



Cygnus exploration licence granted at Panhandle

ASX ANNOUNCEMENT:

10 March 2020

ASX: CY5

CORPORATE DIRECTORY

Non-Executive Chairman

Michael Bohm

Managing Director

James Merrillees

Non-Executive Directors

Simon Jackson

Oliver Kreuzer

Company Secretary

Michael Naylor

Cygnus Gold (Cygnus or the Company) (ASX:CY5) is pleased to announce a new tenement application in the prospective Panhandle Greenstone Belt of Western Australia has been granted.

Cygnus Gold's Panhandle tenement (E29/1075) is immediately adjacent and contiguous to Cobre Limited's Perrinvale Project (ASX:CBE) and covers a ~13km strike length of the Panhandle Greenstone Belt (Youanmi Terrane, Yilgarn Craton) considered prospective for base metals, analogous to Perrinvale, and orogenic gold similar to the Rover prospect being explored by TSC Limited (ASX:TSC) to the north (Figure 1).

The Company's review of historical exploration has revealed little modern exploration over the tenement and no drilling.

Commenting on the newly granted tenement Cygnus Gold's Managing Director James Merrillees said the Company was excited to acquire this strategic tenement position.

"Cygnus remains focused on exploration at our 100% and joint venture projects in the Wheatbelt however we have always kept a close watch on opportunities elsewhere in the Yilgarn. Our ability to quickly recognise the potential of the Panhandle Greenstone Belt and successfully apply for a strategic section of this very competitive region is part of this strategy, and we look forward to updating the market with results from our exploration programs there in the coming months."

The Company is also pleased to report that a second aircore rig has mobilised to Lake Grace where drilling is approximately halfway through the ~20,000m aircore drilling program targeting high grade gold on the Company's Lake Grace and Yandina Joint Ventures with Gold Road Resources (ASX:GOR).

The program is expected to be completed early next month with first results anticipated over the coming weeks.

Gold Road has now notified the Company of its intention to commence management of the Joint Ventures at the completion of the current program which marks an exciting milestone in the progress of this work, and a strong endorsement of the projects by the well-credentialled explorer/developer.

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PANHANDLE PROJECT (100% CY5)

Cygnus Gold's E29/1075 (Panhandle Project) approximately 300km north of Kalgoorlie in the Central Yilgarn has now been granted (Figure 1).

The ~100km² Panhandle tenement covers a 13km long section of the Panhandle Greenstone Belt (Youanmi Terrane, Yilgarn Craton) where the Company's review of historical exploration has revealed limited surface sampling and geophysical surveys with no previous drilling.

The greenstone sequences at Panhandle are interpreted to be extensions of the rock units being targeted by recently listed explorer Cobre Limited (ASX:CBE) on their adjacent Perrinvale project (refer figure 2) and these are considered prospective for:

- Volcanogenic massive sulfide (VMS) base metals (lead-zinc-copper) mineralisation similar to Cobre's adjacent Perrinvale Project, where Cobre have announced drill intersections including 5m @ 9.75% Cu, 3.2g/t Au, 34g/t Ag, 3.1% Zn on the Schwabe prospect (*refer Cobre ASX Announcement 31 January 2020*)¹
- Orogenic gold mineralisation similar to the Rover Project where ASX-listed TSC Limited (ASX:TSC) have intersected high grade gold including 5m @ 9g/t Au (*refer TSC ASX Announcement 25 February 2020*)¹
- 'Kambalda-style', komatiite-hosted magmatic nickel-copper sulfides hosted in ultramafic sequences identified in the Panhandle Greenstone.

Next Steps

The Company is completing its detailed review of historical exploration at Panhandle prior to commencing reconnaissance field work in the coming weeks.

Subject to the results from that work and granting of statutory approvals, the Company may consider a program of shallow aircore drilling and airborne electromagnetics aimed at identifying priority gold and base metals targets for testing with deeper drilling.

JOINT VENTURE EXPLORATION UPDATE

Aircore drilling is continuing on the Lake Grace and Yandina Joint Ventures (JVs) where Cygnus is managing exploration on behalf of JV partners Gold Road Resources (ASX:GOR).

The program is approximately halfway through the ~20,000m program with a second aircore rig mobilised to site over the weekend (photo below), and first assay results anticipated over the coming weeks (refer CY5 ASX Announcement 22 January 2020 for program details).

Gold Road has now notified the Company of their intention to commence management of the JV programs after the completion of the current drilling marking an exciting milestone in the evolution of the JVs, and strong endorsement of the projects' technical merits.



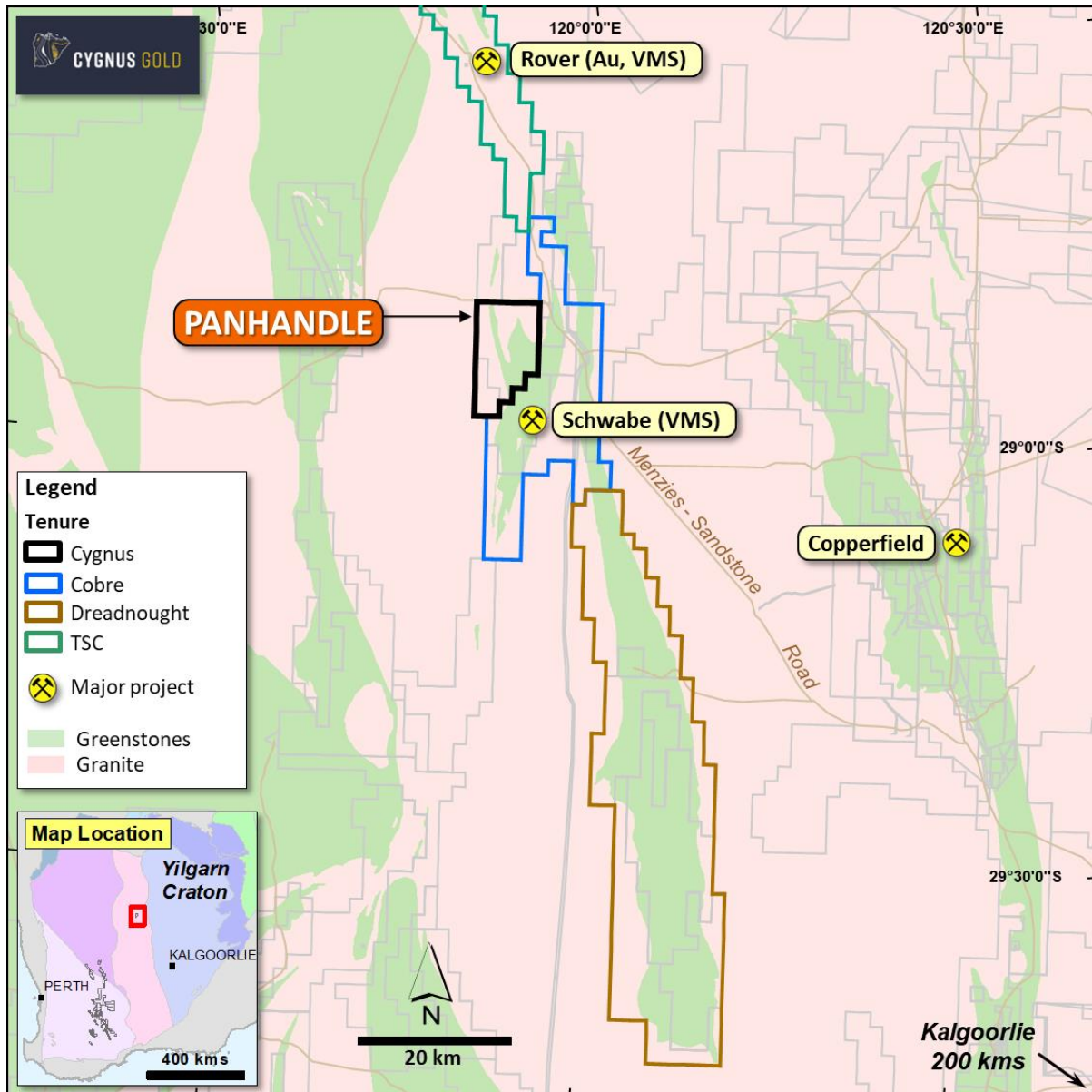


Figure 1: Cygnus' newly granted tenement E29/1075 ("Panhandle") relative to competitor tenements and prospects in the Central Yilgarn, Western Australia. Inset shows location of the Panhandle tenement and Cygnus projects in the Southwest Terrane.

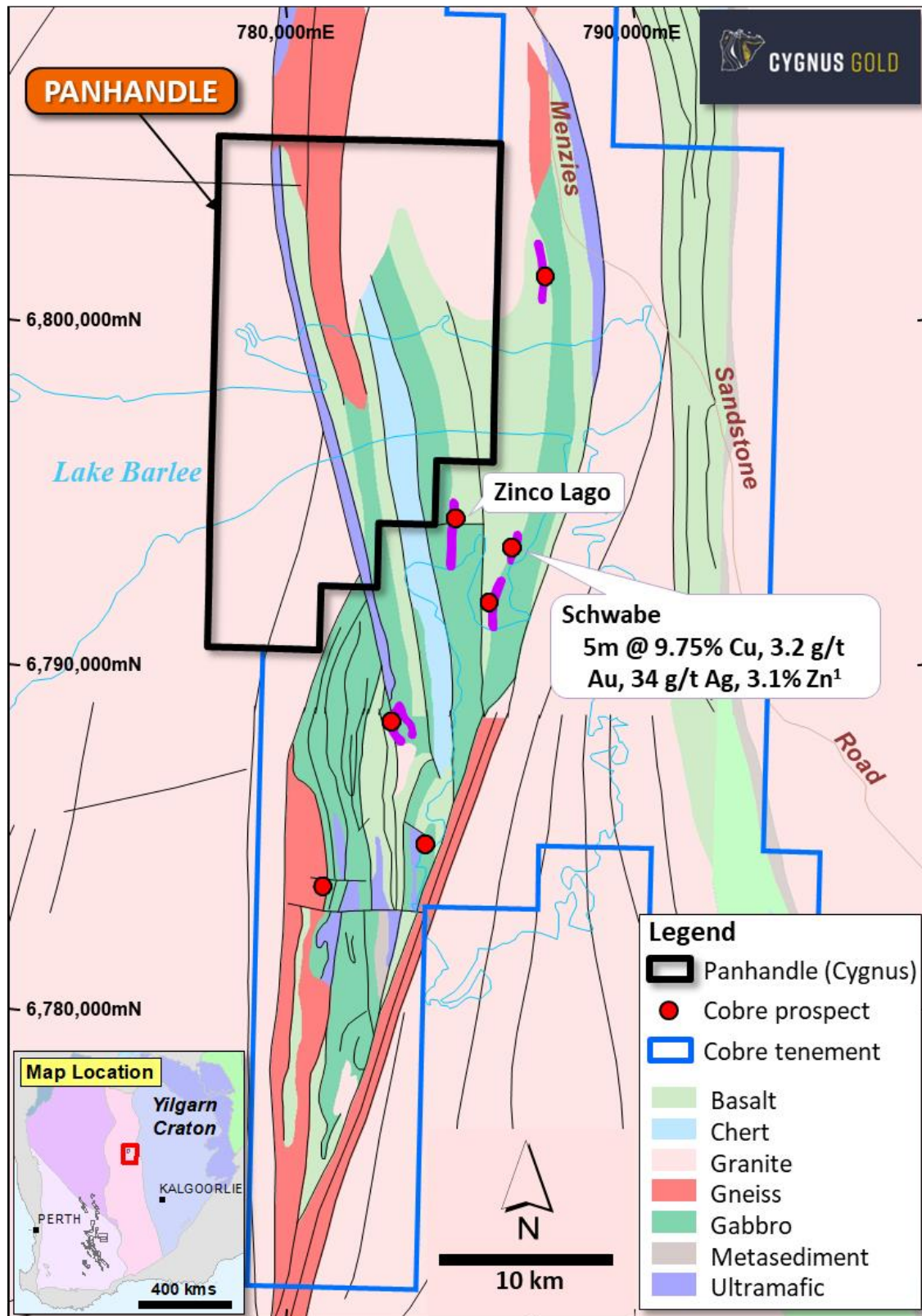


Figure 2: Cygnus' Panhandle project on mapped geology with adjacent Cobre prospects highlighted (Note 1: drill intersections quoted are from CBE ASX Announcement 31 January 2020).

**About Cygnus Gold**

Cygnus is targeting the discovery of gold and base metals deposits within the Southwest Terrane, in the Wheatbelt region of Western Australia. The Southwest Terrane is an underexplored package of high metamorphic-grade rocks forming part of the well mineralised Yilgarn Craton.

Cygnus Gold's tenements ranges from early stage exploration areas through to advanced drill-ready targets.

In addition to the wholly owned projects, Cygnus is also managing exploration on the Lake Grace and Yandina JV Projects, two significant joint ventures with successful explorer/developer Gold Road Resources Ltd (ASX:GOR).

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information and supporting documentation compiled by Mr James Merrillees, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Merrillees is Managing Director and a full-time employee of Cygnus Gold and holds shares in the Company.

Mr Merrillees has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Merrillees consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

For and on behalf of the Board.

James Merrillees - Managing Director

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¹: Refer ASX announcement on the said date for full details of these results.