

EIS funding approved for Cygnus Gold's Bencubbin Project

ASX ANNOUNCEMENT:

14 June 2018

ASX: CY5

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Highlights

- \$120,000 State Government funding approved for the Bencubbin Project
- Drilling will commence on high-priority targets at Bencubbin once all approvals are received expected in H2 2018

Cygnus Gold (or the Company) ASX:CY5 is pleased to announce that it has been successful in its application for State Government Co-Funded exploration drilling support and will receive \$120,000 towards a drilling program to test highly-prospective targets on the Company's wholly-owned Bencubbin Project.

The funding is part of the WA Government's Exploration Incentive Scheme (EIS), which provides \$10 million a year through Royalties for Regions funding and was recently extended for another two years.

Cygnus' Bencubbin tenement ~220km northeast of Perth, is centred on a 10km long section of the Bencubbin Greenstone Belt.

Drilling is planned to commence in the second half of the year and will focus on the Jefferies gold prospect, where previous explorers defined a ~3.5km long auger gold anomaly with assay values up to 566ppb Au broadly coincident with a contact between the greenstone belt and a granite intrusion (Figure 1)¹.

Historical exploration at Jeffries also reported rock chip assays up to **12.9g/t Au** and wide, anomalous gold intercepts in shallow drilling including:

- **12m @ 2.15g/t Au** from surface in hole NM2R-113¹
- **13m @ 0.62g/t Au** from 42m to EOH,
 - including **2m @ 3.36g/t Au** from 52m in hole NM2R-014¹.

Despite these encouraging results, the Jefferies prospect remains underexplored and, apart from generally shallow air core and RAB drilling, has only been tested by two diamond and 14 RC holes (Figure 2).

In addition, the potential for the gold mineralisation at Jefferies to extend further towards the south and southwest, along the interpreted granite-greenstone contact, remains to be drill tested.

Cygnus Gold Managing Director, James Merrillees said: "This is a great result and we thank the WA Government for its support as the EIS grant process is highly competitive, being independently assessed by our peers. We are pleased with this endorsement of the quality of Cygnus' projects and technical programs, and look forward to drilling the Jefferies prospect at Bencubbin in the coming months."

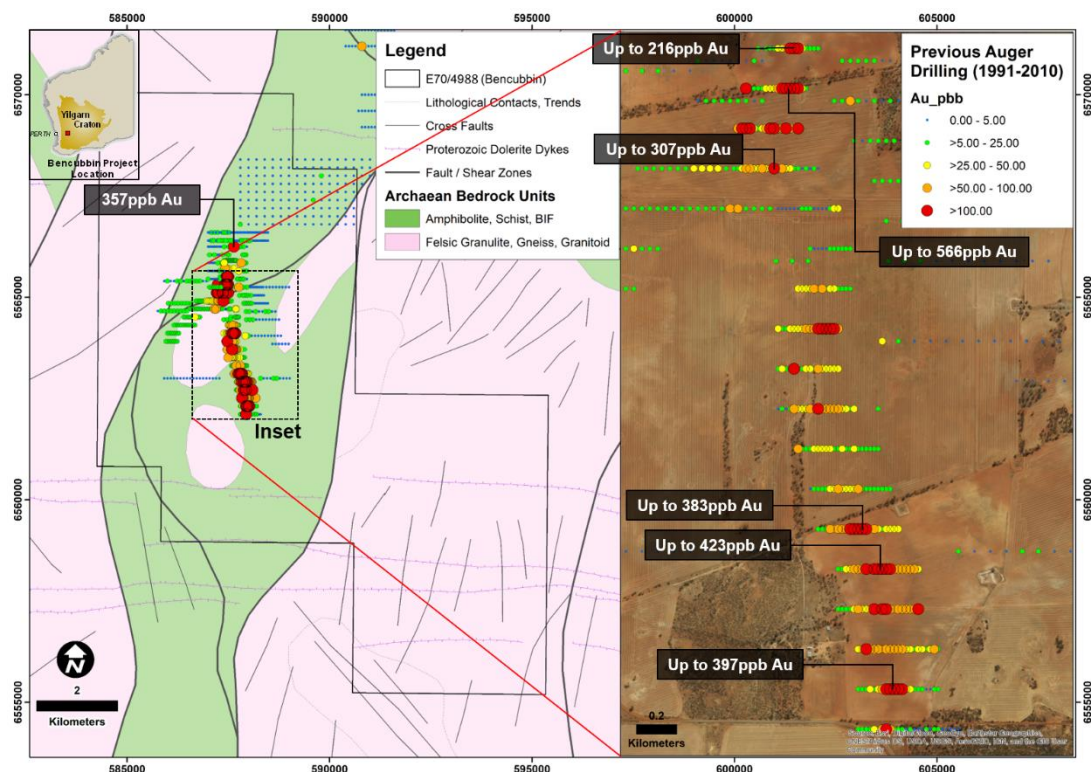


Figure 1: Bencubbin Project interpreted geology and historical auger samples¹. The geology is based on geophysical interpretation and modelling as explained in the Company's Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017.

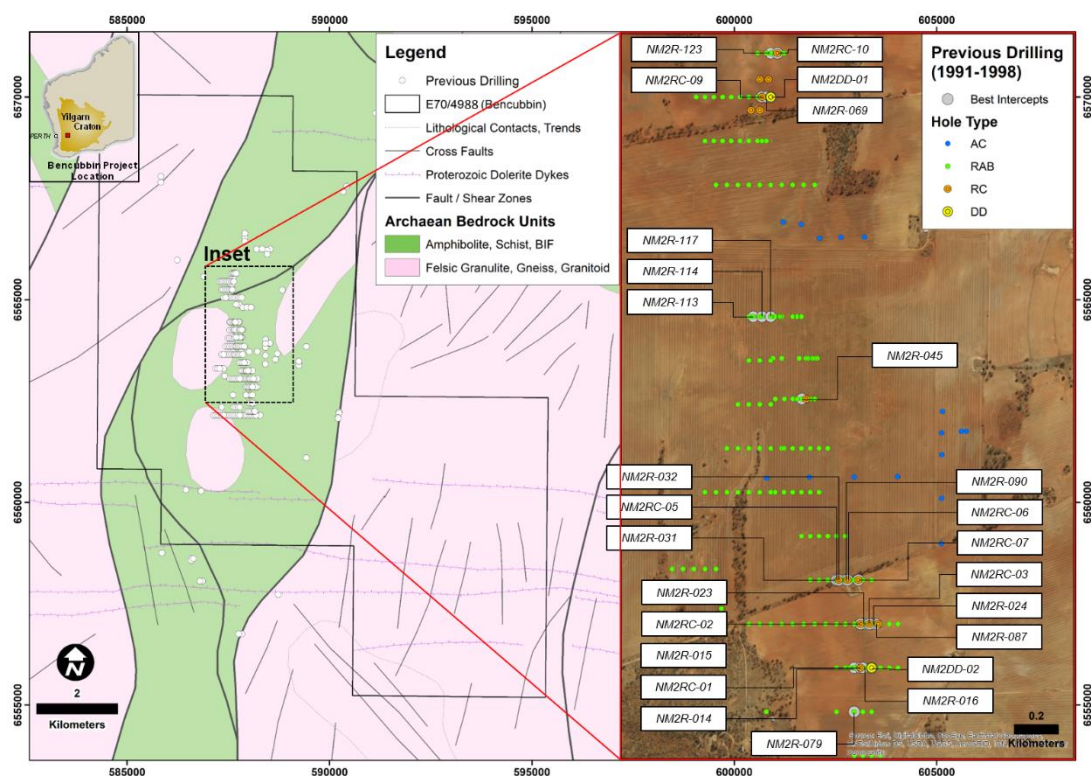


Figure 2: Bencubbin Project interpreted geology and previous drilling¹. The geology is based on geophysical interpretation and modelling as explained in the Company's Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017.

For further information please visit www.cygnusgold.com or contact:

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About Cygnus Gold

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

Cygnus Gold's tenements include both early stage exploration areas through to advanced drill-ready targets, where high-grade gold results were achieved in drilling by previous explorers. In addition to the wholly-owned Projects, Cygnus is managing two significant earn-in agreements with ASX-listed Gold Road Resources, whereby Gold Road is earning into Cygnus' Lake Grace and Wadderin Projects. The Company is also managing exploration on the Yandina Project, in joint venture with Gold Road.

Cygnus' technical team has considerable knowledge and experience in targeting and evaluating gold mineralised systems world-wide, using a regional-scale, mineral systems approach to identifying areas prospective for economic mineral deposits.

Note 1: Information on historical results, including JORC Code Table 1 information, is contained in the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017. Cygnus is not aware of any new information or data that materially affects the information included in the Prospectus.