



High-priority targets defined at Lake Grace JV

ASX ANNOUNCEMENT:

7 August 2018

ASX: CY5

CORPORATE DIRECTORY

Non-Executive Chairman

Michael Bohm

Managing Director

James Merrillees

Non-Executive Directors

Amanda Buckingham

Simon Jackson

Oliver Kreuzer

Company Secretary

Michael Naylor

Highlights

- Ground gravity program defines new targets on the Holland Rock Prospect at the Lake Grace Earn-in project
- Surface sampling at HR3 identifies an 850m x 250m gold pathfinder anomaly coincident with high priority gravity target
- New ground gravity data at the Panhandle Prospect with surface sampling results pending
- Drilling to commence in Q4 2018

Cygnus Gold (or the **Company**) (**ASX:CY5**) is pleased to announce it has completed first pass surface sampling and ground gravity over high ranking targets on the Lake Grace Project. The Lake Grace Project is subject to an Earn-in Agreement with ASX-listed near-term producer Gold Road Resources (ASX:GOR) with Cygnus managing the exploration programs.

Ground gravity data collected by the Company over the Holland Rock 3 (HR3) and Panhandle prospects has successfully identified several high priority targets with coincident surface gold anomalism; with follow up drilling planned once all assays are received and interpreted.

Surface sampling over the HR3 target identified a thin, 500m long (open to the north) gold anomaly associated with a NE trending structure. This gold anomaly is adjacent to a coherent ~850 x 250m multi element As-Sb-Bi-Te-Mo-Pb anomaly, with these 'pathfinder' elements typically associated with gold mineralisation in the region.

Results from surface sampling over the Panhandle Prospect are expected in the next month with follow up aircore and RC drilling planned later in the year to test these emerging targets during the summer drilling season.

Cygnus has also collected ground gravity data at selected prospects on the Wadderin Project, also subject to an earn-in agreement with Gold Road. Results from these surveys will be announced once interpretations are completed in the coming weeks.

Cygnus Gold's Managing Director James Merrillees said, "It's great to see these exciting results from the first programs at Lake Grace and Wadderin. We've made significant progress since listing in January, from targeting to on-ground programs including the use of low-cost gravity surveys to define high quality gold targets for follow up. We appreciate the support of our partner Gold Road Resources on these projects as we prepare targets for drilling in the coming months."

Cygnus Gold Limited

Level 3, 20 Parkland Rd,
Osborne Park, WA 6017

T: +61 8 9489 2680

E: info@cygnusgold.com

W: www.cygnusgold.com



GOLD ROAD EARN-IN PROJECTS

In October 2017 the Company entered into earn-in joint venture agreements with ASX-listed developer Gold Road (ASX:GOR) over Cygnus Gold's Lake Grace and Wadderin Projects. These agreements provide Gold Road with the opportunity to earn up to a 75% interest in the ~3,400km² area of Cygnus' Wadderin and Lake Grace exploration projects by spending \$3.7m over four years (refer GOR ASX announcement 10 October 2017). Cygnus is initially managing the exploration programs on these projects.

On the Lake Grace Project the Company completed semi-detailed ground gravity and surface sampling surveys over prospects defined in historical work by previous explorers including (Figure 1):

- **Panhandle** which boasts the 10th strongest Au-in-laterite anomaly (Pelham Target) of a SW Yilgarn geochemical data set as well as a strong untested multi-element geochemical anomaly (Grace Target) derived from the same data set. Panhandle itself is >500ppb Au-in soils anomaly that the Company believes was only partly drill tested in the early 1990's however drilling appears to have missed the core of the gold system
- **HR3** which is the extension of a ~6 km-long and up to 1.5 km-wide gold-in-soil anomaly ranging from 5 to 128 ppb Au with auger values in the range from 5 to 138 ppb Au and up to 86 ppm Cu, 80 ppm Pb and 192 ppm As. There was no historical drilling at HR3.

Ground gravity and surface sampling programs are also well advanced over the Hardies Prospect on the Wadderin Earn-in project with results from this work to be announced once interpretations are completed in the coming weeks.

Ground Gravity

Semi-detailed (200m station spacing) ground gravity data were collected by Atlas Geophysics over the HR3 and Panhandle Prospects, two highly prospective targets within the Lake Grace earn-in projects. The data provide a significant improvement in resolution to what was available in the public domain (Figure 2). The level of detail provides a good compromise between acquisition costs and the detail resolved by the data. Unit edges and internal structure can be readily interpreted using these data, which is important for ongoing targeting; especially when combined with the surface sampling results.

At HR3 the newly acquired data allowed interpretation of a distinct fold nose, previously hypothesised but not able to be confirmed due to the coarse spacing of the public domain gravity data and the complex nature of the magnetic response of units within this terrane.

An integrated interpretation is underway, but the presence of the fold, the increase in density proximal to the fold nose, the discrete dense target off the fold nose to the southeast and internal complexity evident in the dense unit, increases the prospectivity of this area significantly.

Importantly these structural targets are coincident with a narrow gold anomaly and a broader multi-element geochemical anomaly in surveys completed by the Company and discussed in more detail below.

At Panhandle, in the north of the Lake Grace project area, gravity data defines a dense and structurally complex unit sitting proximal to a jog in the regionally extensive Yandina shear zone (Figure 3). This unit is interpreted as a prospective mafic-ultramafic sequence within the Lake Grace greenstone. This northeast-striking dense package is not evident in the public domain gravity data (Figure 3) representing a significant step forward in targeting gold within this tenement package.

The Company has now collected detailed surface sampling over Panhandle with analytical results expected in the next 3-4 weeks. The combination of new ground gravity data and surface sampling will guide our targeting at this prospect.

Surface Sampling

On the Lake Grace Earn-in Project the Company collected ~200 handheld motorised auger sampling on 200m x 80m spacing targeting extensions of historical Au and As anomalies. The Cygnus sampling has identified two new geochemical anomalies (Figure 4).

1. A gold target comprising a thin, 500m long (open to the north) gold only anomaly which is considered to be parallel to an interpreted late fault structure in the gravity and magnetics; and
2. A multi-element target comprising an 800m x 250m As-Sb-Bi-Te-Mo-Pb anomaly which remains open to the north west and south east. These elements are considered 'pathfinders' for gold mineralisation in the area, and the multi-element anomaly is interpreted to be parallel to the bedrock stratigraphy defined by the recently collected detailed gravity survey.

Samples were collected from sandplain interpreted to be developed over a preserved lateritic profile. Follow-up sampling is planned to be completed later this month with drilling planned to commence in Q4 at the end of the current cropping cycle.

The two new anomalies are in addition to a series of Au and As anomalies defined by historical sampling immediately to the north of the new anomalies (Figure 5). Historical sampling was a combination of surface soil, surface laterite, surface carbonate nodule sampling, or mechanised vehicle mounted auger sampling, and the anomaly outlines are based on the 95% percentiles of the Au and As dataset, normalised for sample medium.

Note that these historical samples were only analysed for Au, As, Cu and Pb, and not a full multi-element pathfinder suite¹.

Forward Work Program Earn-in Projects

Ongoing interpretation of the ground geophysics and multi-element geochemistry at Hardies and the pending assays over Panhandle will be used to define follow up aircore and RC drilling programs planned to commence in the latter half of the year.

The Company is also awaiting results from ground geophysical surveys over prospects on the Wadderin Project which will be announced in the coming weeks.

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

Cygnus Gold

James Merrillees - Managing Director

T: +61 8 9489 2680

E: info@cygnusgold.com

Investors/Media

Karen Oswald - NWR Communications

T: +423 602 353

E: karen@nwrcommunications.com.au

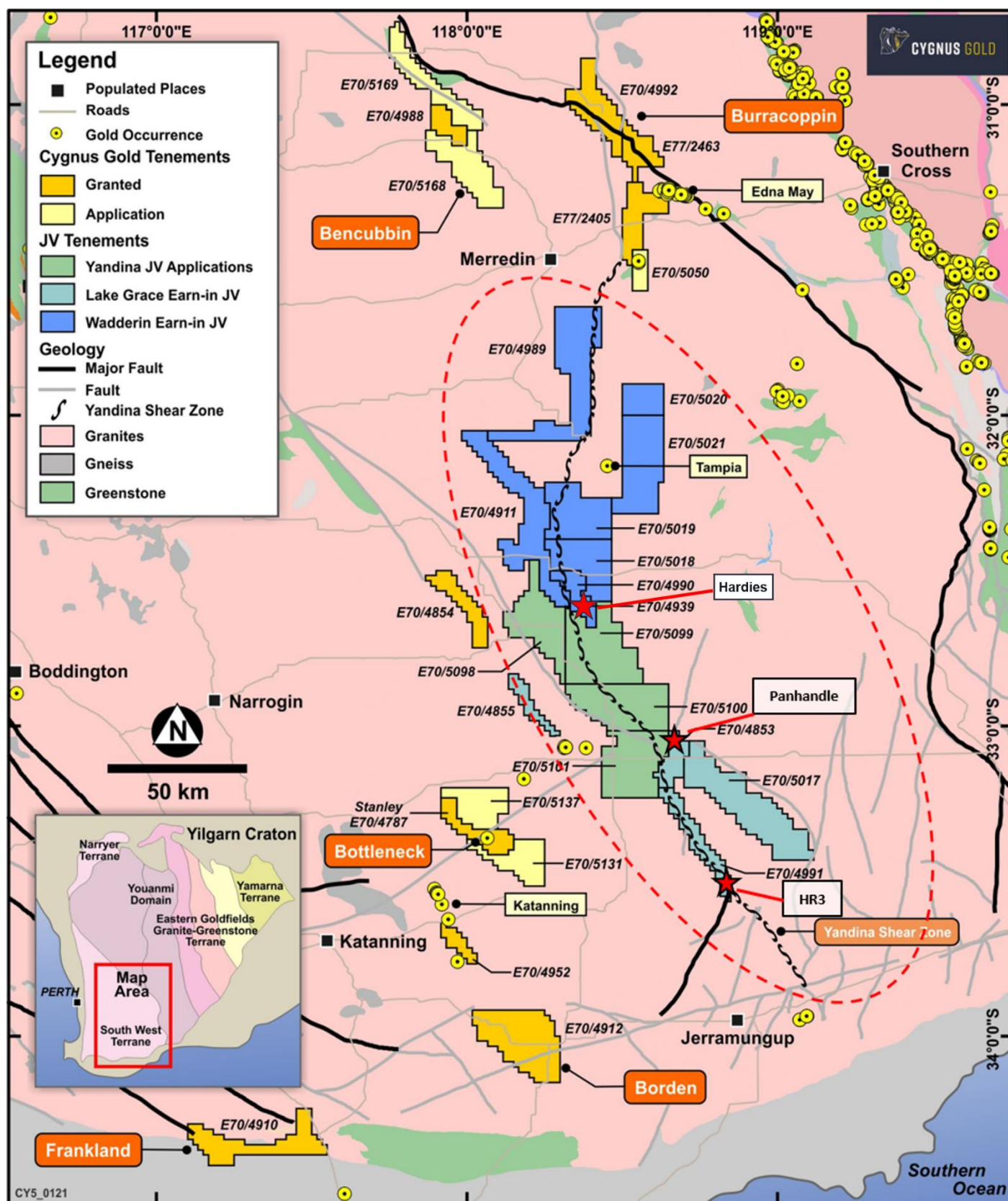


Figure 1: Cygnus' tenements in the SW WA with the location of the Panhandle, HR3 & Hardies Prospects highlighted

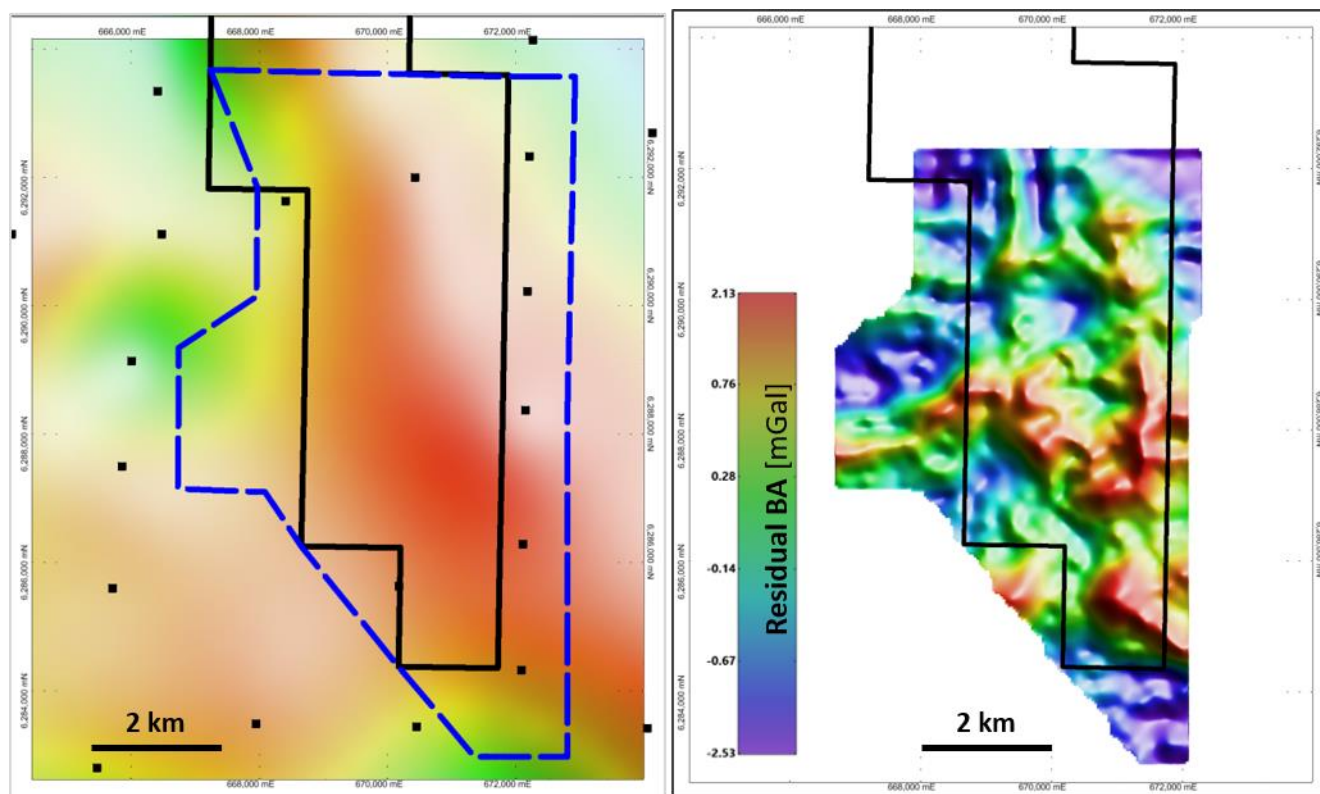


Figure 2: Plan view of ground gravity over the HR3 Prospect (Hollands Rock). Left hand image is historical Residual bouguer gravity [0-2k] from the GSWA. Right hand image is the new detailed Cygnus residual bouguer anomaly data imaged using a histogram equalized stretch and illumination from NE.

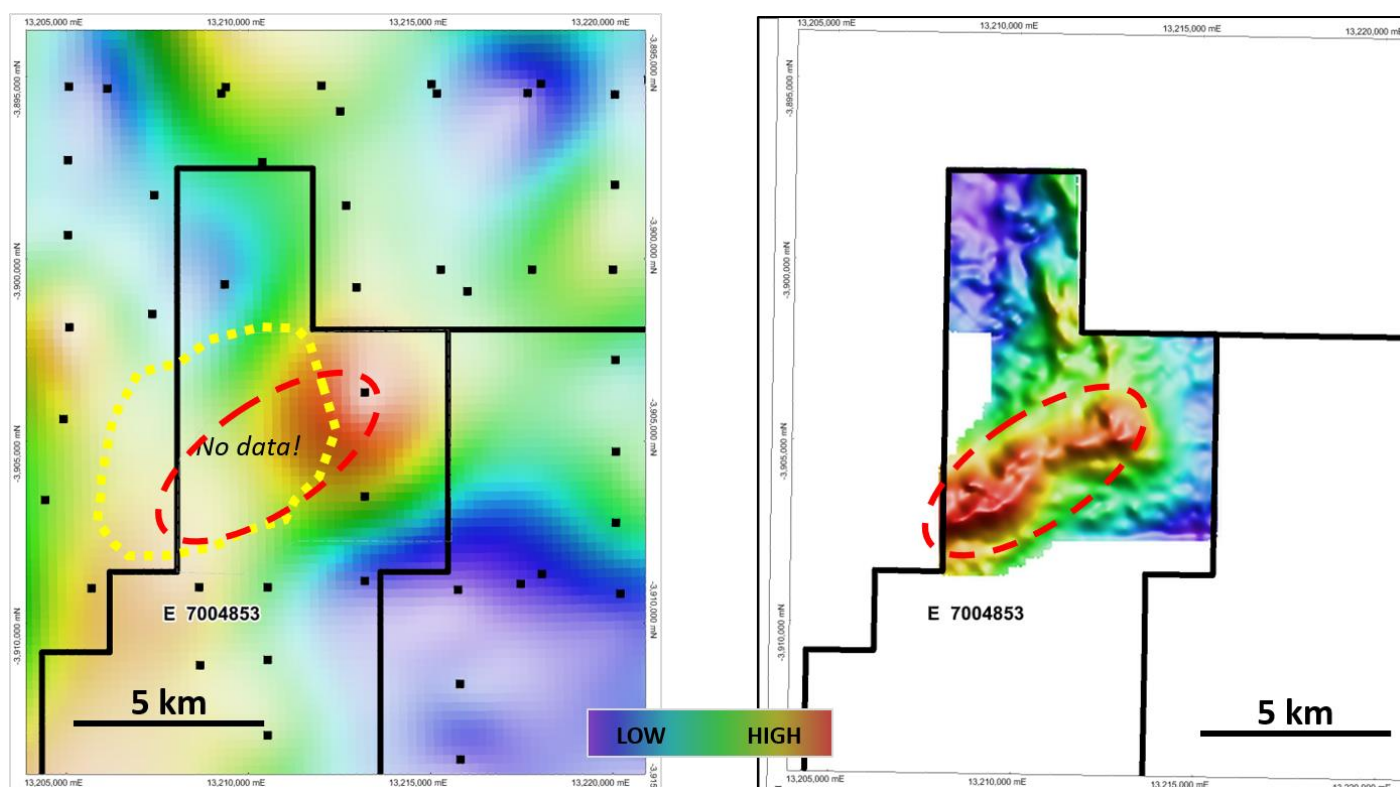


Figure 3: Plan view of ground gravity data over the Panhandle Prospect. Left hand image is historical Residual bouguer gravity anomaly data [0-2k] from the GSWA. Right hand image is the new semi-detailed Cygnus bouguer gravity data, imaged using a histogram equalized stretch and illumination from NE. The new dense target is circled by the red dashes. Scale in mGals.

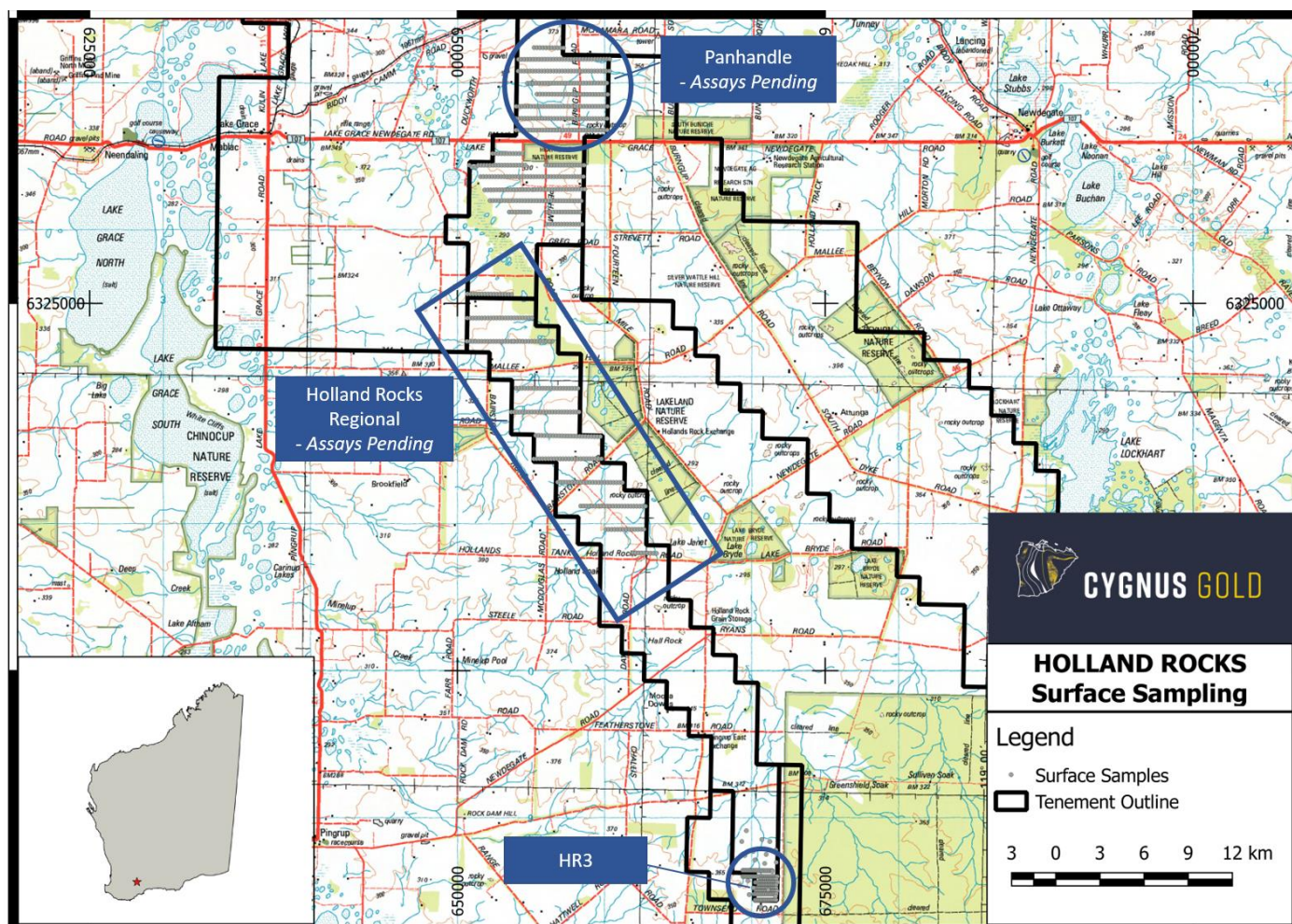


Figure 4: Cygnus Gold surface sampling over the Lake Grace Project with location of the HR3 & Panhandle Prospects

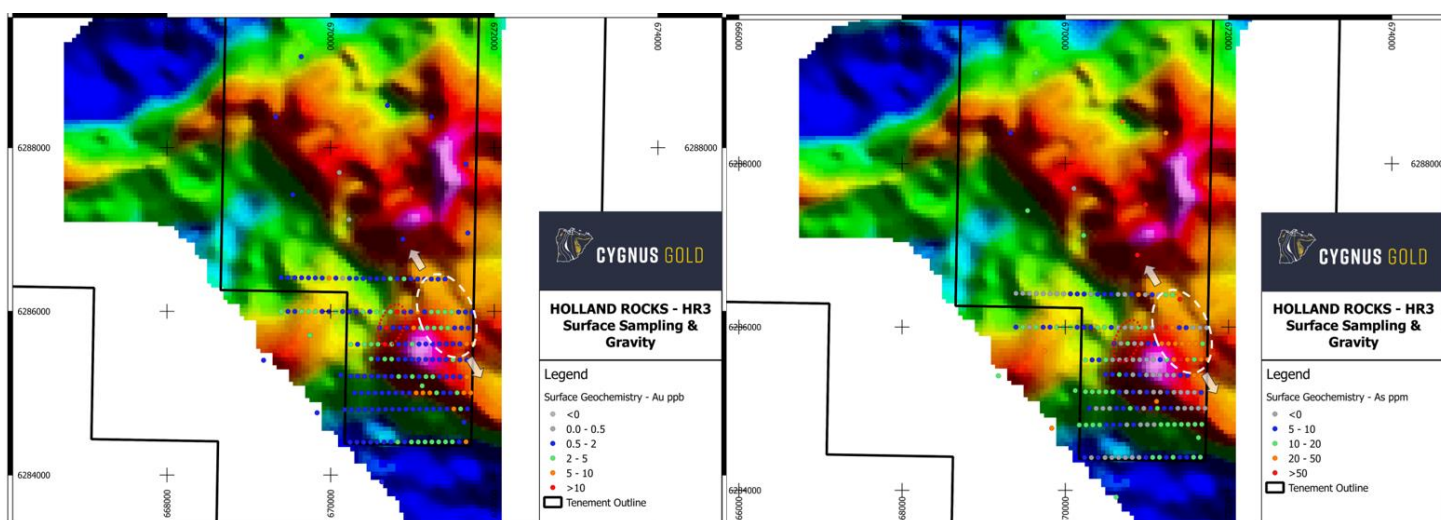


Figure 5: Surface sampling over at Holland Rocks target HR3 over Cygnus bouguer gravity image. Left frame Au (ppb); Right frame As (ppm). Gold anomaly outlined in red and multi-element pathfinder (As-Sb-Bi-Te-Mo-Pb) anomaly in white

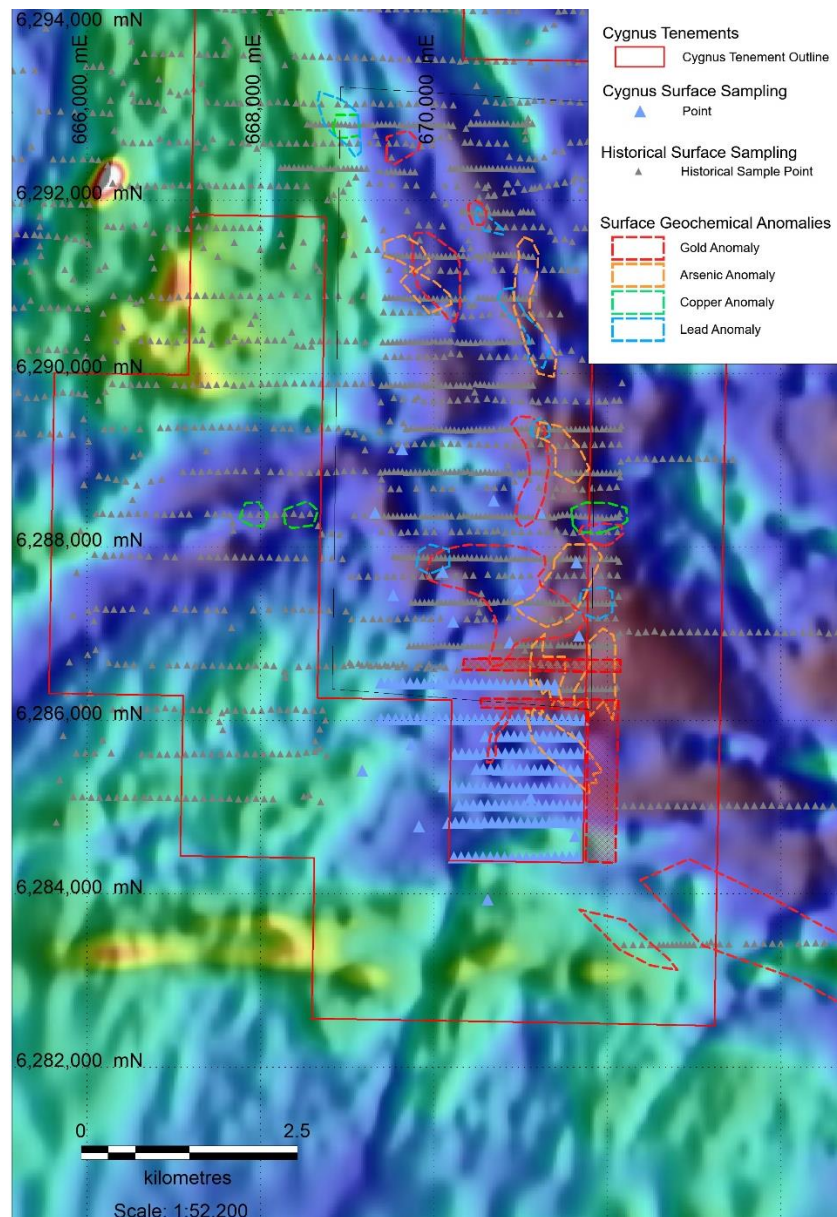


Figure 6: Historical geochemistry¹ over the southern Lake Grace Project with Au-As-Cu and Pb anomalies highlighted and recent Cygnus sampling in the south

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.

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.

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.

APPENDIX 2: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data – Soil Sampling and Ground Gravity Survey

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<u>Soil sampling survey:</u> Soil samples were collected using a hand-held motorized 90mm auger, with the sampling depth ranging from ~30cm to 70cm. Samples were brought to the surface using the auger spiral and collected on a polyweave bag. The samples were photographed, geologically logged and placed into pre-numbered calico bags. Calico's were then sealed inside polyweave bags for transportation to the laboratory. <u>Ground Gravity Survey:</u> Cygnus Gold Limited is reporting a new ground gravity survey over selected prospect areas within two tenement packages. The survey commenced on 10/6/18 and is ongoing. Acquisition within the GOR JV areas is complete [the last data was acquired on 02/8/18] Lake Grace Project tenement package: • gravity data were collected at 922 stations over a regular 200m grid, within tenements E 70/4991 and E 70/5188 • gravity data were collected at 1065 stations over a regular 200m grid, within tenement E 70/4853 [the Panhandle prospect]. Wadderin Project tenement package: • gravity data were collected at 2647 stations over a regular 200m grid, within tenement E 70/4990 & E70/4911. Repeat readings were taken at an established control station within the survey areas. The gravity survey was undertaken by Atlas Geophysics Pty Ltd ["Atlas"] and the QC/processing by Fathom Geophysics Pty Ltd ["Fathom"].
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<u>Soil sampling survey:</u> Sampling including QAQC was done under Cygnus Gold's standard procedures. The laboratory also applied their own internal QAQC protocols. See further details below.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as</i>	<u>Soil sampling survey:</u> All samples are pulverised at the lab to 85% passing -75µm to produce a 50g charge for Aqua Regia digest with an ICP-MS finish for Au. Multi-element analysis was also carried out using a 4-acid digestion with ICP-AES and ICP-MS finish. Samples were analysed by ALS Laboratories in Perth.

Criteria	JORC Code explanation	Commentary
	<i>where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	
<i>Drilling techniques</i>	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	No drilling results are reported in this announcement.
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No drilling results are reported in this announcement.
<i>Logging</i>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	No drilling results are reported in this announcement.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	No drilling results are reported in this announcement.
	<i>The total length and percentage of the relevant intersections logged.</i>	No drilling results are reported in this announcement.
<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<u>Soil sampling survey:</u> All samples were prepared at the ALS Laboratory in Perth. Samples were dried and pulverised to 85% passing 75µm and a sub sample of up to 200g retained. A nominal 50g charge was used for Au and multi-element analysis. The procedure is industry standard for this type of sample and analysis.

Criteria	JORC Code explanation	Commentary
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Duplicate samples were collected at a rate of 1 in 40 samples. The target sample size for auger samples is between 250g – 1000g, which is considered appropriate for this style of sampling and the geological setting.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<u>Soil sampling survey:</u> Samples were analysed at ALS Laboratory, Perth. The analytical method used was an Aqua Regia digest for Au, and a four-acid digest for the multi-element analysis. The Aqua Regia method is the most common digestion method for Au analysis and provides a near total digestion. It is considered appropriate for the material and mineralisation. Samples are also analysed using the ALS method ME-MS61 which is a four-acid digest with an ICP-MS or ICP-OES finish depending on the element being reported with Cygnus requesting analyses for 48 elements. Four acid digestion is considered a 'near total' digest.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	<u>Ground gravity survey:</u> The survey was undertaken using a Scintrex CG-5 Autograv Gravity Meter and V100 GNSS receiver [3D positioning]. Repeat readings conducted a frequency of 2%.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<u>Soil sampling survey:</u> For auger soil sampling Cygnus has submitted a mix of certified Reference Materials (CRMs) and blanks at a rate of five per 100 samples. Field duplicates have also been collected at a rate of one in 40 samples. Umpire checks are not required for early stage exploration projects.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<u>Ground gravity survey:</u> All data is reviewed daily by Atlas prior to distribution to Fathom. Gravity and positional data were recorded digitally on the field equipment. The formatted GNSS data are imported into Atlas Geophysics data processing software "AGRIS" (Atlas Geophysics Reduction and Information Software) and combined with

Criteria	JORC Code explanation	Commentary
		gravity data to produce a gravity database for the project. Data quality assurance [QA] procedures are applied daily, and data is uploaded to the Atlas server in Perth.
	<i>The use of twinned holes.</i>	No drilling results are reported in this announcement
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<u>Soil sampling survey:</u> All field logging is carried out on a laptop using Ocris Mobile software. Sampling data is submitted electronically to the Database Manager based in Perth. Assay files are received from the lab electronically and all data is stored in the Company's SQL database managed by Expedito Ltd in Perth.
	<i>Discuss any adjustment to assay data.</i>	No assay data is adjusted.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<u>Soil sampling survey:</u> Sample locations were determined by handheld GPS, which is considered accurate to $\pm 5\text{m}$ in Northing and Easting. <u>Ground gravity survey:</u> All gravity data used in this report are in: Datum: Geodetic Datum of Australia 94 (GDA94) Projection: Map Grid of Australia (MGA) Zone: Zone 50 The survey was planned on a 200 x 200m regular grid, using Real Time Kinematic GPS. The GNSS measurements give an accuracy of better than 0.5m for x, y coordinates and better than 10m for the z coordinate.
	<i>Specification of the grid system used.</i>	The grid system used is MGA94 Zone 50 (GDA94).
	<i>Quality and adequacy of topographic control.</i>	RLs are allocated to the sample point using a DTM derived from detailed topography. The accuracy is estimated to be better than 2m in elevation.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	<u>Soil sampling survey:</u> Auger soil samples have been collected at approximately 200m spacing along lines ranging from 200m to 400m apart. <u>Ground gravity survey:</u> The survey was planned on a 200 x 200m regular grid.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	N/A as no resource estimation is made.

Criteria	JORC Code explanation	Commentary
	<i>Whether sample compositing has been applied.</i>	<u>Soil sampling survey:</u> No sample compositing was applied.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<u>Soil sampling survey:</u> Orientation of auger soil lines determined from an interpretation of geophysics and modelling of geochemistry from previous explorers. Detailed analysis is ongoing to better understand orientation of structures controlling mineralisation. <u>Ground gravity survey:</u> Gravity readings were taken over a regular grid to eliminate directional bias when gridding and processing/filtering.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No drilling results are reported in this announcement.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	<u>Soil sampling survey:</u> Samples were packed in the field and stored on site prior to shipment directly from site to ALS in Perth by Cygnus field staff (approximately 300km by road). The sample dispatches were accompanied by supporting documentation, signed by the site project geologist, which outlined the submission number, number of samples and preparation/analysis instructions. ALS maintains the chain of custody once the samples are received at the preparation facility, with a full audit trail available via the ALS Webtrieve site.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<u>Soil sampling survey:</u> Sampling and assaying techniques are considered to be industry standard. At this stage of exploration, no external audits or reviews have been undertaken.

Section 2 Reporting of Exploration Results – Auger soil sampling and Ground Gravity Survey

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	Auger sampling and ground gravity surveys reported here were collected within E70/4853 (Lake Grace tenement) and E70/4991 (Hollands Rock) which are 100% owned by Cygnus Gold and subject to an earn-in agreement with Gold Road Projects (Gold Road earning up to 75%). Details of the agreements are included in Gold Road's ASX release dated 10 th October 2017. The landownership within both tenements is mostly freehold. Cygnus has signed a standard Indigenous Land Use Agreement (ILUA) for E70/4853 & E70/4991.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	E70/4853 and E70/4991 are in good standing with the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS). Cygnus is unaware of any impediments for exploration on this licence.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Historical exploration within E70/4853 has comprised the following: <u>1994 to 1995</u>: North Limited explored the Lake Grace area as part of their larger 400km² Southwest Yilgarn Gold Project. The Panhandle Prospect, located within the northern corner of the current E70/4853, was discovered during a program of airborne geophysics and soil sampling (412 samples total). The Panhandle gold anomaly was interpreted as being spatially coincident with subcropping mafic granulite. The anomaly was subsequently tested with a 53 hole aircore program which failed to further delineate the anomaly. <u>2003 to 2008</u>: The Lake Grace area was explored during this period by Dominion as part of their larger Newdegate gold super-project, which spanned ~2,000km². Most of the exploration work carried out by Dominion during this time took place outside the boundary of the current EL70/4853, with the exception of 86 roadside samples which returned a peak gold value of 8.5ppb Au. <u>2013 to 2014</u>: The Lake Grace project area was explored by Auzex Exploration Ltd as part of a joint venture with Panoramic Resources Ltd. During this time, exploration work on the current EL70/4853 comprised desktop-based gold prospectivity modelling and geophysical interpretation. Historical exploration within E70/4991 has comprised the following: <u>1981</u>: The southern part of Cygnus's E70/4991 was held by Conex Australia NL (Conex) as part of their Newdegate Project. Conex explored for palaeodrainage-hosted lignite deposits in a drainage channel immediately to the east of Cygnus's ground but no work was undertaken within the area of the current E70/4991. <u>2003 to 2009</u>: Dominion held under tenure most of the area of Cygnus's E70/4991, which formed part of their regionally extensive Newdegate Project. Initial work undertaken by Dominion in the Holland Rocks area included extensive soil (>1,750 samples) and auger (>2,072 samples)

Criteria	JORC Code explanation	Commentary
		geochemical surveys that defined two distinct gold anomalies spatially coincident with the Yandina shear zone. The northern anomaly, which is ~11 km-long and up to 0.9 km-wide, is defined by gold-in-soil anomalism ranging from 5 to 156 ppb Au and auger anomalism in the range from 5 to 153 ppb Au and up to 178 ppm Cu, 91 ppm Pb and 37 ppm As. The southern anomaly, which is ~6 km-long and up to 1.5 km-wide, is defined by gold-in-soil anomalism ranging from 5 to 128 ppb Au and auger values in the range from 5 to 138 ppb Au and up to 86 ppm Cu, 80 ppm Pb and 192 ppm As. Reconnaissance bedrock drilling (33 AC holes for a total of 1,383 m with average hole depth of 42 m; and 91 RAB holes for a total of 2,815 m. • <u>2009 to 2013:</u> The area was held by Magnetic Resources NL (Magnetic), who referred to it as the Hollands Rock and Greenshield Soak tenements. Initial reconnaissance roadside soil sampling (44 soil, 42 pisolite and 18 laterite samples) by Magnetic confirmed the earlier work by Dominion with a best result of 21 ppb Au. In 2010, Magnetic undertook a wide spaced (500 m × 500 m) auger sampling program (n = 37 samples) targeting sections of the Yandina shear zone. The maximum gold value from this program was 8.8 ppb Au. • <u>2013 and 2014:</u> The Holland Rocks area was part of Auzex Lake Grace Super Project. No field work was undertaken by Auzex within the area of Cygnus's Holland Rocks tenement although the Auzex undertook desktop-based gold prospectivity and geophysical studies aimed at identifying new exploration targets within Auzex's substantial tenement holdings. Refer to the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017 for details of and references to the previous work.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	Cygnus's projects are located in the Southwest Terrane of the Archaean Yilgarn Craton. Project-scale geology consists of granite-greenstone lithologies that were metamorphosed to amphibolite to granulite facies grade. The Archaean lithologies are cut by Proterozoic dolerite dykes. Mineralisation observed to date is similar in style to that at the nearby Katanning, Tampia and Griffins Find gold deposits. These deposits, classified as metamorphosed orogenic lode deposits, are characterized by multiple stacked lodes up to 25 m thick and greater than 1,000 m long in quartz rich gneiss and felsic to intermediate granulite. Narrow high-grade ore shoots (>10 g/t Au) are commonly enclosed within broader low-grade envelopes (<2 g/t Au) hosting the bulk of the ore at these deposits. Gold is commonly associated with pyrrhotite, pyrite, chalcopyrite, magnetite ± molybdenite. Quartz veins are rare. The mineralization is controlled by the schistosity of the metamorphosed host rocks and plunging folds preserved in these rocks. Please refer to the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017 for more detail.

Criteria	JORC Code explanation	Commentary
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> - o <i>easting and northing of the drill hole collar</i> - o <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> - o <i>dip and azimuth of the hole</i> - o <i>down hole length and interception depth</i> - o <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	No drilling results are reported in this announcement. All assay and sample location information are tabulated in Appendix 1 of this report. Summaries of significant previous exploration within E70/4853 and E70/4991 (including JORC Table 1 information) are provided in the Independent Technical Assessment Report within Cygnus' Prospectus dated 22 November 2017.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	All results are reported as received from the laboratory and no statistical manipulations applied.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	Details of all sample results are included in Appendix 1 in the body of the announcement.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values are reported.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	No drilling results are reported in this announcement.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include,</i>	Refer to the figures in the body of this announcement for relevant plans including a tabulation of analytical results.

Criteria	JORC Code explanation	Commentary
	<i>but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Details of all sample results are included in Appendix 1 in the body of the announcement.
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	No other substantive exploration data is available for reporting.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Follow up drilling (aircore and RC) is planned once all results are received and interpreted and land access agreements are finalised with local landowners.