



High priority nickel sulphide target to be drill tested at Snake Rock and ground geophysics confirms untested ultramafic at Julimar East

ASX ANNOUNCEMENT:

10 February 2022

ASX: CY5

CORPORATE DIRECTORY

Executive Chairman

Raymond Shorrocks

Non-Executive Directors

Michael Bohm

Simon Jackson

Shaun Hardcastle

Joint Company Secretaries

Michael Naylor

Susan Field

Major Shareholders

Steve Parsons 6.9%

Merk Investments 6.9%

Southern Cross 6.7%

Michael Naylor 5.2%

Michael Bohm 5.1%

Advancing 2,100km² in the south-west Yilgarn region of West Australia

Highly prospective for Nickel, Copper, Gold, Silver, Zinc & PGE's

\$2.8m Cash (31/12/2021)

Ground Floor

24 Outram Street

West Perth WA 6005

T: +61 8 6118 1627

E: info@cygnusgold.com

W: www.cygnusgold.com

Cygnus Gold Limited

Cygnus Gold (Cygnus or the Company) (ASX:CY5) is pleased to provide an update on its nickel sulphide and platinum group elements (PGE) exploration programs in Western Australia. The company is targeting Julimar Style PGE and Nickel sulphide mineralisation in south-west Yilgarn Region WA.

Snake Rock ~448km² (100% CY5)

- Project is highly prospective for Ni, Cu and PGEs; located in the south eastern extent of the mobile belt which hosts the Julimar Ni-Cu-PGE discovery (ASX:CHN).
- Ni sulphide mineralisation identified in the ultramafic at the neighbouring property currently being drill tested by ASX listed Sultan Resources (refer to ASX:SLZ announcement on the 20th of January 2022)¹.
- Magnetic response indicates that the Snake Rock tenement covers an untested part of the larger interpreted ultramafic complex host to the mineralisation being targeted by Sultan.
- Cygnus is currently applying for the relevant permits required to commence drill testing, with approvals anticipated to be received in March 2022.

Julimar East Project ~325km² (100% CY5)

- Untested tenure located in close proximity and in a similar geological setting as Chalice Mining's (ASX:CHN) Julimar Ni-Cu-PGE discovery (10Moz PGE).
- Results from recently completed ground gravity survey indicate a large ultramafic body at the property with no previous exploration.
- First pass soils have been completed across this target area with **results pending**.

Bencubbin Project ~800km² (100% CY5)

- Underexplored greenstone sequence extending for over 70km of strike, less than 60km west of the Edna May Mine (2.2 Moz Au) (ASX:RMS).
- Aeromagnetic survey to planned to commence next week with an auger geochemical programme at Bencubbin South scheduled for March.

Cygnus Gold's Executive Chairman Mr Shorrocks said "Work continues to advance Cygnus Gold's diverse portfolio of exploration assets in the precious and battery metals space. We are very excited to be preparing to drill the first ever holes into the Snake Rock nickel prospect, an area that has seen almost no historic exploration.

In addition to this we have confirmed a large ultramafic at our Julimar East tenement just 100km to the southeast of Julimar. We look forward to progressing this target over the coming months".

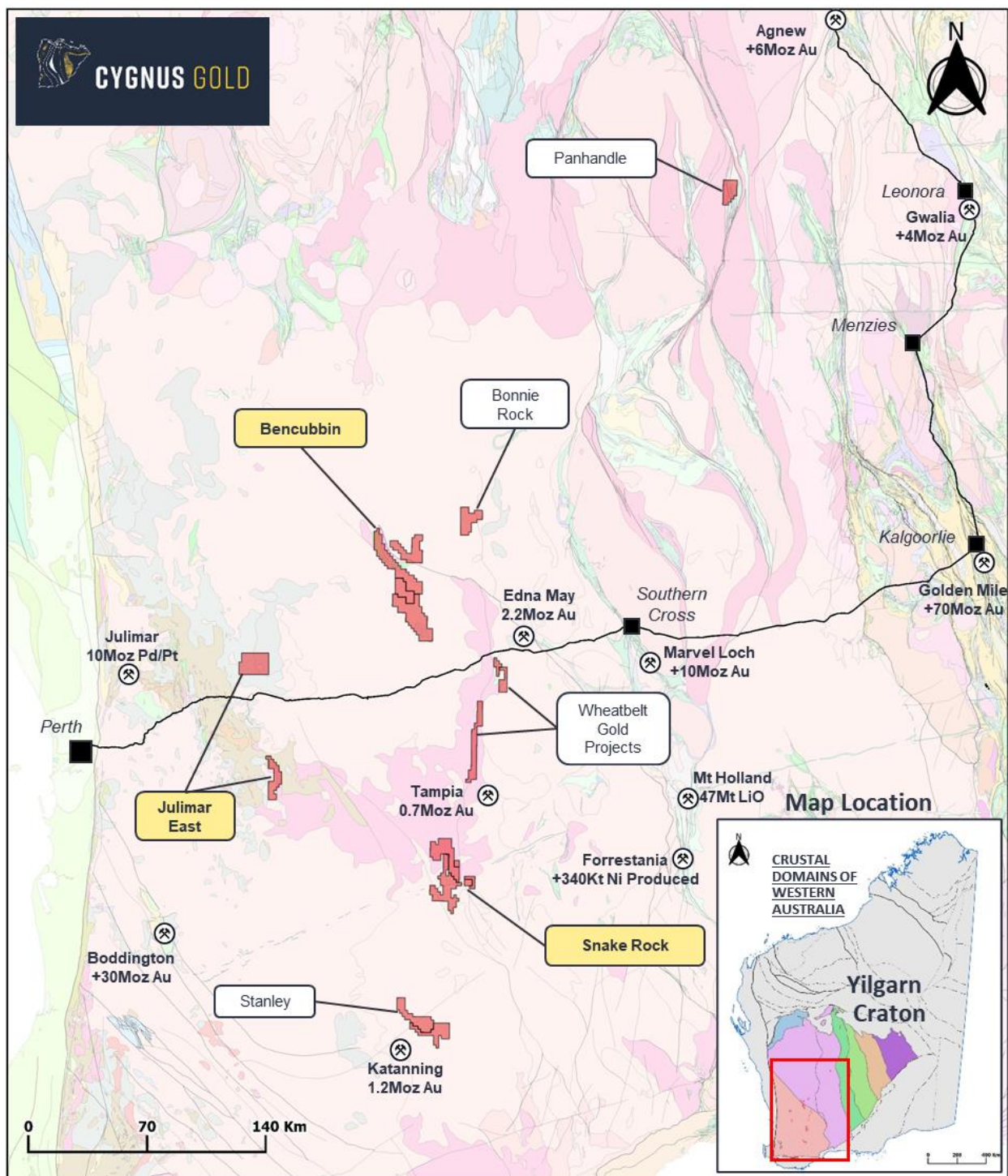


Figure 1: Cygnus current tenure relative to major gold deposits and the recent Julimar 10Moz PGE discovery (Chalice Mining ASX:CHN) with background geology from GSWA mapped regional geology (1:500,000). Highlighting the location of the Julimar East, Bencubbin and Snake Rock Projects.

Snake Rock Project (100% CY5) - Planned Drilling Program

The Snake Rock Project (E70/4911 & E70/5098) is located 230km east of Perth, Western Australia in the Yilgarn Craton's, south-west terrane.

Cygnus has recently expanded the ground position of this project with the addition of E70/5098 which formed part of the Yandina Joint Venture previously held with Gold Road Resources (ASX:GOR). The project covers 448km² of an area considered highly prospective for Ni, Cu and PGEs; covering the south eastern extent of the same mobile belt which hosts the Julimar Ni-Cu-PGE discovery (ASX:CHN).

The ground is dominated by a regional gravity high with localised intense magnetic anomalies, with the geology interpreted to be part of the larger Kondinin layered ultramafic complex. Ultramafic have been confirmed from historic drilling during the late 1960's on the adjacent tenure to E70/4911 which is currently being explored by ASX listed Sultan Resources (ASX:SLZ). The historic drilling also confirmed the presence nickel-cobalt bearing sulphides (refer Sultan Resources ASX Announcement 12 January 2022) ⁱ.

A detailed review of the project has highlighted the prospectivity of the Snake Rock Project for ultramafic hosted Ni, Cu and PGEs with an analogous geophysical signature to the nickel-cobalt bearing ultramafic on the adjacent tenure (refer Sultan Resources ASX Announcement 12 January 2022) ⁱ.

Drilling is planned to test a number of these high priority interpreted ultramafic targets as highlighted on Figure 2. A reverse circulation drill program (RC) has been designed to test the bedrock source of the magnetic/gravity highs, confirm ultramafic lithologies and help understand the prospectivity of the area for Ni bearing sulphides.

Approvals for drilling are currently being progressed with DMIRS and are expected to be received by the company in March 2022.

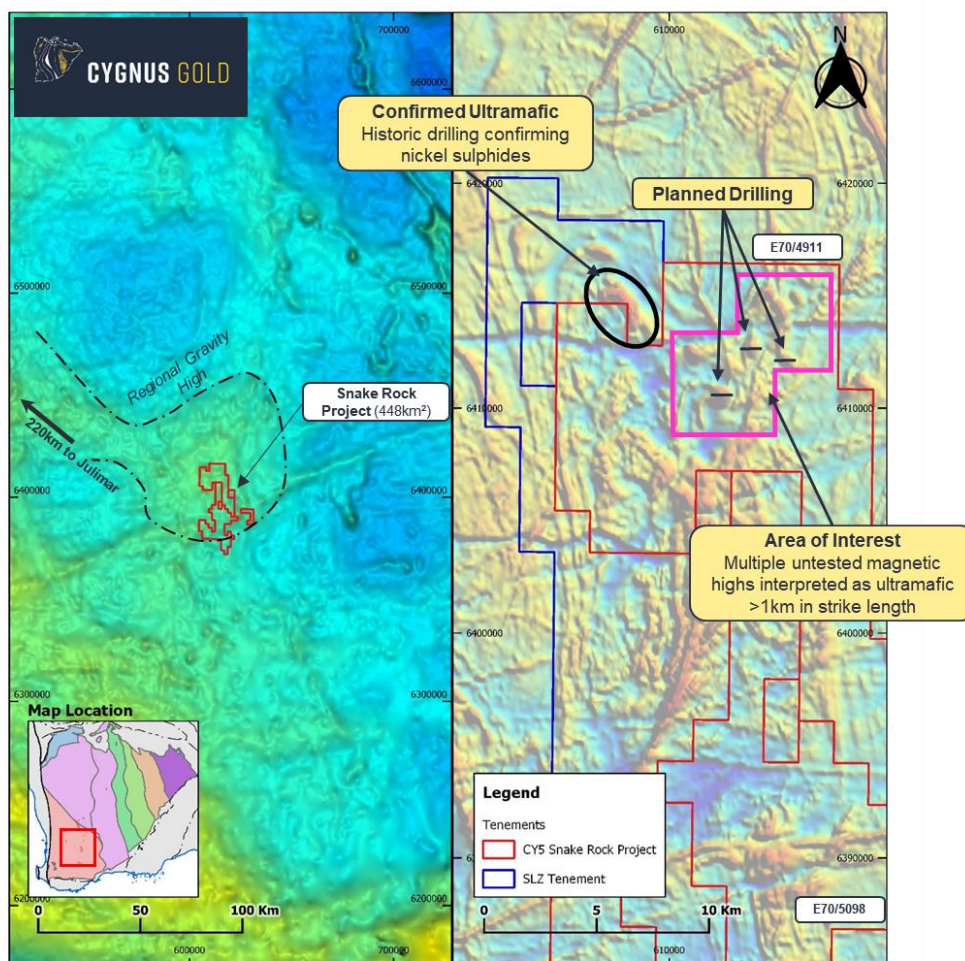


Figure 2: Snake Rock Project: Nickel sulphide targets (E70/4911).

Left: Zoom out image of the Snake Rock Project on GSWA regional gravity, showing significant crustal scale gravity high associated with the project area. Gravity high is continuous up to Julimar (Chalice Mining ASX:CHN).

Right: Zoom in image on Snake Rock North (E70/4911), illustrating target magnetic highs (interpreted ultramafic) with confirmed ultramafic on neighbouring Sultan Resources tenure (ASX:SLZ). Proposed RC drilling is illustrated in black.

Julimar East Project (100% CY5) - Ground Gravity Survey

Results from ground gravity survey on E70/5397 which makes up part of the Julimar East Project have highlighted an interpreted 9km long and 2km wide ultramafic that sits beneath a thin veneer of cover which is a target for possible Ni-Cu-PGE mineralisation. Modelling of the results by Southern Geoscience (SGC) indicate the dense body of rock has significant thickness of up to 400m and appears to be close to surface. The area has been subjected to limited historic exploration with drilling in the early 2000's focussing on kaolin exploration with shallow AC and RAB. Much of this drilling was not submitted for any element analysis.

The Julimar East Project is made up of two tenements, Culbarting (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 Mining's Julimar Ni-Cu-PGE discovery within the Southwest Terrane.

This gravity will be used in conjunction with first pass geochemical sampling (results pending), to generate follow up targets for continued exploration in the coming months.

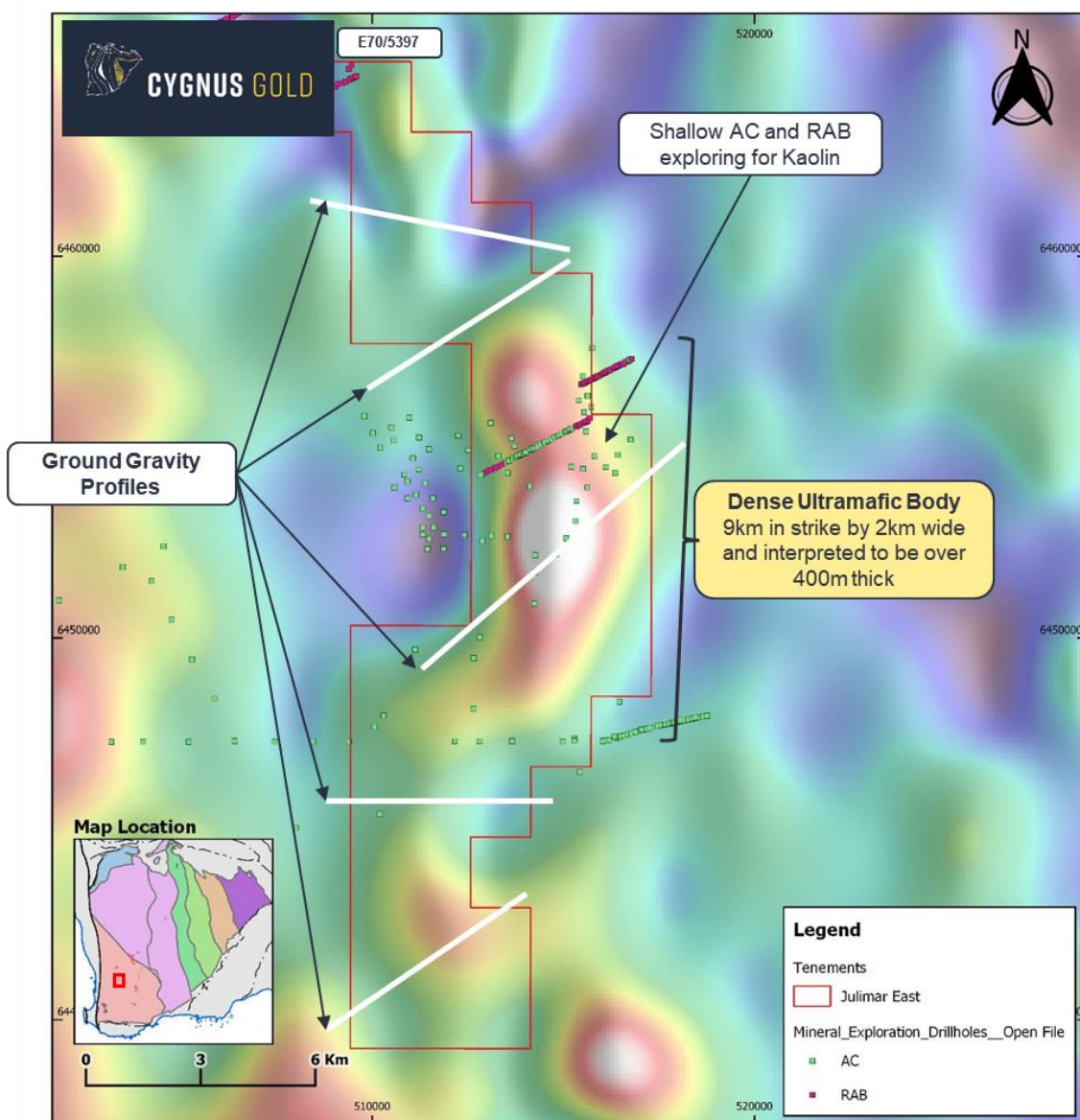


Figure 3: Julimar East Project (E70/5397): Interpreted ultramafic body. Re-stretched GSWA regional gravity with addition of ground gravity data showing significant gravity high in the centre of the E70/5397 tenement covering 9km of strike length. Location of the gravity profiles show in white with location of open file drill collars which have historically been focussed on kaolin exploration.

Bencubbin Project (100% CY5)

As announced on 24 January 2022¹, exploration at Bencubbin is progressing as planned with the aeromagnetic survey commencing next week. This survey aims to give broad coverage over the significant scale of the tenure to assist with the next phase of target generation.

Geological mapping and rock chipping confirmed the presence of prospective greenstone belt lithologies in the south of the extensive 800km² tenement package. Follow up auger is scheduled for early in 2022 aiming to infill and extend existing anomalism over this interpreted ultramafic-BIF contact ahead of drill testing.

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.

Competent Persons Statement

Certain Exploration Results referred to in this announcement were first reported in accordance with ASX Listing Rule 5.7. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements. For and on behalf of the Board.



Ray Shorrocks

Executive Chairman

T: +61 8 6118 1627

E: info@cygnusgold.com

¹: 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 affects the information in the said announcements.