

23 October 2019

Dear Shareholder

Notice to Ineligible Shareholders of Non-Renounceable Entitlement Offer

As advised in the ASX announcement on 22 October 2019, the Company is undertaking a non-renounceable pro-rata entitlement offer (**Entitlement Offer**) to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.04 per share on the basis of 1 new share (**New Share**) for every 3 shares held at the record date on 25 October 2019 (**Record Date**). Pursuant to the Entitlement Offer, the Company will issue approximately 20.2 million New Shares to raise up to approximately \$809,000 before costs.

The Entitlement Offer is available to all Cygnus shareholders (**Shareholders**) registered on the Record Date whose registered address is in Australia or New Zealand (**Eligible Shareholders**). The Entitlement Offer is not being extended to any Shareholders with addresses outside these jurisdictions, however the Company's Directors reserve their right to accept subscriptions from Shareholders from outside Australia and New Zealand.

Prospectus

Details of the Entitlement Offer are contained in the Prospectus. The Prospectus can be accessed from the ASX and Cygnus websites, www.asx.com.au and www.cygnusgold.com respectively.

Ineligible shareholders

A Shareholder who has a registered address outside Australia or New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Entitlement Offer.

The Company's records indicate that you are an Ineligible Shareholder, and as a result, you are not eligible to participate in the Entitlement Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside Australia

or New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

For all enquiries concerning the Prospectus, please contact the Company Secretary Mr Michael Naylor at info@cygnusgold.com.

Yours sincerely

Michael Naylor
Company Secretary