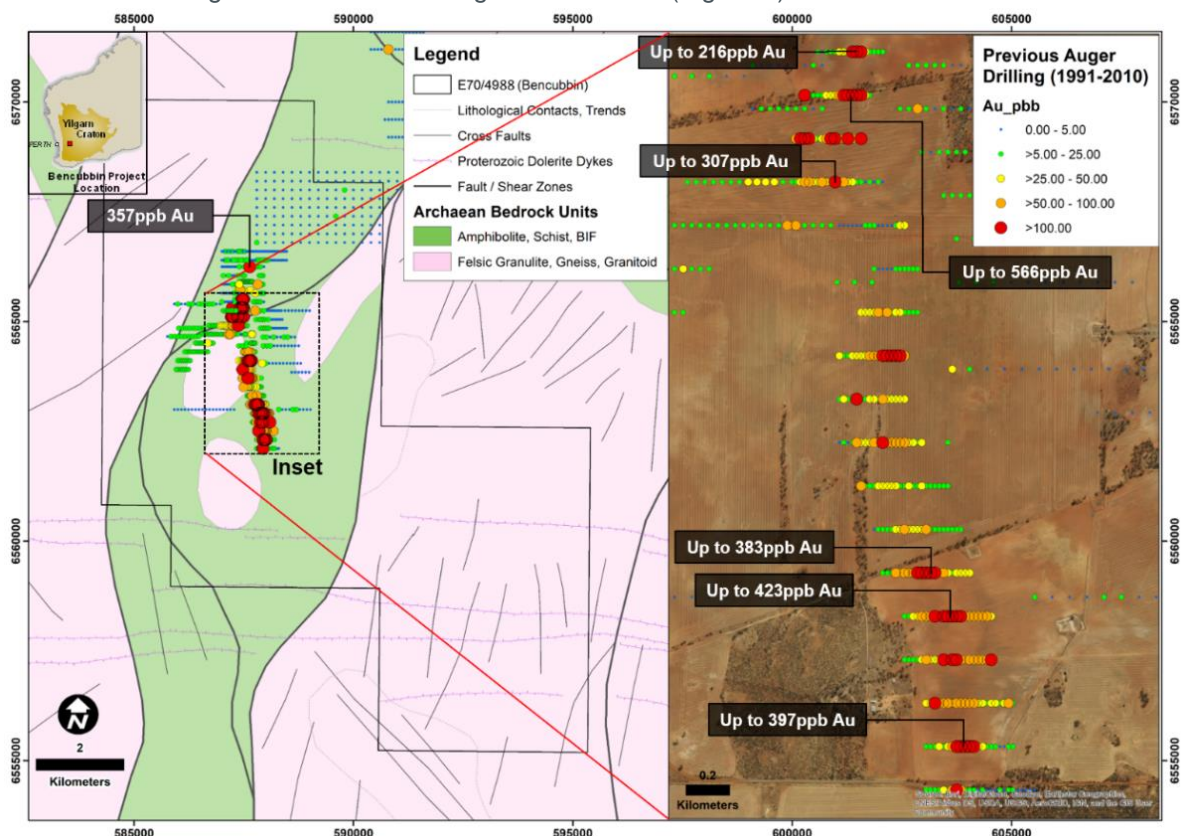


Figure 5: Bencubbin Project interpreted geology and historical auger samples². The geology is based on geophysical interpretation and modelling as explained in the Company's Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017.

Bencubbin Au

During the quarter the Company drilled six diamond core (DD) and five reverse circulation (RC) holes focused on the Jefferies gold prospect.

Drilling intersected several narrow zones of >0.1 g/t Au. The Company's interpretation is that the shallow, laterally extensive gold mineralisation identified by previous explorers represents the remnant of a gold system that has been largely 'stopped out' by a late granite intrusion.

Interpretation of the final results from this program, including a detailed structural review of the core, are underway.

Bencubbin Nickel

The Bencubbin nickel target is defined by a coherent, highly anomalous (up to 1,500ppm) Ni in-auger geochemistry which extends for more than 18km. This is within a prospective greenstone belt which extends for more than 70km (Figure 6 and refer to CY5 ASX announcement 30 November 2018)¹).

This target has not been drilled and no electrical geophysics has previously been collected over the nickel anomalies and Cygnus considers this a prime target for sulphide-hosted nickel-copper-cobalt mineralisation, and potentially separate lode gold mineralisation.

Cygnus has now collected a further 231 soil samples at Bencubbin Nickel, in addition to the 138 samples already at the laboratory. Results from this soils program are anticipated in Q2 2019.

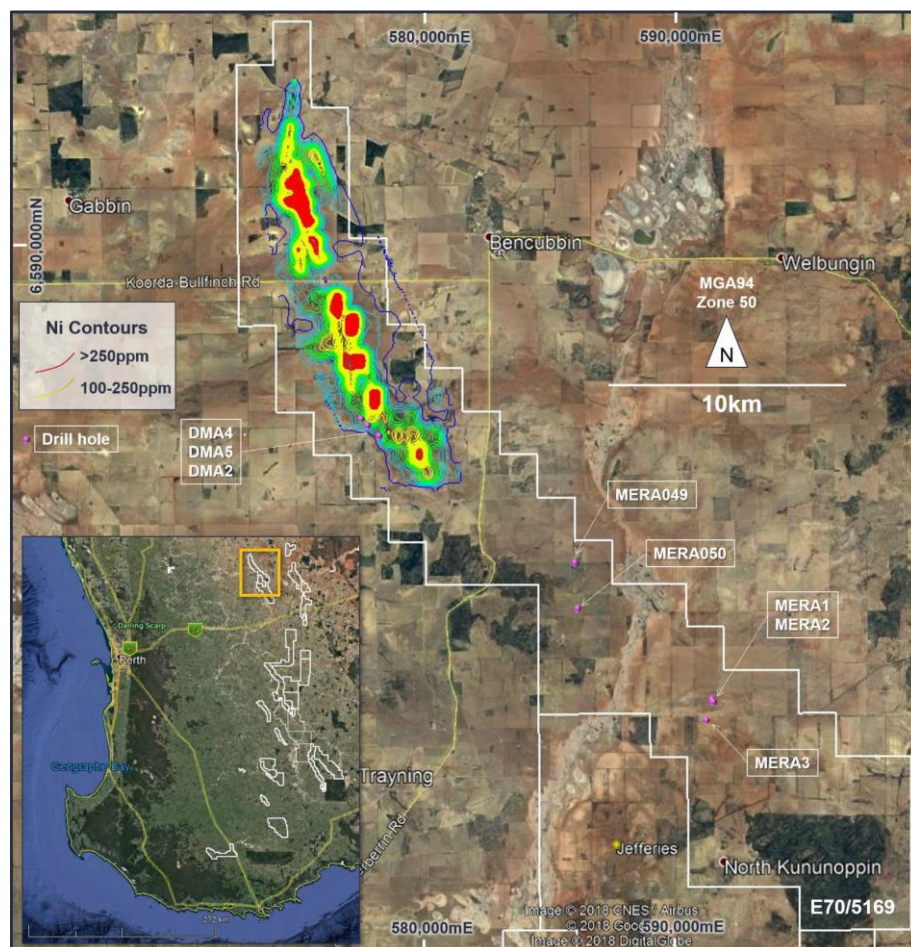


Figure 6: E70/5169 (Bencubbin North) surface geochemistry grid contours for nickel.



Burracoppin Project (Cygnus 100%)

Cygnus' Burracoppin tenements are located ~25 km east-northeast of Merredin along strike from the Edna May gold mine owned and operated by Ramelius Resources Ltd (ASX:RMS) (Figure 7).

The Burracoppin Project is underlain by Archaean granite and greenstone that were metamorphosed to amphibolite and granulite facies grade. Outcropping bedrock is rare with the area being dominated by an intensely developed regolith rarely more than 50m thick.

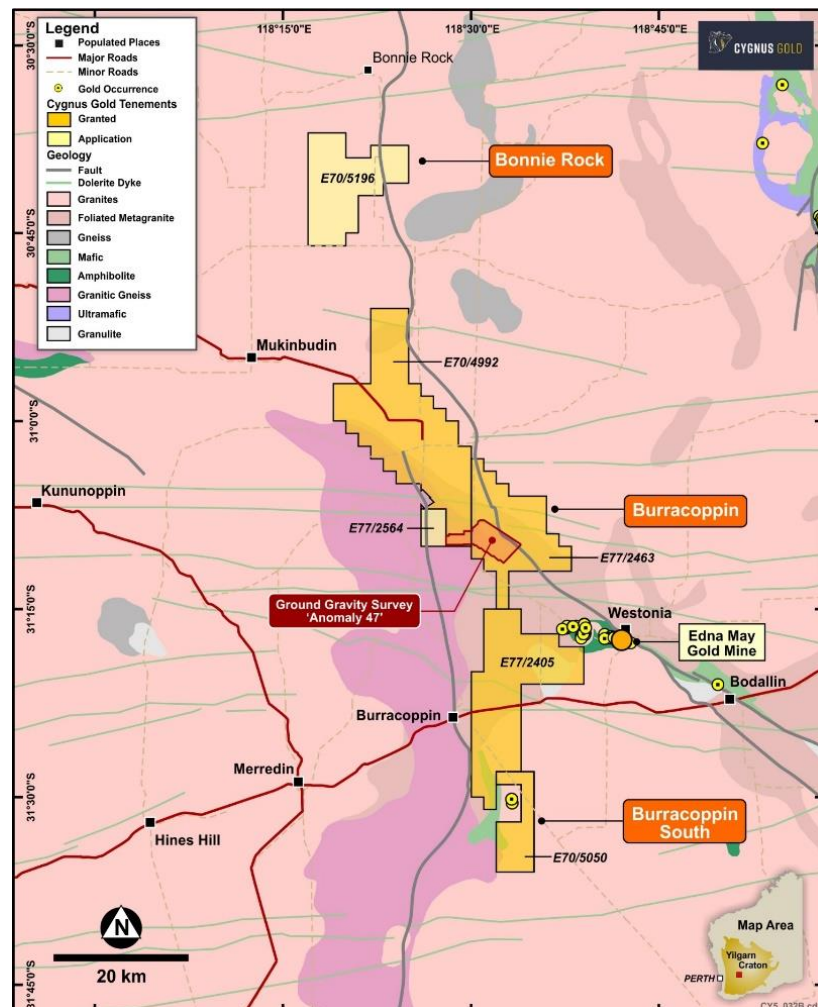


Figure 7: Cygnus' Burracoppin Project and location of Cygnus' ground gravity survey. Regional geology from 1:500,000 GSWA mapping.

Exploration by previous explorers at Burracoppin identified a more than 2.5km long by 0.7km wide gold-in-soil anomaly at Anomaly 47, which is open to the east where it is cut by a paleochannel system.

These explorers also recognised the base metals potential of the region with follow-up auger sampling at Anomaly 47 identifying coherent Au-Pb-Zn anomalies as well as an arsenic (As) "pipe" at Dicks Reward defined by a >100ppm As anomaly more than 2.6km long and up to 1.5km wide, also open to the east.

The geochemical signature of mineralisation at Anomaly 47 is similar to known Volcanogenic Massive Sulphide ("VMS") deposits globally, with the Au-Ag-Zn-Pb rich mineralisation located to date potentially being the distal signature of a more proximal Cu-Zn rich system, the target of Cygnus' planned follow up.

In late 2018 Cygnus collected detailed ground gravity and flew an airborne electromagnetic (AEM) survey which identified several anomalies with signatures comparable with known VMS systems and considered high priority for follow up drill testing (Figure 8).

Cygnus has been awarded a grant by the Western Australian Government to co-fund drill testing of these anomalies at Burracoppin. This program was planned for Q1 2019 however timing has been pushed back to later in the year due to delays in negotiating access agreements with the underlying landowners.

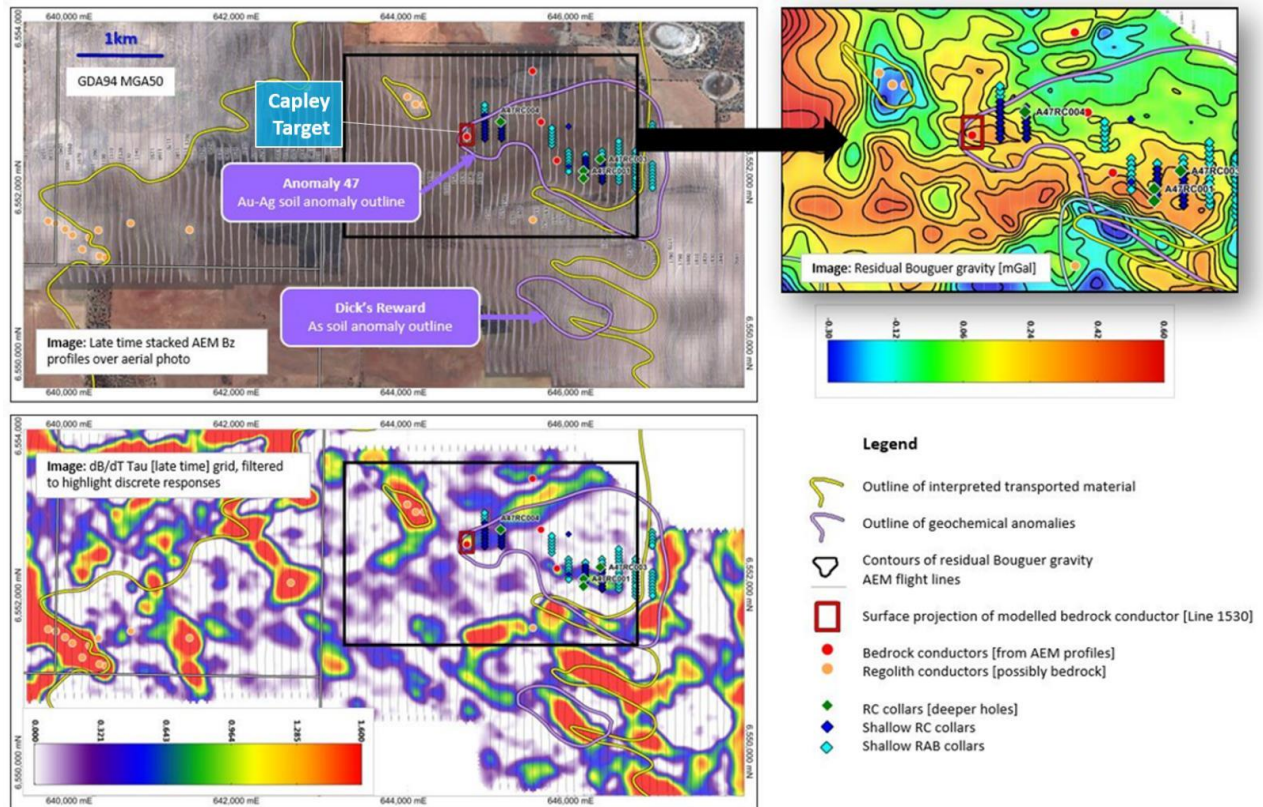


Figure 8: TOP LEFT: AEM survey location with respect to the Anomaly 47 and Dicks Reward prospects. The location of previous drilling, discrete AEM conductors and the modelled bedrock conductor at the newly identified Capley target [on Line 1530] is shown. The red polygon indicating the location of the 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.



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

In October 2017 the Company entered into earn-in joint venture agreements with ASX-listed developer Gold Road (ASX:GOR) over Cygnus Gold's Lake Grace and Wadderin Projects.

These agreements provide Gold Road with the opportunity to earn up to a 75% interest in the ~3,400km² area of Cygnus' Wadderin and Lake Grace exploration projects by spending \$3.7m over four years (refer GOR ASX announcement 10 October 2017). Cygnus is initially managing the exploration programs on these projects.

On the **Lake Grace Earn-in Project** the Company completed a detailed interpretation of the geology and regolith and regional surface sampling.

Drilling will commence in Q2 2019 on HRR_GC03, a regional target the Company identified from a 'fence' of AC holes (HRAC001- 008) drilled in early 2019 targeting a granite-greenstone contact associated with a 'jog' on the regional Yandina shear.

This fence of drilling intersected a wide zone of weak gold and 'pathfinder' geochemical anomalism. Although the gold tenor is of low-order, anomalous gold is developed in prospective mafic rocks across several holes including:

- 1m @ 0.184 g/t Au from 29m to 30m EOH in HRAC0004. (Refer CY5 ASX Announcement on 17 April 2019)¹

The anomalous gold is supported by anomalous silver (to 0.49g/t Ag over 4m) and high arsenic (3m @ 50.5ppm As over 3m) in HRAC0005.

The Company considers this a high priority target due to the widespread gold and pathfinder anomalism associated with the regional structural zone. Notably there is no drilling within 10km of this fence of holes.

To follow up these encouraging results the Company will drill two lines of 'stepout' AC holes 800m north and south of the original line at HRR_GC03 (20 holes for ~1,000m). Two deeper 'scissor' RC holes will also be drilled underneath the anomalous gold in HRAC0005.

Drilling commenced in April with results expected in May-June 2019.

The AC program on the Lake Grace project will also include a fence of ~800m of AC drilling at LG3_GC_01, targeting the regional Yandina Shear Zone. This fence of holes will extend a line of holes drilled by Cygnus in January on the adjacent Yandina JV tenements (holes LGAC001- 015).

At the **Wadderin Earn-in project** the Company mobilised an AC rig in April to test the HAR1_GC_04 target where 20 holes are planned for ~800m.

HAR1_GC_04 is a structural target where surface sampling by the Company defined a zone of elevated gold and multi-element geochemistry.

Surface sampling and further AC drilling are planned at Wadderin in the upcoming quarter subject to negotiating access agreements with the underlying landowners.



Yandina Joint Venture (Cygnus 25%)

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

Field work during the quarter comprised regional surface sampling and a detailed airborne magnetics survey over a section of the shear zone which only had regional data.

Cygnus has now completed a detailed geological interpretation of the Yandina project area which has identified targets for follow up which will include AC drilling and surface sampling.

A single line of AC drilling was completed over one of these targets in January (holes LGAC001- 015), however these did not intersect any significant mineralisation.

Hyden Joint Venture (pending Cygnus 25%)

The Company acquired a 25% interest in three new applications east of Ramelius Resources' (ASX:RMS) Tampia Project.

The Company is undertaking detailed an open file review of historical exploration prior to grant, and a new joint venture with Gold Road will be formed once the tenements are granted (anticipated in Q4 2019).

Corporate

Cash Position and Movements

As at 31 March 2019, Cygnus Gold held \$2.3m in cash (December 2018: \$3.5m). For further movements in cash during the quarter, refer to the Appendix 5B.


Cygnus Gold Limited Tenements (As at 31 March 2019)

Tenement	Location	Registered Owner	Structure and Ownership
E70/4787	Western Australia	Cygnus Gold Limited	100%
E70/4854	Western Australia	Cygnus Gold Limited	100%
E70/4910	Western Australia	Cygnus Gold Limited	100%
E70/4912	Western Australia	Cygnus Gold Limited	100%
E70/4952	Western Australia	Cygnus Gold Limited	100%
E70/4988	Western Australia	Cygnus Gold Limited	100%
E70/4992	Western Australia	Cygnus Gold Limited	100%
E70/5050	Western Australia	Cygnus Gold Limited	100%
E70/5131	Western Australia	Cygnus Gold Limited	100%
E70/5137	Western Australia	Cygnus Gold Limited	100%
E70/5168	Western Australia	Cygnus Gold Limited	100%
E70/5169	Western Australia	Cygnus Gold Limited	100%
E77/2405	Western Australia	Cygnus Gold Limited	100%
E77/2463	Western Australia	Cygnus Gold Limited	100%
E77/2464	Western Australia	Cygnus Gold Limited	Pending, 100%
Wadderin Earn-In Project			
E70/4911	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
E70/4939	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
E70/4989	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
E70/4990	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
E70/5018	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
E70/5019	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
E70/5020	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
E70/5021	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
Lake Grace Earn-In Project			
E70/4853	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
E70/4855	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
E70/4991	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
E70/5017	Western Australia	Cygnus Gold Limited	100%, diluting to 25%
Yandina Joint Venture Project			
E70/5098	Western Australia	Gold Road (Projects) Pty Ltd	25%
E70/5099	Western Australia	Gold Road (Projects) Pty Ltd	25%
E70/5100	Western Australia	Gold Road (Projects) Pty Ltd	25%
E70/5101	Western Australia	Gold Road (Projects) Pty Ltd	25%
E70/5098	Western Australia	Gold Road (Projects) Pty Ltd	25%
Hyden Joint Venture Project			
E70/5230	Western Australia	Cygnus Gold Limited, Gold Road (Projects) Pty Ltd	Pending 25%
E70/5231	Western Australia	Cygnus Gold Limited, Gold Road (Projects) Pty Ltd	Pending 25%
E70/5232	Western Australia	Cygnus Gold Limited, Gold Road (Projects) Pty Ltd	Pending 25%



Mining Tenements disposed: Applications E70/5188 & E70/5196 withdrawn.

Mining Tenements acquired: Nil

Beneficial percentage interests held in farm in or farm-out agreements: Refer above.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil

Forward Looking Statement

This announcement may contain certain forward-looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of Cygnus Gold Limited. The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Cygnus Gold Limited does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither Cygnus Gold Limited or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of Cygnus Gold Limited, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this announcement.

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.

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.