

QUARTERLY ACTIVITIES REPORT

For the period ended 30 June 2021

30 July 2021

ASX: CY5

CORPORATE DIRECTORY

Non-Executive Chairman

Michael Bohm

Executive Director

Simon Jackson

Non-Executive Directors

Raymond Shorrocks

Shaun Hardcastle

Joint Company Secretaries

Michael Naylor

Susan Field

Advancing 2,200km² in the highly sort after Yilgarn region of West Australia

Prospective for Nickel, Copper, Gold & PGE's

\$2.8m Cash (30/06/2021)

Major Shareholders:

Steve Parsons	6.9%
Southern Cross Capital	6.8%
Merk Investments	6.2%
Michael Bohm	5.3%
Michael Naylor	4.6%

Cygnus Gold Limited

Ground Floor
24 Outram Street
West Perth WA 6005

T: +61 8 6118 1627
E: info@cygnusgold.com
W: www.cygnusgold.com

Exploration

During the quarter a new geological team was appointed, and a detailed review of the geological database has been completed. The Company maintains a ~2,200km² landholding in the Yilgarn region of Western Australia, highly prospective for base metals, gold and PGEs. The Company landholdings include:

Julimar East Project ~325km² (100% CY5)

- Recent tenement applications in the region of the highly prospective Julimar discovery (ASX:CHN)
- Strategic review of historic data and initial geological targeting completed

Bencubbin Project ~800km² (100% CY5)

- Ground electromagnetic (EM) surveys planned to be completed targeting Nickel-Copper-PGE sulphides over a prospective and untested Komatiite horizon
- Bencubbin South - Auger soil programme planned targeting infill and extensions of anomalism ahead of drill testing

Panhandle Project ~100km² (100% CY5)

- Contiguous to the Perrinvale Project (ASX:CBE) (*refer Cobre ASX Announcement 31/01/20*)¹
- Initial surface sampling followed by reconnaissance drilling planned

Gold Projects ~756km² (100% CY5)

- Geological review of previous drill programs that intersected high grade gold mineralisation, such as at the Stanley Gold Project.

Yandina Joint Venture with Gold Road Resources (CY5 diluting to 10%)

- Total of 4,587m of aircore drilling and 2,428m of diamond drilling completed by Gold Road Resources during the quarter
- No significant results were received from aircore drilling and full diamond drilling assay results are expected in the September 2021 quarter

Project review

During the quarter the company has completed extensive project generation activities and reviews. The company continues to review new projects looking for a cornerstone and company making asset.

Corporate

- As at 30 June 2021, Cygnus held ~\$2.8 million in cash (March 2021: \$3.1 million)

Exploration

Cygnus Gold's (**Cygnus** or the **Company**) exploration activities are currently focused in the Southwest Terrane (SWT), an underexplored region of highly prospective geology within the prolific Yilgarn Craton, Western Australia.

The Company has more than 2,200km² (100% Cygnus) granted tenements and applications covering interpreted and known greenstone belts where previous explorers identified numerous prospects with widespread high grade, near surface gold and/or base metals mineralisation.

Following a handover of management of the Gold Road Joint Venture (JV) projects (GRJV) to our partner Gold Road Resources (ASX:GOR), the Company has focussed internally on a detailed review of its licence holdings, particularly in reference to success achieved in the region by other companies.

In the June quarter, Cygnus appointed a new geological team who completed the detailed geological database review and commenced planning of field exploration programs (refer CY5 ASX release 29 July 2021):

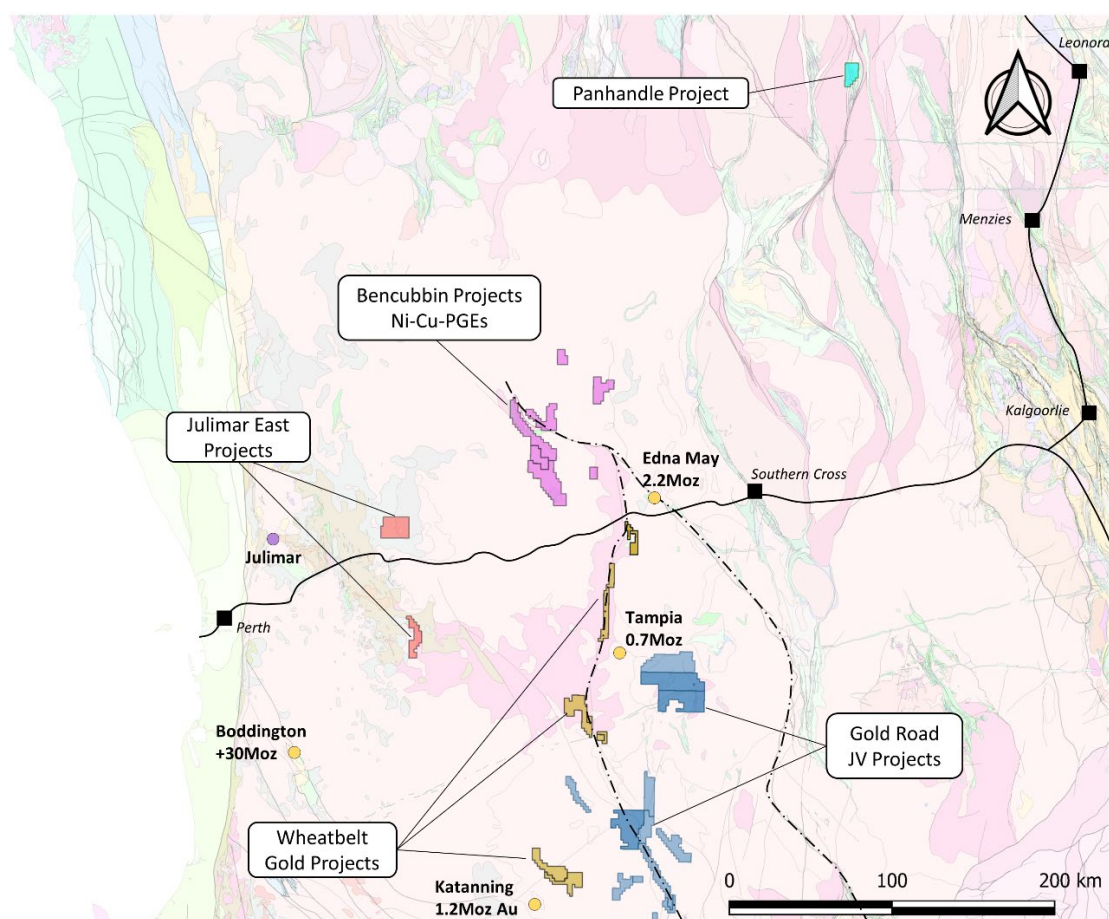


Figure 1: Cygnus current tenure relative to major gold deposits and the recent Julimar discovery with background geology from GSWA mapped regional geology (1:500,000)

JULIMAR EAST PROJECT (100% CY5)

The Julimar East Project is made up of two tenements, Culbarring (E70/5492) and Mackie (E70/5397) for a combined 325km² located in the highly prospective Julimar district. The tenements, like Julimar, sit on the margin of the Jimperding metamorphic belt and are adjacent to Anglo-American's significant ground holding of >10,000km² picked up in 2020 following the Julimar discovery.

On both tenements magnetic and gravity anomalies considered prospective for Ni sulphide mineralisation have been identified, analogous to Chalice Gold's Julimar Ni-Cu-PGE discovery within the Southwest

Terrane.

E70/5492 (Culbarting) contains a strong magnetic anomaly, possibly representing a folded package of BIF and “Julimar” style mafic- ultramafic rocks. There is around 7km of strike, with no historical exploration identified to date.

E70/5397 (Mackie) is a continuous holding over 26km of NE striking interpreted remnant greenstone belt, immediately along strike from historical drilling that intersected mafic-ultramafic rocks.

As a result, both EL's are considered prospective for mafic-ultramafic lithologies with potential Ni-Cu-PGE mineralisation.

2021 Field Exploration Programme and Next Steps

Following detailed review of historic exploration, reconnaissance fieldwork and surface sampling will commence over geophysical anomalies to generate targets for follow up drilling.

PANHANDLE PROJECT (100% CY5)

Cygnus Gold's E29/1075 (Panhandle Project) approximately 300km north of Kalgoorlie in the Central Yilgarn Craton.

The ~100km² Panhandle tenement covers a 13km 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 targeted by listed explorer Cobre Limited (ASX: CBE) on the adjacent Perrinvale project (Figure 2) and are considered highly prospective for:

- Volcanogenic massive sulphide (VMS) (lead-zinc-copper) mineralisation. Cobre have announced drill intersections on the Schwabe prospect along strike from Panhandle (*refer Cobre ASX Announcement 31 January 2020*).
- Orogenic gold mineralisation similar to the Rover Project where ASX-listed TSC Limited (ASX: TSC) have intersected high grade gold (*refer TSC ASX Announcement 25 February 2020*).ⁱ
- 'Kambalda-style', komatiite-hosted magmatic nickel-copper sulphides hosted in ultramafic sequences.

2021 Field Exploration Programme and Next Steps

Following a detailed review of the historical exploration at Panhandle work is now progressing with planning of reconnaissance drilling and surface sampling aiming to cover the prospective lithologies continuous from the Cobre Limited (ASX: CBE) Perrinvale Project. and follow up the ultramafic stratigraphy.

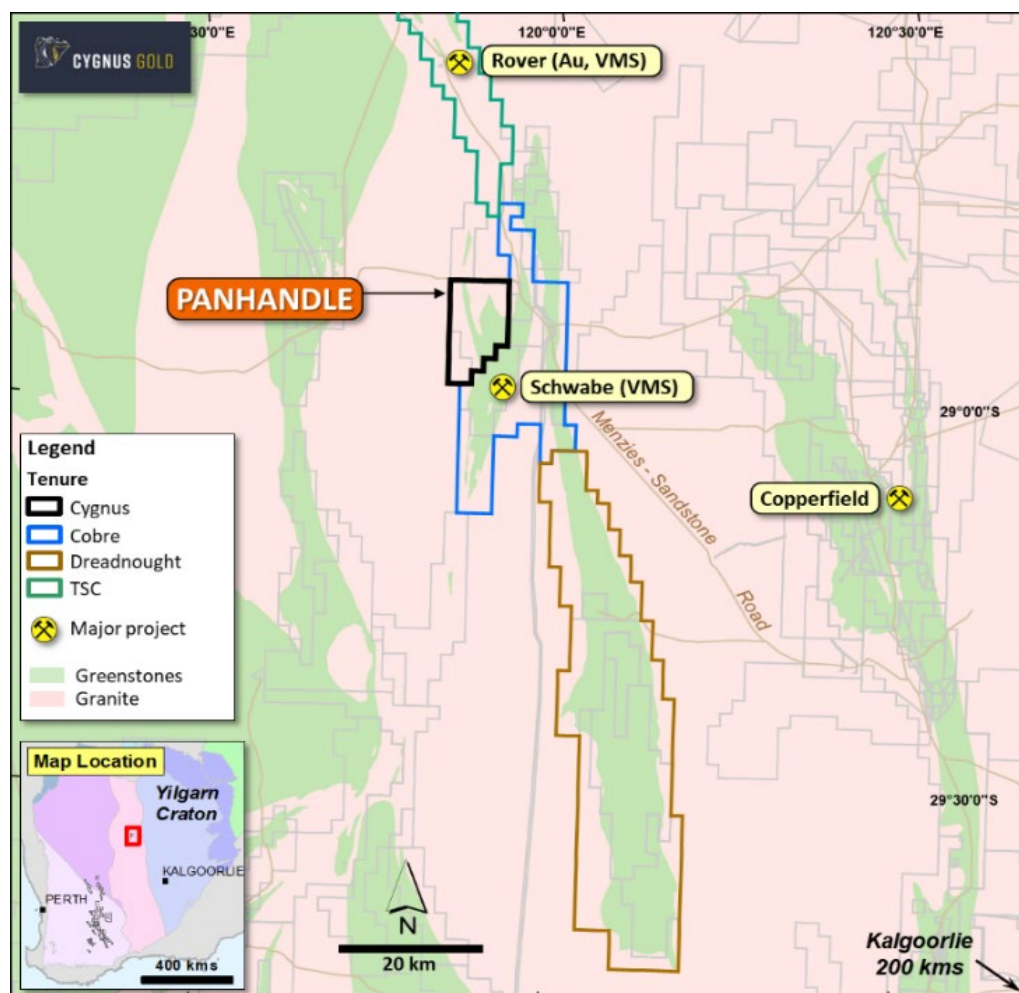


Figure 2: Cygnus' Panhandle tenement (E29/1075) relative to competitor tenements and prospects in the Central Yilgarn, Western Australia. Inset shows location of the Panhandle tenement and Cygnus projects in the Southwest Terrane

BENCUBBIN PROJECT (100% CY5)

The ~800km² Bencubbin Project is located ~220km northeast of Perth and covers the Bencubbin Greenstone Belt, an underexplored greenstone sequence extending for over 70km of strike, and up to 5km in width. The property is considered highly prospective for:

- 'Kambalda-style', komatiite-hosted magmatic nickel-copper sulphides, associated with the Bencubbin North Komatiite and Bencubbin South Ultramafic. Bencubbin North in particular defined by a regionally extensive nickel-in-soil geochemical anomaly developed over 18km with >1000ppm Ni and >100ppm Cu (refer to CY5 ASX Announcement 30 November 2018)ⁱ
- Volcanogenic massive sulphide (VMS) base metals (lead-zinc-copper) associated with the Mandiga-Grylls trend, defined by a 3.3km long zone of copper (Cu), lead (Pb) and zinc (Zn) mineralisation with max drillhole anomalism up to 2m @ 1.7% Zn in historic drillhole DMA5 (refer to CY5 ASX Announcement 30 November 2018)ⁱ

2021 Field Exploration Program and Next Steps

Previous wide spaced aircore drilling was successful in identifying targets which may be prospective for nickel/copper/PGE mineralisation. Due to the large (17km) strike extent of the interpreted Bencubbin Komatiite and often discrete nature of Ni-sulphide bodies, a ground based electromagnetic survey program is being designed to cover the prospective stratigraphy.

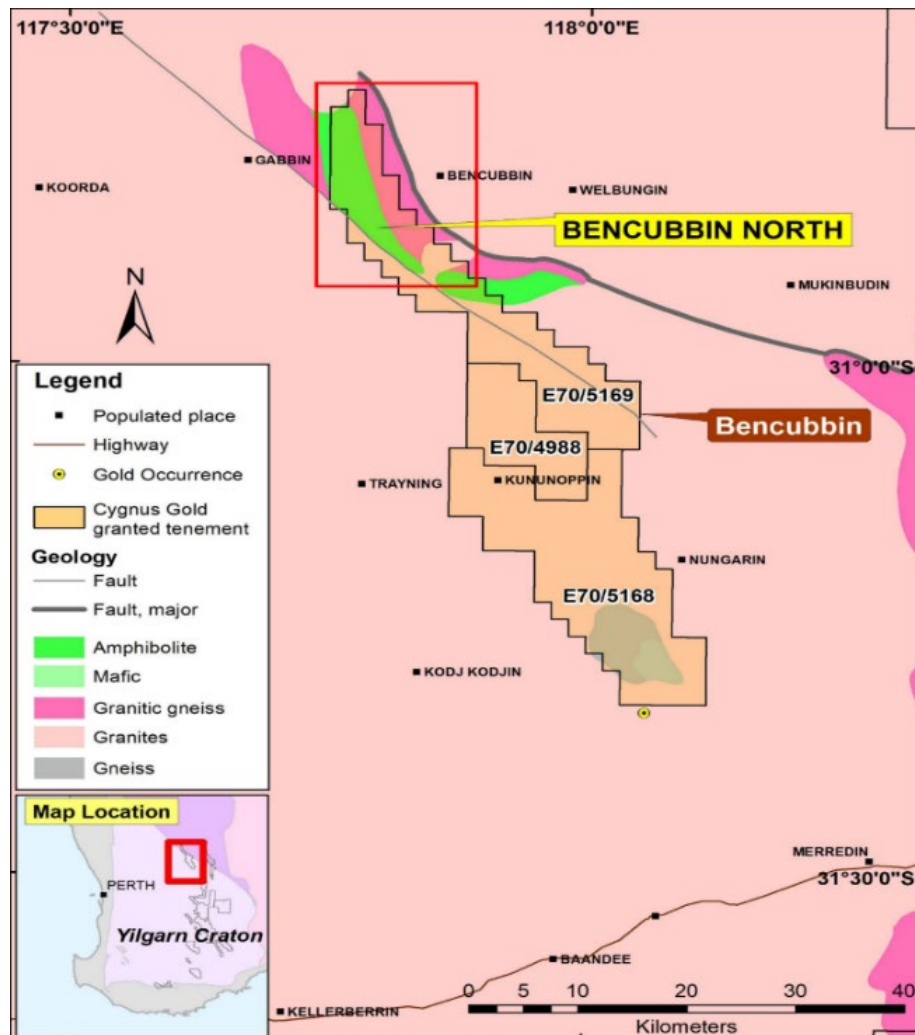


Figure 3: Cygnus' Bencubbin project on mapped regional geology (1:500,000 GSWA mapping)

WHEATBELT GOLD PROJECTS (100% CY5)

A geological review is ongoing over our holdings in the South West Terrane, Yilgarn Craton. The tenure is considered highly prospective for gold mineralisation with significant deposits in the region including at Boddington, Edna May, Tampia and Katanning. The prospectivity of the tenure has been demonstrated by the Company's previous exploration programs which returned significant intercepts of:

- **10.95m @ 15.1g/t gold** (incl. 4.8m @ 34g/t Au) in BNDD003ⁱⁱ
- **9.50m @ 29.2g/t gold** (incl. 2.4m @ 114.62g/t Au) in BNDD001ⁱⁱ

GOLD ROAD JOINT VENTURES (CYGNUS DILUTING TO 10%)

In addition to the 100% projects, Cygnus is also in joint venture (JV) with ASX-listed developer Gold Road Resources Ltd (Gold Road, ASX:GOR) over the Lake Grace (diluting to 10%) and Yandina (diluting to 10%) JVs (Figure 4).

The JV tenements cover an area of approximately 3,000km² targeting gold mineralisation associated with the prospective Yandina Shear which is known to host gold mineralisation elsewhere in the Southwest Terrane (SWT).

Gold Road assumed management of the JV's on 1 October 2020.

During the quarter exploration activities commenced with aircore drill testing of priority targets. A total of 4,587 metres were completed. Drill testing was completed at the Tarin South, Hideaway and E70/5100 prospects. No significant results were received. 2,428m of Diamond drilling was completed at HR3, Uma, Hammerhead and E70/5100 with full diamond drilling assay results expected in the September quarter.

Gold Road are currently undertaking an assessment of the JV tenements for nickel sulphide potential.

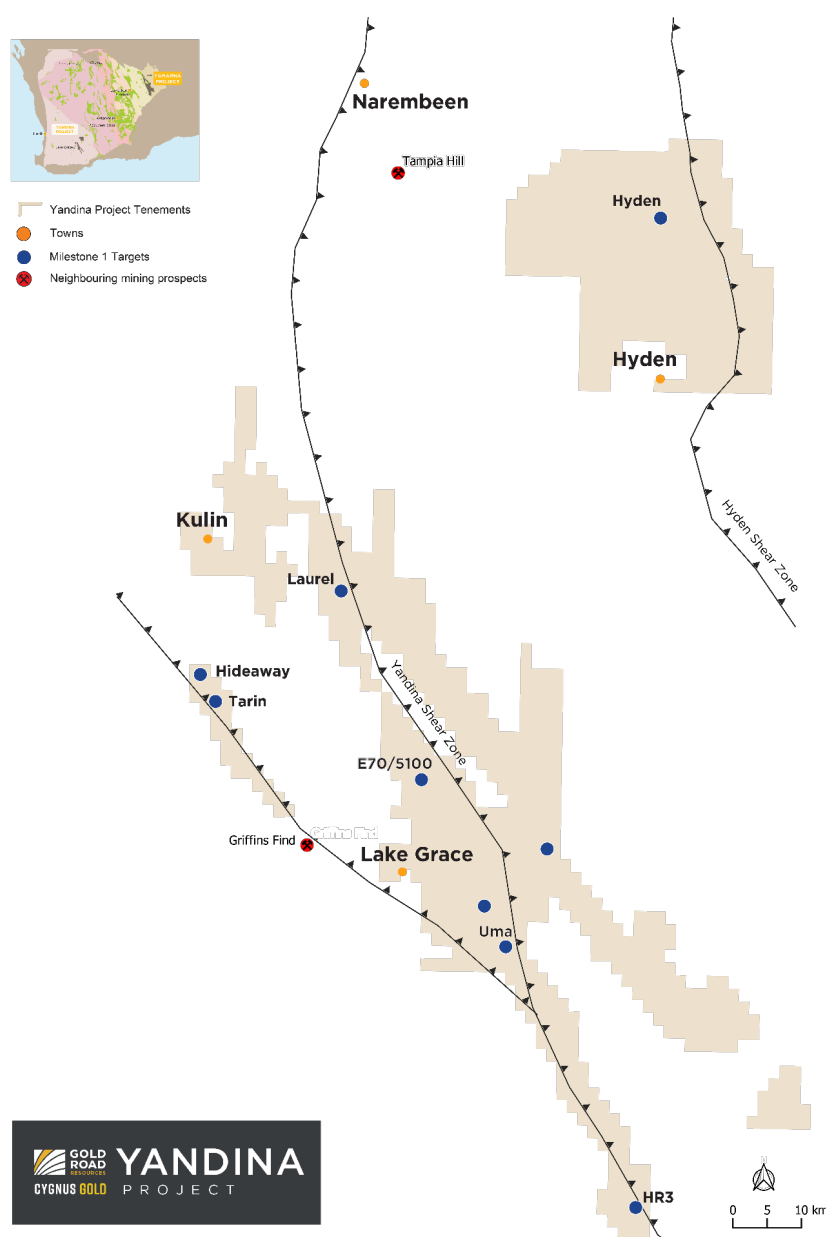


Figure 4: Yandina JV regional map

CORPORATE

Cash Position and Movements

As of 30 June 2021, Cygnus Gold held \$2.8 million in cash (March 2021: \$3.1 million). For further movements in cash during the quarter, refer to Appendix 5B.

Appendix 1 contains the financial analysis of selected items within the Appendix 5B.

Authorised on behalf of the Board.

Cygnus Gold Ltd

T: +61 8 6118 1627

E: info@cygnusgold.com

End Notes

- i Refer ASX announcement on the said date for full details of these results. Cygnus Gold is not aware of any new information or data that materially effects the information in the said announcements.
- ii Refer ASX announcement on 22 February 2018 for full details of these results. Cygnus Gold is not aware of any new information or data that materially effects the information in the said announcements.

APPENDIX 1

Financial Analysis of selected items within the Appendix 5B

Appendix 5B reference	ASX description reference	Summary
1.2(d)	Staff costs	Relates to Perth office staff and director costs.
1.2(e)	Administration and corporate costs	This item relates to costs for and associated with operating the Company's Perth office and includes listing and compliance costs (ASIC, ASX and share registry), audit fees, insurance, and office occupancy.
1.8	Joint Venture Management fee	During the quarter this management fee relating to JV manager Gold Road who has been the manager of the Lake Grace Project and Yandina Project joint ventures since 1 October 2020 has been reclassified to be included as exploration and evaluation (capitalised) included at 2.1(d).
2.1(d)	Payments for exploration and evaluation (capitalised)	During the quarter, Cygnus continued exploration and evaluation activities for its 100% owned tenements as well as contributing to the JV Manager on behalf of the Yandina Joint Ventures to maintain its 10.1% interest. During the June 2021 quarter the Group continued to be free carried for its interest in the Lake Grace JV up until May 2021 at which time it has commenced making contributions required to maintain its 10.1% interest.
6.1	Aggregate number of payments to related parties and their associates	Payments relate to an apportionment of the executive director's salaries and superannuation for corporate activities, and non-executive director fees and company secretarial services.
8.0	Future operating activities	For the upcoming quarter, the Company has forecasted an increase in expenditure relating to exploration activities on its wholly owned Cygnus tenements and to maintain its 10.1% interest in Joint operations now being managed by Gold Road Resources Limited and corporate costs.

APPENDIX 2 - CYGNUS GOLD LIMITED TENEMENTS (AS OF 30 JUNE 2021)

Tenement	Location	Registered Owner	Structure and Ownership
E29/1075	Western Australia	Deneb Resources Pty Ltd	100%
E70/4787	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/4911	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/4939	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/4988	Western Australia	Deneb Resources Pty Ltd	100%
E70/4989	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/4990	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/5050	Western Australia	Deneb Resources Pty Ltd	100%
E70/5131	Western Australia	Cygnus Gold (Projects) Pty Ltd	100%
E70/5168	Western Australia	Deneb Resources Pty Ltd	100%
E70/5169	Western Australia	Deneb Resources Pty Ltd	100%
E70/5196	Western Australia	Deneb Resources Pty Ltd	100%
E70/5397	Western Australia	Deneb Resources Pty Ltd	100%
E70/5409	Western Australia	Cygnus (JV Projects) Pty Ltd	100%
E70/5410	Western Australia	Cygnus (JV Projects) Pty Ltd	100%
E70/5413	Western Australia	Cygnus (JV Projects) Pty Ltd	100%
E70/5492	Western Australia	Deneb Resources Pty Ltd	100%
E70/5617	Western Australia	Deneb Resources Pty Ltd	Pending 100%
E70/5618	Western Australia	Deneb Resources Pty Ltd	Pending 100%
E77/2405	Western Australia	Deneb Resources Pty Ltd	100%
E77/2720	Western Australia	Deneb Resources Pty Ltd	Pending 100%
Lake Grace Joint Venture Project			
E70/4853	Western Australia	Cygnus (JV Projects) Pty Ltd	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/4855	Western Australia	Cygnus (JV Projects) Pty Ltd	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/4991	Western Australia	Cygnus (JV Projects) Pty Ltd	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5017	Western Australia	Cygnus (JV Projects) Pty Ltd	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5188	Western Australia	Cygnus (JV Projects) Pty Ltd	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5251	Western Australia	Cygnus Gold Limited	Pending, Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5320	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
Yandina Joint Venture Project			
E70/5098	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5099	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5100	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5101	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5230	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5231	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)
E70/5232	Western Australia	Gold Road Projects Pty Ltd (75%), Cygnus (JV Projects) Pty Ltd (25%)	Cygnus (diluting to 10%), Gold Road Projects Pty Ltd (earning 90%)

Mining Tenements disposed: Nil

Mining Tenements acquired: Nil

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

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

FORWARD LOOKING STATEMENT

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

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