

CYGNUS GOLD LIMITED
ACN 609 094 653

PROSPECTUS

THIS PROSPECTUS IS BEING ISSUED FOR A NON-RENOUNCEABLE PRO-RATA OFFER TO ELIGIBLE SHAREHOLDERS ON THE BASIS OF ONE NEW SHARE FOR EVERY THREE SHARES HELD ON THE RECORD DATE AT AN ISSUE PRICE OF \$0.04 EACH TO RAISE UP TO APPROXIMATELY \$809,000.

THIS PROSPECTUS IS ALSO BEING ISSUED FOR AN OFFER OF ANY SHORTFALL UNDER THE RIGHTS ISSUE ON THE TERMS SET OUT IN SECTION 1.2 OF THE PROSPECTUS ("SHORTFALL OFFER").

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

IMPORTANT INFORMATION

This Prospectus is dated 22 October 2019 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 2, 45 Richardson Street, West Perth, WA, 6005, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.3).

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Acceptances of Shares under the Entitlement Offer can only be submitted on an original Entitlement and Acceptance Form sent with a copy of this Prospectus by the Company. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Entitlement Offer. If acceptance is by BPAY there is no need to return the original Entitlement and Acceptance Form. Applications for Shortfall Shares must be made on the separate section on the Entitlement and Acceptance Form sent with this Prospectus. The issue of Shortfall Shares is at the discretion of the Directors, in accordance with the allocation policy outlined in Section 1.2.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4. Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to WST unless otherwise indicated.

CORPORATE DIRECTORY

Directors

Michael Bohm
James Merrillees
Simon Jackson
Oliver Kreuzer

Non-Executive Chairman
Managing Director
Non-Executive Director
Non-Executive Director

Share Registry*

Computershare Investor Services Pty Ltd
GPO Box 2975, Melbourne VIC 3001
Phone: +61 3 9415 5000
Fax: +61 3 9473 2500

Company Secretary

Michael Naylor

Registered Office

Level 2
45 Richardson Street
West Perth WA 6005

Telephone:

+61 8 6118 1627

Email:

info@cygnusgold.com

Lawyers

Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
Perth WA 6000

Auditor*

Grant Thornton Audit Pty Ltd
Central Park
Level 43 152-158 St Georges Terrace
Perth WA 6000

ASX Code: CY5

Website: www.cygnusgold.com

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

INDICATIVE TIMETABLE FOR ENTITLEMENT OFFER

Lodgement of Appendix 3B and Prospectus with ASX	Tuesday, 22 October 2019
Notice of Entitlement Offer sent to Shareholders	Wednesday, 23 October 2019
Shares quoted on an "EX" basis	Thursday, 24 October 2019
Record Date for determining Entitlements	Friday, 25 October 2019
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	Wednesday, 30 October 2019
Last day to extend the Entitlement Offer closing date	Wednesday, 13 November 2019
Closing Date of Entitlement Offer*	Monday, 18 November 2019
Shares quoted on a deferred settlement basis	Tuesday, 19 November 2019
Notification of shortfall	Thursday, 21 November 2019
Anticipated date for issue of Shares Deferred settlement trading ends	Monday, 25 November 2019
Anticipated date for commencement of Shares trading on a normal settlement basis	Tuesday, 26 November 2019

* The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Shares issued under the Entitlement Offer are expected to commence trading on ASX may vary.

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LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of the Board of Cygnus Gold Limited (**Cygnus** or **Company**), I am pleased to invite you to participate in a non-renounceable pro-rata three-for-one entitlement offer at an issue price of \$0.04 per Share (**Entitlement Offer**) to raise approximately \$0.8 million (before payment of costs).

The issue price represents a discount of 18.4% to the closing price of Shares on 21 October 2019, providing Shareholders with an opportunity to increase their holdings at an attractive price.

Use of Funds

Subject to the satisfactory completion of the Entitlement Offer, funds raised will enable the Company to fund the advancement of both current and future exploration projects as follows.

1. Exploration drilling on the Company's tenements in the Wheatbelt (including the Bencubbin Nickel project);
2. Cygnus contribution to joint venture exploration programs with Gold Road; and
3. General working capital and costs of the Offer.

Conclusion

The Board recommends that you consider taking up your Entitlement under the Offer after reading this Prospectus in its entirety including the risks outlined in Section 4.

Eligible Shareholders may also wish to avail themselves of the opportunity to take up Shortfall Shares (refer to Section 1.2).

Full details of the Offer are set out in this Prospectus.

I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Michael Bohm', is displayed on a light blue rectangular background.

Michael Bohm
Non-Executive Chairman

INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Shares.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.2
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> • Exploration risk: Mineral exploration is a high-risk undertaking. There can be no assurance that further exploration on the Company's projects will result in the discovery of an economic ore deposit. • Future capital needs: Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. • General market risks: As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks. • Access and grant of applications: There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. <p>Negotiations with both native title holders and land owners/occupiers are generally required before gaining access to land for exploration and mining activities. Inability or delays in gaining such access may adversely impact the Company's ability to undertake its proposed activities. The Company may need to enter into compensation and access agreements before gaining access to land.</p>	Section 4

Key Information	Further Information
<p>Entitlement Offer</p> <p>This Prospectus is for a non-renounceable entitlement issue of one new Share for every three existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.04 per new Share to raise up to approximately \$0.8 million (before costs).</p>	Section 1.1
<p>Shortfall Offer</p> <p>Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.</p> <p>Eligible Shareholders may apply for Shares under the Shortfall Offer subject to such applications being received by the Closing Date.</p> <p>The issue price for each new Share to be issued under the Shortfall Offer shall be \$0.04, being the price at which new Shares have been offered under the Entitlement Offer.</p> <p>The allocation policy for the Shortfall Offer is outlined in Section 1.2. There is no guarantee that Eligible Shareholders will receive new Shares applied for under the Shortfall Offer.</p>	Section 1.2
<p>Eligible Shareholders</p> <p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> • are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and • have a registered address in Australia or, subject to the offer restrictions in Section 1.15, New Zealand. 	Sections 1.14, 1.15 and 1.16
<p>Use of funds</p> <p>Funds raised under the Offer are intended to be used primarily for exploration activities on the Company's existing projects and working capital.</p>	Section 1.3
<p>Effect on control of the Company</p> <p>Shareholders should note that if they do not participate in the Offer, their holdings will be diluted.</p> <p>The Company's largest Shareholder is Resource Capital Fund VI LP. As at the date of this Prospectus, Resource Capital Fund VI LP and their associates have a voting power of 15.11%.</p> <p>If Resource Capital Fund VI LP take up their entitlement and in the unlikely event that no Entitlements are taken up by Eligible Shareholders other than the Entitlements attaching to the Shares in which Resource Capital Fund VI LP and their associates hold a relevant interest, and no Shortfall Shares are placed, Resource Capital Fund VI LP's voting power in the Company would increase to a maximum of 19.18%.</p>	Section 1.7

Key Information			Further Information
No other investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offer.			
Indicative capital structure and pro-forma balance sheet The indicative capital structure upon completion of the Offer is set out below:			Sections 3.1 and 3.2
	Shares	Performance Rights	
Balance at the date of this Prospectus	60,683,341 ¹	1,400,000	
To be issued pursuant to the Entitlement Offer	20,227,780	-	
Total	80,911,121	1,400,000	
Note:			
<div>1. This assumes that all Shares offered under the Offer will be issued. The actual number of Shares to be issued will vary based on the Shares subscribed for and issued pursuant to the Offer. This number is also subject to rounding.</div> <div>2. The Shares on issue includes 15,577,088 Shares subject to an escrow period of 24 months, expiring 15 January 2020.</div> <div>3. Comprising:<div>1,050,000 Performance Rights with a measurement period ended 31 December 2019; and</div><div>350,000 Performance Rights with a measurement period ended 31 December 2020.</div></div>			
The pro-forma balance sheet showing the indicative effect of the Offer is in Section 3.2.			
Directors' interests in Shares and Entitlements The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlement is set out in the table below:			Section 5.6(b)
Name	Existing Shares	Entitlement	
Michael Bohm	3,170,001	1,056,667	
James Merrillees	150,000	50,000	
Simon Jackson	303,334	101,111	
Oliver Kreuzer	1,883,334	627,778	
It is the present intention of the Directors to take up all or part of their Entitlements specified above under the Entitlement Offer.			

Key Information	Further Information
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	<p>Important Information and Section 4</p>

1. Details of the Offer

1.1 Entitlement Offer

The Company is making a non-renounceable pro-rata offer of ordinary fully paid Shares at an issue price of \$0.04 each to Eligible Shareholders on the basis of one Share for every three Shares held at 5:00pm (WST) on the Record Date (**Entitlement Offer**).

On the basis that no existing Performance Rights are converted into shares prior to the Record Date, the Entitlement Offer is for a maximum of approximately 20,227,780 Shares to raise up to approximately \$809,000 (before costs).

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

Further details on the rights and liabilities attaching to the Shares under the Offer are contained in Section 5.1.

1.2 Shortfall Offer

Any Entitlements not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus. The issue price of any Shortfall Shares will be \$0.04 each, which is the issue price at which Shares have been offered to Eligible Shareholders under the Entitlement Offer. Shortfall Shares will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

The allocation policy for the issuance of Shortfall Shares will be as follows:

- (a) Eligible Shareholders who wish to subscribe for Shares above their Entitlement may apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Shares using BPAY® (refer to Section 2.3). The maximum amount of Shortfall Shares that Eligible Shareholders may be issued is five times that Eligible Shareholders' Entitlement.
- (b) if there is insufficient Shortfall to satisfy the applications made in accordance with paragraph (a) above, the applications will be scaled back at the discretion of the Directors;
- (c) if any Shortfall is remaining after the applications made in accordance with paragraph (a) above are satisfied, the Directors reserve the discretion to place any such remaining Shortfall Shares within three months after the close of the Entitlement Offer;
- (d) Directors and related parties will not be eligible to apply for any Shortfall Shares; and
- (e) no Shares will be issued under the Shortfall Offer if their issue would contravene the takeover prohibition in section 606 of the Corporations Act.

Subject to the above, the Shortfall Shares are to be issued at the discretion of the Company and as such there is no guarantee that any Shortfall Shares will be issued to Eligible Shareholders or other third parties. Excess Application Monies for the Shortfall Offer will be refunded without interest.

It is a term of the Shortfall Offer that, should the Company scale back applications for Shortfall Shares, the Applicant will be bound to accept such lesser number allocated to them. Any Shortfall Shares will be issued within three months after the Closing Date.

1.3 Use of funds

Completion of the Entitlement Offer will result in an increase in cash at hand of up to approximately \$0.8 million (before payment of costs).

The following indicative table sets out the proposed use of funds raised under the Entitlement Offer:

Proposed use	\$ (\$'000)
Exploration on the Bencubbin Project	400
Exploration - Other Projects	300
Corporate and working capital	76
Costs of Offer	33
TOTAL	809

Note:

1. If the Entitlement Offer is not fully subscribed, and the Shortfall is not subsequently placed, the Company intends on adjusting the use of funds.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

1.4 Opening and Closing Dates

For the Entitlement Offer, the Company will accept Entitlement and Acceptance Forms from the opening date of the Offer until 5:00pm WST on Wednesday, 30 October 2019 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

The Shortfall Offer will remain open for a period of up to three months from the Closing Date (or such shorter period as determined by the Directors), however Eligible Shareholders who wish to participate in the Shortfall Offer must submit their Applications to the Company by no later than the Closing Date.

1.5 Minimum subscription

There is no minimum subscription for the Offer.

1.6 Underwriting

The Entitlement Offer is not underwritten.

1.7 Effect on control of the Company

(a) Summary

The Company is of the view that the Entitlement Offer will not affect control (as defined by section 50AA of the Corporations Act) of the Company. No Shareholder's voting power in the Company may increase to 20% or above as a result of the Offer.

No nominee has been appointed for Ineligible Foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, or applies for Shortfall Shares in excess of their Entitlement, they must have regard to section 606 of the Corporations Act.

Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 as a result of participating should seek professional advice before completing and returning their Application Form.

(b) Major Shareholder

The Company's largest Shareholder is Resource Capital Fund VI LP (RCF). RCF currently holds 9,166,667 Shares, a voting power of 15.11%.

In the unlikely event RCF are the only participant in the Entitlement Offer and subscribe for their full Entitlement (3,055,556 Shares), their voting power would increase to 19.18%.

(c) Other Shareholders

No Shareholder's voting power in the Company may increase to 20% or above as a result of the Entitlement Offer.

1.8 Potential dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares on

issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

	Holding as at Record Date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	10,000,000	16.48%	3,333,333	10,000,000	12.36%
Shareholder 2	5,000,000	8.24%	1,666,667	5,000,000	6.18%
Shareholder 3	2,500,000	4.12%	833,333	2,500,000	3.09%
Shareholder 4	1,000,000	1.65%	333,333	1,000,000	1.24%
Shareholder 5	500,000	0.82%	166,667	500,000	0.62%

Note: The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall is not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.9 No rights trading

The rights to Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement to Shares under the Entitlement Offer by the Closing Date, the Entitlement Offer to you will lapse.

1.10 Issue Date and dispatch

All Shares under the Entitlement Offer are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

All Shares issued under the Shortfall Offer to Eligible Shareholders are expected to be issued at the same time as the Shares issued under the Entitlement Offer. All Shortfall Shares issued to other investors under the Shortfall Offer (if any) are expected to be issued within three months after the close of the Entitlement Offer.

Security holder statements will be dispatched on the business day following the issue of the Shares under the Offer.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements do so at their own risk.

1.11 Application Monies held on trust

All Application Monies received for the Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the relevant Shares are issued. All Application Monies will be returned (without interest) if the relevant Shares are not issued.

1.12 ASX quotation

Application has been or will be made for the official quotation of the Shares offered by this Prospectus. If permission is not granted by ASX for the official quotation of

the Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.13 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares, including a notice to exercise the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Computershare Investor Services Pty Limited and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.14 Ineligible Foreign Shareholders

This Prospectus, and any accompanying Entitlement and Acceptance Form, do not, and is not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares under the Offer.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company believes that it is unreasonable to extend the Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Shares that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Offer. The Directors do however reserve their right to accept subscriptions from Eligible Shareholders from outside Australia and New Zealand.

Shareholders and potential investors with a registered address outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their Entitlement. The return of a completed Application Form from a Shareholder or potential investor with a registered address outside Australia will be taken by the Company to constitute a representation and warranty by that Shareholder or potential investor that all relevant approvals have been obtained and that the Company may legally issue the Securities to that Shareholder or potential investor.

1.15 New Zealand offer restrictions

The Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

1.16 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

1.17 Substantial Shareholders

Based on available information as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Voting power
Resource Capital Fund VI LP (RCF)	9,166,667	15.11%
Southern Cross Capital Pty Ltd	7,500,000	12.36%
Gold Road (Projects) Pty Ltd	3,750,000	6.18%
Charmaine Lobo	3,170,001	5.22%
Alan Cleland <DA Exploration A/C>	3,170,001	5.22%

Refer to Section 1.7 for details regarding the effect of the Offer on the voting power of RCF.

1.18 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.19 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.20 Major activities and financial information

A summary of the activities and financial information relating to the Company for the financial year ended 31 December 2018 and the half year ended 30 June 2019 can be found in the Company's 2018 Annual Financial Report and the Half Yearly Report for the six-month period to 30 June 2019 lodged with ASX. The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report on 28 March 2019 are listed in Section 5.3.

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.21 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's Shareholding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Acceptance or Application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.22 Enquiries concerning Prospectus

For general shareholder enquiries and enquiries regarding the Prospectus, please contact Cygnus Gold Limited on +61 8 6118 1627.

2. Action required by Shareholders

2.1 Acceptance of Entitlement

Should you wish to accept all of your Entitlement to Shares under the Entitlement Offer and you are not paying by BPAY, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the amount indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Cygnus Gold Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

Computershare Investor Services Pty Ltd
GPO Box 2975
Melbourne VIC 3001

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

2.2 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement under the Entitlement Offer and you are not paying by BPAY, then applications for Shares under the Entitlement Offer must be made on the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the amount payable (calculated at \$0.04 per Share accepted), and attach a cheque, bank draft or money order for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Cygnus Gold Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at the address indicated at Section 2.1.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

2.3 If you wish to apply for Shortfall Shares

If you are an Eligible Shareholder and you wish to apply for Shares in excess of your Entitlement under the Entitlement Offer by applying for Shortfall Shares, you may do so by completing the relevant separate section of the Entitlement and Acceptance Form relating to the Shortfall Offer and which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Any Shares applied for in excess of your Entitlement will be applied for under the Shortfall Offer and will be issued in accordance with the allocation policy described in Section 1.2.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Cygnus Gold Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at the address indicated at Section 2.2.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

The Company may also provide application forms to other investors who are invited to subscribe for Shortfall in accordance with the allocation policy described in Section 1.2.

2.4 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your entitlement.

2.5 Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Shares.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form, is final.

The Company will send this Prospectus, together with an Entitlement and Acceptance Form, to all Eligible Shareholders.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies, or making a payment via BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Shares to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares as at the Record Date and have a registered address in Australia or subject to the offer restrictions in Section 1.15, New Zealand;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

2.6 Enquiries concerning your Entitlement

For all enquiries concerning the Prospectus, please contact Cygnus Gold Limited on + 61 8 6118 1627.

3. Effect of the Offer

3.1 Capital structure on completion of the Offer

	Number of Shares ¹	Number of Performance Rights
Balance at the date of this Prospectus	60,683,341 ²	1,400,000 ³
Maximum number of Shares to be issued under the Offer	20,227,780	-
TOTAL	80,911,121	1,400,000

Note:

1. This assumes that all Shares offered under the Offer will be issued. The actual number of Shares to be issued will vary based on the Shares subscribed for and issued pursuant to the Offer. This number is also subject to rounding.
2. The Shares on issue includes 15,577,088 Shares subject to an escrow period of 24 months, expiring 15 January 2020.
3. Comprising:
 - a. 1,050,000 Performance Rights with a measurement period ended 31 December 2019; and
 - b. 350,000 Performance Rights with a measurement period ended 31 December 2020.

3.2 Pro forma consolidated statement of financial position

Set out below is:

- (a) the reviewed consolidated statement of financial position of the Company as at 30 June 2019 (**Balance Date**); and
- (b) the unaudited significant changes since the Balance Date;
- (c) the unaudited effects of the Offer (assuming it is fully subscribed); and
- (d) the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect paragraphs 3.2(b) and (c) and the Offer, assuming the Offer are fully subscribed.

The statements of financial position have been prepared to provide Shareholders with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company as noted below. The historical and pro forma information is presented in abbreviated form; it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

	Reviewed Balance Sheet as at the Balance Date	Effect of Offer	Unaudited Pro Forma Balance Sheet Post Significant Changes and Offer
	(A\$)	(A\$)	(A\$)
Current Assets			
Cash & cash equivalents	1,879,131	776,181	2,655,312
Trade & other receivables	216,984	-	216,984
Non Current Assets			
Exploration & evaluation	3,179,154	-	3,179,154
Property, Plant & Equipment	90,246	-	90,246
TOTAL ASSETS	5,365,515	776,181	6,141,696
Current Liabilities			
Trade & other payables	178,863	-	178,863
Employee benefit provisions	23,727	-	23,727
TOTAL LIABILITIES	202,590	-	202,590
NET ASSETS	5,162,925	776,181	5,939,106
EQUITY			
Issued capital	7,128,373	776,181	7,904,554
Reserves	2,596	-	2,596
Accumulated Losses	(1,968,044)	-	(1,968,044)
TOTAL EQUITY	5,162,925	776,181	5,939,106

Note:

The pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between 30 June 2019 (and the outflows disclosed in the 30 June 2019 quarterly cash flow report) and the completion of the Offer except for movements in working capital from transactions and expenditures incurred in the normal course of business including corporate costs and exploration activities.

3.3 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Lowest: \$0.0490 on 21 October 2019

Highest: \$0.095 on 23 July 2019

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.0490 per Share on 21 October 2019.

3.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks; however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Specific Risks to the Company

(a) Tenement applications and title

Three out of the Company's 35 Tenements are still in application. There is no guarantee that those, or any other future tenement applications, will be granted or, if they are granted, that they will be granted over the entirety of the area applied for. Further, mining tenements are subject to periodic renewal. There is no guarantee that applications for renewal will be granted.

More generally, the Tenements are subject to the *Mining Act 1978* (WA) (**Mining Act**) and other applicable regulations. The tenement holder has certain obligations under the Mining Act in relation to the Tenements, including payment of annual rents, meeting prescribed expenditure commitments (or obtaining exemptions from them), and satisfying other conditions imposed on the Tenements.

It is the Company's intention to satisfy the conditions that apply to the Tenements. However, there are no guarantees that, in the future, the minimum expenditure and other conditions that apply to the Tenements will be satisfied. If the conditions that apply to a Tenement are not satisfied, the Company may be subject to penalties or forfeiture applications. Additional conditions may also be imposed on the Tenements in the future. Any of these events could have a materially adverse effect on the Company's prospects and the value of its assets.

All of the Tenements are Exploration Licences or Exploration Licence Applications and accordingly the Company's rights are limited to the exploration rights granted by such tenements. There can be no assurance that applications for future mining leases, if applied for, will be granted on satisfactory terms, or at all.

(b) Private landholders consent needed to access Tenements

All of the Company's granted Exploration Licences encroach almost entirely on land which is classified as "private land" for the purposes of the Mining Act. The Bencubbin and Gold Road Joint Venture projects, where the Company plans on-ground activities shortly after this capital raising

are all wholly within areas of private land encroachment. The Company's Exploration Licence Applications will also substantially encroach on private land if and when they are granted.

Under the Mining Act, unless the Company has the consent of owner and the occupier of that private land the Tenement is not granted in respect of areas that are within 30 metres of the natural surface of the land and accordingly, the Company is only granted sub-surface rights to its Tenements over those areas unless it obtains that consent.

Further, the Mining Act provides that no mining activities may be conducted on or within 30 metres of the natural surface of any private land unless the tenement holder has paid compensation to, or made an agreement to pay compensation to, the owner and occupier of the private land. The Company is however entitled to carry out airborne surveys on the Tenements without the consent of, or agreement with, the private landowners and occupiers.

At this stage the Company has entered into compensation agreements with, and obtained the consent of, the owners and occupiers of some of the private land that covers the exploration prospects on which the Company is proposing to undertake activities which are the purpose of this capital raising. A further consent and compensation arrangement will be needed for the grant of any mining lease and the conduct of mining activities. The access to surface rights that the Company has obtained to date is sufficient for the Company's proposed exploration activities on prospects on the Bencubbin North, Lake Grace JV, Wadderin JV, Yandina JV and Stanley projects.

The Company proposes to continue to seek the consent and agreement of other private landowners and occupiers for the remainder of its Tenements but will focus its negotiations on the areas of most interest to it from time to time.

While the Company has been successful in finalising agreements with almost all of the owners and occupiers it has approached to date there is no guarantee that it will obtain the necessary consent in respect of all other areas of interest to it, either on terms agreeable to the Company or at all. There is also no guarantee that the further consent necessary for a future mining lease and mining activities will be obtained, including from the persons that have consented to date. However, under the land access agreements those parties are required to negotiate in good faith with the Company as to the compensation and have agreed that the Warden can determine the compensation if the parties cannot.

Failure to obtain the necessary consent and/or agree compensation with the relevant owners and occupiers will prevent the Company from being granted rights to, or carrying out any activities on or within, 30 metres from the surface of the private land areas. Depending on the areas affected this may have a material adverse impact on the Company and its operations.

The need for negotiations to obtain further access for both exploration and for future mining activities may also cause delays and adversely impact on the Company's proposed activities. The need to pay compensation will also

deplete the Company's cash reserves although these amounts are not expected to be material.

(c) Other access issues

In addition to the risks associated with access to areas of private land noted above, some other areas of the Company's Tenements are the subject of other land uses (including reserves) or environmental restrictions. The terms of grant of tenements over these types of land contain sometimes stringent conditions relating to access and ground disturbing activities that the Company will need to comply with and may require additional regulatory consents being obtained prior to access.

The Company will experience delays and cost overruns in the event it is unable to access the land required for its operations for other reasons. This may be as a result of weather, environmental restraints, native title or aboriginal heritage issues, the need for regulatory approvals and consents or other factors.

(d) Exploration and study risks

The business of mineral (including gold) exploration is a high-risk business. The Company's projects are still at a very early stage and no Mineral Resources have as yet been identified on the tenements. There is no guarantee that the exploration of these Tenements or any mining tenements that may be acquired in the future, will be successful and result in the discovery of an economically viable deposit of gold or other minerals.

The Company's future exploration activities may be affected by a range of factors including geological conditions, limitations on activities by seasonal or adverse weather conditions, unanticipated operational or technical difficulties, availability of suitable equipment and personnel, land access and environmental issues.

In the future the Company may undertake various studies on the Company's projects depending on results of exploration and testing programs, including scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Company's projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further even if a study determines the economics of the Company's projects, there can be no guarantee that the project will be successfully brought into production. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

In the event that the Company's exploration programmes and/or studies prove to be unsuccessful this could lead to a diminution in value of its

projects, a reduction in the cash reserves of the Company and the possible relinquishment of one or more of its tenements.

(e) Exploration costs

The exploration costs of the Company have been estimated based on certain assumptions including with respect to the method and timing of exploration and these assumptions are subject to significant uncertainties. Actual exploration costs may differ materially from these estimates. As such, no assurance can be given that the cost estimates and the underlying assumptions will be realised. The Company may be materially and adversely affected if the actual costs are substantially greater than the estimated costs.

(f) Exploration targets, resources and reserves

In the future, the Company may identify exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. In that case, insufficient data may exist to provide certainty over the extent of any mineralisation. Accordingly, no assurances can be given that any additional exploration will result in the determination of a Mineral Resource on any of the exploration targets identified. Even if a Mineral Resource is identified no assurance can be provided that this can be economically extracted and an Ore Reserve identified.

Even if Mineral Resource or Ore Reserve estimates are made in the future, these estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

(g) Development and operational risks

By its very nature, mine development contains significant risk with no guarantee of success. Therefore, even if a potentially economic mineral deposit is identified by the Company in the future, there is no guarantee that it can be developed and economically exploited. The ultimate economic development of a mineral deposit is dependent on many factors such as:

- (i) the delineation of economically recoverable Ore Reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to appropriate mining tenements;
- (v) obtaining regulatory consents and approvals necessary for the conduct of development and production;

- (vi) securing plant and equipment; and
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

In particular, any mineral deposits identified by the Company may not produce sufficient quantities or qualities of gold or other minerals to be profitable or commercially viable and may result in a total loss of any investments by the Company.

Further, once established, mining operations can be impacted by a number of factors, including geological and weather conditions causing delays and interference to operations, access to necessary funding, metallurgical issues, mechanical failure of plant and equipment, shortages or increases in price of consumables and plant and equipment, environmental hazards, fires, explosions and other accidents.

These factors affect the Company's ability to establish mining operations, continue with its projects and earn income from its operations and will affect the Company's share price.

Similarly, all production costs, particularly labour, fuel and power, are a key risk and have the potential to adversely affect the Company's profitability. If the Company develops mining operations and these are subject to cost over-runs and/or higher than anticipated operating costs, this would adversely affect the Company's profitability, the value of the Company's projects and in turn, the value of the Shares.

(h) Additional requirements for capital and dilution

The Company will require further financing in the future.

Any additional equity financing will likely be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or the Entitlement Offer price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(i) Commodity price risk and exchange rate risk

The Company's possible future revenues will mainly be derived from the sale of gold or other minerals. Accordingly, the Company's future ability to generate revenue or attract funding will be closely related to the price of such commodities. Commodity prices fluctuate and are affected by a range of factors outside of the Company's control, including the relationship between global supply and demand for such commodities, forward selling by producers, the cost of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand issues. These factors may have an adverse effect on the Company's exploration, development and production activities as well as its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(j) Environmental and approvals risk

The Company's operations are subject to environmental regulations at both a State and Federal level. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) may not be available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company.

Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive. There is a risk that environmental laws and regulations could become more onerous making the Company's operations more expensive. There is no

assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits will be required in connection with the Company's operations, including for operating on any environmentally sensitive areas and for such activities as any land clearing and ground disturbing activities. To the extent such approvals are required and there are delays in obtaining them or they are not obtained or maintained on acceptable conditions, the Company may be delayed or prohibited from proceeding with planned exploration or development of its projects.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

(k) Government regulation

In addition to environmental regulation, the activities of the Company are subject to various laws and regulations including in those governing exploration and mining, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, Aboriginal heritage and native title and other matters. Any material adverse changes in government policies or legislation that affect the Company's activities may affect the viability and profitability of the Company's current and future projects.

Furthermore, no assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be applied in a manner which could limit or curtail the Company's activities and ultimate development or operation of its projects.

Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation of them could have a substantial adverse impact on the current and any future project and therefore the Company.

(l) Equipment and availability

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(m) Land rehabilitation requirements

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and

to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

(n) Litigation risk

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

(o) Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions.

This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

(p) Native Title and Aboriginal heritage

The effect of present laws in respect of native title that apply in Australia is that mining tenements (including applications for mining tenements) may be affected by native title claims or procedures, which may prevent or delay the granting of mining tenements, or affect the ability of the Company to explore and develop the mining tenements.

Commonwealth and State legislation obliges the Company to identify and protect sites of significance to Aboriginal custom and tradition. Some sites of significance may be identified within the areas of the tenements. It is therefore possible that one or more sites of significance will exist in an area which the Company considers to be prospective. The Company's policy is to comply with its existing Aboriginal heritage agreements and carry out heritage clearance surveys prior to conducting exploration in appropriate circumstances.

(q) Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a

significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

(r) Counter party risk

The Company has entered into a number of commercial agreements with third parties (including the land access agreements) and may enter into further contracts. There is a risk that the counterparties may not meet their obligations under those agreements.

The ability of the Company to achieve its stated objectives will depend on the performance by the counterparties, with whom the Company has contracted with, or will contract with, of their obligations under the relevant agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(s) Joint venture risk

The Wadderin Project, Yandina Project and the Lake Grace Project are subject to joint venture agreements with Gold Road Projects. The exploration of those projects is reliant on Gold Road Projects continuing its earn-in (and therefore the funding of that exploration) and performing its obligations under those agreements. There may be a material adverse impact on the exploration of these projects if Gold Road Projects does not perform its obligations or does not continue to fund exploration past its minimum commitment and complete its earn-in. In that case the Company would need to fund the statutory expenditure commitments and accordingly revise its exploration programmes to accommodate any expenditure needed on these projects or consider other options such as seeking another earn-in partner or surrendering areas of the Tenements that are not of interest to it so as to reduce the expenditure commitment.

If Gold Road Projects completes its earn-in, then further exploration and any future mining operations will similarly be reliant on Gold Road Projects performing their obligations under the agreements. There will be a material adverse impact on those projects if Gold Road Projects does not perform its obligations under the agreements or the relationship between the Company and Gold Road and/or Gold Road Projects deteriorates.

If Gold Road Projects defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

4.2 General investment risks

Some of the general risks of investment which are considered beyond the control of the Company are as follows:

(a) Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(b) Securities price fluctuation

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's Shares, and the attractiveness of alternative investments. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

(c) Share market risk

The market price of the Company's Shares could fluctuate significantly. The market price of the Company's Shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Company's Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with

respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) Agents and Contractors

The Company is unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

(f) Force Majeure

The Company's projects may now or in the future be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(g) Insurance

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

4.3 Speculative nature of investment

The Directors and management of the Company will, to the best of their knowledge, experience and ability (in conjunction with senior management), endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its business operations. The ability of the Directors and management to do so may be affected by matters outside their control and no assurance can be given that the Directors and management of the Company will be successful in these endeavours.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or investors. The above factors, and others not specified, may in the future materially affect the financial performance of the Company and the value of Shares.

5. Additional information

5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of the Company every holder of fully paid Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed two proxies) and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share.

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued Shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the Shares in any special class of those Shares.

(d) Variation of rights

At present, the Company has on issue one class of Shares only, namely ordinary Shares. Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, the Corporations Act and the Listing Rules, ordinary Shares are freely transferable.

(f) **Dividends**

Subject to the Corporations Act, the Listing Rules and the rights attaching to Shares issued on special conditions (at present there are none), the Directors may from time to time declare that a dividend is payable to the holders of ordinary Shares in proportion to the number of Shares held by them respectively and are paid proportionately to the amounts paid or credited as paid on Shares.

(g) **Winding up**

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set the value the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between members or different classes of members.

(h) **Dividend reinvestment and share plans**

The Directors may grant to Shareholders or any class of Shareholders the right to elect that dividends payable by the Company be reinvested, including by way of subscription for fully paid Shares in the Company or by foregoing any dividends that may be payable on all or some of the Shares held by that member and to receive instead some other entitlement, including the issue of Shares on such terms as the Directors see fit.

(i) **Directors**

The Constitution states that the minimum number of Directors is three.

(j) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise all powers of the Company as are not required by the Corporations Act, Listing Rules or the Constitution, required to be exercised by the Company at general meeting.

(k) **Unmarketable parcels**

The Constitution permits the Company to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules.

If a Shareholder does not want their Shares sold, that Shareholder may notify the Company accordingly.

(l) Capitalisation of profits

The Company may capitalise profits, reserves or other amounts available for distribution to members. Subject to the Constitution and the terms of issue of Shares, members are entitled to participate in a capital distribution in proportion to the number of Shares held by them.

(m) Preference Shares

The Company may issue preference Shares including preference Shares that are liable to be redeemed. The rights attaching to preference Shares include, without limitation, those specified in clause 2.3 of the Constitution.

5.2 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.3 below). Copies of all documents announced to the ASX can be found at www.cygnusgold.com under the Investors tab.

5.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the Annual Report for the period ending 31 December 2018 as lodged with ASX on 28 March 2019;
- (b) the Half Yearly Report for the period ending 30 June 2019 as lodged with ASX on 11 September 2019; and
- (c) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report until the date of this Prospectus:

Date lodged	Subject of Announcement
15/10/19	Cygnus Gold and Gold Road JV Update
7/10/19	Cygnus Bencubbin Project Update
3/10/19	Expiry of Performance Rights
23/09/2019	Director Resignation
18/09/2019	Cygnus Gold RIU Resources Investor Presentation
11/09/2019	Half Year Accounts
2/09/2019	Change of Registered Address
30/07/2019	Quarterly Activities Report
30/07/2019	Quarterly Cashflow Report
10/07/2019	Cygnus Gold starts drilling at Lake Grace JV with Gold Road
1/07/2019	Gold Road earns stake in Cygnus Golds Lake Grace project
20/06/2019	Change of Director's Interest Notice
19/06/2019	Appendix 3B
17/06/2019	Cygnus sampling extends nickel at Bencubbin
28/05/2019	Results of Meeting
28/05/2019	Cygnus intersects high-grade gold at Kepler
8/05/2019	Cygnus Gold RIU Resources Round Up Presentation
8/05/2019	Cygnus confirms nickel prospectivity at Bencubbin North
29/04/2019	Quarterly Activities Report
29/04/2019	Quarterly Cashflow Report
24/04/2019	Notice of Annual General Meeting/Proxy Form
17/04/2019	Cygnus commences drilling at Gold Road JVs and Stanley
2/04/2019	Cygnus identifies exciting new Kepler Zone gold target
28/03/2019	Annual Report to shareholders

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.10.

5.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out below and in this Prospectus.

The Company is continually exploring the potential of joint ventures for some of its assets. As at the date of this Prospectus, the Company is in the early stages of discussions but no determination has been made, no agreements are in place and there is no guarantee that a successful joint venture arrangement will be concluded. The Company will notify ASX of any joint venture arrangements in accordance with its continuous disclosure obligations.

5.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.6 Interests of Directors

(a) Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director holds or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with:
 - (A) its formation or promotion; or
 - (B) the Offer; or
- (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (iv) as an inducement to become, or to qualify as, a Director; or
- (v) for services provided in connection with:
 - (A) the formation or promotion of the Company; or

(B) the Offer.

(b) **Security holdings**

The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below.

Director	Shares	Performance Rights	Entitlement
Michael Bohm ¹	3,170,001	100,000	1,056,667
James Merrillees ²	150,000	1,100,000	50,000
Simon Jackson ³	303,334	100,000	101,111
Oliver Kreuzer	1,883,334	100,000	627,778

Notes:

1. Shares are held through Mr Bohm's spouse, Ms Charmaine Lobo.
2. Shares and Performance Rights are held through JSM Resources Pty Ltd <The Merrillees Family>, a Company which Mr Merrillees is a shareholder and director.
3. Shares and Performance Rights are held through Bigjac Investments Pty Ltd <Bigjac Investment A/C> Mr Jackson is a director of Bigjac Investments Pty Ltd and a beneficiary of the trust.

It is the present intention of the Directors to take up all or part of their respective Entitlements under the Entitlement Offer.

(c) **Remuneration**

The Constitution provides that the Non-Executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal Shares.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The remuneration of Executive Directors must, subject to the provisions of any contract between each of them and the Company, be fixed by the Board. The Company currently has one Executive Director, James Merrillees, the Company's Managing Director. James Merrillees base annual fixed remuneration is \$246,375 (inclusive of superannuation).

Directors received the following remuneration for the year ended 31 December 2017:

Director	Directors' fees, and salary (\$)	Consultant fees (\$)	Superannuation (\$)	Bonus (\$)	Share based payments (\$)	Total (\$)
Michael Bohm	4,167	69,750	396		-	74,313
James Merrillees	129,714	-	14,998	18,265	-	162,977
Simon Jackson	3,333	-	317	-	-	3,650
Oliver Kreuzer	3,333	102,000	317	-	-	105,650
Amanda Buckingham ¹	3,333	59,116	317	-	-	62,766

Directors received the following remuneration for the year ended 31 December 2018:

Director	Directors' fees, and salary (\$)	Consultant fees (\$)	Superannuation (\$)	Bonus (\$)	Share based payments (\$)	Total (\$)
Michael Bohm	50,000	-	4,750	-	346	55,096
James Merrillees	228,529	-	26,027	28,125	1,212	283,893
Simon Jackson	40,000	-	3,800	-	346	44,146
Oliver Kreuzer	40,000	28,850	3,800	-	346	72,996
Amanda Buckingham ¹	40,000	30,563	3,800	-	346	74,709

Notes:

1. Dr Amanda Buckingham resigned as non-executive director effective 20 September 2019

5.7 Related party transactions

Other than as set out in the Prospectus, there are no related party transactions involved in the Offer.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

5.8 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

Bellanhuse Lawyers will be paid approximately \$15,000 (plus GST) in fees for legal services in connection with the Entitlement Offer.

5.9 Expenses of Offer

The estimated expenses of the Offer are as follows:

Estimated expenses of the Offer	\$
ASIC lodgment fees	3,206
ASX quotation fee	5,094
Legal fees and expenses	15,000
Printing, mailing, advertising, Share registry fees & miscellaneous	9,630
TOTAL	32,930

5.10 Consents

- (a) Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary

responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

- (b) Each of the parties referred to in this Section:
 - (i) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
 - (ii) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.
- (c) Bellanhouse has given its written consent to being named as the Australian corporate solicitors to the Company in this Prospectus. Bellanhouse has not withdrawn its consent prior to the lodgment of this Prospectus with the ASIC.

6. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to be 'M. Bohm', is centered within a light gray rectangular box.

Michael Bohm

Non-Executive Chairman

Dated: 22 October 2019

7. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Acceptance means a valid acceptance of Entitlements pursuant to this Prospectus on an Entitlement and Acceptance Form.

Applicant means an applicant for Shares offered under this Prospectus.

Application means a valid application for Shortfall Shares made on an application form.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Shares Exchange operated by ASX Limited.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date has the meaning given to it in Section 1.4.

Company means Cygnus Gold Limited (ACN 609 094 653).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means *Corporations Act 2001* (Cth).

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement and Acceptance Form means the entitlement and acceptance form provided by the Company with a copy of this Prospectus that describes the entitlement of Shareholders to subscribe for Shares pursuant to the Offer.

Entitlement means the number of new Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being one new Share for every existing three Shares held on the Record Date.

Entitlement Offer means the offer under this Prospectus of up to approximately 20,227,780 new Shares to Eligible Shareholders in the proportion of one new Share for every three Shares held on the Record Date.

Exploration Licences means exploration licences as granted under the Mining Act.

Exploration Licence Applications means exploration licence applications made under the Mining Act.

Gold Road means Gold Road Resources Limited ACN 109 289 527, a company listed on the ASX.

Gold Roads Projects means Gold Road (Projects) Pty Ltd ACN 621 279 525, a wholly owned subsidiary of Gold Road.

Ineligible Foreign Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia or New Zealand.

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Listing Rules means the listing rules of ASX.

Mineral Resources has the meaning provided by the JORC Code.

Mining Act means the Mining Act 1978 (WA).

Offer means an offer under this Prospectus to subscribe for Shares, and includes the Entitlement Offer and the Shortfall Offer.

Ore Reserve has the meaning provided by the JORC Code.

Performance Rights means the performance rights on issue in the Company as set out in the Company's latest Appendix 3B released 19 June 2019.

Prospectus means this prospectus dated 22 October 2019.

RCF means Resource Capital Fund VI L.P., a private equity fund.

Record Date means 5:00pm (WST) on the date identified in the proposed timetable.

Section means a section of this Prospectus.

Securities mean any securities including Shares or Performance Rights issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall Offer means the offer of the Shortfall under this Prospectus, which includes the offer in relation to the Shortfall Shares.

Shortfall or Shortfall Shares means Shares not subscribed for under the Entitlement Offer.

Tenements means the exploration licences and exploration licence applications held by the Company at the date of this Prospectus.

WST means Western Standard Time.



Cygnus Gold Limited
ABN 80 609 094 653

For all enquiries:

Phone:
(within Australia) 08 6118 1627
(outside Australia) +61 8 6118 1627

Web:
www.investorcentre.com/contact

CY5


MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Non-Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (WST), Monday, 18 November 2019**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Shortfall Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Prospectus dated Tuesday, 22 October 2019.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Cygnus Gold Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Entitlement and Acceptance Form with Additional Shares

X 9999999991 I ND

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

For your security keep your SRN/
HIN confidential.

Entitlement No: 12345678


Offer Details: Existing shares entitled to participate as at
Friday, 25 October 2019:

Entitlement to New Shares
on a 1 for 3 basis:


Amount payable on full acceptance
at \$0.04 per New Share:

4,000
1
\$0.01

STEP 2 Make Your Payment

	Bill Code: 999999 Ref No: 1234 5678 9123 4567 89
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Contact your financial institution to make your
payment from your cheque or savings account.

Pay by Mail:
 Make your cheque, bank draft or money order payable to "Cygnus Gold Limited"
and cross "Not Negotiable".
Return your cheque with the below payment slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Acceptance
If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (WST), Monday, 18 November 2019. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Cygnus Gold Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.
If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (WST), Monday, 18 November 2019. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Cygnus Gold Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice
The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

[Detach here](#) _ _ _

Cygnus Gold Limited Acceptance Payment Details

Entitlement taken up:	<input type="text"/>
Number of Shortfall Shares applied for:	<input type="text"/>
Amount enclosed at \$0.04 per New Share:	A\$ <input type="text"/>



Entitlement No: 12345678

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (WST), Monday, 18 November 2019

Contact Details

Contact Name	Daytime Telephone
--------------	-------------------

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>