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CYGNUS GOLD

ACN 609 094 653

Prospectus

For the offer of up to 30,000,000 Shares in Cygnus Gold Limited at a price of $0.20 per Share to raise up to $6,000,000 (before costs and expenses).

The offer is subject to a minimum subscription of $5,000,000.

Lead Manager Morgans Corporate Limited
AFS Licence No. 235 407

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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Important Notices

The Offer contained in this Prospectus is an invitation for you to apply for fully paid ordinary shares (**Shares**) in Cygnus Gold Limited (ACN 609 094 653) (**Cygnus** or the **Company**). This Prospectus is issued by the Company.

This Prospectus is dated 22 November 2017 and a copy of this Prospectus was lodged with ASIC on that date.

ASIC and ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is 13 months after the date it was lodged with ASIC (**Expiry Date**). No Shares will be allotted, issued or transferred on the basis of this Prospectus after the Expiry Date.

Application will be made for the admission of the Company to the Official List and quotation of its Shares on the ASX (**Listing**) with the proposed ASX Code CY5 within 7 days after the date of this Prospectus. The fact that ASX may list the Shares of the Company is not to be taken in any way as an indication of the merits of the Company or the listed Shares. ASX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form, which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, the Lead Manager or any other person in connection with this Prospectus. You should rely only on information contained in this Prospectus

The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

Exposure Period

The Corporations Act prohibits the Company from processing Applications under the Offer in the seven day period after lodgement of this Prospectus with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

Not investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Sections 1.2 and 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital or any return on investment made pursuant to this Prospectus. This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

Obtaining a copy of this Prospectus

A hard copy of the Prospectus is available free of charge during the Offer period to any eligible person in Australia and New Zealand by calling Morgans Corporate Limited, the Lead Manager, on +61 8 6160 8702 between 8.30am and 5.30pm (AWST), Monday to Friday.

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application forms on the basis of a paper prospectus lodged with ASIC, and the publication of notices

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referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the website of the Company at www.cygnusgold.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or altered.

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to persons to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

1. is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
2. meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
3. is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
4. is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
5. is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

The Company does not propose to give any taxation advice and, to the maximum extent permitted by law, the Company, its Directors, officers and each of their respective advisers accept no responsibility or liability for any taxation consequences of subscribing for Shares under this Prospectus. You should consult your own professional tax advisers in regard to taxation implications of the Offer.

Website

No document or information included on our website is incorporated by reference into this Prospectus.

Privacy Statement

Cygnus collects information about Shareholders when they apply for Shares under the Offer for the purposes of processing their application and, if the application is successful, to administer their security holding in Cygnus.

By applying for Shares, each Shareholder agrees that Cygnus may use the information provided for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Lead Manager, Cygnus' related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

The Corporations Act requires Cygnus to include information about a Security holder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a Security holder of Cygnus. Information contained in Cygnus' registers is also used to facilitate distribution payments and corporate communications (including Cygnus' financial results, annual reports and other information that Cygnus may wish to communicate to its Security holders) and compliance by Cygnus with legal and regulatory requirements. The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

A person who has provided such information has a right to gain access to the information that Cygnus holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Cygnus' registered offices.

Forward-looking statements

This Prospectus contains forward looking statements, including as to Cygnus' strategy, mineral exploration and drilling activities and related funding, which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 1.2 and 5. Past performance should not be relied upon as being indicative of future performance.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Offer subject to quotation

If ASX does not admit the Shares to Official Quotation before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not allot or issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

Governing law

The Prospectus and the contracts that arise from the acceptance of the applications and bids under this Prospectus are governed by the law applicable in Western Australia and each Applicant and bidder submits to the exclusive jurisdiction of the courts of Western Australia.

Defined terms and interpretation

Certain terms or abbreviations used in this Prospectus have defined meanings which are explained in the glossary in Section 13. A reference to a Section is a reference to a Section in this Prospectus.

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Financial information presentation

Historical financial information, including the pro forma financial information, has been prepared and presented in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards (as adopted by the Australian Accounting Standards Board (**AASB**)).

Competent Persons' Statement

The information in this Prospectus that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results for the Tenements is based on, and fairly reflects, information compiled and conclusions derived by Mr Ralph Porter and Mr Sam Ulrich, who are both Competent Persons and Members of the Australian Institute of Geoscientists. Mr Porter and Mr Ulrich are independent consultants and employed by CSA Global Pty Ltd, independent mining industry consultants. Mr Porter and Mr Ulrich have sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as Practitioners as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets' (VALMIN Code), and as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Each of Mr Porter and Mr Ulrich consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

Questions

If you have any questions in relation to the Offer, contact the Lead Manager, Morgans Corporate Limited on +61 8 6160 8702.

This document is important and should be read in its entirety.

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Key Offer Information and Indicative Timetable

The Offer	Minimum Subscription	Maximum Subscription
Offer Price per Share	$0.20	$0.20
Shares on issue as at the date of this Prospectus	30,683,341	30,683,341
Shares to be issued under the Offer	25,000,000	30,000,000
Gross proceeds of the Offer (before costs and expenses)	$5,000,000	$6,000,000
Shares on issue post completion of the Offer	55,683,341	60,683,341
Indicative market capitalisation at the Offer Price[1]	$11,136,668	$12,136,668

1. The market capitalisation is calculated based on the Offer Price multiplied by the number of Shares on issue. There is no guarantee that the Shares will trade at the Offer Price upon Listing.

Note: Refer to Section 2.3 for further details relating to the Company's proposed capital structure.

Event	Date
Lodgement of this Prospectus with ASIC	22 November 2017
Opening Date of the Offer	30 November 2017
Closing Date of the Offer (5.00pm AWST)	20 December 2017
Issue of Shares under this Prospectus	8 January 2018
Despatch of holding statements	11 January 2018
Expected date for Shares to commence trading on the ASX	15 January 2018

Note: This timetable is indicative only. Unless otherwise indicated, all times given are Western Standard Time, Australia. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

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Letter from the Chairman

Dear Investor,

On behalf of the Directors, I am pleased to present this Prospectus and offer you the opportunity to become a shareholder in Cygnus Gold Limited.

By this Prospectus, the Company is offering for subscription up to 30,000,000 Shares at $0.20 each to raise up to $6,000,000 (before costs and expenses). The Offer is subject to a minimum subscription of $5,000,000.

The State of Western Australia has a long and rich history of success in the gold industry. Since Paddy Hannan's gold discovery in Kalgoorlie, there have been countless exploration and discovery success stories, development and production achievements, mostly located in the Goldfields and Murchison regions of the State.

Cygnus' projects in Western Australia are located in the Wheatbelt region, covering an area geologically similar to the regions noted above but which has been largely overlooked and we believe is ripe for discovery success. Cygnus' tenements include both early stage exploration areas through to drill-ready targets, where high-grade gold results were achieved in drilling by previous explorers.

The Wheatbelt is under-explored for gold, primarily because mining companies have focused on the outcropping, and more readily explored, producing Goldfields of Western Australia.

At Cygnus, we believe stakeholder engagement is critical to our business success. The Cygnus team has established excellent relationships with the local landowners who have granted us access to those areas of the Stanley Project targeted for initial drilling (scheduled to occur soon after our proposed ASX listing).

Make no mistake - we are excited! During the past 18 months, Cygnus has identified and secured what we believe to be prospective ground for gold exploration in the south west of the Yilgarn Craton, that geological area hosting many of the known gold deposits in Western Australia.

Our major industry partner, Gold Road Resources Limited (through its wholly owned subsidiary, Gold Road Projects), needs little introduction, as one of the most successful gold explorers in recent times. In addition to two major earn-in agreements which Cygnus manage, Gold Road Projects have entered into a subscription agreement to invest $750,000 in the IPO, which we believe is a strong endorsement of our team and strategy.

This endorsement is strengthened by our cornerstone investors, Resource Capital Fund VI L.P and Southern Cross Capital, who have signed subscription agreements to invest $500,000 each in the IPO.

The Cygnus team is led by experienced exploration geologist and Managing Director James Merrillees, supported by geoscientists Dr Amanda Buckingham and Dr Oliver Kreuzer.

Most of the proceeds from the Offer will be used for drilling and exploration programs across our project areas, focusing initially on the high-grade Bottleneck prospect and other similar targets at the Stanley Project.

This Prospectus includes details of the Offer and the Company, together with an overview of the key risks associated with investing in Cygnus. I urge you to read this Prospectus carefully and seek professional advice to determine whether this investment is appropriate for you.

On behalf of the Directors of Cygnus, I recommend this Offer to you for your consideration. I look forward to the continuing support of our existing Shareholders and welcoming new Shareholders to the Company as we explore this emerging and under-explored region in WA.

Yours faithfully,

Michael Bohm
NON-EXECUTIVE CHAIRMAN

1 Investment Overview

This Section is a summary only and is not intended to provide full information for investors intending to apply for any Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends nor can any guarantee be given about the future value of the Shares.

1.1 The Company, its Strategy and Business Model

Item	Summary	Further information
Who is the issuer of this Prospectus?	Cygnus Gold Limited, ACN 609 094 653.	Section 3.1
What is the Company and what does it do?	Cygnus was incorporated on 3 November 2015, and is an Australian public unlisted company, operating in the mineral exploration and development sector in Western Australia. Since incorporation the Company has worked to establish itself as a Western Australian mineral exploration company. The Company's focus is on the exploration for economic gold deposits in the Southwest Terrane (**SWT**) of the Yilgarn Craton, Western Australia. The SWT comprises high metamorphic-grade equivalents of the prolific greenstone belts that host economic deposits in the Kalgoorlie and Southern Cross districts.	Section 3
What are the Company's key assets?	The Company has a 5,392km² land package, comprising 2,148 km² of Exploration Licences and 3,244 km² of Exploration Licence Applications to explore for gold and other minerals in the Wheatbelt district of Western Australia. Cygnus' granted Exploration Licences are as follows: (a) **Stanley Project** – E70/4787; (b) **Kulin Project** – E70/4854; (c) **Borden Project** – E70/4912; (d) **Burracoppin** – E77/2405; (e) **Frankland Project** – E70/4910; and (f) **Bullock North Project** – E70/4952. In addition, the Company has applied for the following Exploration Licences which have not yet been granted: (a) **Bencubbin Project** – E70/4988 (application); and (b) **Burracoppin North Project** – E70/4992 (application) and E77/2463 (application). Cygnus' key asset and most advanced exploration project is the **Stanley Project**, comprising an area of 161km^2. The **Stanley Project** includes the Bottleneck, Bottlerack, Stanley Hill, Brays and McDougall prospects where Cygnus has Land Access Agreements in place with local landholders enabling on-ground work to commence. The Company also has two further projects comprised of the following Tenements:	Section 3

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Item	Summary	Further information
	(a) **Lake Grace Project** – E70/4855, E70/4853, E70/4991 (application), E70/5017 (application); and (b) **Wadderin Project** – E70/4911, E70/4939, E70/4990 (application), E70/4989 (application), E70/5018 (application), E70/5019 (application), E70/5020 (application) and E70/5021 (application). These projects are managed by Cygnus but are the subject of earn-in agreements with Gold Road Projects under which Gold Road Projects can initially earn a 51% interest and can elect to earn a further 24% interest (being 75% in total). Further details of Cygnus' Tenements are set out in Section 3, the Independent Technical Assessment Report in Section 8 and the Solicitor's Report on Tenements contained in Section 9. Further details of the agreements with Gold Road Projects are set out in Section 1.1.	
What is the Company's strategy and business model?	Following completion of the Offer the Company's strategy and business model will be to: (a) systematically explore the Company's key asset being the **Stanley Project** where a diamond drilling program (partly funded by a WA Government co-funding grant) and aircore drilling is planned to commence shortly after the proposed ASX listing; (b) advance exploration for gold on the other Cygnus Exploration Licences at **Kulin, Borden**, **Burracoppin**, **Frankland**, and **Bullock North** where initial programs of airborne geophysical surveys (gravity gradiometer and magnetics) are planned; (c) manage the **Wadderin** and **Lake Grace Projects** in conjunction with Gold Road Projects in accordance with the relevant earn-in agreements; (d) advance the Company's Exploration Licence Applications to grant; (e) continue to negotiate further access with private landholders in relation to areas of interest identified by the above activities; (f) dependent on results from above and securing land access agreements where needed, continue to systematically explore the Company's projects which the Directors believe have the best chance of delivering an economic outcome for its Shareholders; and (g) implement a growth strategy to seek out further exploration, acquisition and joint venture opportunities in Australia.	Section 3.2
What are the key investment highlights?	The key investment highlights for Cygnus are: (a) immediate opportunity for the Company to commence exploration on drill-ready targets on the **Stanley Project** where historical drilling has intersected near surface, high grade gold including 21m @ 3.3g/t Au at the Bottleneck prospect; (b) other exploration targets ready for advancement by airborne geophysical survey on its Tenements in the Southwest Terrane of the Yilgarn Craton, Western Australia comprising	Section 3

Item	Summary	Further information
	the **Kulin**, **Borden**, **Burracoppin**, **Frankland** and **Bullock North Projects**; (c) two earn-in arrangements at the **Wadderin** and **Lake Grace Projects** where Cygnus is managing the activities and Gold Road Projects - a subsidiary of ASX-listed gold explorer and developer, Gold Road - is earning in; (d) management by an experienced team of professionals with a strong mix of commercial, technical and operational skills; and (e) shareholders including Resource Capital Fund VI L.P. and incoming shareholder and earn-in partner Gold Road Projects. The key dependencies and key risks relating to the Projects are set out in Sections 1.1 and 1.2 below. Further details of the Company's Tenements are set out in Section 3, the Independent Technical Assessment Report in Section 8 and the Solicitor's Report on Tenements contained in Section 9.	
What are the key dependencies of the Company's strategy and business model?	No assurance can be given that the Company will achieve commercial viability through the successful exploration activities and/or future mining of its Tenements. Other key dependencies of the Company's strategy and business model outlined above include: (a) grant of access rights from private landholders in relation to all Projects for exploration activities (other than in relation to the Bottleneck, Bottlerack, Stanley Hill, Brays and McDougall prospects at the **Stanley Project** where Cygnus already has Land Access Agreements in place with local landholders) and if the exploration activities on any of the Projects are successful, for mining activities; (b) grant of Exploration Licences pursuant to the Exploration Licence Applications relating to the **Bencubbin Project**, **Burracoppin North Project** and parts of **the Lake Grace Project** and **Wadderin Project**, the subject of the earn-in arrangements with Gold Road Projects; and (c) the Company's ability to attract and retain employees and key management personnel with appropriate technical qualifications. These key dependencies should be read together with the key risks set out in Section 1.2 below.	Sections 3 and 5

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1.2 Key Risks

Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks and uncertainties. The risk factors set out in Section 5, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. The Company's mining assets detailed in this Prospectus are at the early exploration stage. An investment in the Shares should be considered speculative. Investors may lose some or all of their investment.

Based on the information available, a non-exhaustive list summarising the key risk factors affecting the Company is set out below. Investors should refer to the more comprehensive list of risks set out in Section 5. Where relevant, the risks below assume completion of the Offer has occurred. The occurrence of any one of the risks below could adversely impact the Company's operating or financial performance.

Key Risks	Summary	Further Information
Grant of Tenement applications and maintaining title	Eleven out of the 21 Tenements are still in application. There is no guarantee that those, or any other future tenement applications, will be granted. Further, as all of the Tenements are Exploration Licences or Exploration Licence Applications there can be no assurance that applications for future mining leases will be granted on satisfactory terms, or at all. Title to the Tenements are also subject to continuing compliance with the various conditions affecting the Tenements and to periodic renewal. There is no guarantee that applications for renewal will be granted in the future.	Section 5.1(a) and the Solicitor's Report on Tenements in Section 9
Obtaining private landholder consent	All of the Company's granted Exploration Licences encroach almost entirely on land which is classified as "private land" for the purposes of the Mining Act. The Company's Exploration Licence Applications are expected to also substantially encroach on private land if and when they are granted. The consent of the owners and occupiers of the private land is needed to have the Tenements granted in respect of private land areas that are within 30 metres of the natural surface of the land and a compensation agreement is needed with those owners and occupiers in order to conduct activities in those areas. At this stage the Company has obtained the necessary access from the owners and occupiers of some of the private land that underlies E70/4787, the Tenement on which the **Stanley Project** is located. This access is sufficient for the Company's proposed exploration activities on the Bottleneck, Bottlerack, Stanley Hill, Brays and McDougall prospects. This access relates to E70/4787 only and an additional consent and further compensation arrangement is needed in the future for the grant of any mining lease over those areas. The Company can conduct airborne surveys without this consent but its on-ground activities on other private land areas of E70/4787 and its other Tenements is dependent on obtaining the necessary private landholders' consent and agreement. The Company will focus its negotiation of such further access agreements on the areas of interest identified by	Section 5.1(b) and the Solicitor's Report on Tenements in Section 9

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Key Risks	Summary	Further Information
	the Company's exploration activities. The requirement for this consent may delay or prevent the Company from carrying out its proposed activities and have a material adverse impact on the Company and its operations.	
Exploration risks	The business of mineral (including gold) exploration is a high risk business. The Company's projects are still at a very early stage and no Mineral Resources have as yet been identified on the Tenements. There is no guarantee that the Company's exploration will be successful and result in the discovery of an economically viable deposit of gold or other minerals.	Section 5.1
Joint venture risk	The **Wadderin Project** and the **Lake Grace Project** are subject to the Wadderin Earn-in Agreement and the Lake Grace Earn-in Agreement with Gold Road Projects. The exploration of those Projects is reliant on Gold Road Projects continuing its earn-in (and therefore the funding of that exploration) and performing its obligations under those agreements. There may be a material adverse impact on the exploration of these Projects if Gold Road Projects does not complete its earn-in. In that case the Company would need fund the statutory expenditure commitments and accordingly revise its exploration programmes to accommodate any expenditure needed on these Projects or consider other options such as seeking another earn-in partner or surrendering areas of the Tenements that are not of interest to it.	Section 5.1

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1.3 Directors, Senior Management and Major Shareholders

<table>
<tr><th>Item</th><th>Summary</th><th>Further information</th></tr>
<tr><td>Who are the Directors and key management of the Company?</td><td>The Directors of Cygnus are:

(a) Michael Bohm – Non-Executive Chairman;
(b) James Merrillees – Managing Director;
(c) Simon Jackson – Non-Executive Director;
(d) Amanda Buckingham – Non-Executive Director; and
(e) Oliver Kreuzer – Non-Executive Director.

The Company Secretary is Michael Naylor.</td><td>Section 4.1</td></tr>
<tr><td>What are the Directors' current relevant interests in Securities in the Company and what is their proposed participation in the Offer?</td><td>The Directors current relevant interests in Securities in Cygnus are:

<table>
<tr><th>Director</th><th>Michael Bohm[1]</th><th>James Merrillees[2]</th><th>Simon Jackson[3]</th><th>Amanda Buckingham[4]</th><th>Oliver Kreuzer</th></tr>
<tr><td>Shares</td><td>3,000,001</td><td>100,000</td><td>133,334</td><td>2,333,334</td><td>1,833,334</td></tr>
</table>

1. Shares are held by Mr Bohm's spouse, Ms Charmaine Lobo.
2. Shares are held by JSM Resources Pty Ltd atf The Merrillees Family Trust, a Company of which Mr Merrillees is a shareholder and director.
3. Shares are held by Bigjac Investments Pty Ltd atf Bigjac Investment Trust. Mr Jackson is a director of Bigjac Investments Pty Ltd and a beneficiary of Bigjac Investment Trust.
4. 1,666,667 Shares are held indirectly by Fathom Geophysics Australia Pty Ltd, a company of which Dr Buckingham is a director and shareholder and 666,667 are held by Dr Buckingham's spouse, Dr Robert Stuart.

Subject to the Company being admitted to the Official List, the Shares on issue prior to the Offer in which the Directors have a relevant interest will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to commencement of trading of the Company's Shares on ASX.

Messrs Bohm, Merrillees, Jackson and Kreuzer intend to participate in the Offer (either personally or by an associate or an entity in which he has a relevant interest) as follows:

(a) Michael Bohm will subscribe for 250,000 Shares for a total of $50,000;
(b) James Merrillees will subscribe for 50,000 Shares for a total of $10,000;
(c) Simon Jackson will subscribe for 250,000 Shares for a total of $50,000; and
(d) Oliver Kreuzer will subscribe for 50,000 Shares for a total of $10,000.</td><td>Sections 11.1 and 11.3</td></tr>
</table>

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<table>
<tr><th>Item</th><th>Summary</th><th>Further information</th></tr>
<tr><td></td><td>
Assuming these Directors (or entities in which they have a relevant interest) are allocated Shares under this Offer in accordance with their intended participation set out above, the Directors relevant interests in Securities in Cygnus post completion of the Offer will be as follows:
<table>
<tr><th>Director</th><th>Michael Bohm[1]</th><th>James Merrillees[2]</th><th>Simon Jackson[3]</th><th>Amanda Buckingham[4]</th><th>Oliver Kreuzer</th></tr>
<tr><td>Shares</td><td>3,250,001</td><td>150,000</td><td>383,334</td><td>2,333,334</td><td>1,883,334</td></tr>
</table>
1. Shares are held by Mr Bohm's spouse, Ms Charmaine Lobo.
2. Shares are held by JSM Resources Pty Ltd atf The Merrillees Family Trust, a Company of which Mr Merrillees is a shareholder and director.
3. Shares are held by Bigjac Investments Pty Ltd atf Bigjac Investment Trust. Mr Jackson is a director of Bigjac Investments Pty Ltd and a beneficiary of Bigjac Investment Trust.
4. 1,666,667 Shares are held indirectly by Fathom Geophysics Australia Pty Ltd, a company of which Dr Buckingham is a director and shareholder and 666,667 are held by Dr Buckingham's spouse, Dr Robert Stuart.

At the time of admission to the Official List, the Company will satisfy the 20% minimum free float requirement.
</td><td></td></tr>
<tr><td>What are the Directors' remuneration arrangements and benefits?</td><td>
The Directors' remuneration for the period from the Company's registration on 3 November 2015 and ended 31 December 2016 and for the period from 1 January 2017 to the date of this Prospectus is set out below.
<table>
<tr><th>Director</th><th>Michael Bohm</th><th>James Merrillees</th><th>Simon Jackson</th><th>Amanda Buckingham</th><th>Oliver Kreuzer</th></tr>
<tr><td>Fees/Salary[1] from 3 November 2015 to 31 December 2016</td><td>$15,000</td><td>Nil</td><td>Nil</td><td>$16,500</td><td>$16,500</td></tr>
<tr><td>Fees/Salary[1] from 1 January 2017 to the date of this Prospectus</td><td>$69,750</td><td>$104,838</td><td>Nil</td><td>$57,487</td><td>$104,500</td></tr>
</table>
1 Remuneration represents annual fixed fees/salary and includes statutory superannuation.

With effect from 1 December 2017, the Directors' annual remuneration is as follows:
<table>
<tr><th>Director</th><th>Michael Bohm</th><th>James Merrillees[2]</th><th>Simon Jackson</th><th>Amanda Buckingham</th><th>Oliver Kreuzer</th></tr>
<tr><td>Fees/Salary[1]</td><td>$54,750</td><td>$200,000</td><td>$43,800</td><td>$43,800</td><td>$43,800</td></tr>
<tr><td>Bonus</td><td>Nil</td><td>$20,000[2]</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
</table>
1 Remuneration represents annual fixed fees/salary and includes statutory superannuation.
2 Mr Merrillees will receive a $20,000 bonus if the Company lists on the ASX.
</td><td>Sections 11.1, 11.2 and 11.3</td></tr>
</table>

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<table>
<tr><th>Item</th><th>Summary</th><th>Further information</th></tr>
<tr><td></td><td>The Directors are parties to the Deeds of Access, Indemnity and Insurance in Section 11.2(b), and eligible to participate in the Employee Equity Incentive Plan in Section 10.11.</td><td></td></tr>
<tr><td>Who are the substantial shareholders of the Company?</td><td>As at the date of this Prospectus, the following Shareholders have a relevant interest in 5% or more of the total Shares on issue:
<table>
<tr><th>Shareholder</th><th>Number of Shares</th><th>% of Shares/voting power</th></tr>
<tr><td>Resource Capital Fund VI L.P.</td><td>6,666,667</td><td>21.73</td></tr>
<tr><td>Southern Cross Capital[1]</td><td>5,000,000</td><td>16.30</td></tr>
<tr><td>Charmaine Linda Lobo[2]</td><td>3,000,001</td><td>9.78</td></tr>
<tr><td>Alan Frank Cleland atf DA Exploration Trust[3]</td><td>3,000,000</td><td>9.78</td></tr>
<tr><td>Amanda Buckingham[4]</td><td>2,333,334</td><td>7.60</td></tr>
<tr><td>Oliver Pierre Kreuzer</td><td>1,833,334</td><td>5.98</td></tr>
</table>

Mr John Charles Huizenga, Huizenga Exploration Group, LLC, John C. Huizenga Trust, Huizenga Heritage, LLC and The J.C. Huizenga Family Trust and their controlled entities have a relevant interest in the Shares in Cygnus held by Southern Cross Capital.
Ms Charmaine Lobo is Mr Michael Bohm's spouse.
Mr Alan Cleland is a former director of the Company and resigned with effect from 17 November 2017.
1,666,667 Shares are held indirectly by Fathom Geophysics Australia Pty Ltd, a company of which Dr Buckingham is a director and shareholder and 666,667 are held by Dr Buckingham's spouse, Dr Robert Stuart.
</td><td>Section 2.3</td></tr>
</table>

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Item	Summary	Further information
	On completion of the Offer (assuming the Minimum Subscription), the following Shareholders are expected to have a relevant interest in 5% or more of the total Shares on issue:	

Shareholder	Number of Shares	% of Shares/voting power
Resource Capital Fund VI L.P.	9,166,667	16.46
Southern Cross Capital[1]	7,500,000	13.47
Gold Road Projects[2]	3,750,000	6.73
Charmaine Linda Lobo[3]	3,250,001	5.84
Alan Frank Cleland atf DA Exploration Trust[4]	3,250,000	5.84

1. *Mr John Charles Huizenga, Huizenga Exploration Group, LLC, John C. Huizenga Trust, Huizenga Heritage, LLC and The J.C. Huizenga Family Trust and their controlled entities have a relevant interest in the Shares in Cygnus held by Southern Cross Capital.*
2. *Gold Road Projects is a wholly owned subsidiary of Gold Road.*
3. *Ms Charmaine Lobo is Mr Michael Bohm's spouse.*
4. *Mr Alan Cleland is a former director of the Company and resigned with effect from 17 November 2017.*

1.4 Financial Information

Item	Summary	Further information
What is the Company's financial performance?	The Company was only recently incorporated (3 November 2015) and has limited operating history and limited historical financial performance. Some exploration has previously been conducted on the area of land the subject of the granted Exploration Licences, however, the Company has only recently commenced its own review and assessment of the exploration activities on the Tenements. As a result, the Company is not in a position to disclose any key financial ratios other than its statement of profit and loss, statement of cash flows and pro-forma balance sheet which is included in the Financial Information set out in Section 6 of this Prospectus.	Section 6

Item	Summary	Further information

The pro-forma balance sheet is summarised below:

30 June 2017	Notes	Reviewed $	Pro Forma Minimum Subscription $	Pro Forma Maximum Subscription $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	1)	787,308	5,369,821	6,308,821
Prepayments		11,946	11,946	11,946
GST Recoverable		38,835	38,835	38,835
TOTAL CURRENT ASSETS		**838,089**	**5,420,602**	**6,359,602**
NON-CURRENT ASSETS				
Property, plant and equipment		7,933	7,933	7,933
Exploration and evaluation		370,285	370,285	370,285
TOTAL NON-CURRENT ASSETS		**378,218**	**378,218**	**378,218**
TOTAL ASSETS		**1,216,307**	**5,798,820**	**6,737,820**
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		84,288	84,288	84,288
Provisions		3,267	3,267	3,267
Loans		11,149	11,149	11,149
TOTAL CURRENT LIABILITIES		**98,704**	**98,704**	**98,704**
TOTAL LIABILITIES		**98,704**	**98,704**	**98,704**
NET ASSETS		**1,117,603**	**5,700,116**	**6,639,116**
EQUITY				
Contributed equity	2)	1,473,742	6,199,805	7,134,856
Accumulated losses	3)	(356,139)	(499,689)	(495,740)
TOTAL EQUITY		**1,117,603**	**5,700,116**	**6,639,116**

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How will the Company generate income?	The Company is a mineral exploration company and does not currently generate income (except for interest earned on cash at bank). As such, the Company will not generate income (except for interest earned on cash at bank) unless and until the Company's exploration of the Tenements results in the discovery of mineral resources, and the mineral resources are economically exploited. The Company may generate income by a sale of its assets should mineral resources be discovered. Until the Company is able to realise value from the Tenements or future mining activities conducted on the Tenements (if any), the Company is likely to incur ongoing operating losses.	Sections 3.2 and 3.3
Are there any forecasts of future earnings?	There are no forecasts of future earnings of the Company provided in this Prospectus. As the Company is a mineral exploration company, its activities are inherently uncertain. Therefore, the Directors believe that they do not have a reasonable basis to forecast future earnings.	Section 5
What is the financial outlook for the Company?	Given the Company is an exploration company, its financial outlook is uncertain. The Company is unlikely to make money or generate income in the short term from its mining exploration activities. Until the Company is able to realise value from the Tenements or future mining activities conducted on the Tenements, the Company is likely to incur ongoing operating losses.	Section 3.3, 3.4 and 5
What is the Company's dividend policy?	The Board anticipates that significant expenditure will be incurred in the exploration and evaluation of the Company's Projects. These activities are expected to dominate at least the two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period. The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and financial performance and position of the Company. At the date of issue of this Prospectus the Directors do not intend to declare or pay any dividends in the immediately foreseeable future. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results, the financial condition of the Company, future capital requirements and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	Section 11.8

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1.5 Overview of the Offer

Item	Summary	Further information
What is the Offer?	The Offer is an initial public offering of up to 30,000,000 Shares at a price of $0.20 per Share to raise up to $6,000,000 (before costs and expenses). The offer is subject to a minimum subscription of $5,000,000. The Offer is made to the general public. Under the Southern Cross Capital Subscription Agreement, Southern Cross Capital has agreed to subscribe for, and the Company has agreed to issue, 2,500,000 Shares under this Prospectus at the Offer Price for a total subscription amount of $500,000. Under the Gold Road Subscription Agreement, Gold Road Projects has agreed to subscribe for, and the Company has agreed to issue, 3,750,000 Shares under this Prospectus at the Offer Price for a total subscription amount of $750,000. Under the Resource Capital Fund Subscription Agreement, Resource Capital Fund VI L.P. has agreed to subscribe for, and the Company has agreed to issue, 2,500,000 Shares under this Prospectus at the Offer Price for a total subscription amount of $500,000.	Section 2.1
Is there a Minimum Subscription?	Yes. The minimum subscription is 25,000,000 Shares at the Offer Price of $0.20 per Share to raise $5,000,000. If the Minimum Subscription is not raised within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not proceed with the Offer and will repay all Application Monies (without interest) as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest in accordance with the Corporations Act.	Section 2.1
Why is the Offer being conducted?	The purpose of the Offer is to raise up to $6,000,000 under the Offer, and to facilitate an application by the Company to list on ASX and position the Company to achieve its strategy as set out in Section 3.2.	Key Offer Information and Indicative Timetable, and Sections 2.1 and 3.2

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How will existing funds and the funds raised under the Offer be used?	The Company intends to apply its existing funds and funds raised under the Offer as follows:	Section 2.2

Source of Funds	Minimum subscription		Maximum Subscription	
	$000s		$000s	
Existing cash reserves[1]	354		354	
Gross funds raised from the Offer	5,000		6,000	
Total Funds Available	5,354		6,354	
Use of Funds	**$000s**	**%**	**$000s**	**%**
Exploration expenditure - **Stanley Project**	2,300	42.96	2,500	39.35
Exploration expenditure - **Kulin Project**	90	1.68	160	2.52
Exploration expenditure – **Burracoppin Project**	120	2.24	200	3.15
Exploration expenditure – **Frankland Project**	180	3.36	320	5.04
Exploration expenditure – Borden Project	270	5.04	470	7.40
Exploration expenditure – **Bullock North Project**	40	0.75	70	1.10
Working capital	365	6.8	584	9.18
Administration	1,572	29.37	1,572	24.74
Costs of the Offer	417	7.8	478	7.53
Total	5,354	100.00	6,354	100.00

1 This is the Company's cash balance at the date of this Prospectus less outstanding payables as at 31 October 2017.

2 Estimated expenses of the Offer include accounting fees, legal fees, ASX listing fees, corporate advisory fees, brokerage commissions, share registry fees, printing fees and other miscellaneous expenses associated with the Offer – see Section 11.6.

3 Further details of the proposed exploration expenditure are set out in Section 3.4.

The table above represents the Company's current intentions as at the date of this Prospectus. As with any work plan and budget, intervening events and new circumstances have the potential to affect the manner in which funds are applied. In particular, the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration and evaluation work carried out and, where applicable, on Gold Road Projects continuing with its earn-in after expending its minimum commitment. Accordingly, the actual expenditures may vary from the above estimates and the Board reserves the right to vary the expenditures dependent on circumstances and other opportunities.

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<table>
<tr>
<td>What is the effect of the Offer on the capital structure of the Company?</td>
<td>The capital structure of the Company following completion of the Offer is summarised below.

<table>
<tr><th>Capital Structure – Shares</th><th>Minimum Subscription Number</th><th>Maximum Subscription Number</th></tr>
<tr><td>Shares on issue as at the date of this Prospectus</td><td>30,683,341</td><td>30,683,341</td></tr>
<tr><td>Shares to be issued under the Offer</td><td>25,000,000</td><td>30,000,000</td></tr>
<tr><td>Shares on issue post completion of the Offer</td><td>55,683,341</td><td>60,683,341</td></tr>
</table>
</td>
<td>Section 2.3</td>
</tr>
<tr>
<td>What is the minimum Application size under the Offer?</td>
<td>The minimum Application size under the Offer is 10,000 Shares (equivalent to $2,000) and thereafter in multiples of 2,500 Shares (equivalent to $500).</td>
<td>Section 2.6</td>
</tr>
<tr>
<td>How do I apply for Shares under the Offer?</td>
<td>Applications can be made by using the Application Form attached to this Prospectus. If an Applicant is paying by:

(a) cheque: the cheque must be in Australian dollars for the full amount of the application being $0.20 per Share multiplied by the number of Shares applied for. Cheques must be made payable to “Cygnus Gold Limited Share Offer Account” and should be crossed “Not Negotiable”; or

(b) electronic funds transfer (EFT): funds must be transferred to the Cygnus Gold Limited Share Offer Account in Australian dollars for the full amount of the application being $0.20 per Share multiplied by the number of Shares applied for. To pay by EFT the Applicant must first email the completed Application Form to the Company’s Registry, Computershare Investor Services Pty Limited, at CygnusGoldApplications@computershare.com.au with the subject line of “Cygnus Gold Limited Share Offer”. The Company’s Registry will then contact the Applicant regarding the procedure for making payment by EFT.

Completed Application Forms and cheques or EFT payments must be received by 5pm AWST on the Closing Date of 20 December 2017. The Company reserves the right to extend the Closing Date or close the Offer early without notice (in its absolute discretion).</td>
<td>Section 2.6</td>
</tr>
<tr>
<td>When will I know if my Application was successful?</td>
<td>It is expected that holding statements will be sent to successful Applicants by post on or about 11 January 2018.</td>
<td>Key Offer Information and Indicative Timetable and Section2.8(b)</td>
</tr>
<tr>
<td>What rights and liabilities attach to the Shares being offered?</td>
<td>All Shares issued under the Offer will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to the Shares are described in Annexure A – Rights attaching to Shares.</td>
<td>Annexure A – Rights attaching to Shares</td>
</tr>
</table>

Is there a cooling off period?	No.	
Can the Offer be withdrawn by the Company?	Yes. The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded as soon as practicable in accordance with the requirements of the Corporations Act. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 2.9
Who is the Lead Manager of the Offer?	The Lead Manager is Morgans Corporate Limited (AFSL 235 407).	Section 10.1
Is the Offer underwritten?	No.	
Will the Shares be quoted on the ASX?	The Company will apply to the ASX for its admission to the Official List and quotation of Shares on the ASX (which is expected to be under the code "CY5"). If ASX does not admit the Shares to Official Quotation before the expiration of three months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not allot or issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.	Sections 1.1 and 2.12
Will any Securities be restricted in accordance with the ASX Listing Rules?	Subject to the Company being admitted to the Official List, certain Shares on issue prior to the Offer which are held by promoters, related parties and seed capitalists will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to commencement of trading of the Company's Shares on ASX.	Section 2.10
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty should be payable by Applicants on acquisition of Shares under the Offer.	Section 2.6
Are there any taxation considerations?	The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 2.13
Where can I find out more information about the Offer?	Questions relating to the Offer can be directed to the Lead Manager, Morgans Corporate Limited, on +61 8 6160 8702.	Section 2.14
How can I obtain further advice?	By speaking to your accountant, stockbroker or other professional adviser.	

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2 Details of the Offer

2.1 The Offer

By this Prospectus, the Company invites Applications for 30,000,000 Shares at an issue price of $0.20 per Share to raise up to $6,000,000, before associated costs, subject to a minimum subscription of $5,000,000.

Under the Southern Cross Capital Subscription Agreement, Southern Cross has agreed to subscribe for, and the Company has agreed to issue, 2,500,000 Shares at the Offer Price for a total subscription amount of $500,000. Under the Gold Road Subscription Agreement, Gold Road Projects has agreed to subscribe for, and the Company has agreed to issue, 3,750,000 Shares at the Offer Price for a total subscription amount of $750,000. Under the Resource Capital Fund Subscription Agreement, Resource Capital Fund VI L.P. has agreed to subscribe for, and the Company has agreed to issue, 2,500,000 Shares at the Offer Price for a total subscription amount of $500,000.

No Shares will be issued unless the Minimum Subscription has been received. If the Minimum Subscription is not received within four (4) months after the date of the Prospectus (or such period as varied by ASIC), the Company will not proceed with the Offer and will repay all Application Monies (without interest) as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest in accordance with the Corporations Act.

The Shares offered under this Prospectus will rank equally with the existing Shares at that time of issue. Refer to Annexure A for details of the rights attaching to Shares.

2.2 Purpose of the Offer and proposed sources and use of funds

The purpose of this Offer is to:

(a) raise up to $6,000,000 from Applications for up to 30,000,000 Shares at an issue price of $0.20 per Share;

(b) facilitate an application by the Company to seek admission to the official list of the ASX and to assist the Company to meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules; and

(c) position the Company to achieve its strategy as set out in Section 3.2.

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The Company intends to apply the funds raised from the Offer, together with existing cash reserves of approximately $0.4 million as at 31 October 2017 over the next two years following admission of the Company to the Official List of the ASX as follows:

Source and Use of Funds

Source and Use of Funds	Minimum subscription		Maximum Subscription	
	$000s		$000s	
Source of Funds				
Existing cash reserves[1]	354		354	
Gross funds raised from the Offer	5,000		6,000	
Total Funds Available	5,354		6,354	
Use of Funds	**$000s**	**%**	**$000s**	**%**
Exploration expenditure - **Stanley Project**	2,300	42.96	2,500	39.35
Exploration expenditure - **Kulin Project**	90	1.68	160	2.52
Exploration expenditure – **Burracoppin Project**	120	2.24	200	3.15
Exploration expenditure – **Frankland Project**	180	3.36	320	5.04
Exploration expenditure – **Borden Project**	270	5.04	470	7.40
Exploration expenditure – **Bullock North Project**	40	0.75	70	1.10
Working capital	365	6.8	583	9.18
Administration	1,572	29.37	1,572	24.74
Costs of the Offer[2]	417	7.8	478	7.53
Total	5,354	100.00	6,354	100.00

1 *This is the Company's cash balance at the date of this Prospectus less outstanding payables as at 31 October 2017.*

2 *Estimated expenses of the Offer include accounting fees, legal fees, ASX listing fees, corporate advisory fees, brokerage commissions, share registry fees, printing fees and other miscellaneous expenses associated with the Offer – see Section 11.6.*

3 *Further details of the proposed exploration expenditure are set out in Section 3.4.*

In the event the Company raises more than the Minimum Subscription but less than the Maximum Subscription, it is anticipated that as well as the additional costs of the Offer, funds will be used in the following priority:

(a) additional drilling on high priority targets at the **Stanley Project**;

(b) more detailed and extensive airborne surveys on the **Kulin**, **Burracoppin**, **Frankland, Borden** and **Bullock North Projects**; and

(c) working capital.

The table above represents the Company's current intentions as at the date of this Prospectus. As with any work plan and budget, intervening events and new circumstances have the potential to affect the manner in which funds are ultimately applied. In particular, the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration and evaluation work carried out. This will involve an ongoing assessment of the Company's mineral interests. The results from exploration and work programs, the approval of additional work programs, and additional land access agreements being entered into, may lead to increased or decreased levels of expenditure on certain Projects reflecting a change in emphasis.

Similarly, if Gold Road Projects were to withdraw from the **Lake Grace** and **Wadderin Projects** after meeting its minimum commitment then the Company would need to fund the second year of statutory expenditure commitments and revise its exploration programmes to accommodate this, or consider

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other options such as seeking another earn-in partner or surrendering areas of the Tenements that are not of interest to it so as to reduce the expenditure commitment.

Accordingly, the actual expenditures may vary from the above estimates and the Board reserves the right to vary the expenditures dependent on circumstances and other opportunities.

The Board believes that funds raised from the Offer assuming the Minimum Subscription is raised, together with existing cash reserves, will provide the Company with sufficient working capital to carry out its stated objectives.

2.3 Capital structure

The capital structure of the Company following completion of the Offer is summarised below:

Capital Structure

Capital Structure – Shares	Minimum Subscription	Maximum Subscription
Shares on issue as at the date of this Prospectus	30,683,341	30,683,341
Shares to be issued under the Offer	25,000,000	30,000,000
Shares on issue post completion of the Offer	55,683,341	60,683,341
Options on issue post completion of the Offer	Nil	Nil

As at the date of this Prospectus, the following Shareholders are registered as having a relevant interest in 5% or more of the total Shares on issue:

Shareholders having a relevant interest in 5% of more at the date of this Prospectus

Shareholder	Number of Shares	% of Shares/voting power
Resource Capital Fund VI L.P.	6,666,667	21.73
Southern Cross Capital[1]	5,000,000	16.30
Charmaine Linda Lobo[2]	3,000,001	9.78
Alan Frank Cleland atf DA Exploration Trust[3]	3,000,000	9.78
Amanda Buckingham[4]	2,333,334	7.60
Oliver Pierre Kreuzer	1,833,334	5.98

1. *Mr John Charles Huizenga, Huizenga Exploration Group, LLC, John C. Huizenga Trust, Huizenga Heritage, LLC and The J.C. Huizenga Family Trust and their controlled entities have a relevant interest in the Shares in Cygnus held by Southern Cross Capital.*
2. *Ms Charmaine Lobo is Mr Michael Bohm's spouse.*
3. *Mr Alan Cleland is a former director of the Company and resigned with effect from 17 November 2017.*
4. *1,666,667 Shares are held indirectly by Fathom Geophysics Australia Pty Ltd, a company which Dr Buckingham is a director and shareholder and 666,667 are held by Dr Buckingham's spouse, Dr Robert Stuart.*

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On completion of the Offer (assuming the Minimum Subscription), the following Shareholders are expected to have a relevant interest in 5% or more of the total Shares on issue:

Expected Shareholders having a relevant interest in 5% of more following completion of the Offer

Shareholder	Number of Shares	% of Shares/voting power
Resource Capital Fund VI L.P.	9,166,667	16.46
Southern Cross Capital[1]	7,500,000	13.47
Gold Road Projects[2]	3,750,000	6.73
Charmaine Linda Lobo[3]	3,250,001	5.84
Alan Frank Cleland atf DA Exploration Trust[4]	3,250,000	5.84

1. *Mr John Charles Huizenga, Huizenga Exploration Group, LLC, John C. Huizenga Trust, Huizenga Heritage, LLC and The J.C. Huizenga Family Trust and their controlled entities have a relevant interest in the Shares in Cygnus held by Southern Cross Capital.*
2. *Gold Road Projects is a wholly owned subsidiary of Gold Road.*
3. *Ms Charmaine Lobo is Mr Michael Bohm's spouse.*
4. *Mr Alan Cleland is a former director of the Company and resigned with effect from 17 November 2017.*

2.4 Key dates

Set out below are key dates relating to the Offer:

Event	Date
Lodgement of this Prospectus with ASIC	22 November 2017
Opening Date of the Offer	30 November 2017
Closing Date of the Offer (5.00pm AWST)	20 December 2017
Issue of Shares under this Prospectus	8 January 2018
Despatch of holding statements	11 January 2018
Expected date for Shares to commence trading on the ASX	15 January 2018

Note: This timetable is indicative only. Unless otherwise indicated, all times given are Western Standard Time, Australia. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

2.5 Lead Manager

The Offer is not underwritten. Morgans Corporate Limited is the Lead Manager to the Offer. A summary of the terms of the engagement of the Lead Manager is set out in Section 10.1.

2.6 How to apply under the Offer

How to apply

Application for Shares may be made using the Application Form.

If you wish to make payment by cheque, the cheque must be made payable to "Cygnus Gold Limited Share Offer Account" and crossed "Not Negotiable" and, together with the completed Application Form, mailed or delivered to the address indicated on the Application Form.

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If you wish to make payment by electronic funds transfer (**EFT**), then you must email the completed Application Form to the Company's Registry, Computershare Investor Services Pty Limited at CygnusGoldApplications@computershare.com.au (with the subject line of "Cygnus Gold Limited Share Offer"). The Company's registry will then contact you regarding the procedure for making payment by EFT. All EFT payments must be received by the Company by the Closing Date. It is your responsibility to be aware of your financial institution's cut-off time for making payments.

If you are paying by cheque, your completed Application Form and accompanying cheque must reach the Company's Registry at the address indicated on the form by the Closing Date.

If you are paying by EFT:

(a) your completed Application Form must reach the Company's Registry at the email address indicated on the form by the Closing Date; and

(b) your EFT payment must reach the Company by the Closing Date.

No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares under the Offer.

The Opening Date for the Offer is 30 November 2017 and the Closing Date for the Offer is 5.00pm AWST on 20 December 2017, or such earlier or later date as the Directors, in their absolute discretion, may determine. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

What is the minimum and maximum Application size under the Offer?

Applications under the Offer must be for a minimum of $2,000 worth of Shares (being 10,000 Shares at $0.20 each) and in multiples of $500 worth of Shares (being 2,500 Shares at $0.20) thereafter.

The Lead Manager and the Company reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.

How to obtain a copy of this Prospectus

Please contact your Broker for instructions. You may also obtain a copy of this Prospectus from the Lead Manager. Please telephone Stephen Brooke on +61 8 6160 8702 to obtain a copy.

Subject to Sections 1.1 and 2.9 the Shares to be issued under the Offer will be issued as soon as practicable after the Closing Date. It is expected that holding statements will be sent to successful Applicants by post on or about 11 January 2018.

2.7 Application Monies to be held on Trust

To the extent required by the Corporations Act, until the Shares are issued under this Prospectus, the Application Monies for Shares will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. However, the Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest. If the Shares to be issued under this Prospectus are not admitted to quotation within three months after the date of the Prospectus, no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

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2.8 Allocation Policy, Issue of Shares, ASX Listing and Discretion

(a) Allocation Policy

The Directors in their sole discretion reserve the right to determine the allocation of Shares under this Offer (including in respect of accepting any oversubscription), including to reject any Application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus Application Monies will be refunded, without interest, to the Applicant as soon as practicable after the Closing Date.

(b) Issue of Shares

Allotment of Shares offered by the Prospectus will take place as soon as practicable after the Closing Date subject to ASX granting conditional approval for the Company to be admitted to the Official List.

It is expected that holding statements will be sent to successful Applicants on or about 11 January 2018.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

(c) ASX Listing

Within 7 days after the date of this Prospectus the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by the Prospectus, to be granted Official Quotation.

However, Applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has received the approval of ASX to be admitted to the Official List. As such, Shares offered under the Offer may not be able to be traded for some time after the close of the Offer.

If ASX does not admit the Shares to Official Quotation before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not allot or issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

2.9 Discretion to not proceed or withdraw the Offer

The Company reserves the right, in consultation with the Lead Manager, not to proceed with the Offer, or withdraw the Offer, or any part of it, at any time before the issue of Shares to successful Applicants. If the Offer (or any part of it) does not proceed, Application Monies will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

The Company also reserves the right (subject to the ASX Listing Rules and the Corporations Act) to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than the amount applied for. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

2.10 Restricted Securities

Subject to the Company being admitted to the Official List, certain Shares on issue prior to the Offer which are held by promoters, related parties and seed capitalists will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of

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Official Quotation. During the applicable restriction period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company expects that for the purposes of the Listing Rules, Resource Capital Fund VI L.P. will be treated as a genuine venture capitalist, such that the Shares currently held by them will not be classified by ASX as restricted securities. Resource Capital Fund VI L.P. has entered into a voluntary escrow deed with the Company under which they agree to voluntarily escrow 4,166,667 Shares which are currently held by them for 12 months from the date of Official Quotation.

During the voluntary escrow period, Resource Capital Fund VI L.P. may not deal in any of their restricted Shares, unless the dealing arises solely as a result of the acceptance of a takeover bid under Chapter 6 of the Corporations Act in respect of the Company's Shares, provided that the holders of at least half of the Shares that are not subject to any escrow arrangements under the Listing Rules or any voluntary escrow deed, and to which the offers under the bid relate, have accepted the bid, or the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act, or under a requirement of an applicable law (including an order of a court of competent jurisdiction).

The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to commencement of trading of the Company's Shares on ASX.

2.11 Applications outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register this Prospectus or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

2.12 Commencement of Trading

It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants trading in Shares prior to receiving a holding statement do so at their own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by a Broker or otherwise.

Shares are expected to commence trading on ASX on a normal settlement basis in accordance with the key dates at the start of this Prospectus.

2.13 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. To the maximum extent permitted by law, neither the Company nor any of its Directors, officers nor any of their respective advisers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

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2.14 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Shares under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Offer can be directed to the Lead Manager, Morgans Corporate Limited, on +61 8 6160 8702.

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3 Company Overview, Strategy and Assets

3.1 Company background

The Company was incorporated as a proprietary company limited by shares (formerly Craton Gold Pty Ltd) on 3 November 2015, for the purpose of acquiring prospective and under-explored gold exploration projects in the southwest of Western Australia. Following Shareholder approval, the Company became an unlisted public company limited by shares and changed its name to Cygnus Gold Limited on 25 November 2016.

3.2 Business model and strategy

The Company's strategy is to focus on the exploration and evaluation of mineral resource opportunities that have the potential to deliver growth for Shareholders.

To achieve this objective following the proposed ASX listing, the Company proposes to undertake the exploration programs set out below and further described in the Independent Technical Assessment Report in Section 8 of this Prospectus. These programs are designed to test the Company's projects for mineral deposits with the potential to be economic, and results will determine the commercial viability and possible timing for the commencement of further testing including pre-feasibility studies and commencement of other mining operations on the Projects if warranted.

In order to manage these expanded programs, and subject to seasonal operational requirements over the next 12 to 24 months, the Company expects it will supplement its current staffing levels with an additional 1 to 2 technical and 1 to 2 logistical personnel comprising a mix of contractor and staff positions.

In summary, the Company's strategy and business model is to:

(a) systematically explore the Company's key asset being the **Stanley Project** where a diamond drilling program (partly funded by a WA Government co-funding grant) and aircore drilling is planned to commence shortly after the proposed ASX listing;

(b) advance exploration for gold on the other Cygnus Exploration Licences at **Kulin**, **Borden, Burracoppin, Frankland** and **Bullock North** where initial programs of airborne geophysical surveys (gravity gradiometer and magnetics) are planned;

(c) manage the **Wadderin and Lake Grace Projects** in conjunction with Gold Road Projects in accordance with the relevant earn-in agreements;

(d) advance the Company's Exploration Licence Applications to grant;

(e) continue to negotiate further access with private landholders in relation to areas of interest identified by the above activities;

(f) dependent on results from the above activities and securing land access agreements where needed, continue to systematically explore the Company's projects which the Director's believe have the best chance of delivering an economic outcome for its Shareholders; and

(g) implement a growth strategy to seek out further exploration, acquisition and joint venture opportunities in Australia.

Further information regarding the Company's planned activities is set out in Independent Technical Assessment Report in Section 8 of this Prospectus.

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3.3 Project overview

3.3.1 Background

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

The high-grade metamorphosed greenstone sequences of the Southwest Terrane have been targeted sporadically for their gold potential with some success at Griffins Find, Katanning and Tampia. However, compared to other parts of the Yilgarn Craton, the intensity of exploration activity is relatively low.

Cygnus believes this low level of exploration interest in the Southwest Terrane, compared to the remainder of the Yilgarn Craton, is due to perceptions that include:

(a) the target greenstone belts are difficult to map;

(b) the land is largely freehold and therefore harder to gain access for exploration; and,

(c) gold deposits located to date in the Southwest Terrane are relatively small.

Cygnus however believes that the application of more effective exploration techniques, including detailed gravity surveys allows explorers to more effectively target the greenstone belts under post-mineralisation cover.

The Company has successfully negotiated Land Access Agreements with farmers over the areas of the **Stanley Project** where exploration is planned to commence post completion of its proposed ASX listing, and believes a strong focus on landholder relations led by an experienced team will enable it to negotiate further land access agreements and effectively gain access to explore its large tenement holding.

The Company believes that with recent discoveries by other mining companies on the back of an improved understanding of gold deposit formation in high metamorphic grade terranes, the existing gold deposits in the Southwest Terrane will increase in size and new deposits will be located.

Cygnus' technical team has considerable knowledge and experience in targeting and evaluating gold mineralised systems world-wide, and project generation was based on a regional-scale, mineral systems approach to identifying areas comprising key elements of the targeted mineral systems such as interpreted greenstone belts (or metamorphosed equivalents), and faults deemed active at the time of mineralisation.

The paucity of outcrop and drilling across the Southwest Terrane necessitated a heavy reliance on geophysical data, whilst the extensive regolith cover renders radiometric and remote sensing data largely ineffective.

It was only in February 2016 that new, higher resolution gravity data over the Southwest Yilgarn became publicly available, and the greenstone targeting undertaken by Cygnus became possible. Prior to that, gravity data was of a spatial resolution too coarse to map greenstone belts across the Southwest Terrane with any degree of confidence.

Using this newly released data Cygnus' team generated a gravity-derived greenstone map which identified all known sites of greenstone across the Southwest Terrane (e.g. Bottleneck, Tampia, Griffins Find, Boddington, Jimperding). The areas identified by this approach were subject to detailed screening using all available geoscience and historical exploration data.

The Company subsequently applied for exploration licences over targets that passed this initial screening and were ranked highest against the Company's targeting criteria. To date, the Company has assembled a 5,392km² land package, comprising approximately 2,148 km² of Exploration Licences and approximately 3,244 km² of Exploration Licence Applications to explore for gold.

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3.3.2 The Projects

Cygnus' granted Exploration Licences are as follows:

(a) **Stanley Project** – E70/4787;
(b) **Kulin Project** – E70/4854;
(c) **Borden Project** – E70/4912;
(d) **Burracoppin** – E77/2405;
(e) **Frankland Project** – E70/4910; and
(f) **Bullock North Project** – E70/4952.

Cygnus' key asset and most advanced exploration project is the **Stanley Project**. The **Stanley Project** includes the Bottleneck, Bottlerack, Stanley Hill, Brays and McDougall prospects where Cygnus has entered into Land Access Agreements enabling on-ground work to commence.

In addition, the Company has applied for the following Exploration Licences which have not been granted:

(a) **Bencubbin Project** – E70/4988 (application); and
(b) **Burracoppin North Project** – E70/4992 (application) and E77/2463 (application).

The Company also has two other projects comprising the following Tenements:

(a) **Lake Grace Project** – E70/4855, E70/4853, E70/4991 (application), E70/5017 (application); and
(b) **Wadderin Project** – E70/4911, E70/4939, E70/4990 (application), E70/4989 (application), E70/5018 (application), E70/5019 (application), E70/5020 (application) and E70/5021 (application),

and which are the subject of earn-in agreements under which Gold Road Projects can earn up to a 75% interest.

Further details of Cygnus' Tenements are set out in the Solicitor's Report on Tenements contained in Section 9. Cygnus' Projects and exploration programs are summarised in this Section 3.3 and Section 3.4 below, and discussed in detail, including information on prospectivity in the Independent Technical Assessment Report in Section 8.

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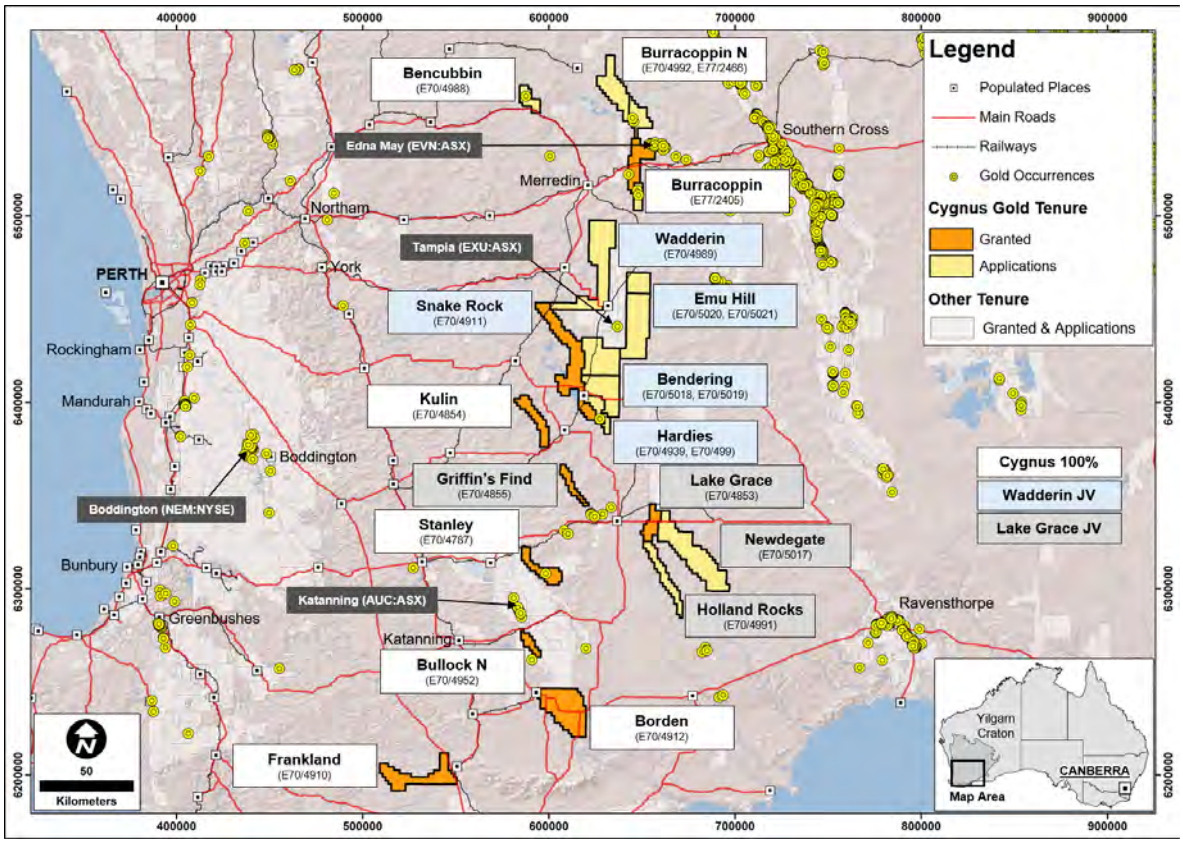

Location of Cygnus' Projects, Southwest Western Australia. Reference: Independent Technical Assessment Report in Section 8.

3.3.3 Stanley Project

The **Stanley Project** comprises granted Exploration Licence E70/4787 covering an area of 56 blocks or approximately 161 km² and is located midway between the Wheatbelt townships of Lake Grace and Katanning, Western Australia. The **Stanley Project** includes Bottleneck, Bottlerack, Stanley Hill, Brays and McDougall prospects where Cygnus has Land Access Agreements in place with local landholders.

The **Stanley Project** is Cygnus' most advanced project where drilling by previous explorers identified numerous shallow, high grade gold prospects which have received limited follow up.

Stanley was targeted following Cygnus' interpretation of available geophysical datasets (gravity and magnetics) which identified a >20km long strike length of prospective greenstone sequences.

Review of historical exploration data from previous explorers at Stanley identified several high grade prospects from aircore drilling, auger and surface sampling that were never adequately followed up. Importantly previous explorers drilled limited deeper reverse circulation holes, and no diamond core holes and therefore had little to no information regarding the structures or lithologies which focus and host gold mineralisation.

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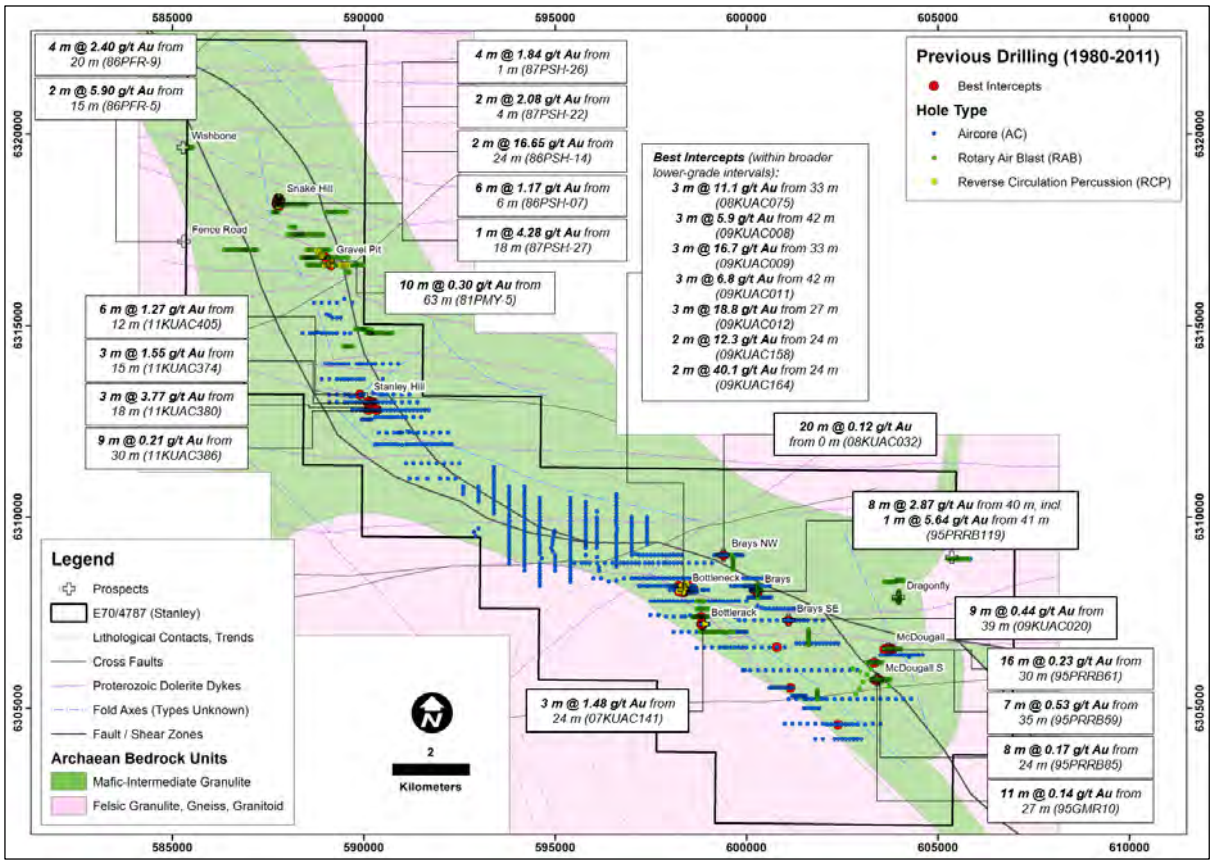

*E70/4787 (**Stanley Project**), key drill results and prospects. Note: The geology interpretation is based on previous geological interpretations and geophysical interpretation and modelling by Cygnus as explained in the Independent Technical Assessment Report in Section 8.*

Cygnus' immediate target at Stanley is the Bottleneck prospect where aircore drilling by previous explorers included intersections of 21m @ 3.3 g/t Au, 7m @ 6.4g/t Au, and 9m @ 6.9 g/t Au.

Cygnus has reinterpreted this historical drilling and identified down-plunge extensions of the known mineralisation at Bottleneck which have not been tested.

The Company plans to test this target with a diamond core program shortly after its proposed ASX listing. This program is partly subsidised by the WA Government's Exploration Initiative Scheme (EIS) and Land Access Agreements have been signed with local farmers to permit access.

Since the granting of E70/4787, Cygnus has collected a detailed ground gravity survey over the greenstone sequences surrounding Bottleneck, including the Bottlerack prospect. This program successfully mapped the target greenstone rock units as well as key structures controlling gold mineralisation. Six high priority targets were identified from this survey and these will be tested with a close-spaced air core 'interface' drilling program shortly after the Company's proposed ASX listing.

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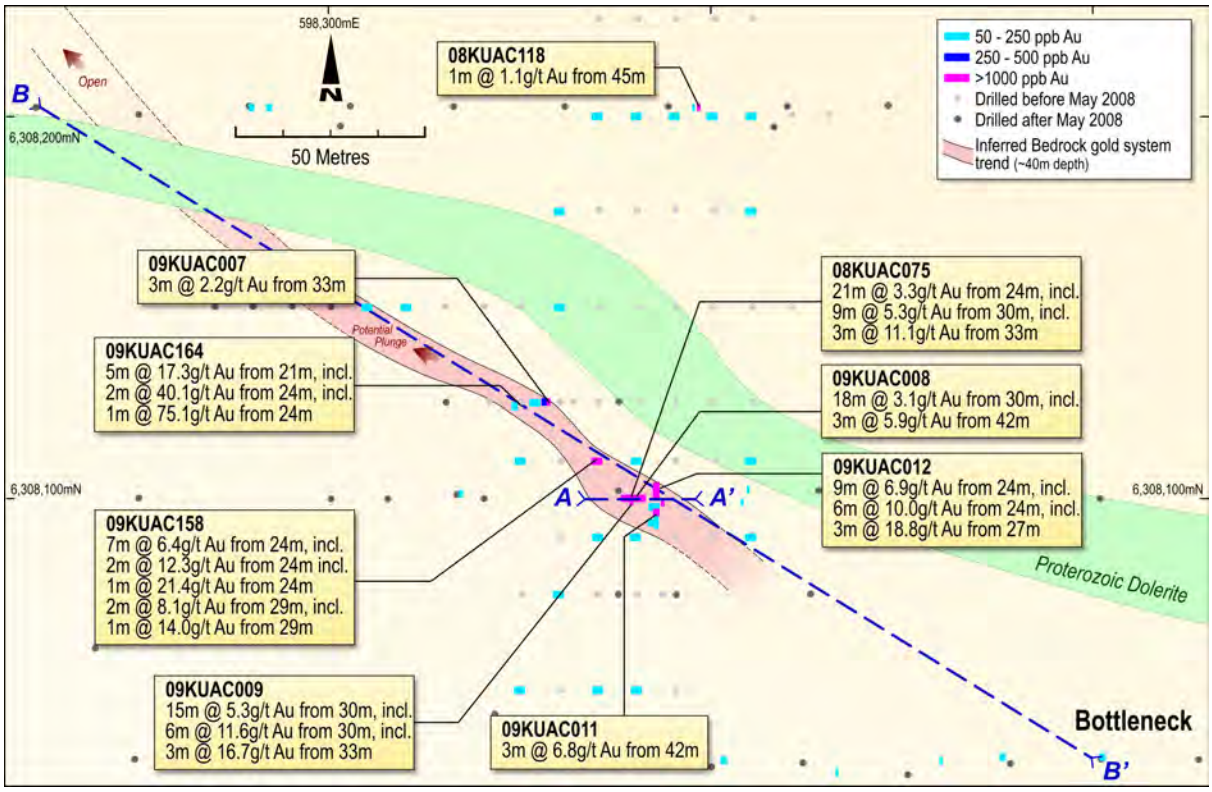
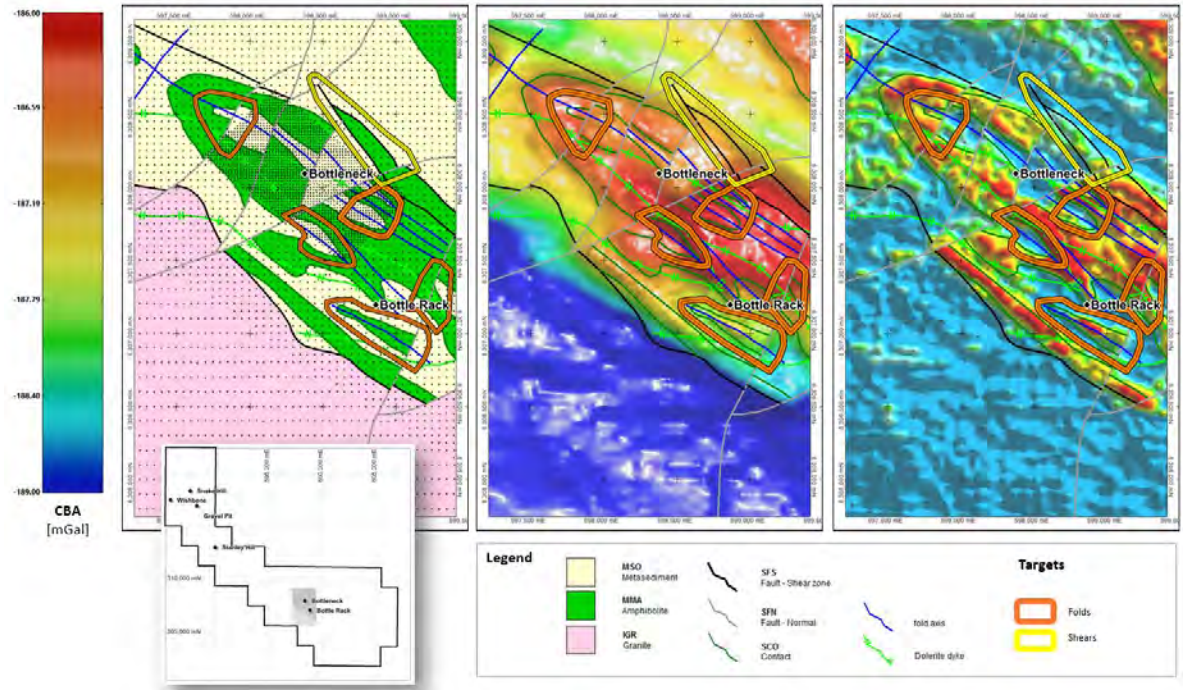


Plan view of the Bottleneck Prospect showing key gold intersections as explained in the Independent Technical Assessment Report.



E70/4787 (Stanley Project), ground gravity survey results and interpretation. The interpretation and target zones [left], the Bouguer gravity data [middle], and the first vertical derivative of Bouguer gravity [right]. The legend shows the features interpreted from the gravity [and magnetic] data. The colour bar is for the Bouguer gravity image [CBA].

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The success of the ground gravity program has given the Company confidence to apply gravity surveys as a cheap and effective approach to explore areas where outcrop is limited. The Company therefore intends to undertake a larger ground geophysical survey covering extensions of the Bottleneck greenstone where Land Access Agreements have been negotiated.

The aircore drilling campaign will also target other prospects where Cygnus has access including:

(a) Stanley Hill where previous explorers intersected widespread, shallow gold including 3m @ 3.8 g/t Au;

(b) Brays where previous explorers intersected 5m @ 2.45 g/t Au; and

(c) McDougall where previous explorers defined a >440m long auger gold anomaly ranging from 49 ppb Au to 96 ppb Au.

Further information regarding the Exploration Results at the Stanley Project is set out in the Independent Technical Assessment Report in Section 8 of this Prospectus.

3.3.4 Additional Projects

In addition to the **Stanley Project**, Cygnus has assembled a portfolio of other Exploration Licences and Exploration Licence Applications in the southwest of WA.

The granted tenements at **Kulin** (E70/4853), **Borden** (E70/4912), **Burracoppin** (E77/2405), **Frankland** (E70/4910) and **Bullock North** (E70/4952) and cover an area of approximately 1,237km^2, whilst applications at **Bencubbin** (E70/4988) and **Burracoppin North** (E70/4992 and E77/2463) cover an additional 522km^2.

Cygnus selected these areas from an interpretation of regional geophysical datasets (gravity and magnetics) as outlined above. This approach delineated greenstone belts that were either previously unrecognised or only partly mapped under post-mineral cover. Open-file data review supports the existence of prospective geology and gold mineralisation in the form of drill intersections or surface gold geochemistry.

To rapidly identify and prioritise targets on the granted Projects, detailed airborne geophysical surveys (gravity gradiometry and magnetics) are planned. These surveys will aim to map out the target greenstone rocks and structures, to define areas for ground-based follow up subject to land access agreements being negotiated with the affected land owners and occupiers.

The prospectivity of the Projects is described in the Independent Technical Assessment Report in Section 8 of the Prospectus, and the granted Projects are summarised below.

(a) Kulin Project

The **Kulin Project** comprises granted Exploration Licence E70/4854 covering an area of 57 blocks or approximately 165 km² and is centred some 15 km northwest of the township of Kulin, Western Australia.

At the **Kulin Project** Cygnus has interpreted regional geophysics to define a 30 km-long and up to 2 km-wide metamorphosed greenstone belt where previous explorers identified several gold-in-laterite anomalies.

The northernmost anomaly, with a peak value of 8.9 ppb Au, is located immediately adjacent to an anomalous laterite sample (9.4 ppb Au) collected as part of a regional-scale laterite sampling program over the entire southwestern Yilgarn Craton by the Cooperative Research Centre for Landscape Environments and Mineral Exploration (CRC LEME).

The CRC-LEME sample collected within Cygnus' tenure is the ninth strongest gold-in-laterite anomaly obtained from over 5,000 samples collected over an area of approximately 500 km x 350 km.

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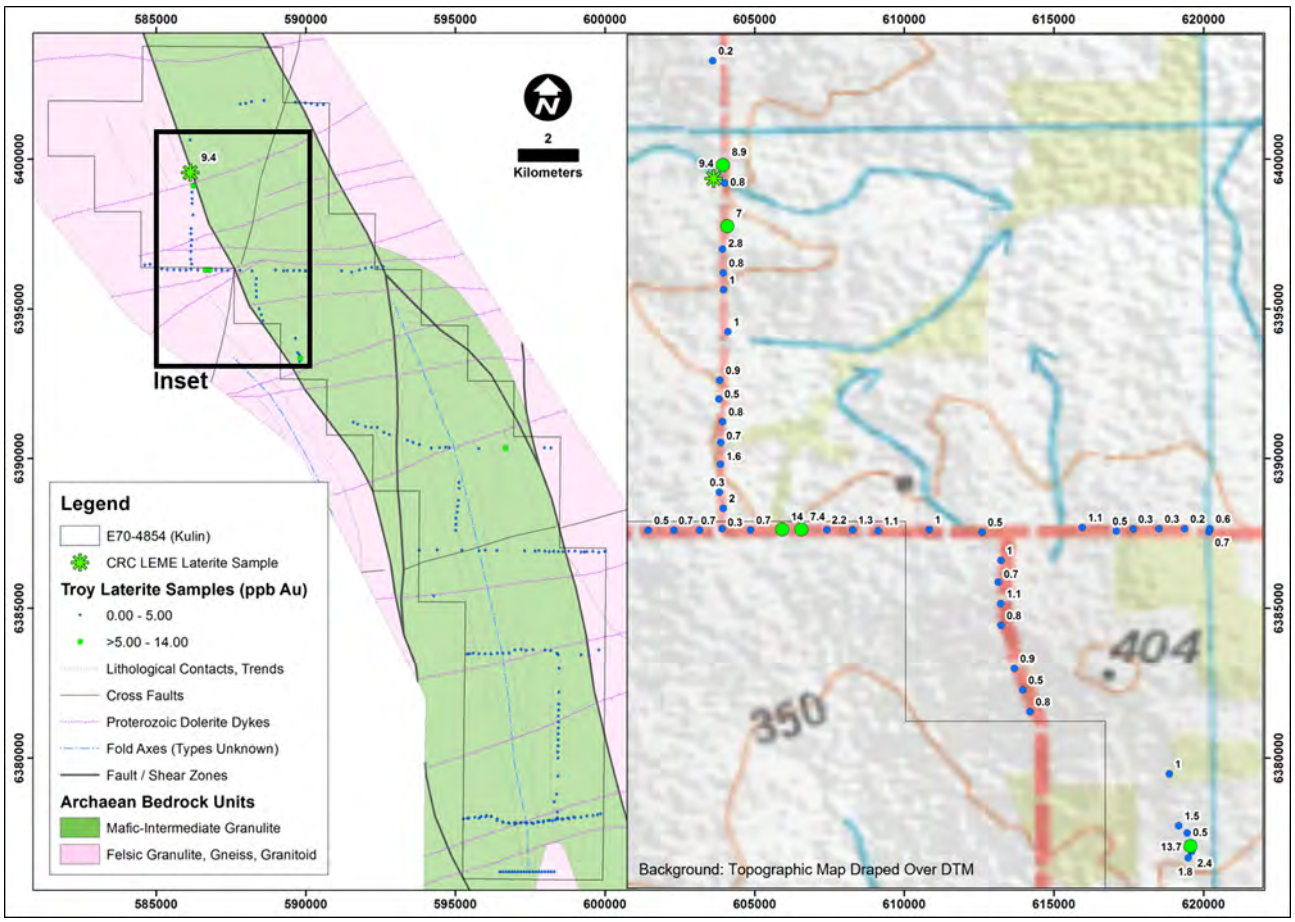
There has been no prior drilling on Kulin.



*E70/4854 (**Kulin Project**) showing previous lag sampling coverage and gold results. Note: The geology is based on geophysical interpretation and modelling as explained in the Independent Technical Assessment Report.*

(b) Borden Project

The **Borden Project** comprises granted Exploration Licence E70/4912 covering an area of 167 blocks or approximately 475 km² and abuts the Wheatbelt town of Gnowangerup and encompasses the small township of Borden, Western Australia.

The **Borden Project** straddles a northwest-southeast striking, crustal-scale fault zone that forms the boundary between the Boddington Terrane to the west and the Lake Grace Terrane to the east.

The principal target at Borden is a greenstone belt interpreted by Cygnus from regional geophysical datasets. Previous exploration was limited to surface sampling which defined the Glenisa Prospect (max 61 ppb Au). This prospect and the occurrence of the Katanning gold deposit cluster in a similar geological and structural setting ~45 km along strike to the northwest indicates the potential for gold mineralisation within the Borden tenement.

There has been no prior drilling on Borden.

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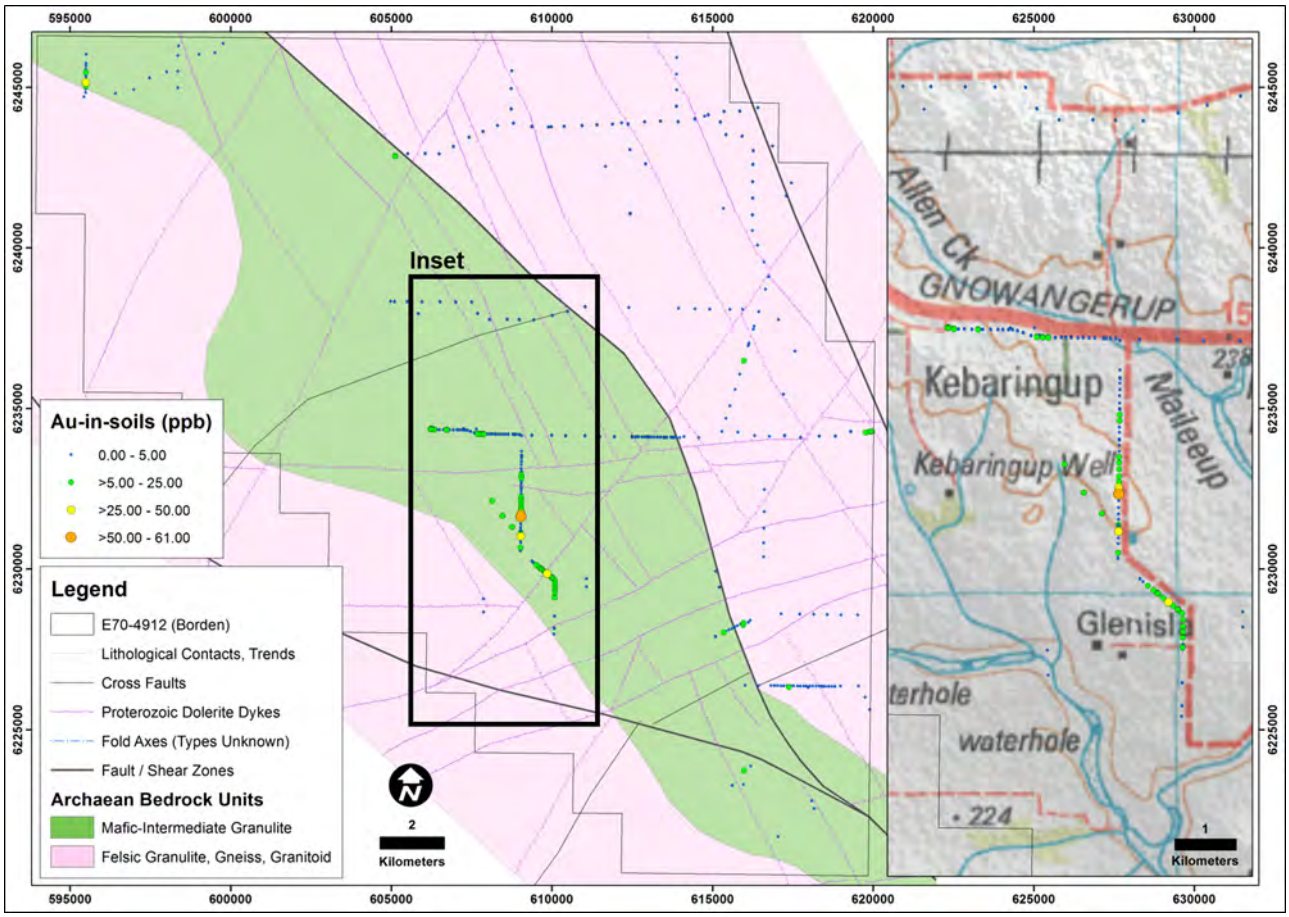

E70/4912 (**Borden Project**) showing previous soil sampling and gold results and the Glenisa prospect (inset).
Note: The geology is based on geophysical interpretation and modelling as explained in the Independent Technical Assessment Report.

(c) Burracoppin Project

The **Burracoppin Project** tenement comprises a granted Exploration Licence E77/2405 covering an area of 70 blocks or approximately 205 km² and the tenement is centred some 25 km east-northeast of the regional Wheatbelt service town of Merredin and immediately adjacent to the township of Burracoppin, Western Australia.

The principal target on the **Burracoppin Project** is a greenstone belt interpreted from geophysical datasets and limited outcrop mapping.

Previous explorers identified two targets of interest at Burracoppin:

(a) Lindley; where soils sampling by previous explorers is considered ineffective, however it ranked as one of the previous explorers most prospective areas throughout the Westonia Greenstone Belt and;

(b) Ducks Beak; a syenite intrusion with syenite stocks are considered an important gold deposit hosts in Archaean granite-greenstone terranes in both Australia and Canada.

The locations of the Edna May gold mine immediately to the northeast, and the Burgess Find gold deposit immediately to the east are also considered encouraging.

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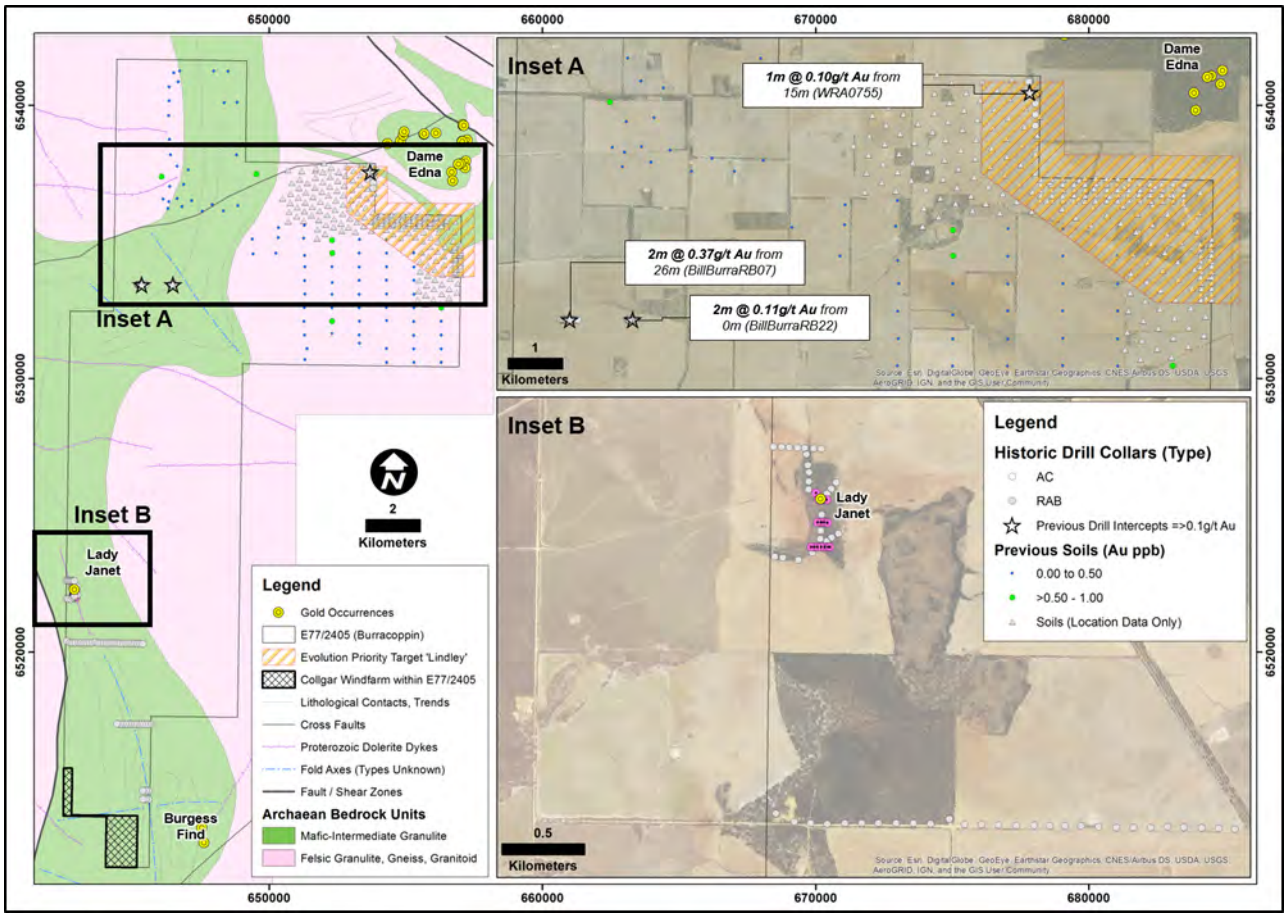

*E77/2405 (**Burracoppin Project**) showing the location of previous drilling as compiled by the Department of Mines, Industry Regulation and Safety, Government of Western Australia (i.e. open file mineral exploration drill holes). Note: The geology is based on geophysical interpretation and modelling as explained in the Independent Technical Assessment Report.*

(d) Frankland Project

The **Frankland Project** comprises granted Exploration Licence E70/4910 covering an area of 114 blocks or approximately 323 km², located between the Western Australian towns of Frankland River to the east and Tenterden to the west.

Cygnus' **Frankland Project** tenement straddles the southern margin of the Yilgarn Craton, bounded by crustal-scale structures, interpreted from gravity data. The tenement covers an area where terrain-wide northwest and north-northwest structures intersect the craton margin, coincident with an interpreted greenstone sequence, and elevated gold geochemistry. The contact zone, known as the Northern Foreland, is defined as a portion of the Yilgarn Craton that has been reworked by the Albany-Fraser Orogeny, reflecting its position immediately to the north of this collisional orogenic belt.

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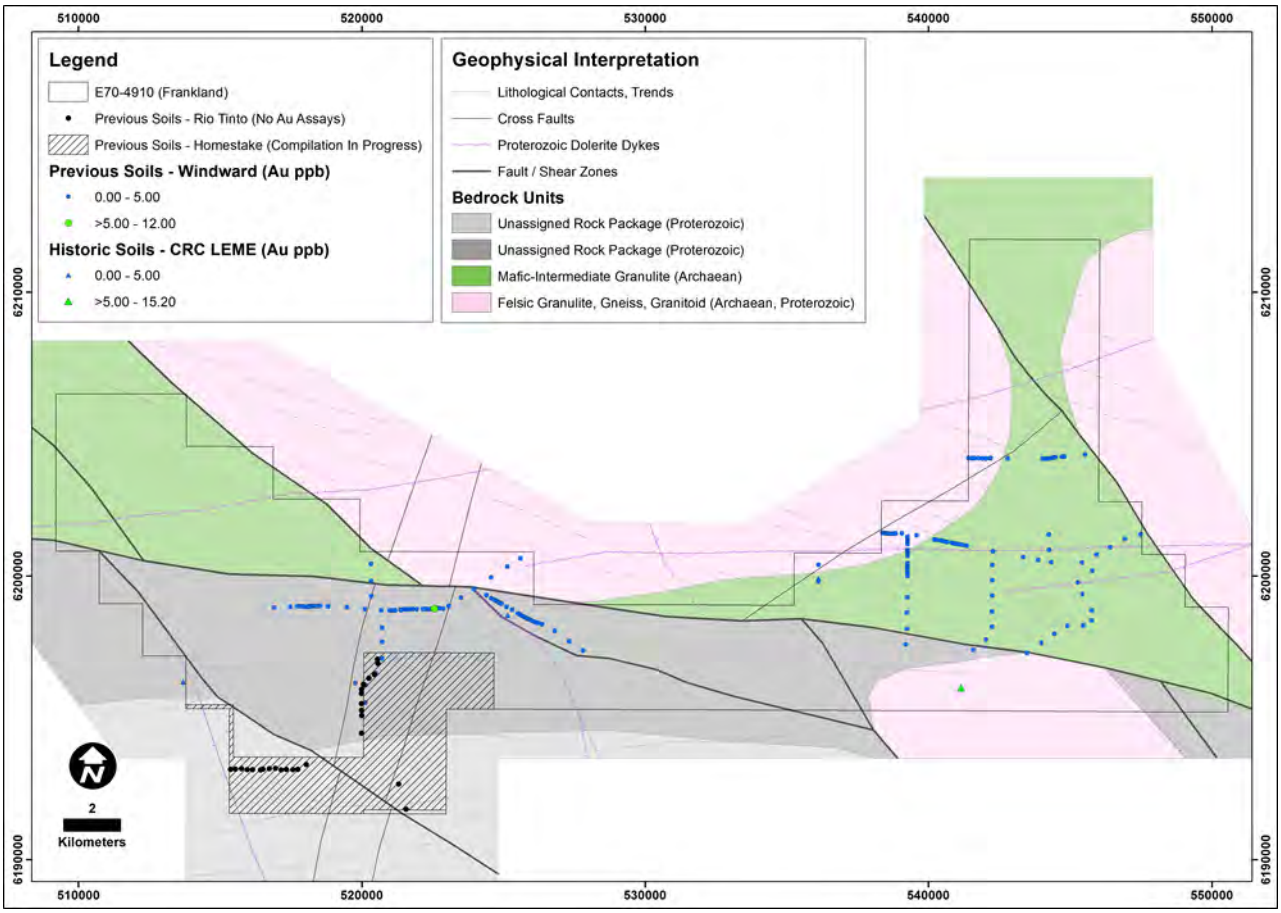


*E70/4910 (**Frankland Project**) showing interpreted greenstone rocks and previous soil samples. Note: The geology is based on geophysical interpretation and modelling as explained in the Independent Technical Assessment Report.*

Much of Cygnus' **Frankland Project** area is covered by recent, unconsolidated aeolian sands and colluvium, and massive and pisolitic laterite. A laterite sample collected at Frankland by the CRC LEME returned a value of 15.2 ppb Au. This value is the sixth strongest gold-in-laterite anomaly obtained from over 5,000 samples collected over an area of approximately 500 km x 350 km.

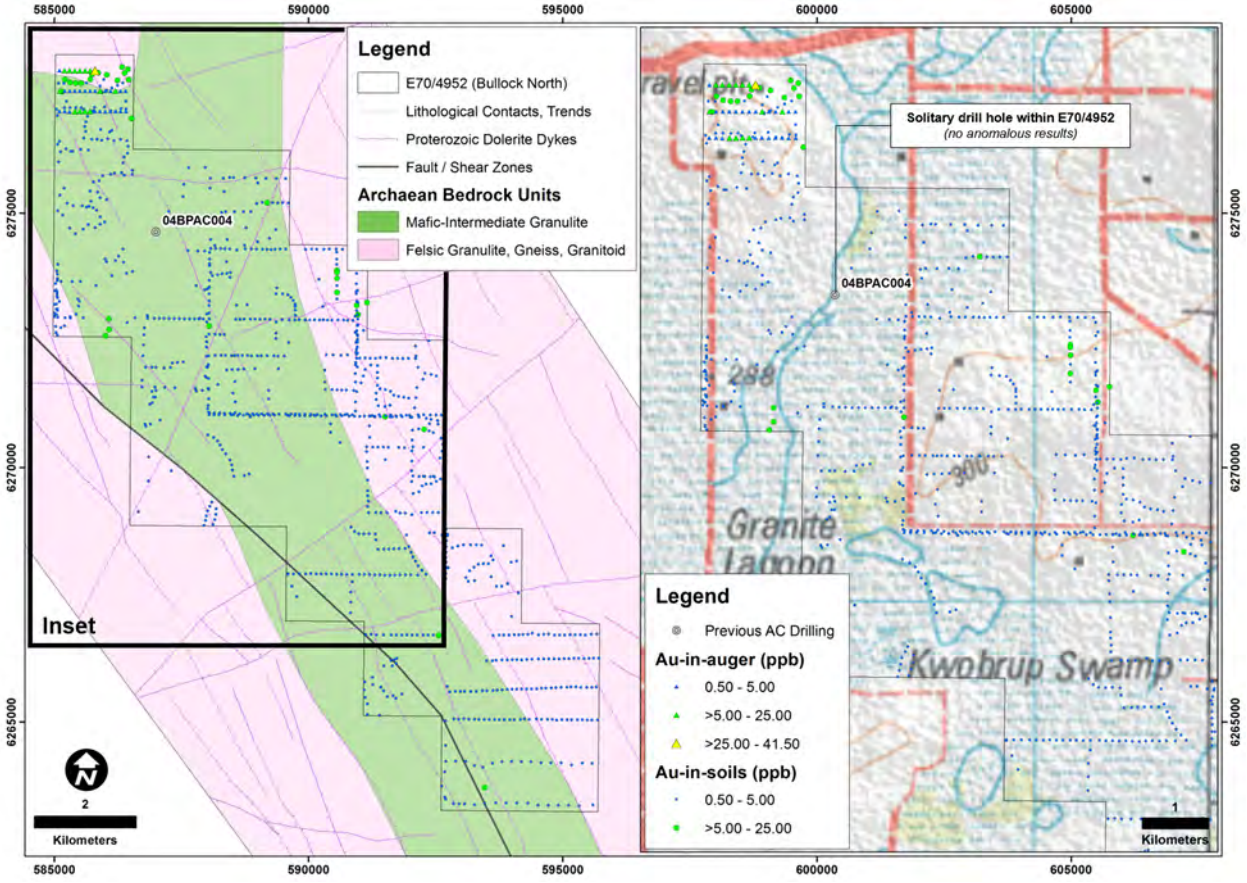
(e) Bullock North Project

The **Bullock North Project** comprises granted Exploration License E70/4952 with an area of 24 blocks or approximately 69 km^2, located in between the Western Australian towns of Katanning to the east and Nyabing township to the west.

The **Bullock North Project** straddles the boundary between the Boddington Terrane to the west and the Lake Grace Terrane to the east. However, only minor disjointed outcrop, comprising Proterozoic dolerite and Archaean felsic to mafic granulites and gneisses, has been recorded in the area.

A total of 949 surface geochemical soil, laterite and calcrete samples were collected within the Bullock North tenement by previous explorers. Seven of these samples returned assay values equal to or greater than 10 ppb Au, with a maximum value of 25 ppb Au. Cygnus believes given the presence of a broad Tertiary drainage channel much of this sampling probably represents transported cover.

Limited auger drilling across a topographic high in the northern part of Bullock North returned anomalous assay values up to 41 ppb Au, which is considered significant.



*E70/4952 (**Bullock North Project**) showing interpreted greenstone rocks and previous soil and auger samples, and drilling. Note: the geology is based on geophysical interpretation and modelling as explained in the Independent Technical Assessment Report*

The principal target at Bullock North is the interpreted greenstone belt. Although the exploration potential is conceptual, the occurrence in a similar geological and structural setting to the Katanning gold deposit cluster 7 km to the NNW, and the Bullock Pool gold occurrence some 3 km to the south, indicates there is potential for gold mineralisation within the **Bullock North Project**.

(f) Bencubbin Project

The **Bencubbin Project** consists of one Exploration Licence Application, E70/4988, covering an area of 34 blocks or approximately 100 km^2, located between the Western Australian townships of Kununoppin to the south and Bencubbin to the north, and approximately 50 km north-west of Merredin and 220 km north-east of Perth.

The advancement of this Project is dependent upon the grant of the Exploration Licence Application.

(g) Burracoppin North Project

The **Burracoppin North Project** consists of two Exploration License Applications, E70/4992 and E77/2463, covering a combined area of 143 blocks or approximately 422 km^2 , which are located 50km east-north-east of the regional Wheatbelt service town of Merredin and approximately 20 km north of the township of Burracoppin.

The advancement of this Project is dependent upon the grant of the Exploration Licence Application.

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3.3.5 Lake Grace and Wadderin Projects - Gold Road Projects Earn-In

In addition, Cygnus has entered into two earn-in agreements with Gold Road Projects, a subsidiary of ASX-listed company Gold Road, to explore the **Wadderin** and **Lake Grace Projects**. Cygnus is initially managing exploration on these projects with the exploration commitments on the projects being met by Gold Road Projects as the incoming earn-in partner.

The **Lake Grace Project** comprises the following Tenements:

(a) Griffins Find project, consisting of one Exploration Licence E70/4855 covering an area of 31 blocks or approximately 89 km², and located some 30 km northwest of the township of Lake Grace, Western Australia;

(b) Lake Grace project, consisting of one Exploration Licence E70/4853 covering an area of 42 blocks or approximately 121 km², and located 15 km west of Lake Grace, Western Australia;

(c) Holland Rocks project, consisting of one Exploration Licence Application, E70/4991, covering an area of 67 blocks or approximately 192 km^2, and located approximately 18 km south-east of Lake Grace, Western Australia; and

(d) Newdegate project, consisting of one Exploration Licence Application, E70/5017, covering an area of 200 blocks or approximately 588 km^2, and located 22 km east of the Lake Grace township and 15 km south-west of Newdegate, approximately 300 km south-east of Perth, Western Australia.

The **Wadderin Project** comprises the following Tenements:

(a) Snake Rock project, consisting of one Exploration Licence E70/4911 covering an area of 180 blocks or approximately 522 km², and centred some 20 km north-northwest of the town of Kondinin, Western Australia;

(b) Hardies project, consisting of one Exploration Licence E70/4939 covering an area of six blocks or approximately 18 km², and centred some 20 km north-northwest of the town of Kondinin, Western Australia;

(c) Hardies Extension project, consisting of one Exploration License Application, E70/4990, covering an area of 39 blocks or approximately 113 km^2, and located immediately south-east of the town of Kondinin, approximately 240 km east-south-east of Perth, Western Australia;

(d) Wadderin project, consisting of one Exploration Licence Application E70/4989, covering a combined area of 199 blocks or approximately 580 km^2, and located approximately 5 km west of the town of Bruce Rock and encapsulates the township of Narembeen, Western Australia;

(e) Bendering North project, consisting of one Exploration Licence Application, E70/5019, covering an area of 120 blocks or approximately 353 km^2, and located 2 km south of the town of South Kumminin, approximately 240 km north-east of Perth, Western Australia;

(f) Bendering South project, consisting of one Exploration Licence Application, E70/5018, covering an area of 105 blocks or approximately 309 km^2, and located immediately east of the town of Kondinin, approximately 240 km east-south-east of Perth, Western Australia;

(g) Emu Hill North project, consisting of one Exploration Licence Application, E70/5020, covering an area of 48 blocks or approximately 140 km^2, and located approximately 15 km to the south of Muntadgin, and approximately 250 km east of Perth, Western Australia; and

(h) Emu Hill South project, consisting of one Exploration Licence Application, E70/5021, covering an area of 152 blocks or approximately 447 km^2, and located 10 km east of Narembeen, approximately 250 km north-east of Perth Western Australia.

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Under the **Lake Grace Earn-In Agreement** Gold Road Projects can earn a 51% interest by spending $700,000 within 30 months. After the initial earn-in, Gold Road Projects can elect to earn a further 24% interest (75% in total) by spending a further $500,000 ($1,200,000 in aggregate), over a further 18 months (four years in aggregate).

Under the **Wadderin Earn-In Agreement** Gold Road Projects can earn a 51% interest by spending $1,600,000 within 30 months. After the initial earn-in, Gold Road Projects can elect to earn a further 24% interest (75% in total) by spending a further $900,000 ($2,500,000 in aggregate), over a further 18 months (four years in aggregate).

The Company will manage the **Wadderin** and **Lake Grace Projects** in conjunction with Gold Road Projects in accordance with the relevant earn-in agreements.

Further details of the **Lake Grace Project** and the **Wadderin Project** are included in the Independent Technical Assessment Report in Section 8. Further details of the agreements with Gold Road Projects are set out in Section 1.1.

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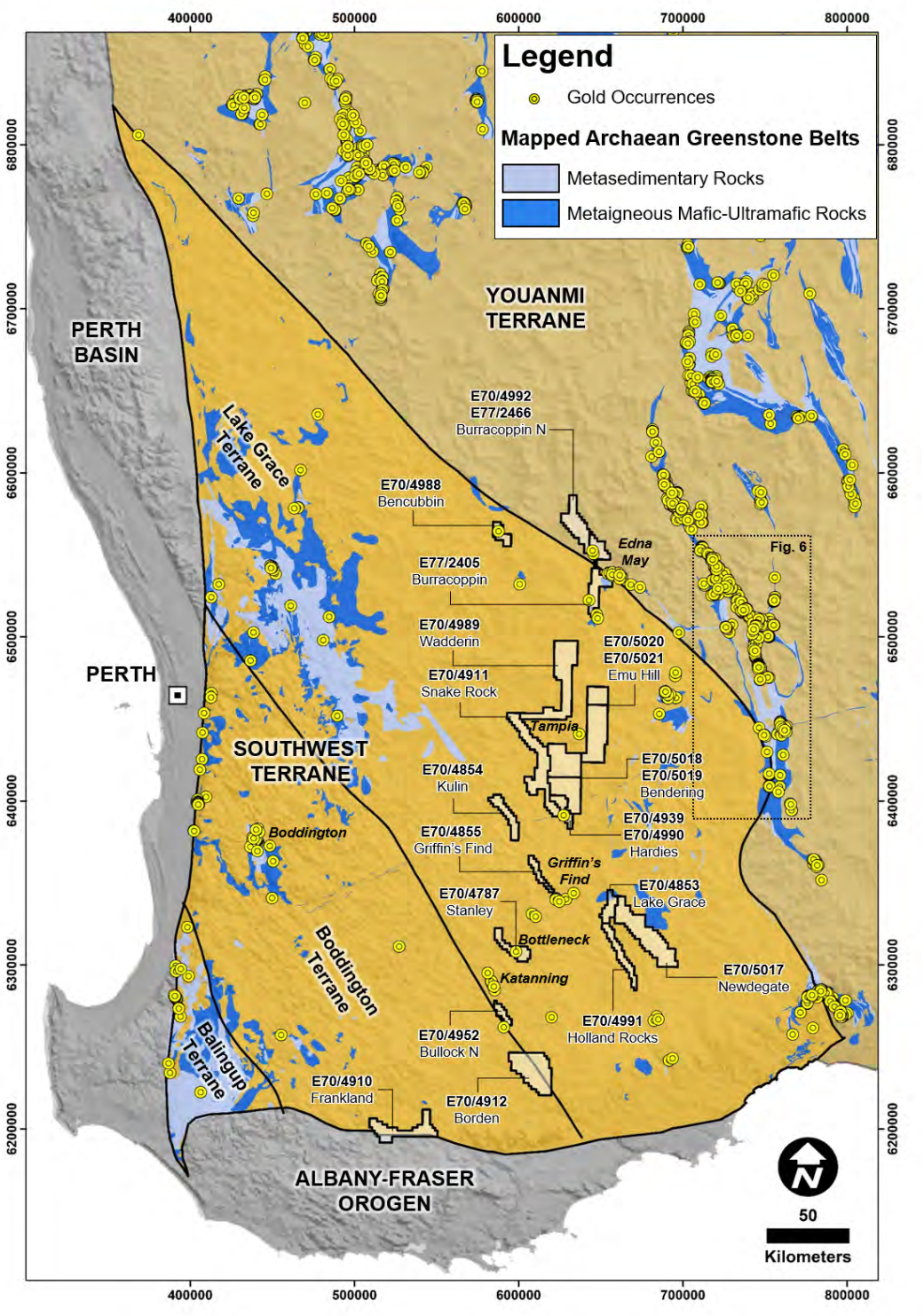
3.3.6 Geological setting

The Tenements held or applied for by Cygnus mostly cover greenstone rock sequences of the Southwest Terrane of the Yilgarn Craton that are metamorphosed to upper amphibolite to granulite facies. Instances of possible lower grade rocks are also reported within some of these greenstone sequences.



Southwest Terrane of the Yilgarn Craton and Cygnus Tenements Source: Cygnus using public domain GIS data from Geoscience Australia (GA) and the Geological Survey of Western Australia. Reference: Independent Technical Assessment Report in Section 8.

In contrast to the younger, and mostly lower grade metamorphic terranes of the eastern Yilgarn Craton, the Southwest Terrane is a high-grade metamorphic terrane dominated by poly-deformed granitoid and gneiss with interspersed belts of metamorphosed sedimentary and igneous supracrustal rocks.

The **Frankland Project** tenement, E70/4910, extends beyond the Southwest Terrane, straddling the boundary between the Southwest Terrane to the north and the Northern Foreland Zone of the Proterozoic Albany-Fraser Orogen to the south.

The **Burracoppin Project** tenements (E77/2405, E77/2463, and E70/4992) straddle the boundary between the Southwest Terrane and the Murchison Domain of the Youanmi Terrane.

The Independent Technical Assessment Report prepared by CSA Global in Section 8 of this Prospectus includes a detailed review of the geology and prospectivity of the Company's Projects.

3.4 Proposed Exploration Program and Expenditure

The initial exploration program proposed by the Company includes a budget of between $3,000,000 and $3,720,000 for the first two years as detailed in the Independent Technical Assessment Report in Section 8 and summarised in the table below. This budget assumes the Company raises the Minimum Subscription and Maximum Subscription respectively.

The proposed exploration budget will be spent on areas where the Company has access or on airborne surveys, and will be subject to modification on an ongoing basis depending on the results obtained from exploration activities.

The **Stanley Project**, where Cygnus already has Land Access Agreements in place in relation to the relevant areas of interest, will utilise much of the budget presented, with a two-year program and budget ranging between approximately $2.3 million to $2.5 million.

The **Stanley Project** program includes:

(a) diamond drilling on the down-plunge extensions of the high grade, shallow Bottleneck prospect;

(b) air core drilling of six high priority targets identified from a ground gravity survey collected by the Company;

(c) ground gravity surveys over additional areas where Land Access Agreements have been entered into; and

(d) drilling of the Stanley Hill, Brays and McDougall prospects and surrounding greenstone rocks.

Work on the other granted Projects will use the balance of the budget where exploration will comprise airborne geophysical surveys (gravity and magnetic) to locate targets where the Company will then seek to negotiate land access agreements.

No budget has been allocated to the **Lake Grace Project** or the **Wadderin Project** as it is assumed that Gold Road Projects will continue to fund work on these Projects in order to acquire its 51% and will therefore meet the statutory expenditure commitments applicable to the relevant Tenements during the first two-year period. If Gold Road Projects were to withdraw from these Projects after meeting its minimum commitment then the Company would need to fund the second year of statutory expenditure commitments and revise its exploration programmes to accommodate this, or consider other options such as seeking another earn-in partner or surrendering areas of the Tenements that are not of interest so as to reduce the expenditure commitment.

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Project	Program	Minimum Subscription				Maximum Subscription			
		Total Budget $M	Drilling (m)	Year 1 $M	Year 2 $M	Total Budget $M	Drilling (m)	Year 1 $M	Year 2 $M
Stanley[1]	Geological and Geophysical	0.30		0.20	0.10	0.30		0.20	0.10
	Surface Geochemistry	0.30		0.20	0.10	0.20		0.10	0.10
	Aircore Drilling (new targets at Bottleneck and Bottlerack)	0.60	15,000	0.40	0.20	0.60	15,000	0.40	0.20
	Aircore Drilling (Other Prospects)	0.40	10,000	0.20	0.20	0.60	15,000	0.40	0.20
	RC Drilling (Other Prospects)	0.10	1,000		0.10	0.20	2,000		0.20
	Diamond Drilling (Bottleneck and Bottlerack)[2]	0.40	3,000	0.20	0.20	0.40	3,000	0.30	0.10
	Diamond Drilling (Other Prospects)	0.20	1,000		0.20	0.20	1,000		0.20
	Sub Total	**2.30**	**29,000**			**2.50**	**35,000**		
Kulin	Airborne Geophysics	0.09		0.09		0.16		0.16	
	Sub Total	**0.09**				**0.16**			
Burracoppin	Airborne Geophysics	0.12		0.12		0.20		0.20	
	Sub Total	**0.12**				**0.20**			
Frankland	Airborne Geophysics	0.18		0.18		0.32		0.32	
	Sub Total	**0.18**				**0.32**			
Borden	Airborne Geophysics	0.27		0.27		0.47		0.47	
	Sub Total	**0.27**				**0.47**			
Bullock North	Airborne Geophysics	0.04		0.04		0.07		0.07	
	Sub Total	**0.04**				**0.07**			
Grand Total		**3.00**				**3.72**			

1. *Drilling costs includes 'all-up' drilling costs and estimated compensation payments payable under the Land Access Agreements.*
2. *This assumes the DMIRS EIS co-funded drilling rebate of $150,000 to fund half of direct drilling costs (1,600 m) is paid in full.*

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4 Directors, Senior Management and Corporate Governance

4.1 Directors

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience. The Directors of the Company as at the date of this Prospectus are:

Michael Bohm – Non-Executive Chairman;

James Merrillees – Managing Director;

Simon Jackson – Non-Executive Director;

Amanda Buckingham – Non-Executive Director; and

Oliver Kreuzer – Non-Executive Director.

The Company Secretary is Michael Naylor.

Mr Michael Bohm Non-Executive Chairman Age – 54	Mr Bohm is a qualified mining professional with extensive Corporate & Operations experience. Michael has extensive minerals industry experience in Australia, South East Asia, Africa, Chile, Canada and Europe. A graduate of WA School of Mines, Michael has worked as a mining engineer, mine manager, study manager, project manager, project director and managing director and has been directly involved in a number of mine developments in the gold, nickel and diamond sectors. Michael is a current Director of a number of ASX-listed companies and sits on their Audit & Risk and Remuneration Committees. Mike has had previous directorships at Argyle Diamonds Mines, Sally Malay Mining Limited and Ashton Mining of Canada.
Mr James Merrillees Managing Director Age – 49	Mr Merrillees is a professional geologist with more than 20 years' global experience in minerals exploration and development. He has wide experience leading teams exploring and evaluating precious and base metals throughout Australia, Europe, South America, Asia and Africa. After 12 years with BHP Billiton Exploration, Mr Merrillees worked in technical and corporate roles for both ASX-listed and private gold and base metals explorers and producers. He has extensive experience in exploring Archean and Proterozoic mineral systems and has been involved in the discovery of greenfields nickel, uranium and iron ore deposits in Scandinavia, and bauxite and gold in West Africa. He is a member of the AusIMM and holds Bachelor of Science (Geology) and Bachelor of Commerce (Accounting and Finance) degrees and a Graduate Diploma in Applied Finance.
Mr Simon Jackson Non-Executive Director Age – 50	Mr Jackson is a Chartered Accountant with 25 years' experience in the gold industry. He is currently the CEO and MD of ASX listed Brazilian focussed gold producer Beadell Resources Limited. Prior to this, Mr Jackson was a founding shareholder and President & CEO of the TSXV listed Orca Gold Inc, a junior exploration company with multiple gold discoveries in Sudan. From 1999 to 2010 he was an integral part of the senior management team at Red Back Mining Inc, which grew from a small West Perth based junior to a TSX listed intermediate producer that was taken over by Kinross Gold Corp in 2010. Mr Jackson's career includes corporate transactions and equity financings involving assets in Australia,

	Africa, Asia and South America. Mr Jackson is currently the non-executive chairman of the TSXV listed company Orca Gold Inc and a non-executive director of the TSXV listed company Sarama Resources Ltd.
Dr Amanda Buckingham Non-Executive Director Age – 44	Dr Buckingham has been involved full-time in mineral exploration for over 20 years. Dr Buckingham founded and remains a major shareholder and director of companies in the United States, Australia and Singapore and has been fundamental to their high profitability. Amanda founded Fathom Geophysics in 2007, an industry leading geophysical group that has developed worlds-best technology for targeting under cover and significantly increasing the chance of discovery. Dr Buckingham's early career was at major mining companies such as Rio Tinto and several listed juniors. She has wide-ranging exploration experience in North and Sub-Saharan Africa, North and South America, South East and Central Asia, Russia and Europe. Dr Buckingham is a research fellow at the University of Western Australia and a founder of Cygnus.
Dr Oliver Kreuzer Non-Executive Director Age – 46	Dr Kreuzer is a Registered Professional Geoscientist (MAIG RPGeo) with a broad skill set in structural, generative and corporate geology honed during a 18+ year career in applied research and mineral exploration across a wide range of gold, base metals and uranium projects in Australia, Africa, North America, Europe and Asia. His work directly contributed to new company floats (ASX:AUC, ASX:RGU), company transforming project acquisitions (ASX:AWV) and new discoveries. Dr Kreuzer's passion lies in the application of superior geoscience to exploration targeting and shortening the time frame to discovery.

In light of the Company's nature and intended work program, the Board considers that the composition of the current Board is appropriate. As the Company's activities develop, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

4.2 Independence of Directors

The Board considers an Independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Cygnus and its Shareholders generally. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board will consider whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of Cygnus and its Shareholders generally.

The Board considers that Mr Jackson is free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of his judgement and that he is able to fulfil the role of Independent Director for the purpose of the ASX Recommendations.

Mr Bohm's spouse, Ms Charmaine Linda Lobo is and upon completion of the Offer will be a substantial holder of the Company and consequently Mr Bohm is not considered to be Independent.

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Mr Merrillees holds the position of Managing Director and therefore does not meet the definition of Independent due to his executive appointment.

Dr Buckingham holds the position of Non-Executive Director, is not currently considered to be Independent as she has held a senior position in the Company, and is a founder of the Company.

Dr Kreuzer holds the position of Non-Executive Director is not currently considered to be Independent as he has held a senior position in the Company, and is a founder of the Company.

The Directors believe that they are able to objectively analyse the issues before them in the best interests of all Shareholders and in accordance with their duties as Directors.

4.3 Senior Management

Biographies for the Senior Management are set out below.

Mr Michael Naylor BCom, CA, AGIA Company Secretary Age – 42	Michael has 21 years' experience in corporate advisory and public company management since commencing his career and qualifying as a chartered accountant with Ernst & Young. Michael has been involved in the financial management of mineral and resource focused public companies serving on the board and in the executive management team focusing on advancing and developing mineral resource assets and business development.

4.4 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's nature and intended work program, the Board considers that the current Board is appropriate for directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full corporate governance plan is available in a dedicated corporate governance information section of the Company's website (www.cygnusgold.com).

(a) Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory objectives.
- Consistent with these goals, the Board assumes the following responsibilities:

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- leading and setting the strategic direction and objectives of the Company;
- appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of executives and the Company Secretary;
- overseeing the executives' implementation of the Company's strategic objectives and performance generally;
- approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(b) **Composition of the Board**

- Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto:
- membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives of the Company.

The Board currently consists of five Directors (of which four are non-executive Directors) of whom one is considered independent, being Mr Simon Jackson. The Board considers the current balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

To assist the Board in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board will maintain a board skills matrix.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity, and enable new Directors to gain an understanding of the Company's policies and procedures.

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(c) Ethics and diversity

The workforce of Cygnus is made up of individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is recognised, valued and respected. Cygnus' diversity policy aims to align Cygnus' business operations with the positive outcomes that can be achieved through the utilisation of the contribution of diverse skills and talents.

(d) Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) Remuneration arrangements

The remuneration of an Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The current amount has been set at an amount not to exceed $300,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(f) Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors, officers, employees and contractors. The policy generally provides that for Directors, the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

(g) External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

(h) Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

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The Company's departures from the Recommendations will also be announced prior to admission to the official list of the ASX.

4.5 Deeds of access, indemnity and insurance

The Company has entered into a deed of access, indemnity and insurance with each of its Directors and officers as described in Section 11.2(b).

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5 Risk Factors

The Shares offered under this Prospectus are considered speculative. Before applying for Shares, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position.

There can be no guarantee that the Company will deliver on its business strategy, or that any forward looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for the Shares pursuant to this Prospectus.

In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and the Directors because of the nature of the business of the Company. The key risks which the Directors consider that investors should be aware of are set out in Section 1.2. Those risks, along with other specific and general risks involved in investing in the Company, are set out in more detail in this Section 5.

The risks described below are not to be taken as exhaustive. Where relevant, the risks below assume completion of the Offer has occurred. The specific risks considered below and other risks and uncertainties not currently known to the Company, or that are currently considered immaterial, may materially and adversely affect the Company's business operations, the financial performance of the Company and the value and market price of Company Shares.

5.1 Specific Risks to the Company

(a) Tenement applications and title

Eleven out of the 21 Tenements are still in application. There is no guarantee that those, or any other future tenement applications, will be granted or, if they are granted, that they will be granted over the entirety of the area applied for. Further, mining tenements are subject to periodic renewal. There is no guarantee that applications for renewal will be granted.

More generally, the Tenements are subject to the Mining Act 1978 (WA) (**Mining Act**) and other applicable regulations. The tenement holder has certain obligations under the Mining Act in relation to the Tenements, including payment of annual rents, meeting prescribed expenditure commitments (or obtaining exemptions from them), and satisfying other conditions imposed on the Tenements.

It is the Company's intention to satisfy the conditions that apply to the Tenements. However there are no guarantees that, in the future, the minimum expenditure and other conditions that apply to the Tenements will be satisfied. If the conditions that apply to a Tenement are not satisfied, the Company may be subject to penalties or forfeiture applications. Additional conditions may also be imposed on the Tenements in the future. Any of these events could have a materially adverse effect on the Company's prospects and the value of its assets.

All of the Tenements are Exploration Licences or Exploration Licence Applications and accordingly the Company's rights are limited to the exploration rights granted by such tenements. There can be no assurance that applications for future mining leases, if applied for, will be granted on satisfactory terms, or at all.

Please refer to the Solicitor's Report on Tenements in Section 9 for further details.

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(b) Private landholders consent needed to access Tenements

All of the Company's granted Exploration Licences encroach almost entirely on land which is classified as "private land" for the purposes of the Mining Act. The percentage of encroachment is set out in the Solicitor's Report on Tenements in Section 9 and in almost all cases this encroachment comprises more than 93% of the Exploration Licences. The Bottleneck, Bottlerack, Stanley Hill, Brays and McDougall prospects, where the Company plans on-ground activities shortly after its proposed ASX listing, are all wholly within areas of private land encroachment. The Company's Exploration Licence Applications will also substantially encroach on private land if and when they are granted.

Under the Mining Act, unless the Company has the consent of owner and the occupier of that private land the Tenement is not granted in respect of areas that are within 30 metres of the natural surface of the land and accordingly, the Company is only granted sub-surface rights to its Tenements over those areas unless it obtains that consent.

Further, the Mining Act provides that no mining activities may be conducted on or within 30 metres of the natural surface of any private land unless the tenement holder has paid compensation to, or made an agreement to pay compensation to, the owner and occupier of the private land. The Company is however entitled to carry out airborne surveys on the Tenements without the consent of, or agreement with, the private land owners and occupiers.

At this stage the Company has entered into compensation agreements with, and obtained the consent of, the owners and occupiers of some of the private land that underlies E70/4787, the Tenement on which the **Stanley Project** is located. Further details of these agreements are set out in Section 10.5. These agreements only relate to E70/4787 and to the exploration activities allowed by that Tenement. A further consent and compensation arrangement will be needed for the grant of any mining lease and the conduct of mining activities. The access to surface rights that the Company has obtained to date is sufficient for the Company's proposed exploration activities on the Bottleneck, Bottlerack, Stanley Hill, Brays and McDougall prospects.

The Company proposes to continue to seek the consent and agreement of other private land owners and occupiers for the remainder of E70/4787 as well as its other Tenements but will focus its negotiations on the areas of most interest to it from time to time.

While the Company has been successful in finalising agreements with almost all of the owners and occupiers it has approached to date there is no guarantee that it will obtain the necessary consent in respect of all other areas of interest to it, either on terms agreeable to the Company or at all. There is also no guarantee that the further consent necessary for a future mining lease and mining activities will be obtained, including from the persons that have consented to date. However, under the Land Access Agreements those parties are required to negotiate in good faith with the Company as to the compensation, and have agreed that the Warden can determine the compensation if the parties cannot.

Failure to obtain the necessary consent and/or agree compensation with the relevant owners and occupiers will prevent the Company from being granted rights to, or carrying out any activities on or within, 30 metres from the surface of the private land areas. Depending on the areas affected this may have a material adverse impact on the Company and its operations.

The need for negotiations to obtain further access for both exploration and for future mining activities may also cause delays and adversely impact on the Company's proposed activities. The need to pay compensation will also deplete the Company's cash reserves although these amounts are not expected to be material.

Please also refer to the Solicitor's Report on Tenements in Section 9 for further details.

(c) Other access issues

In addition to the risks associated with access to areas of private land noted above, some other areas of the Tenements are the subject of other land uses (including reserves) or environmental restrictions.

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The terms of grant of Tenements over these types of land contain sometimes stringent conditions relating to access and ground disturbing activities that the Company will need to comply with and may require additional regulatory consents being obtained prior to access. Please refer to the Solicitor's Report on Tenements in Section 9 for further details.

The Company will experience delays and cost overruns in the event it is unable to access the land required for its operations for other reasons. This may be as a result of weather, environmental restraints, native title or aboriginal heritage issues, the need for regulatory approvals and consents or other factors.

(d) Offer risk

If ASX does not admit the Shares to Official Quotation before the expiration of three months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not allot or issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

(e) Restricted securities reducing liquidity

Subject to the Company being admitted to the Official List, as detailed in section 2.10, certain securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner. The Company will announce to the ASX full details (including quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.

(f) Limited history

The Company was incorporated on 3 November 2015 and therefore has limited operating and financial history. Some exploration has previously been conducted on the area of land the subject of the Tenements, however, the Company has only recently commenced its own review and assessment of the exploration activities on the Tenements. Some of the Tenements are at the application stage only and therefore the Company has not yet commenced its own exploration activities on those areas. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through successful exploration on, or mining of, its projects. Until the Company is able to realise value from its projects, it is likely to incur operational losses.

(g) Exploration and study risks

The business of mineral (including gold) exploration is a high risk business. The Company's projects are still at a very early stage and no Mineral Resources have as yet been identified on the Tenements. There is no guarantee that the exploration of these Tenements or any mining tenements that may be acquired in the future, will be successful and result in the discovery of an economically viable deposit of gold or other minerals.

The Company's future exploration activities may be affected by a range of factors including geological conditions, limitations on activities by seasonal or adverse weather conditions, unanticipated operations or technical difficulties, availability of suitable equipment and personnel, land access and environmental issues.

In the future the Company may undertake various studies on the Company's projects depending on results of exploration and testing programs, including scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

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These studies will be completed within parameters designed to determine the economic feasibility of the Company's projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further even if a study determines the economics of the Company's projects, there can be no guarantee that the project will be successfully brought into production. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

In the event that the Company's exploration programmes and/or studies prove to be unsuccessful this could lead to a diminution in value of its projects, a reduction in the cash reserves of the Company and the possible relinquishment of one or more of its Tenements.

(h) Exploration costs

The exploration costs of the Company have been estimated based on certain assumptions including with respect to the method and timing of exploration and these assumptions are subject to significant uncertainties. Actual exploration costs may differ materially from these estimates. As such, no assurance can be given that the cost estimates and the underlying assumptions will be realised. The Company may be materially and adversely affected if the actual costs are substantially greater than the estimated costs.

(i) Exploration targets, resources and reserves

In the future, the Company may identify exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. In that case, insufficient data may exist to provide certainty over the extent of the mineralisation. Accordingly, no assurances can be given that any additional exploration will result in the determination of a Mineral Resource on any of the exploration targets identified. Even if a Mineral Resource is identified no assurance can be provided that this can be economically extracted and an Ore Reserve identified.

Even if Mineral Resource or Ore Reserve estimates are made in the future, these estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

(j) Development and operational risks

By its very nature, mine development contains significant risk with no guarantee of success. Therefore, even if a potentially economic mineral deposit is identified by the Company in the future, there is no guarantee that it can be developed and economically exploited. The ultimate economic development of a mineral deposit is dependent on many factors such as:

- the delineation of economically recoverable Ore Reserves;
- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to appropriate mining tenements;
- obtaining regulatory consents and approvals necessary for the conduct of development and production;
- securing plant and equipment; and

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- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

In particular, any mineral deposits identified by the Company may not produce sufficient quantities or qualities of gold or other minerals to be profitable or commercially viable and may result in a total loss of the investments by the Company.

Further, once established, mining operations can be impacted by a number of factors, including geological and weather conditions causing delays and interference to operations, access to necessary funding, metallurgical issues, mechanical failure of plant and equipment, shortages or increases in price of consumables and plant and equipment, environmental hazards, fires, explosions and other accidents.

These factors affect the Company's ability to establish mining operations, continue with its projects and earn income from its operations and will affect the Company's share price.

Similarly, all production costs, particularly labour, fuel and power, are a key risk and have the potential to adversely affect the Company's profitability. If the Company develops mining operations and these are subject to cost over-runs and/or higher than anticipated operating costs, this would adversely affect the Company's profitability, the value of the Company's projects and in turn, the value of the Shares.

(k) Additional requirements for capital and dilution

The future capital requirements of the Company will depend on many factors. The Directors believe that funds raised from the Offer assuming the Minimum Subscription is raised, together with existing cash reserves, will provide the Company with sufficient working capital to carry out its stated objectives over two years following the date of this Prospectus. However changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated.

Should the Company require additional funding, there can be no assurance that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. Any additional equity financing will dilute shareholdings and the voting power of existing shareholders and may be undertaken at a lower price than the Offer Price. Any increase in the number of Shares issued may have a depressive effect on the price of Shares. Any debt financing, if available, may involve restrictions on financing and operating activities. Any inability to obtain additional funding, may have a material adverse effect on the Company's operations, its financial condition and performance and its ability to continue as a going concern.

(l) Commodity price risk and exchange rate risk

The Company's possible future revenues will mainly be derived from the sale of gold or other minerals. Accordingly, the Company's future ability to generate revenue or attract funding will be closely related to the price of such commodities. Commodity prices fluctuate and are affected by a range of factors outside of the Company's control, including the relationship between global supply and demand for such commodities, forward selling by producers, the cost of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand issues. These factors may have an adverse effect on the Company's exploration, development and production activities as well as its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

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(m) Environmental and approvals risk

The Company's operations are subject to environmental regulations at both a State and Federal level. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) may not be available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company.

Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive. There is a risk that environmental laws and regulations could become more onerous making the Company's operations more expensive. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits will be required in connection with the Company's operations, including for operating on any environmentally sensitive areas and for such activities as any land clearing and ground disturbing activities. To the extent such approvals are required and there are delays in obtaining them or they are not obtained or maintained on acceptable conditions, the Company may be delayed or prohibited from proceeding with planned exploration or development of its projects.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

(n) Government regulation

In addition to environmental regulation, the activities of the Company are subject to various laws and regulations including in those governing exploration and mining, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, Aboriginal heritage and native title and other matters. Any material adverse changes in government policies or legislation that affect the Company's activities may affect the viability and profitability of the Company's current and future projects.

Furthermore, no assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be applied in a manner which could limit or curtail the Company's activities and ultimate development or operation of its projects.

Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation of them could have a substantial adverse impact on the current and any future project and therefore the Company.

On 19 October 2017, the Treasury Laws Amendment (Junior Minerals Exploration Incentive) Bill 2017 (**Bill**) was introduced into Federal Parliament. The Bill proposes to introduce the Junior Minerals Exploration Incentive (**JMEI**), the benefit of which greenfields explorers may be able to pass on to

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investors. The availability of the JMEI is subject to the Bill becoming law in its present form, an application and grants process applying from February 2018, certain caps and other conditions. As the Company proposes to issue Shares under this Prospectus in January 2018, prior to the earliest time for grants of the JMEI, the Company does not expect the JMEI to be available to Applicants for Shares under this Prospectus.

(o) Equipment and availability

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(p) Land rehabilitation requirements

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

(q) Litigation risk

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

(r) Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions.

This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

(s) Native Title and Aboriginal heritage

The effect of present laws in respect of native title that apply in Australia is that mining tenements (including applications for mining tenements) may be affected by native tile claims or procedures, which may prevent or delay the granting of mining tenements, or affect the ability of the Company to explore and develop the mining tenements.

Commonwealth and State legislation obliges the Company to identify and protect sites of significance to Aboriginal custom and tradition. Further details of this legislation are set out in the Solicitor's Report on Tenements (Section 9 of this Prospectus). Some sites of significance may be identified within the areas of the Tenements. It is therefore possible that one or more sites of significance will exist in an area which the Company considers to be prospective. The Company has undertaken preliminary enquiries which identify that there are three registered Aboriginal heritage sites exist on the Tenements. These sites are not located on the **Stanley Project**. The Company's policy is to comply with its existing Aboriginal heritage agreements and carry out heritage clearance surveys prior to conducting exploration in appropriate circumstances.

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Further detail on risks associated with native title and Aboriginal heritage issues are set out in section 17 of the Solicitor's Report on Tenements (Section 9 of this Prospectus).

(t) Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

(u) Counter party risk

The Company has entered into a number of commercial agreements with third parties (including the Land Access Agreements) and may enter into further contracts. There is a risk that the counterparties may not meet their obligations under those agreements.

The ability of the Company to achieve its stated objectives will depend on the performance by the counterparties, with whom the Company has contracted with, or will contract with, of their obligations under the relevant agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(v) Joint venture risk

The **Wadderin Project** and the **Lake Grace Project** are subject to the Wadderin Earn-in Agreement and the Lake Grace Earn-in Agreement with Gold Road Projects. The exploration of those Projects is reliant on Gold Road Projects continuing its earn-in (and therefore the funding of that exploration) and performing its obligations under those agreements. There may be a material adverse impact on the exploration of these Projects if Gold Road Projects does not perform its obligations or does not continue to fund exploration past its minimum commitment and complete its earn-in. In that case the Company would need fund the statutory expenditure commitments and accordingly revise its exploration programmes to accommodate any expenditure needed on these Projects or consider other options such as seeking another earn-in partner or surrendering areas of the Tenements that are not of interest to it so as to reduce the expenditure commitment.

If Gold Road completes its earn-in, the further exploration and any future mining operations will similarly be reliant on Gold Road performing their obligations under the agreements. There will be a material adverse impact on those Projects if Gold Road Projects does not perform its obligations under the agreements or the relationship between the Company and Gold Road and/or Gold Road Projects deteriorates.

If Gold Road Projects defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

5.2 General investment risks

Some of the general risks of investment which are considered beyond the control of the Company are as follows:

(a) Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

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Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

(b) Securities price fluctuation

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's Shares, and the attractiveness of alternative investments. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

(c) Share market risk

The market price of the Company's Shares could fluctuate significantly. The market price of the Company's Shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Company's Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) Agents and contractors

The Company is unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

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(f) Force Majeure

The Company's Projects may now or in the future be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(g) Insurance

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

5.3 Speculative nature of investment

The Directors and management of the Company will, to the best of their knowledge, experience and ability (in conjunction with senior management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its business operations. The ability of the Directors and management to do so may be affected by matters outside their control and no assurance can be given that the Directors and management of the Company will be successful in these endeavours.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or investors. The above factors, and others not specified, may in the future materially affect the financial performance of the Company and the value of Shares.

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6 Financial Information

6.1 Introduction

The financial information contained in this Section includes:

(a) Summary statutory audited historical statements of profit or loss and other comprehensive income and statements of cash flows of the Company for the period from 3 November 2015 (date of incorporation) up until 31 December 2016 and the reviewed historical consolidated statements of profit or loss and other comprehensive income and statements of cash flows of the Company for the six months ended 30 June 2016 and 30 June 2017.

(b) Summary statutory audited historical statements of financial position of the Company as at 31 December 2016 and the reviewed historical statements of financial position of the Company as at 30 June 2016 and 30 June 2017.

(c) The pro forma consolidated statement of financial position of the Company at 30 June 2017 and supporting notes which includes the pro forma transactions and capital raising together referred to as the 'Historical Financial Information'.

All amounts disclosed in this section are presented in Australian dollars.

6.2 Basis of preparation of the Historical Financial Information

Background

The Historical Financial Information included in this section has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001. Significant accounting policies applied to the Historical Financial Information are noted at the end of this section under the heading 'Significant Accounting Policies'.

The financial information has been reviewed and reported on by Grant Thornton Corporate Finance Pty Ltd as set out in the Independent Limited Assurance Report in Section 7. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The financial information has been prepared for the purpose of the Offer.

The historical financial information that related to the period from 3 November 2015 to 30 December 2016 has been extracted from the audited financial statements of the Company which were audited by Grant Thornton Audit Pty Ltd. An unmodified audit opinion was issued.

The historical financial information that related to the six months ended 30 June 2016 and 30 June 2017 has been extracted from the reviewed financial statements of the Company which were reviewed by Grant Thornton Audit Pty Ltd. An unmodified review conclusion was issued.

The information set out in this Section and Cygnus' selected financial information should be read together with:

(a) the risk factors described in Section 5;

(b) the Use of Proceeds of the Offer described in Section 2.2;

(c) the indicative capital structure described in Section 2.3;

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(d) the Independent Limited Assurance Report on the Historical Financial Information set out at the beginning of Section 7; and

(e) the other information contained in this Prospectus.

All amounts disclosed in this section are presented in AUD$, unless otherwise noted.

Investors should also note that historical results are not a guarantee of future performance.

6.3 General factors affecting the operating results of the Company

Below is a discussion of the main factors which affected the Company's operations and relative financial performance for the periods from:

(a) 3 November 2015 (date of incorporation) to 31 December 2016;

(b) 1 January 2016 to 30 June 2016; and

(c) 1 January 2017 to 30 June 2017,

which the Company expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the Company's historical operating and financial performance, nor everything which may affect the Company's operations and financial performance in the future. The information in this section should also be read in conjunction with the risk factors set out in Section 5, and the other information contained in this Prospectus.

Statutory Historical Statements of Profit or Loss and Other Comprehensive Income

The table below presents the Historical Statements of Profit or Loss and Other Comprehensive Income.

	Reviewed 1 January 2016 to 30 June 2016 $	**Audited 3 November 2015 to 31 December 2016 $**	**Reviewed 1 January 2017 to 30 June 2017 $**
Exploration costs expensed	(21,274)	(2,385)	(81,422)
Employment costs	-	(43,069)	(119,102)
Consultancy costs	-	(4,664)	(24,438)
Audit fees	-	(6,000)	(12,250)
Other expenses	(1,062)	(26,671)	(39,319)
Loss before interest and tax	**(22,336)**	**(82,789)**	**(276,531)**
Net interest (expense) / revenue	809	1,285	1,896
Net loss before tax	**(21,527)**	**(81,504)**	**(274,635)**
Income tax benefit/expense	-	-	-
Net loss after tax	**(21,527)**	**(81,504)**	**(274,635)**

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Revenue

Revenue consisted of interest income.

Expenses

Exploration costs expensed

This expenditure comprised of tenement management fees and other expenditure which did not satisfy the recognition criteria under the exploration for and evaluation of mineral resources accounting standard and was therefore expensed over the periods presented.

Exploration expenses have increased due to tenement management fees and project generation work on non-granted tenure.

Employment costs

Employment costs have increased due to Company's strategy to proceed with a listing on the Australian Securities Exchange and as a result the Company employed a chief executive officer in early 2017. Amounts paid to the Chief Executive Officer combined with Directors' Fees comprises these costs, with Directors' Fees beginning to be charged during the second half of calendar 2016 and thus being the sole employment cost to the company in that annual period.

Consultancy costs

Comprised primarily of legal fees incurred, but includes other consultancy that is unrelated to operational activities in the areas of interest which the exploration and evaluation assets relate. In the 30 June 2017 half-year period, consultancy costs increased due to Company's strategy to proceed with a listing on the Australian Securities Exchange.

Other expenses

This expenditure comprised of administration expenses, most notably business development spend, business insurance and office costs that are not related directly to operational activities in the areas of interest to which the exploration and evaluation asset relates. These expenses have increased due to the Company's strategy to proceed with a listing on the Australian Securities Exchange.

Income tax expense

Tax expense recognised in profit or loss comprised the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. The Company has been in a taxable loss position and therefore is not in a tax payable position.

Other than these transactions, the Company has had limited operating history.

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6.4 Cash flow statements

Statutory Historical Statements of Cash Flows

The table below presents the Historical Statements of Cash Flows.

	Reviewed 1 January 2016 to 30 June 2016 $	Audited 3 November 2015 to 31 December 2016 $	Reviewed 1 January 2017 to 30 June 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments for administration	(1,165)	(47,437)	(222,486)
Payments for exploration expenditure	(21,311)	(269)	-
Interest received	1,040	1,285	1,896
Net cash outflow from operating activities	**(21,436)**	**(46,421)**	**(220,590)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Deposits paid for exploration tenements	-	(84,262)	-
Payments for capitalised exploration expenditure	-	(53,104)	(285,273)
Purchase of property, plant and equipment	-	-	(7,933)
Net cash outflow from investing activities	**-**	**(137,366)**	**(293,206)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	25,000	951,242	522,500
Proceeds from loan	110,919	5,000	-
Proceeds from related party loan	-	6,149	-
Net cash inflow provided by financing activities	**135,919**	**962,391**	**522,500**
Net increase in cash held	**114,483**	**778,604**	**8,704**
Cash and cash equivalents at the beginning of the period	-	-	778,604
Cash and cash equivalents at the end of the period	**114,483**	**778,604**	**787,308**

Operating cash flows

The Company has continued to incur corporate operating costs over the periods presented which has resulted in operating cash outflows. Payments for administration mainly comprise audit fees, accounting fees and salaries and wages, rent, business development and insurance.

Investing cash flows

The cash flows from investing activities comprised deposits paid for exploration tenements, application payments for exploration tenements, a ground geophysical (gravity) survey and interpretations, access agreements and other direct exploration costs including salaries.

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Financing cash flows

The cash flows from financing activities comprised capital raisings to advance the Company's exploration assets and prepare the Company to list on the Australian Securities Exchange.

Loans were made to the Company on normal commercial terms and, as at 30 June 2017, have been paid down to a balance of $11,000. Since 30 June 2017, all balances have been repaid and no loan balances exist at the date of this Prospectus.

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6.5 Historical Statements of Financial Position and Pro Forma Historical Statements of Financial Position

Historical Statements of Financial Position

The table below sets out the Historical Statements of Financial Position as at 30 June 2016, 31 December 2016 and 30 June 2017.

	Reviewed 30 June 2016 $	Audited 31 December 2016 $	Reviewed 30 June 2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	114,483	778,604	787,308
Deposits paid for exploration tenements	-	84,262	-
Prepayments	-	-	11,946
GST Recoverable	139	7,760	38,835
TOTAL CURRENT ASSETS	**114,622**	**870,626**	**838,089**
NON-CURRENT ASSETS			
Property, plant and equipment	-	-	7,933
Exploration and evaluation	-	65,047	370,285
TOTAL NON-CURRENT ASSETS	**-**	**65,047**	**378,218**
TOTAL ASSETS	**-**	**935,673**	**1,216,307**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	-	54,786	84,288
Provisions	-	-	3,267
Loans	111,149	11,149	11,149
TOTAL CURRENT LIABILITIES	**111,149**	**65,935**	**98,704**
TOTAL LIABILITIES	**111,149**	**65,935**	**98,704**
NET ASSETS	**3,473**	**869,738**	**1,117,603**
EQUITY			
Contributed equity	25,000	951,242	1,473,742
Accumulated losses	(21,527)	(81,504)	(356,139)
TOTAL EQUITY	**3,473**	**869,738**	**1,117,603**

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The table below sets out the pro forma adjustments that have been made to the Historical Statements of Financial Position as at 30 June 2017.

The pro forma adjustments reflect the impact of the Offer as if they had occurred at 30 June 2017.

The Pro Forma Historical Statements of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

30 June 2017	Notes	Reviewed $	Pro Forma Minimum Subscription $	Pro Forma Maximum Subscription $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	1	787,308	5,369,821	6,308,821
Prepayments		11,946	11,946	11,946
GST Recoverable		38,835	38,835	38,835
TOTAL CURRENT ASSETS		**838,089**	**5,420,602**	**6,359,602**
NON-CURRENT ASSETS				
Property, plant and equipment		7,933	7,933	7,933
Exploration and evaluation		370,285	370,285	370,285
TOTAL NON-CURRENT ASSETS		**378,218**	**378,218**	**378,218**
TOTAL ASSETS		**1,216,307**	**5,798,820**	**6,737,820**
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		84,288	84,288	84,288
Provisions		3,267	3,267	3,267
Loans		11,149	11,149	11,149
TOTAL CURRENT LIABILITIES		**98,704**	**98,704**	**98,704**
TOTAL LIABILITIES		**98,704**	**98,704**	**98,704**
NET ASSETS		**1,117,603**	**5,700,116**	**6,639,116**
EQUITY				
Contributed equity	2	1,473,742	6,199,805	7,134,856
Accumulated losses	3	(356,139)	(499,689)	(495,740)
Reserves				
TOTAL EQUITY		**1,117,603**	**5,700,116**	**6,639,116**

Pro forma transactions

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The following transactions contemplated in this Prospectus which are to take place on or before the completion of the Offer, referred to as the pro forma adjustments, are presented as if they, together with the Offer, had occurred on or before 30 June 2017 and are set out below.

With the exception of the pro forma transactions noted below no other material transactions have occurred between 30 June 2017 and the date of this Prospectus which the Directors consider require disclosure:

(a) the minimum issue of 25,000,000 Shares, at $0.20 per Share, amounting to $5,000,000 under the Offer and a maximum of 30,000,000 Shares, at $0.20 per Share, amounting to $6,000,000 under the Offer; and

(b) total expenses associated with the Offer (including broking, legal, accounting and administrative fees as well as printing, advertising and other expenses) are estimated to be $417,487 (exclusive of GST) based on the Minimum Subscription and $478,487 (exclusive of GST) based on the Maximum Subscription. Approximately $143,550 has been attributed to the income statement based on the Minimum Subscription and $139,601 has been attributed to the income statement based on the Maximum Subscription with the residual being capitalised against contributed capital. A full breakdown of the Offer costs is as follows:

	Estimate Minimum Subscription $		Estimate Maximum Subscription $	
Item of expenditure	**Accumulated Losses**	**Contributed Capital**	**Accumulated Losses**	**Contributed Capital**
ASIC fees	2,350	-	2,350	-
ASX fees	71,137	-	72,137	-
Lead Manager fees	-	225,000	-	285,000
Australian legal fees	46,838	38,162	42,979	42,021
Investigating Accountant's fees	5,510	4,490	5,056	4,944
Independent geologist's fees	6,612	5,388	6,068	5,932
Share registry fee	1,102	898	1,011	989
Printing, design, other	10,000	-	10,000	-
Total	**143,550**	**273,937**	**139,601**	**338,886**

Recognition of a deferred tax asset

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits that will flow in future periods.

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Note 1 – Cash and cash equivalents

The reviewed pro forma cash and cash equivalents have been set out below:

	Pro forma adjustment	Minimum Subscription $	Maximum subscription $
Reviewed cash and cash equivalents at 30 June 2017		**787,308**	**787,308**
Pro forma transactions:			
Proceeds from Shares issued under the Offer	(a)	5,000,000	6,000,000
Payment of outstanding cash Offer costs	(b)	(417,487)	(478,487)
Pro forma cash and cash equivalents		**5,369,821**	**6,308,821**

Note 2 – Contributed equity

Contributed equity consists solely of share capital. The reviewed pro forma share capital has been set out below:

	Pro forma adjustment	Minimum Subscription $	Maximum Subscription $
Reviewed share capital at 30 June 2017		1,473,742	1,473,742
Pro forma transactions:			
Proceeds from Shares issued under the Offer	(a)	5,000,000	6,000,000
Capital raising costs paid	(b)	(273,937)	(338,886)
Pro forma share capital		**6,199,805**	**7,134,856**

	Pro forma adjustment	Minimum Subscription	Maximum Subscription
Number of shares issued at 30 June 2017		**30,683,341**	**30,683,341**
Shares issued under the Offer	(b)	25,000,000	30,000,000
Pro forma shares issued		**55,683,341**	**60,683,341**

Note 3 – Accumulated losses

The reviewed pro forma accumulated losses position has been calculated as follows:

	Pro forma adjustment	Minimum Subscription $	Maximum Subscription $
Reviewed accumulated losses at 30 June 2017		**(356,139)**	**(356,139)**
Pro forma transaction:			
Costs of the Offer expensed	(b)	(143,550)	(139,601)
Pro forma accumulated losses		**(499,689)**	**(495,740)**

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Note 4 - Significant Accounting Policies

(a) Basis of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial information has been prepared on an accruals basis and is based on historical cost.

(b) Going Concern

The Company has incurred a net loss of $274,635 for the period ended 30 June 2017 and the cash outflows from operating activities equates to $220,591.

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors consider this to be appropriate given the ability to vary the Company's cost structure and in turn the levels of cash outflow dependent on timing of its exploration activities.

Taking into account the current cash reserves of the Company and the ability to vary its cash outflows taking into consideration the amounts disclosed in Note 4 (m) the Directors are confident the Company has adequate resources to continue as a going concern for the foreseeable future.

The Directors are in the process of instigating an initial public offering whereby additional capital will be raised. The initial public offering has not been concluded and no guarantee can be given that a successful fundraising outcome will eventuate. Should the Company not achieve the capital raising, there is uncertainty as to whether the Company will be in a position to pursue its planned activities.

(c) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

(d) Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

(e) Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial

recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(g) Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is determined by application of the Black-Scholes methodology.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. At the end of the reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the

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original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the option reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(h) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent short term, highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Due to their short-term nature they are measured at the amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in companies, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Company.

(k) Equity and reserves

Share capital represents the fair value of the shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(m) Commitments

Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure in order to retain present interests in mineral tenements.

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Future annual rent on the granted Exploration Licenses held by the Company are $100,098 with a minimum future exploration commitment of $761,000 per annum. These figures include E70/4855, E70/4853, E70/4939 and E70/4911 which form part of the earn in agreements with Gold Road Projects as outlined in note 5.

The Company is not aware of any other contingent commitments.

Note 5 – Post–reporting date events

On 9 October 2017, Cygnus entered into two earn in agreements with Gold Road Projects, a wholly owned subsidiary of ASX-listed company Gold Road Resources Ltd (ASX:GOR) to explore the **Lake Grace** and **Wadderin Projects**. Cygnus is initially managing exploration on the **Lake Grace** and **Wadderin Projects** with the exploration commitments on the Projects being met by Gold Road Projects, the incoming earn in partner.

At the **Lake Grace Project**, Gold Road Projects can earn a 51% interest by sole funding $700,000 and a 15% service fee within 30 months. After the initial earn-in, Gold Road Projects can give notice that it wishes to enter into a joint venture with Cygnus and elect to earn a further 24% interest (75% in total) by spending a further $500,000 ($1,200,000 in aggregate), over a further 18 months.

At the **Wadderin Project**, Gold Road Projects can earn a 51% interest by sole funding $1,600,000 and a 15% service fee within 30 months. After the initial earn-in, Gold Road Projects can give notice that it wishes to enter into a joint venture with Cygnus and elect to earn a further 24% interest (75% in total) by spending a further $900,000 ($2,500,000 in aggregate), over a further 18 months.

There have been no other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

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7 Independent Limited Assurance Report

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Board of Directors
Cygnus Gold Limited
Level 3, 20 Parkland Road
Osborne Park WA 6017

22 November 2017

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION AND THE PRO FORMA HISTORICAL FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

We have been engaged by Cygnus Gold Limited ('Cygnus', or the 'Company') to report on the Historical Financial Information and the Pro forma Historical Financial Information of the Company for inclusion in the Prospectus (the 'Prospectus') to be dated on or about 22 November 2017, relating to the issue of ordinary shares in the Company (the "Offer").

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Grant Thornton Corporate Finance Pty Ltd ('Grant Thornton Corporate Finance') holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Scope

You have requested Grant Thornton Corporate Finance to report on the following Historical Financial Information included in the Prospectus:

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

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Historical Financial Information

The Historical Financial Information, as set out in the Prospectus comprises:

- Summary reviewed historical profit or loss and other comprehensive income statement for the 6 months ended 30 June 2017 and the 6 months ended 30 June 2016, and the summary audited historical profit or loss and other comprehensive income statement for the period 3 November 2015 to 31 December 2016;

- Summary reviewed historical statement of cash flow for the 6 months ended 30 June 2017 and the 6 months ended 30 June 2016, and summary audited historical statement of cash flows for the period 3 November 2015 to 31 December 2016; and

- Summary reviewed statement of financial position as at 30 June 2017 and 30 June 2016 and summary audited statement of financial position as at 31 December 2016.

The Historical Financial Information of the Company has been extracted from the financial statements which were reviewed for 30 June 2017 and 30 June 2016 and audited for 31 December 2016 by Grant Thornton Audit Pty Ltd. Unmodified conclusions for 30 June 2017 and 30 June 2016 and an unmodified opinion for 31 December 2016 were issued by Grant Thornton Audit Pty Ltd for these periods.

Pro forma Financial Information

- The Pro forma historical statement of financial position as at 30 June 2017 which assumes completion of the proposed transactions outlined under the pro forma transactions section of the 'Financial Information' section which includes the Offer (the 'Pro Forma Transactions') as though they had occurred on that date.

(Hereafter the "Historical Financial Information").

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in the Section headed "Financial Information" under the heading "pro forma transactions", as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, or cash flows.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the Corporations Act 2001.

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This report has been prepared for inclusion in the Prospectus. Grant Thornton Corporate Finance disclaim any assumption of responsibility for any reliance on this report or on the Financial Information to which this report relates for any purpose other than the purposes for which it was prepared. This report should be read in conjunction with the Prospectus.

Directors' Responsibility

The Directors of the Company are responsible for the preparation and presentation of the Historical Financial Information. The Directors are also responsible for the determination of the Pro Forma Transactions set out in the 'Financial Information', under the heading "pro forma transactions" and the basis of preparation of the Historical Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the directors determine necessary to enable the preparation of the Historical Financial Information that are free from material misstatement.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: "*Assurance Engagements involving Corporate Fundraisings and/ or Prospective Historical Financial Information"* and *ASAE 3420: "Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information"*. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Historical Financial Information.

These procedures are substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently do not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

Conclusion

Historical Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical Financial Information of the Company as described in the 'Financial Information' section of the Prospectus does not present fairly:

- The historical profit or loss and other comprehensive income statement for the 6 months ended 30 June 2017, the 6 months ended 30 June 2016 and the audited period 3 November 2015 to 31 December 2016;

- The historical statement of cash flow for the 6 months ended 30 June 2017, the 6 months ended 30 June 2016, and the audited period 3 November 2015 to 31 December 2016;

- The historical statement of financial position as at 30 June 2017 and 30 June 2016 and the audited historical statement of financial position as at 31 December 2016;
- The pro forma historical statement of financial position as at 30 June 2017; and
- The Pro Forma Transactions set out under the heading "pro forma transactions" of the 'Financial Information' section are a reasonable basis for the pro forma consolidated statement of financial position as at 30 June 2017;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements under the Australian Accounting Standards as if the Pro Forma Transactions, set out in the 'Financial Information' section under the heading "pro forma transactions", had occurred at 30 June 2017.

Restriction on Use

Without modifying our conclusion, we draw attention to the 'Financial Information' section, which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance has consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Accountants Report.

Yours faithfully

GRANT THORNTON
CORPORATE FINANCE PTY LTD

Harley Mitchell
Authorised Representative
Brisbane, Australia

GRANT THORNTON
AUDIT PTY LTD

Matthew Hingeley
Partner – Audit and Assurance
Perth, Australia

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Appendix A (Financial Services Guide)

This Financial Services Guide is dated 22 November 2017.

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by Cygnus Gold Limited (the "Company") to provide general financial product advice in the form of an Independent Limited Assurance Report (the Report) in relation to the offer of fully paid ordinary shares in the Company (the Issue). This report is included in the Prospectus dated on or about 22 November 2017 (the "Prospectus"). You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

2 This Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4 General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail finance product advice directly to retail investors nor does it provide market related advice directly to retail investors.

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5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant Thornton Corporate Finance will receive from the Company a fee of $10,000 plus GST which is based on commercial rates plus reimbursement of out of pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, and related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receives non monetary benefits in respect of, or that is attributable to the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance including its Partners, Directors, employees or associates and related bodies corporate, does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business. Grant Thornton Audit Pty Ltd is the auditor of the Company.

In the context of the report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint.

If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287

Grant Thornton Corporate Finance is only responsible for the report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

9 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

10 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

National Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

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8 Independent Technical Assessment Report

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CSA Global
Mining Industry Consultants

Independent Technical Assessment Report

Cygnus Gold Limited

WA Gold Projects

CSA Global Report № R147.2017

19 October 2017
www.csaglobal.com

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Report prepared for

Client Name	Cygnus Gold Limited
Project Name/Job Code	CYGITA01
Contact Name	Mike Bohm
Contact Title	Non-Executive Chairman
Office Address	P.O. Box 2215 Churchlands, WA 6018

Report issued by

CSA Global Office	CSA Global Pty Ltd Level 2, 3 Ord Street West Perth, WA 6005 P.O. Box 141 West Perth, WA 6872 AUSTRALIA
Division	WA Corporate

Report information

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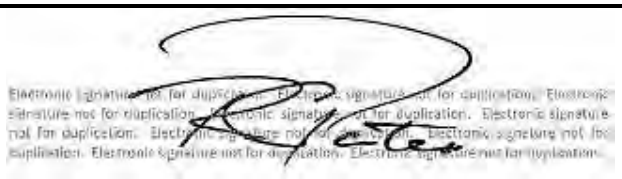
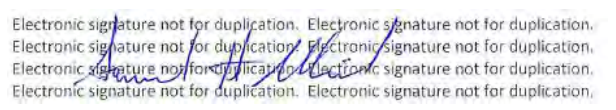
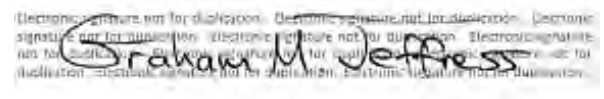
Author and Reviewer Signatures

Author	Ralph Porter MSc, BSc Geology, MAIG, MSEG	Signature:	
Author	Sam Ulrich BSc (Hons) Geology, GDipAppFinInv, MAusIMM, MAIG, FFin	Signature:	
Peer Reviewer CSA Global Authorisation	Graham M. Jeffress BSc (Hons), RPGeo, FAIG, FAusIMM, FSEG	Signature:	

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Executive Summary

CSA Global was requested by Cygnus Gold Limited (Cygnus or "the Company") to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support an initial public offering (IPO) of shares (25-30 million fully paid ordinary shares at an issue price of 20¢ per share to raise A$5 million to A$6 million) for Cygnus to enable a listing on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of the project areas.

The Company has acquired a portfolio of tenements (exploration licences and applications for licences) within the Southwest Terrane of the Yilgarn Craton of Western Australia. Ten tenements are granted and eleven applications remain pending, as listed in Table 1 and shown in Figure 1. The tenements are divided into three groupings; Cygnus's tenure, which Cygnus will explore, and the Lake Grace Project tenure and Wadderin Project tenure, where Gold Road (Projects) Pty Ltd (Gold Road), a wholly owned subsidiary of Gold Road Resources Limited can earn up to a 75% interest over four years. The granted tenements and application tenements, covering an area of 5,392 km², were selected principally for their potential to host economic gold (Au) mineralisation.

The Southwest Terrane is the southwestern-most tectonostratigraphic element of the Archaean Yilgarn Craton. In contrast to the younger and mostly lower metamorphic grade terranes of the eastern Yilgarn Craton, the Southwest Terrane is a high-grade metamorphic terrane dominated by poly-deformed granitoid and gneiss with interspersed belts of metasedimentary and meta-igneous supracrustal rocks. The Southwest Terrane is subdivided into sub-terranes, with the sub-terranes pertinent to Cygnus's tenement holding being the Boddington and Lake Grace Terranes (Figure 2).

Most of Cygnus's tenements are located within the Lake Grace Terrane. It contains numerous greenstone belt remnants that likely represent uplifted root zones, and are as old as ≈3000 Ma, although most formed at around 2790 Ma. The Lake Grace Terrane greenstone sequences are typically strongly deformed with steep, upright, and commonly north-plunging but variably orientated folds. The greenstones, which have been metamorphosed to granulite facies, occur as narrow belts and enclaves, surrounded by 2640 Ma charnockitic granitoids and older gneisses that span a wide range of ages from >3000 Ma to <3000 Ma. Undeformed, post-tectonic granodiorites intruded the Lake Grace Terrane at approximately 2580 Ma.

Both E70/4910 and E70/4912 are partly located within the Boddington Terrane (Figure 2). This domain is dominated by approximately 2677 Ma to 2640 Ma granitoids that, in contrast to those in the adjacent Lake Grace Terrane, are of lower metamorphic greenschist facies grade. The known greenstone belts in the Boddington Terrane, the Saddleback and Morangup belts, also differ from those in the adjacent Lake Grace Terrane in that they are younger (approximately 2650 Ma to 2670 Ma) and of lower greenschist facies metamorphic grade.

The Frankland Project tenement, E70/4910, extends beyond the Southwest Terrane, straddling the boundary between the Southwest Terrane to the north and the Northern Foreland Zone of the Proterozoic Albany-Fraser Orogen to the south. Approximately 62 km² (or 19%) of E70/4910 fall within the Northern Foreland Zone that represents a reworked component of the Yilgarn Craton margin (Kirkland *et al.,* 2014). The Burracoppin North tenements are located in the Murchison Domain of the Youanmi Terrane. The Griffins Find gold deposit located within the Lake Grace Terrane has been studied in some detail. This deposit is interpreted to be a metamorphosed orogenic gold deposit, that originally formed under greenschist facies metamorphic conditions, but was subsequently metamorphosed to granulite facies. Similar to the well-documented, metamorphosed, Archaean Challenger gold deposit in South Australia, it is likely that Griffins Find, during the transition from greenschist to granulite facies metamorphism, had undergone significant modification, including partial melting. Other gold deposits located within the Lake Grace terrane, such as Katanning (also known as Badgebup) and Tampia (also known as Gault), appear to have recorded a similar history (Table 2).

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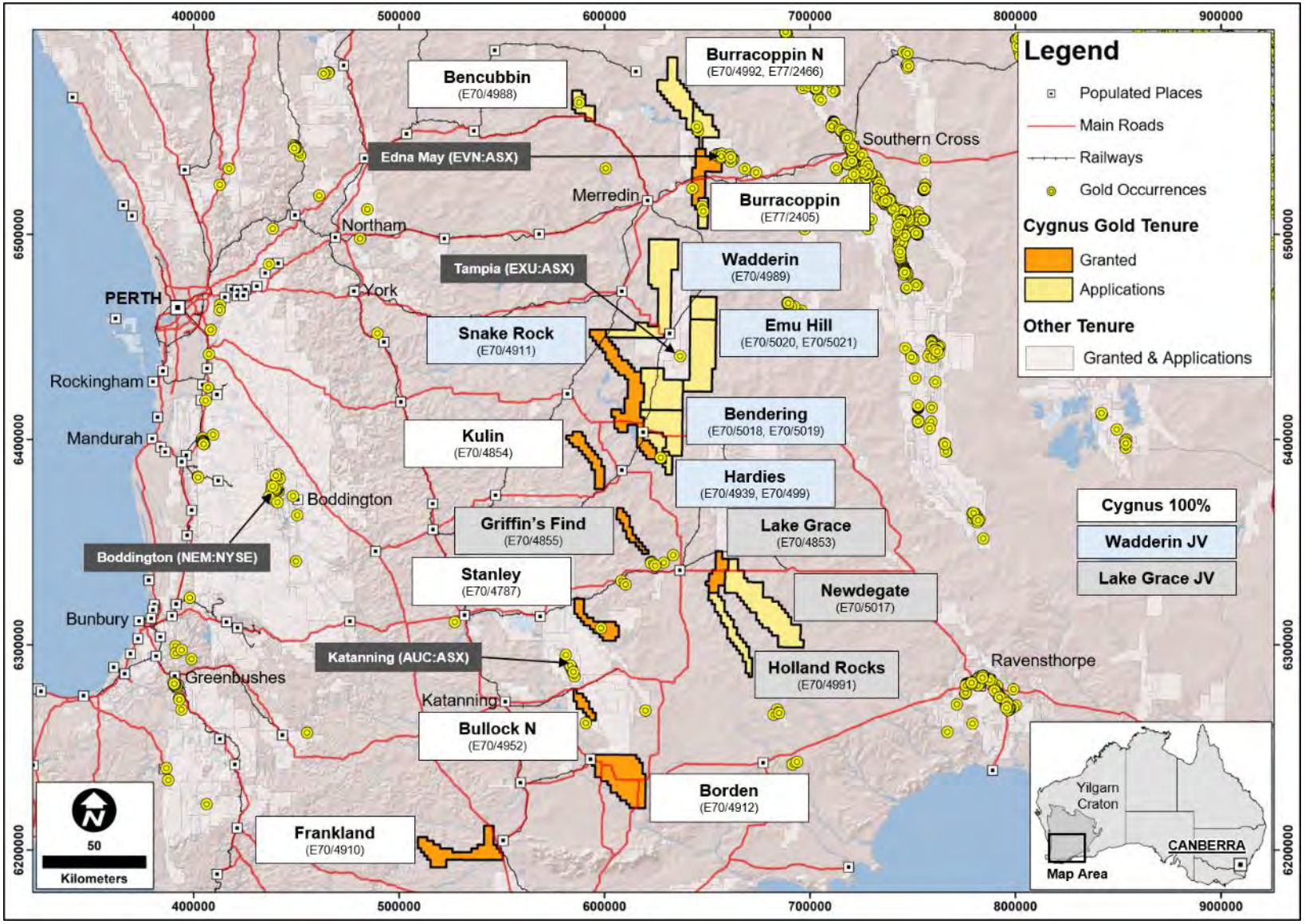

Figure 1: Regional location of Cygnus's projects
Source: Cygnus

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The geological setting described above has implications for the form of gold deposits likely to be present and the exploration approach required to discover and evaluate them.

One of the key geological requisites for better focusing exploration efforts in the Southwest Terrane is the explorer's ability to identify greenstone belts, particularly the preferred mafic igneous sequences within them, and if possible, the position of regional-scale fluid pathways, and the orientation of local structures such as fold hinges or boudin necks, which are likely to control the position of high-grade gold shoots.

Once gold mineralisation has been identified, the other key requisite is to obtain good quality bedrock information by core drilling, to enable an understanding of local mineralisation controls and plan effective follow-up.

Cygnus's most advanced projects are Stanley and Hardies.

The Stanley Project currently hosts the most significant gold results in Cygnus's portfolio, with drilling by previous explorers intersecting shallow gold mineralisation within the upper and lower saprolite, and locally in fresh bedrock. Examples are the Bottleneck and Snake Hill Prospects, which provide immediate targets to drill test for high-grade gold shoots. Other historical exploration work, such as rock, soil and auger sampling, also provide targets that warrant drill testing. At Bottleneck, previous close-spaced air-core (AC) and deeper reverse circulation-percussion (RCP) drilling is interpreted by Cygnus to have failed to satisfactorily close off the gold mineralisation along strike and down plunge and CSA Global concurs with this view. Core drilling is recommended initially to provide structural and geological information at Bottleneck and several other prospects within the Stanley Project.

At Hardies, previous exploration drilling identified a large gold anomaly within saprolite and locally in fresh bedrock. The saprolite and bedrock mineralisation extends over an apparent northwest-trending zone some 0.6 km wide and 1.3 km long. The mineralisation at Hardies appears to be open in several directions and this provides Cygnus with a significant opportunity to capitalise on the previous work.

The Snake Rock Project is located immediately northwest of the Hardies Project covering 70 km to 80 km strike length of an interpreted greenstone belt, and likely includes (based on previous diamond drilling immediately to the west of the tenement) ultramafic rocks, which may be prospective for gold and nickel mineralisation. These ultramafic rocks, from petrological examination, are at greenschist facies metamorphic grade and therefore appear to have either escaped the high-grade regional metamorphism or possibly post-date this event. The significance of the seeming preservation of domains of lower metamorphic grade rocks remains to be fully understood, but one implication is that the potential for larger footprint, more "traditional" type, orogenic gold deposits, is enhanced by this observation.

Cygnus has also assembled a portfolio of other tenements mostly in the Southwest Terrane with two tenements in the Youanmi Terrane. These other Cygnus projects are less advanced than the three projects summarised above, but all show evidence from existing information that they contain greenstone belts and at least some evidence of gold mineralisation in the form of drill intersections or gold-in-regolith geochemistry. These projects will require well planned exploration, including significant drilling, to locate economic gold mineralisation.

The exploration approach to be taken by Cygnus will not only utilise the available geological, geochemical and geophysical data but also include detailed ground gravity, processed using proprietary software developed by Fathom Geophysics (Fathom) to assist in locating the mafic rocks and understanding their architecture. Cygnus is cognisant of the requirement to obtain, at an early stage, good quality bedrock geological and structural information to guide effective follow up drilling programs to locate mineralisation.

The key risk, common to all exploration companies, is that the expected mineralisation may not be present or that it may be too small to warrant commercial exploitation.

The work programs proposed by Cygnus have been reviewed by CSA Global. CSA Global's opinion is that the proposed work programs are technically sound and, assuming the capital raising is successful, will be adequately funded for Year 1 and Year 2 post-IPO.

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1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global) was requested by Cygnus Gold Limited (Cygnus or "the Company") to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support an initial public offering (IPO) of shares (25-30 million fully paid ordinary shares at an issue price of 20¢ per share to raise A$5-6 million) for Cygnus to enable a listing on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of the Project areas.

The Company holds tenure in the Southwest Terrane (Southwest Terrane) of the Yilgarn Craton of Western Australia. Ten tenements are granted and the remaining eleven tenements pending and cover an area of 5,392 km². The tenements were selected principally on the basis of their potential to host economic gold mineralisation.

The ITAR is subject to the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 ("VALMIN[1] Code"). In preparing this ITAR, CSA Global:

- Adhered to the VALMIN Code.
- Relied on the accuracy and completeness of the data provided to it by Cygnus, and that Cygnus made CSA Global aware of all material information in relation to the projects.
- Relied on Cygnus's representation that it will hold adequate security of tenure for exploration and assessment of the projects to proceed.
- Required that Cygnus provide an indemnity to the effect that Cygnus would compensate CSA Global in respect of preparing the report against any and all losses, claims, damages and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the Report to the extent that such loss, claim, damage or liability is a direct result of Cygnus or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or Cygnus, or its directors or officers knowingly withholding material information.
- Required an indemnity that Cygnus would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the reports.

1.2 Compliance with the VALMIN and JORC Codes

The report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC[2] Code and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Expert Report's (IER).

1.3 Principal Sources of Information and Reliance on Other Experts

CSA Global has based its review of the Project on information made available to the principal authors by Cygnus along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published and unpublished data. CSA Global has also relied upon discussions with Cygnus's management for information contained within this assessment. This report has been based upon information available up to and including 19 October 2017.

[1] Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. < http://www.valmin.org >

[2] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). < http://www.jorc.org >

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CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this report is based. Unless otherwise stated, information and data contained in this technical report or used in its preparation has been provided by Cygnus in the form of documentation.

Cygnus was provided a final draft of this report and requested to identify any material errors or omissions prior to its lodgement.

Descriptions of the mineral tenure; tenure agreements, encumbrances and environmental liabilities were provided to CSA Global by Cygnus or its technical consultants. Cygnus has warranted to CSA Global that the information provided for preparation of this report correctly represents all material information relevant to the Project. Full details on the tenements is provided in the Independent Solicitor's Report elsewhere in the prospectus.

This Independent Technical Assessment Report (ITAR) contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government sources or the ASX. The authors of these reports have not consented to their statements use in this ITAR, and these statements are included in accordance with ASIC Corporations (Consent and Statements) Instrument 2016/72.

1.4 Authors of the Report

CSA Global is a privately owned, mining industry consulting company headquartered in Perth, Western Australia. CSA Global provides geological, resource, mining, management and corporate consulting services to the international resources sector and has done so for more than 30 years.

This ITAR has been prepared by a team of consultants sourced principally from CSA Global's Perth, Western Australia office. The individuals who have provided input to the ITA have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The Consultant preparing this ITAR is a specialist in the field of geology and exploration, in particular relating to orogenic gold.

The following individuals, by virtue of their education, experience and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this report. The Competent Persons' individual areas of responsibility are presented below:

- Principal author – Mr Ralph Porter (Principal Consultant Geologist with CSA Global in Perth, Western Australia) responsible for the entire report.
- Peer reviewer – Mr Graham Jeffress (Manager Exploration and Evaluation of CSA Global in Perth, Western Australia) responsible for the entire report.

Ralph has over 35 years of mineral exploration experience. He is highly experienced in target generation, project evaluation and exploration program implementation for gold, base metals, nickel, platinum-group metals and pegmatite hosted lithium, tin and tantalum. He has a strong understanding of many deposit styles with particular strength in orogenic gold, epithermal gold, porphyry copper-gold and rare-element pegmatite systems. He is credited with the discovery of the Pajingo epithermal gold deposits, North Queensland, Australia and was involved in the early exploration and discovery phases of Thunder Bay North PGM-Ni-Cu deposit, Ontario, Canada.

Peer review was completed by Graham Jeffress, a geologist with over 28 years' experience in exploration geology and management in Australia, Papua New Guinea and Indonesia. He has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine, and resource definition), project evaluation and mining in a variety of geological terrains, commodities, and mineralisation styles within Australia and internationally, including gold exploration in the Murchison, Eastern Goldfields and in the Lake Grace region. Graham has completed numerous independent technical reports (IGR, CPR, QPR) and valuations of mineral assets.

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1.5 Independence

Neither CSA Global, nor the authors of this report, has or has had previously, any material interest in Cygnus or the mineral properties in which Cygnus has an interest. CSA Global's relationship with Cygnus is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to Cygnus at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the report. The fee for the preparation of this report is approximately A$37,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Cygnus. No member or employee of CSA Global has, or has had, any shareholding in Cygnus.

There is no formal agreement between CSA Global and Cygnus as to Cygnus providing further work for CSA Global.

1.6 Declarations

1.6.1 Purpose of this document

This report has been prepared by CSA Global at the request of, and for the sole benefit of Cygnus. Its purpose is to provide an ITAR of Cygnus's Southwest Terrane tenements.

The report is to be included in its entirety or in summary form within a prospectus to be prepared by Cygnus in connection with an IPO. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this report are given in good faith, and in the belief, that they are not false or misleading. The conclusions are based on the reference date of 19 October 2017 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

1.6.2 Competent Person's Statement

The information in this report that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on, and fairly reflects, information compiled and conclusions derived by Mr Ralph Porter and Mr Sam Ulrich, who are both Competent Persons and Members of the Australian Institute of Geoscientists.

Mr Porter and Mr Ulrich are independent consultants and employed by CSA Global, independent mining industry consultants.

Mr Porter and Mr Ulrich have sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as Practitioners as defined in the 2015 edition of the 'Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets', and as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Porter and Mr Ulrich consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.6.3 Site Inspection

No site visit was made to the Project as the author has extensive knowledge of this region; the projects are at an early stage, and there is very limited relevant outcrop of interest to inspect.

1.7 About this Report

This report describes the prospectivity of the Cygnus tenements, located within the Archaean Lake Grace Terrane (a sub-terrane within the larger Southwest Terrane) to host orogenic gold only style mineralisation typically hosted within Archaean greenstone belts.

The geology and mineralisation for each tenement or project area are discussed, as well as the exploration work done, and the results obtained therefrom. A great wealth of data pertains to the work done on the projects and an effort was made to summarise this, to contain the size and readability of the report. Maps of the areas are presented and statistics on the drilling are provided.

No valuation has been requested or completed for the projects.

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2 Project Overview

The Company's tenements are located within the Southwest Terrane of the Yilgarn Craton, Western Australia, in a region known as the "Wheatbelt". Access to the tenements is generally excellent via an extensive network of public local roads servicing the farms in the region.

Landownership within the tenements is mostly freehold, with the exception of small reserves set aside by the government for infrastructure or nature conservation.

Land use is predominantly for grain crops, and sheep and cattle production.

2.1 Tenement Portfolio

Cygnus holds ten granted Exploration Licences (ELs) and has eleven EL applications pending, as listed in Table 1. The total tenement area is approximately 5,392 km². The Company holds a 100% interest in their tenements, those which not held in joint venture. The tenement portfolio is divided into three groupings; Cygnus's tenure, which Cygnus will explore, and the Lake Grace Joint Venture tenure and Wadderin Joint Venture tenure, where Gold Road Projects Pty Ltd (Gold Road) can earn up to a 75% interest over four years.

Table 1: Cygnus tenements and projects

Tenement	Project	Status	Grant Date	End Date	Blocks	Area km²*
E 70/4787	Stanley	Granted	1/07/2016	30/06/2021	56	161
E 70/4854	Kulin	Granted	29/11/2016	28/11/2021	57	165
E 70/4912	Borden	Granted	11/05/2017	10/05/2022	167	475
E 77/2405	Burracoppin	Granted	3/05/2017	2/05/2022	70	205
E 70/4910	Frankland	Granted	9/05/2017	8/05/2022	114	323
E70/4952	Bullock North	Granted	16/10/2017	15/10/2022	24	69
E70/4988	Bencubbin	Pending			34	100
E70/4992	Burracoppin North	Pending			94	278
E77/2463		Pending			49	144
Subtotal					**665**	**1,920**
Lake Grace Joint Venture						
E 70/4855	Griffins Find	Granted	29/11/2016	28/11/2021	31	89
E 70/4853	Lake Grace	Granted	29/11/2016	28/11/2021	42	121
E70/4991	Holland Rocks	Pending			67	192
E70/5017	Newdegate	Pending			200	588
Subtotal					**340**	**990**
Wadderin Joint Venture						
E 70/4911	Snake Rock	Granted	10/05/2017	9/05/2022	180	522
E 70/4939	Hardies	Granted	12/07/2017	11/07/2022	6	18
E70/4990	Hardies Extension	Pending			39	113
E70/4989	Wadderin	Pending			199	580
E70/5018	Bendering South	Pending			105	309
E70/5019	Bendering North	Pending			120	353
E70/5020	Emu Hill North	Pending			48	140
E70/5021	Emu Hill South	Pending			152	447
Subtotal					**849**	**2,482**
Grand Total					**1,854**	**5,392**

* km² area was determined using GIS software

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2.2 Regional Geology – Southwest Terrane

The tenements held by Cygnus are almost entirely located within the Southwest Terrane (Figure 2), the southwestern most tectonostratigraphic element of the Archaean Yilgarn Craton, Western Australia.

In contrast to the younger, and mostly lower grade metamorphic, terranes of the eastern Yilgarn Craton, the Southwest Terrane is a high-grade metamorphic terrane dominated by poly-deformed granitoid and gneiss with interspersed belts of metamorphosed sedimentary and igneous supracrustal rocks. Migmatites are common along the margins of these belts. Most granitoids were emplaced between approximately 2750 Ma to 2620 Ma; intrusive activity having peaked between approximately 2690 Ma and 2620 Ma coinciding with widespread upper amphibolite to granulite facies metamorphism between approximately 2640 Ma and 2620 Ma (Wilde *et al.,* 1996; Tomkins and Grundy, 2009; Mole *et al.,* 2012).

Three distinct domains defined by geological, geophysical and geochronological data have been recognised in the Southwest Terrane that may represent accreted crustal blocks. From west to east, these are the Balingup, Boddington and Lake Grace Terranes (Wilde *et al.,* 1996). However, recent work by Mole *et al.* (2012) indicates that the Southwest Terrane may comprise of only two distinct domains; a southwestern entity (the Balingup Domain) consisting of the Balingup and Boddington Terranes of Wilde *et al.* (1996); and a north-eastern entity comprising the Lake Grace Terrane.

The boundaries of these entities are still poorly constrained, as is the boundary between the Southwest Terrane to the west and the Youanmi Terrane to the east.

Most of Cygnus's tenements are located within the Lake Grace Terrane (Figure 2). This domain contains numerous greenstone belt remnants that likely represent uplifted root zones (i.e. keels) which are as old as >3000 Ma (i.e. Jimperding Metamorphic Belt), although most recorded ages of approximately 2790 Ma.

Greenstone belts in the Lake Grace Terrane are typically strongly deformed with steep, upright and commonly north-plunging, but also variably orientated folds. They have been metamorphosed to granulite facies and occur as narrow belts and enclaves, surrounded by 2640 Ma charnockitic granitoids and older gneisses that span a wide range of ages from >3000 Ma to <3000 Ma. Undeformed, post-tectonic granodiorites intruded the Lake Grace Terrane at approximately 2580 Ma (Wilde *et al.,* 1996; Tomkins and Grundy, 2009; Mole *et al.,* 2012).

Both E70/4910 and E70/4912 are partly located within the Boddington Terrane (Figure 2). This domain is dominated by approximately 2677 Ma to 2640 Ma granitoids that in contrast to those in the adjacent Lake Grace Terrane have a lower metamorphic greenschist facies grade. Whilst the metasedimentary and meta-igneous supracrustal rocks in the northern part of the Boddington Terrane were metamorphosed up to amphibolite to granulite facies grade, these sequences mostly form flat-lying nappes that may have been tectonically transported from the east during assembly of the Lake Grace Terrane. The known greenstone belts in the Boddington Terrane (Saddleback and Morangup), differ from those in the adjacent Lake Grace Terrane in that they are younger (approximately 2650 Ma to 2670 Ma), and of lower greenschist facies metamorphic grade (Wilde *et al.,* 1996; Mole *et al.,* 2012).

The Boddington and Lake Grace Terranes are separated by a broad, 500 km-long corridor of significant recent intra-plate seismicity known as the Southwest Seismic Zone (Dentith and Featherstone, 2003). This zone is interpreted as a gently east-dipping, reactivated suture zone marked by a strong linear gravity gradient, mapped shear zones and changes in metamorphic grade and temporal distribution of magmatic activity. Mole et al. (2012) interpreted the above as strong evidence for collisional tectonics having occurred along this margin resulting in the accretion of the Lake Grace and Boddington terranes along this suture at approximately 2650 Ma to 2640 Ma, with coeval granulite facies metamorphism.

The Frankland Project tenement, E70/4910, extends beyond the Southwest Terrane, straddling the boundary between the Southwest Terrane to the north and the Northern Foreland Zone of the Proterozoic Albany-Fraser Orogen to the south. Approximately 62 km² (or 19%) of E70/4910 fall within the Northern Foreland Zone that represents a reworked component of the Yilgarn Craton margin (Kirkland *et al.,* 2014).

The Burracoppin North tenements are located in the Murchison Domain of the Youanmi Terrane.

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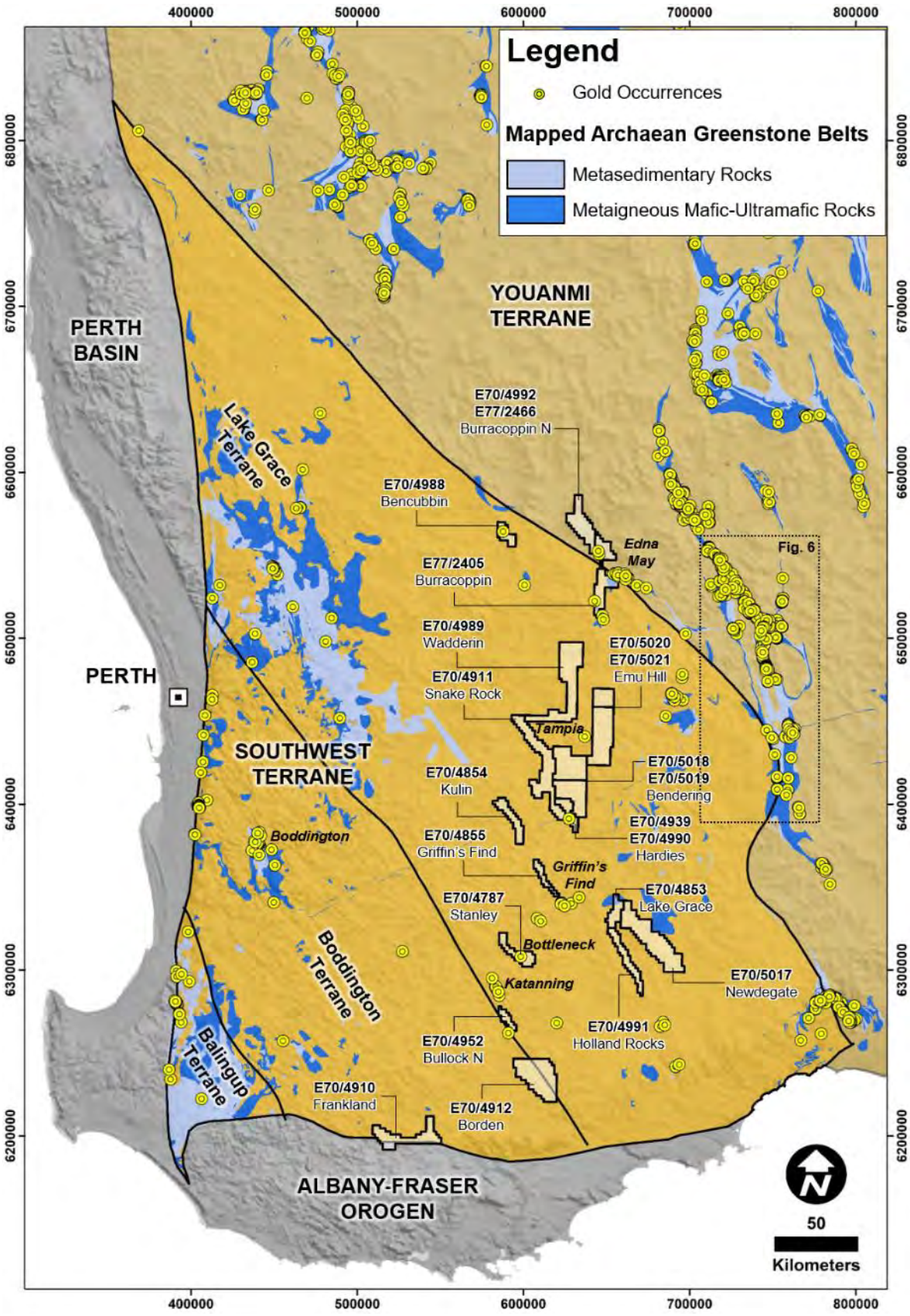

Figure 2: *Southwestern Yilgarn Craton showing the newly defined terranes and Cygnus tenements*
Source: Cygnus using public domain GIS data from Geoscience Australia (GA) and the Geological Survey of Western Australia (GSWA). The geology is a merger of the 500 K scale bedrock geology of WA plus GA's Archaean mafic-ultramafic events resources package. The terrane boundaries are taken from GA's major crustal boundaries data. Gold occurrences are from GSWA's MINDEX database.

2.3 Gold Deposits in High-Grade Metamorphic Terranes

The tenements held by Cygnus mostly cover greenstone rock sequences that are metamorphosed to high-grade upper amphibolite to granulite facies. However, instances of possible lower grade rocks are reported from some greenstone sequences, such as a sequence of serpentinised ultramafic rocks within the Snake Rock greenstone belt (WAMEX reports a7659, a7662) covered by Cygnus's E70/4911.

In Western Australia, particularly in the Southwest Terrane, high-grade metamorphosed greenstone sequences have been targeted sporadically for their gold potential with some success at Griffins Find, Katanning (also known as Badgebup) and Tampia (also known as Gault) (Table 2). However, compared to other parts of the Yilgarn Craton, the intensity of exploration activity is relatively low.

CSA Global believes this low level of exploration interest, particularly in the high-grade metamorphic portions of the Southwest Terrane, compared to the remainder of the Yilgarn Craton, is likely due to adverse perceptions that include:

- the target greenstone belts are difficult to map;
- the land is largely freehold; and,
- the gold deposits located to date are relatively small.

CSA Global is however of the opinion that these perceptions are mainly unfounded and believe that, with the application of effective exploration techniques and an improved understanding of the exploration target, the known gold deposits will increase in size and new deposits will be located. This view is supported by the recent success by Ausgold Ltd (Katanning gold project) which has come on the back of improvements to their exploration model and approach (AusGold, 2017), whilst Explaurum Ltd (Tampia gold project) have improved the economics of their project by applying quality geoscience (Explaurum Ltd ASX announcement, 12 April 2016).

In addition, the high-grade (up to approximately 10 g/t Au historically) Challenger gold mine in the Gawler Craton of South Australia, which exploits a metamorphosed, granulite-hosted gold deposit with an endowment of greater than 1.3 million ounces (Moz) Au (Tomkins and Mavrogenes, 2002; Birt and Reid, 2007), serves as an example that size and grade of metamorphosed gold deposits can be significant.

A summary of competing models relating to formation of orogenic gold deposits in Archaean greenstone belts of Western Australian, is discussed because these are of direct relevance to the geological setting of most of Cygnus's tenements and the form of the gold deposits likely to be present.

Orogenic gold deposits in the Archaean Yilgarn Craton of Western Australia formed typically in the latter part of the deformational-metamorphic-magmatic history of their granite-greenstone host terranes, all of which recorded compressional to transpressional structural deformation associated with collisional and accretionary tectonic settings. Diversity exists with respect to host rocks although most deposits are hosted by volcano-sedimentary greenstone belt successions. The most common hosts are iron-rich mafic volcanic and intrusive rocks and banded iron formation (BIF), and to a lesser extent ultramafic rocks. A few deposits (e.g. Granny Smith) are hosted in granitic rocks.

One of the unifying characteristics of orogenic gold deposits in the Yilgarn Craton (and globally) are low- to moderate-salinity, CO_2-bearing mineralising fluids (Groves *et al.,* 2003). The origin of these fluids is controversial, with some workers inferring a metamorphic origin entailing the de-volatilisation of hydrous rocks at the greenschist-amphibolite metamorphic facies boundary (e.g. Phillips *et al.,* 2010), but others preferring a magmatic-hydrothermal origin, at least in part (e.g. Mueller *et al.,* 1991; Kendrick *et al.,* 2011; Xue *et al.,* 2013).

In the orogenic gold deposit model, mineralising fluids generated at crustal depths of some 10 km to 30 km are channelled into the upper crust by deep-seated shear or fault zones after breaching of an over-pressured fluid reservoir at depth, possibly due to seismic activity. In the upper crust, fluid flow is channelled into low pressure zones, with a high degree of fluid focussing required to form a large deposit.

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The formation of Archaean orogenic gold deposits has been debated for decades with an important point of contention being whether the gold deposits:

1. Form at or near peak-metamorphic conditions (Figure 3 and Figure 4) as evoked by the "crustal continuum" model (Groves, 1993; Groves *et al.,* 1998) according to which the gold deposits formed throughout the metamorphic history of the host terrane and from low temperature (around 150°C to 200°C) sub-greenschist up to high temperature (>650°C) granulite facies metamorphic conditions. *The crustal continuum model regards orogenic gold deposits in high-grade metamorphic terrain as high-temperature end-members and implies that no significant modification occurred after their formation other than (generally minor) retrograde alteration by post mineralisation fluids.*

Or

2. Commonly form under greenschist facies conditions (≈200°C to 400°C) at low to moderate pressures, with any deposits hosted by high-grade metamorphic rocks having formed prior to and been modified during metamorphism (Figure 5) as evoked by the "metamorphic" model (e.g. Phillips and Powell, 2009; Tomkins and Mavrogenes, 2002; Tomkins *et al.,* 2004a, 2004b; Tomkins and Grundy 2009). *This model implies that orogenic gold deposits in high-grade metamorphic terrain formed well before peak metamorphism, and that the associated higher temperatures and pressure caused changes to the mineralogy, form and distribution of those deposits.*

There are a number of deposits however, which are hosted in rock sequences that have reached granulite facies metamorphism (e.g. Tropicana, Western Australia, Renco, Zimbabwe). These have been studied in detail and it has been demonstrated the gold mineralisation is most likely post peak metamorphism and is considered to have formed under greenschist metamorphic conditions. It is important therefore to gain an understanding of the style of mineralisation likely to be present in a target geological terrane.

In the past 30 years or so, one model, the "continuum" model gained significant acceptance. However, this model has in recent years, largely due to improvements in analytical and chemical modelling techniques applied to deposit studies, come under scrutiny by several researchers. This work is based on detailed studies of gold deposits found in upper amphibolite to granulite facies metamorphic host rocks (Phillips *et al.,* 2009, Tomkins *et al.,* 2009). These studies have thrown significant doubt on the validity of the "continuum" model – particularly the high temperature end of the "continuum" model.

The principal argument against the "continuum" model is that it relates to gold deposits hosted in rocks at upper amphibolite-granulite metamorphic facies, being the role of metamorphic hydrothermal fluids at temperature conditions greater than 650°C. The key argument being that hydrothermal fluids (carrying gold mineralisation) cannot be transmitted through the crustal rocks at these temperatures as the fluids would be consumed by rock melting reactions.

The physical and chemical changes associated with gold deposits in high-grade metamorphic terrains have been documented in recent studies. Evidence from these studies suggest the genesis of most gold deposits in these terrains can be explained by the following models (Doyle *et al.,* 2015; Crawford and Doyle, 2016):

- Gold mineralisation occurs during a pre-peak metamorphic event at greenschist to amphibolite facies conditions and is subsequently metamorphosed at upper amphibolite (e.g. Hemlo: Tomkins *et al.,* 2004a; Big Bell: Phillips and Powell, 2009) to granulite (e.g. Challenger: Tomkins and Mavrogenes, 2002; Tomkins *et al.,* 2004b; Griffins Find: Tomkins and Grundy, 2009) facies conditions during peak metamorphism; or
- Gold mineralisation occurs during a post-peak metamorphic retrograde event (e.g. as currently envisaged for Tropicana: Doyle *et al.,* 2015; Crawford and Doyle, 2016).

Cygnus has compiled a summary of the characteristics of Katanning, Tampia and Griffins Find, the gold deposits in the Lake Grace Terrane (Table 2). These are classified as metamorphosed gold deposits, and their characteristics provide some guidance as to the style of deposit likely to be found in the region.

Exploration is to some degree model-driven, in particular at the regional to camp scale. Which model is applied to gold deposits in high-grade metamorphic terranes such as the Southwest Terrane, has implications for exploration and evaluation of gold deposits. This is particularly the case in this region of Western Australia where the currently known gold deposits are hosted in rocks metamorphosed to upper-amphibolite to

granulite metamorphic facies; and to the author's knowledge appear to have formed prior to the high-grade metamorphism (e.g. Griffins Find: Tomkins *et al.,* 2009).

Some of the challenges for exploration, particularly in granulite metamorphic facies terrains, are:

- The difficulty of identifying unexposed prospective greenstone host rock sequences, recrystallised to granulite facies, without the availability of detailed gravity and magnetic data.
- The poly-deformed nature of the host rocks and gold deposit geometries; as under such high-grade metamorphic conditions, the original mineral assemblages would have been subject to partial melting and possibly remobilisation into newly formed or reactivated structures such as shear zones, boudin necks and fold hinges. Hence, an understanding of structural fabric is critical, especially at the deposit scale.
- The original wall rock alteration assemblages associated with gold mineralisation are modified by the high-grade metamorphism and these changes need to be understood to assist in targeting mineralisation shoots.

Cygnus is addressing these challenges as outlined in more detail in Sections 3 and 4. In addition, competitor gold exploration companies operating in the Southwest Terrane, such as Ausgold Ltd (Katanning) and Explaurum Ltd (Tampia/Gault) are having success applying similar exploration strategies and techniques.

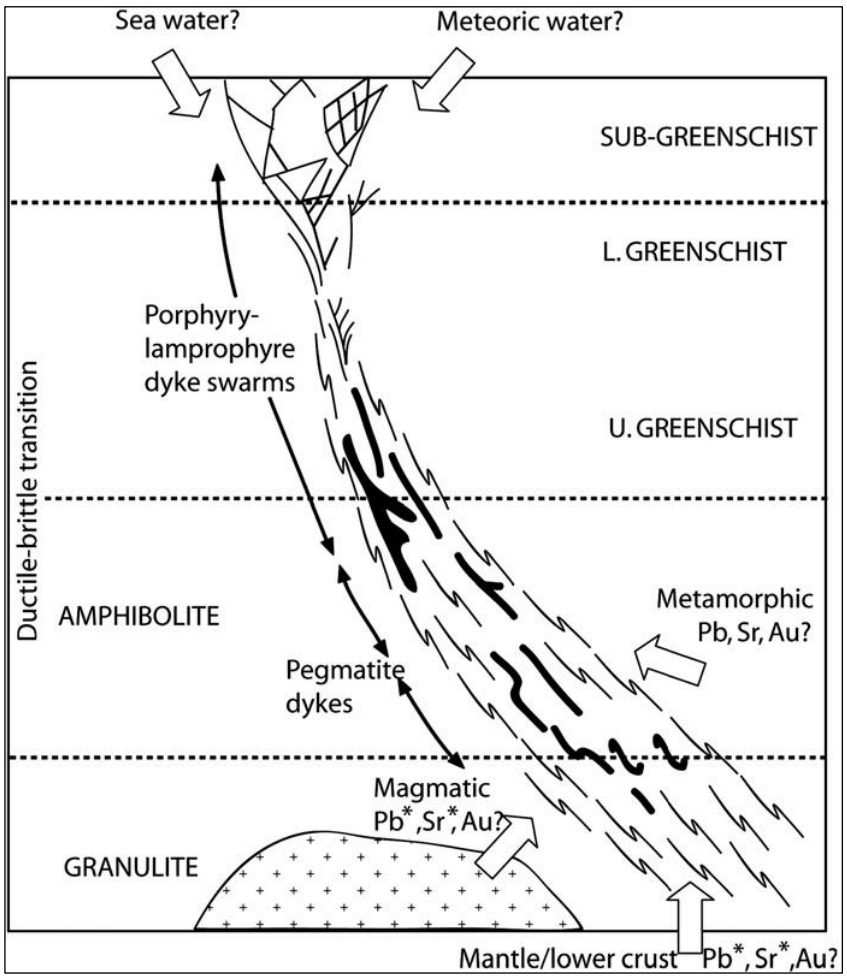

Figure 3: Schematic representation of the "continuum" model showing the formation of gold deposits through a 20 km to 25 km vertical interval of the Earth's crust from conditions within the granulite facies to those of sub-greenschist facies grade (after Groves, 1993)
Source: Phillips et al., 2009

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Table 2: Characteristics of key gold deposits located within the Lake Grace Terrane

	Katanning/Badgebup	Tampia/Gault	Griffins Find
Discovery year	1979	1987	1957
Endowment (oz Au)	~635,000	~695,500	~85,000
Average grade (g/t Au)	1.3	1.9	3.8
Deposit model and age	Metamorphosed Archaean orogenic gold system		
Outcrop	Minimal (c. 1 to 5%)		
Host rocks	Mafic gneiss (granulite)	Mafic and banded felsic varieties of gneiss (granulite), granitic intrusions, dykes and sills	Principal host rock: Mafic gneiss (granulite); other host rocks: Garnet-biotite, sillimanite-cordierite and microcline-rich varieties of gneiss (granulite), pegmatite dykes
Metamorphic grade	Granulite facies	Amphibolite to granulite facies	Upper amphibolite to granulite facies; minor retrograde alteration
Mineral assemblage	Gold, pyrrhotite, pyrite, chalcopyrite, magnetite ± molybdenite	Gold, non-magnetic pyrrhotite, arsenopyrite, chalcopyrite ± pyrite	Gold, pyrrhotite, löllingite, arsenopyrite ± pyrite, chalcopyrite, galena, sphalerite, pentlandite
Gangue mineral assemblage	Quartz (veins are rare)	Quartz (veins are rare)	Quartz (up to 60 volume percent); veins are abundant, up to 1.5 m thick, of four different types and mineralised), calcite, graphite
Orebody shapes and dimensions	Multiple stacked lodes, up to 20 m thick and greater than 1,200 m long	Multiple stacked lodes, up to 25 m thick and greater than 150 m long	Tube-like orebody occupying a gently plunging synformal fold with "Z-shaped" asymmetry
Gold mode of occurrence	Free gold and gold attached to and within sulphides; nuggetty; high grade assays up to 53 g/t Au	Free gold and gold attached to and within sulphides; nuggetty; high grade assays up to 109 g/t Au	Gold attached to and within sulphides; high grade assays up to 64 g/t Au
Structural and genetic controls	Shear zones, faults, competency contrasts, shallow plunging, tight (isoclinal) fold hinges, felsic igneous (adamellite) dykes	Shear zones and faults, plunging, tight (isoclinal) fold hinges	Northwest-southeast striking sinistral shear zone, complex interaction of multi-stage fold structures
Orebody styles	Disseminated; breccia hosted	Disseminated	Disseminated; quartz vein-hosted
Geochemical signature	Gold ± Arsenic		

Source: Cygnus

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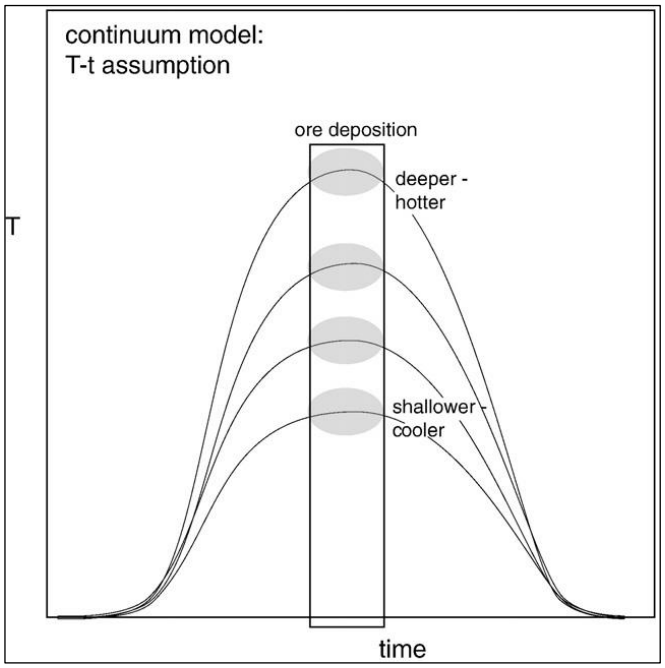

Figure 4: Four Temperature (T)–time (t) curves for various depths in the crust illustrating deposit formation at the peak of metamorphism throughout (continuum model)
Note: Except for any retrogression, all examples here would reflect conditions during deposit formation
Source: Phillips et al., 2009

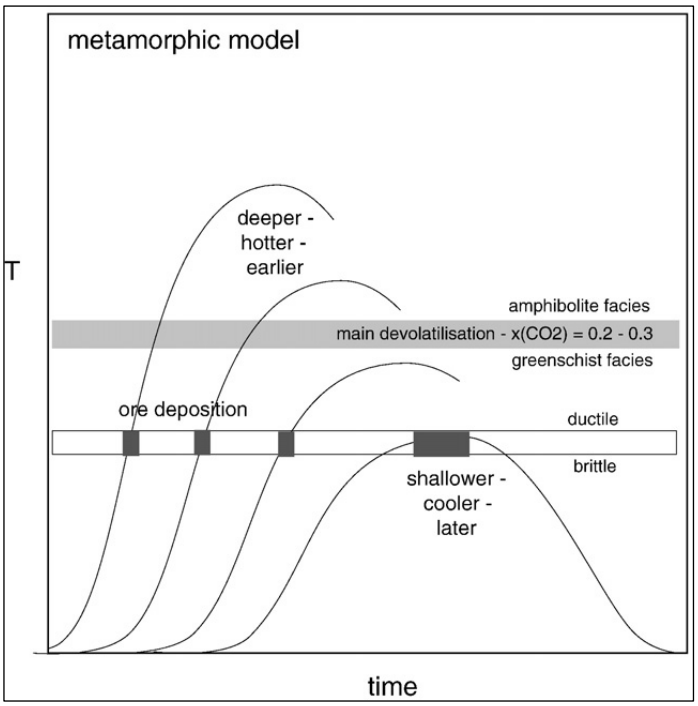

Figure 5: Same four Temperature (T)–time (t) curves as in Figure 4 but for the metamorphic model
Note: In this case, gold deposition occurs under greenschist facies conditions that also approximates the brittle– ductile transition (lower horizontal band). Three of these T–t paths (on left) reflect parts of the crust that have progressed to conditions above the greenschist facies after gold deposits are formed, and in these examples the deposits may have been modified by decarbonation, dehydration, desulphidation and/or partial melting.
Source: Phillips et al., 2009

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3 Targeting Approach

Cygnus's technical team has considerable knowledge and experience in targeting and evaluating gold mineralised systems world-wide. The following sections have been largely compiled by Cygnus to explain their approach to targeting. CSA Global considers Cygnus's geophysical approach is sound, but requires high quality, detailed data to be effective at a prospect scale.

Cygnus's tenements were selected using a mineral systems approach to exploration targeting. The mineral systems approach is based on the premise that a mineral deposit is the focal point of much larger earth process systems that operate on a variety of scales. The critical processes acting together to form a mineral deposit are those required for:

- Extraction of mineralising components (melts or fluids, metals and ligands) from their crustal and/or mantle sources (i.e. source)
- Melt- or fluid-assisted transfer of the mineralising components from their sources into effective, active melt or fluid channels (e.g. crustal-scale fault zones that are being actively deformed) (i.e. pathway)
- Focusing melt or fluid migration into structures that can accommodate metal deposition (e.g. an extensive fault-fracture mesh) (i.e. trap)
- Extracting metals from the melts or hydrothermal fluids passing through the "trapping" structures (i.e. deposition)
- Preserving the accumulated metals through time (i.e. preservation).

While none of these processes can be directly seen or mapped, geoscientists can observe and map the expressions of these processes in geoscience and exploration data (Kreuzer *et al.,* 2015). In essence, the mineral systems approach involves developing a holistic, process-based targeting model, and using this model to identify locations where the critical components of the conceptual model are present.

Two genetic models have been proposed for gold deposits in granulite facies metamorphic rocks: prograde and retrograde.

Gold deposits such as Griffins Find, Challenger and Hemlo are classified as prograde (or migmatised) deposits that formed prior to peak (granulite facies) metamorphism. Metamorphism of these deposits resulted in partial melting, formation of a gold-rich melt and migration of this melt into dilational structures such as the short limbs of asymmetric folds (Tomkins and Mavrogenes, 2002; Tomkins *et al.,* 2004; Tomkins and Grundy, 2009).

Retrograde gold deposits such as Tropicana are also hosted by high-grade metamorphic rocks but interpreted to have formed during a hydrothermal event that post-dated peak metamorphism. The Tropicana model requires exhumation of the high-grade metamorphic host rocks into the upper crust, accompanied by fluid ingress and retrogression. However, at present there is no direct evidence for the timing of introduction of gold at Tropicana, and a protracted history of gold precipitation, redistribution, and enrichment is implied (Blenkinsop and Doyle, 2014; Crawford and Doyle, 2016). Either way, the Tropicana model is only valid for regions along the edge of the Yilgarn Craton. The margin of the Albany-Fraser Orogen in the south of Cygnus's project area is potentially prospective for this type of deposit.

Overall, retrograde systems can be targeted using similar criteria as prograde systems. The main difference is that in the retrograde targeting model, the fluid pathway must have connectivity to a fluid source external to the high-grade metamorphic (and thus dehydrated) rock pile.

Cygnus's project generation was based on a regional-scale, mineral systems approach to identifying areas comprising key elements of the targeted gold mineral systems such as interpreted greenstone belts (or metamorphosed equivalents), and faults deemed active at the time of mineralisation. The geophysical approach described below was used in combination with regional laterite surface geochemistry data covering the entire southwestern Yilgarn Craton (Cornelius *et al.,* 2006) to identify possible areas for acquisition by way of tenement applications. The areas identified by this approach were then subjected to detailed screening using all available geoscience and historical exploration data. The areas secured by Cygnus are those that passed this initial screening and ranked highest against the Company's targeting criteria.

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3.1 Regional-Scale Geophysical Targeting

The paucity of outcrop and drilling across the Southwest Terrane necessitated a heavy reliance on geophysical data, whilst the extensive regolith cover renders radiometric and remote sensing data largely ineffective. The primary geophysical datasets used by Cygnus were regional magnetic and gravity data available from the Geological Survey of Western Australia (GSWA) and Geoscience Australia (GA):

- 2015 Southwest Yilgarn ground gravity (2 km spacing along public roads)
- 2016 Gravity anomaly grid of Western Australia (400 m spacing)
- 2016 Isostatic residual gravity anomaly grid of onshore Australia (1.5 km to 11 km spacing)
- 2016 Magnetic anomaly grids of Western Australia (20m, 40 m and 80 m grid cell size).

It was only in February 2016 that the new higher resolution Southwest Yilgarn gravity data became publicly available, and the greenstone targeting undertaken by Cygnus became possible. Prior to that, gravity data resolution was not good enough to map greenstone belts in the Southwest Terrane with any degree of confidence. Magnetic data are unreliable for mapping greenstone belts in the Southwest Terrane because there are known non-magnetic mafic units such as at Tampia interfering with the signal. Whilst the new higher-resolution gravity data are adequate for identifying dense units in the Southwest Terrane, it can only be used to define the axis of such units; there is no sense of unit boundaries. More detailed gravity data would be required for this. Nevertheless, Cygnus advise their gravity-derived greenstone map identified all known sites of greenstone in the Southwest Terrane (e.g. Bottleneck, Tampia, Griffins Find, Boddington, Jimperding).

3.1.1 Geophysical Data Processing

Geophysical filtering and semi-automated interpretation tools developed by Fathom were applied to the gravity and magnetic data to generate input "layers" for targeting.

All hard rock gold deposits have some degree of structural control. Hence, the mapping of structure is a critical part of any interpretative or targeting exercise. Commonly, structure is mapped by a geoscientist, using the various magnetic images available. The problem with this approach is that it is subjective, with the structures mapped by one person different to those mapped by another, depending on their experience, concentration and enthusiasm.

Fathom has developed a method of grid based, semi-automated structure detection aimed at an automated, objective interpretation of potential field data that would be similar to human interpretation but honour the physics of the field. Fathom's structure detection filter is multi-scale by design. For structures to be highlighted, they must be present at more than one scale. This eliminates more minor edges that may be present over a narrow frequency range only. The filter is based on signal asymmetry, regardless of amplitude. This means that structures in areas of low contrast are highlighted just as well as those in areas of high contrast, if the frequencies are present..

The structure detection filter was applied as a ridge detector to help highlight possible source proxies, and as an edge detector to highlight possible pathway and trap proxies, although the latter are commonly only mappable at the more detailed camp to project scales.

Source Proxies

A gravity-derived greenstone filter was developed based on Fathom's structure detection algorithm. This filter examines the Bouguer (or isostatic residual) gravity data and determines where belts of dense rocks occur. This filter highlights the mafic portions of greenstone belts (Figure 6) but not the sedimentary and metasedimentary units that have densities similar to the surrounding granite.

Pathway Proxies

Favourable pathway architectures can be indicated by curved greenstone belts or belt-crossing gravity features. Many of the major gold deposits in the Yilgarn Craton are associated with moderate to low frequency gravity cross structures. These cross structures may represent changes in the thickness of the greenstone package, which may have impacted fluid flow during greenschist facies metamorphism.

The main pathway structures are thought to be the large regional-scale shear zones. In many locations, granite-greenstone contacts can also act as a fluid conduit due to the lower permeability of the granitic rocks.

These features can be highlighted in both gravity and magnetic data.

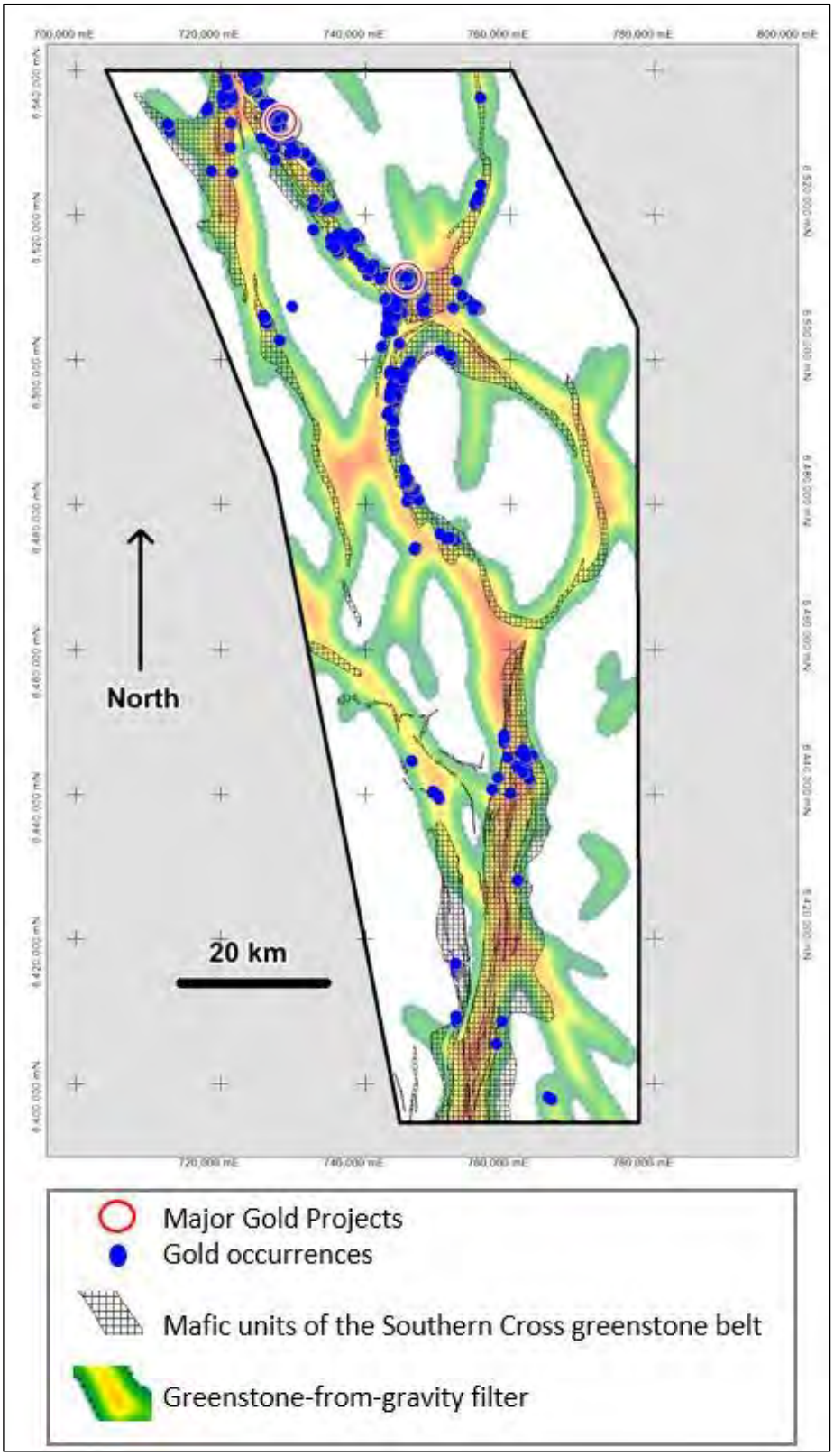

Figure 6: Example of the gravity filter from the Southern Cross greenstone belt, which is shown in Figure 2 (i.e. the linear belt abutting the eastern margin of the Southwest Terrane)
Source: Cygnus

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3.2 Tenement-Scale Geophysical Targeting

Cygnus advised they have commenced work on a more detailed scale to better define existing prospects; and identify new prospects within their tenements. This work is described below.

An initial geophysical interpretation was completed for each tenement, using the available geophysical data and derivative products thereof. The results of this work are illustrated in the project descriptions provided in Sections 5, 6 and 7. Given the general lack of bedrock information from drilling and very limited outcrop, the geophysical interpretations are not currently well constrained. However, the interpretations will be continually revised as new data become available.

Each of Cygnus's tenements cover interpreted greenstone sequences as well as interpreted favourable fluid pathways and structural architecture. The goal of the detailed interpretations was to refine the source, pathway and architecture targeting layers and to highlight mineral systems components that cannot be mapped at the regional scale. This includes depositional proxies such as focusing and potential trapping structures.

Fathom proprietary filtering routines were applied to target key orogenic gold-hosting structures and host rocks such as folds, cross faults, shear splays or lithological contacts. Additional data such as high-resolution gravity should help to more effectively delineate changes in the greenstone units and may highlight additional potential shears. In addition to these features, cross-faults and dykes that appear to post-date metamorphism were interpreted. These would only impact prospectivity in an area that has potential for retrograde mineralisation such as at Cygnus's Frankland Project

The geophysical interpretations focused on the following key features:

- Major fault or shear zones: Proximity to major conduits for gold-bearing fluids were mapped using regional-scale and detailed magnetic and gravity derived structure detection grids
- Rock types: A broad classification of rocks into mafic and felsic categories was achieved using regional gravity density contrasts (i.e. Fathom's greenstone filter). Additional units were identified at Cygnus's Frankland tenement within the Albany-Fraser Orogen
- Geological contacts and fold axes: Magnetic unit boundaries and trends within the interpreted lithologies served to identify fold structures
- Cross faults: Possible brittle faults that post-date peak metamorphism
- Dykes: Thin, linear magnetic units (positive or negative) that post-date mineralisation.

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4 Exploration Approach

Cygnus plans to carry out detailed targeting at a local prospect scale and drill testing of concepts aimed at discovering the next big gold deposit in the Southwest Terrane. Cygnus has gained greater confidence in targeting gold mineralisation in the poorly exposed, metamorphosed greenstone belts of the Southwest Terrane, based on improved techniques ("toolbox"), workflow and advances made by competitor companies in understanding the style of gold mineralisation within the Lake Grace Terrane.

In addition to drilling and surface geochemistry, a key exploration and targeting tool to be applied by Cygnus is geophysics – in particular, gravity and magnetic surveys aimed at mapping out potential extensions to the host greenstone rock sequences, now largely recrystallised to mafic and felsic granulite/gneiss rocks. This includes the ability to better define bedrock architecture such as by mapping fold axes in prospective host sequences, as under high-grade metamorphic conditions mineralisation is often focused into low pressure zones (e.g. fold axes within deformed rock sequences).

Geophysical methods rely on a measurable contrast in a physical property between one unit and another; ideally between the exploration target and the "background". The direct detection of gold mineralisation by geophysical methods is limited to electromagnetic and induced polarisation technologies, which highlight sulphides or quartz veins associated with gold mineralisation. Unfortunately, not every gold deposit can be detected this way. More commonly, geophysical methods such as magnetics and gravity are used as tools for mapping lithological and structural controls that are then used to target gold mineralisation.

Given the lack of outcrop in the region, the exploration programs planned for Cygnus's tenements will rely heavily on geophysical data acquisition and interpretation.

Magnetic methods measure changes in magnetic susceptibility across a survey area, and provide an excellent insight into the structural setting, fabric and complexity of an area; as well as the character of the surveyed units (e.g. folds, unconformities, unit variations based on textural changes). Existing magnetic data over the Cygnus projects are of a reasonable resolution for several of the tenements but poor for some and additional data may need to be collected. Magnetic data alone, however, are not sufficient to effectively explore the Southwest Terrane because mafic granulite, the preferred gold host rock, is not always magnetic.

The gravity method measures changes in density across the area. In terms of physical properties, mafic igneous units and their metamorphosed equivalents are significantly denser than felsic igneous units and their metamorphosed equivalents (Bourne *et al.,* 1993). This physical property contrast allows for the mapping of the boundaries and nature of the mafic units. Sedimentary and metasedimentary units do not exhibit sufficient density contrast compared to granitoids and felsic gneisses, and therefore would not be mapped in data acquired by the gravity method. Various filtering routines and modelling can be carried out to estimate the character, depth and geometry of the surveyed units and structural framework of th area.

Gravity data across the Southwest Terrane are of "regional" resolution, with a nominal 2 km station spacing along tracks and trails. Whilst these data are sufficient for regional targeting (as described above), they are not detailed enough for prospect-scale exploration and defining drill targets. Ground and/or airborne gravity data will be acquired by Cygnus to map out the edges and internal character of the metamorphosed mafic rock packages. Modelling of detailed gravity data in 3D will provide new insights into the nature of the mafic granulites and assist with prospect definition and drill testing.

An effective tool envisaged by Cygnus is airborne gravity surveys with flight lines oriented perpendicular to the strike of the targeted belt. An airborne survey (e.g. 400 m line spacing) over a tenement such as Cygnus's Snake Rock, would be appropriate for mapping out mafic rock boundaries to rapidly focus into the potentially most prospective parts of a greenstone belt and define areas for detailed surface geochemistry surveys. Individual prospects could be followed-up by detailed ground gravity [50 m to 100 m spaced lines] to better understand lithology and prospectivity.

Detailed airborne magnetic data could also be collected over tenements that exhibit the "right" semi-detailed gravity signature.

In summary, gravity surveying will be used to map out mafic greenstone belt lithologies (and their metamorphosed equivalents), and magnetic survey tools will be used for mapping the 'texture' of the surveyed units. The combination of magnetic and gravity data will provide an excellent tool for litho-structural interpretation under post-mineralisation cover, and combined with surface geochemistry (e.g. soil sampling and shallow drilling such as AC and RAB) will define prospects for detailed follow-up and drill testing. Early application of core drilling will provide key information on alteration type and style, mineralisation paragenesis, and critical structural geological information to understand the controls on mineralisation, and vectors to high grade zones.

Research over the past 10 years or so on gold deposits in high-grade metamorphic terrain also provides Cygnus with new insights into the genesis of gold deposits in high-grade metamorphic terrains that will assist in targeting and evaluation.

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5 Cygnus Projects

5.1 Stanley Project

5.1.1 Location, Access, Land Use

The Stanley Project is located midway between the Wheatbelt townships of Lake Grace and Katanning (Figure 1). Access is excellent via local roads and farm tracks. The physiography is mostly flat with occasional low hills and dominantly comprises cleared freehold farmland. The current land use is predominantly for grain crops, and sheep and cattle production.

5.1.2 Tenure

The Stanley Project comprises granted Exploration Licence E70/4787 covering an area of 56 blocks or some 157 km². The tenement was granted on 1 July 2016 and expires on 30 June 2021 unless renewed.

5.1.3 Local Geology

The tenement area has very little surface bedrock exposure, except for minor outcrops within the Stanley Hill prospect. The local geology is best described in WAMEX Report a093451, which includes a bedrock geology map of the area interpreted from RAB and AC drill hole lithological information and petrology, airborne magnetic data and surface mapping.

The current interpretation is that the tenement covers a 20 km long and up to 1 km wide, northwest-southeast striking sequence of upper amphibolite to granulite facies metasedimentary and felsic and mafic meta-igneous rocks likely representing the keel of a metamorphosed greenstone belt. The key structure, which is believed to have focused gold bearing hydrothermal fluids, is the northwest-southeast striking Kukerin shear zone. Proterozoic (i.e. post-gold) dolerite dykes cut all units and strike mainly east-west and northwest-southeast.

The following description of the local geology is largely taken from WAMEX Report a093451.

The regolith (surficial and weathered bedrock) is described as being up to 70 m thick with an estimated average thickness of approximately 40 m. Much of the regolith is covered by a thin veneer of transported, often pisolith-bearing gravel, sand and clay that have been disturbed over large areas by modern farming activities. There is typically less than 3 m of surficial material with rare intervals of up to 20 m associated with alluvial (salt flat) drainage and a small gravelly basin on the Stanley Hill prospect.

Weathered bedrock is divided into upper and lower saprolite. The upper saprolite is generally the thickest unit with commonly preserved angular clear to milky quartz grains and both biotite and muscovite micas hosted in red to brown and grey clay sometimes indurated with silcrete or ferricrete layers. Lower saprolite typically contains fresh feldspars over felsic bedrock, significant concentrations of iron stained garnet over pelitic gneisses, and well-preserved pyroxenes with minor feldspar over mafic units. Mafic units can have complete replacement to a clay zone above saprolite, and dolerite regolith material remains magnetic well into the weathered sequence. Bedrock is fresh to weathered with iron oxide staining observed on fractures in chips collected at drill refusal.

Most bedrock can be classified into four main rock types; however, due to the lack of diamond core and the rock types being described, largely based on small drill chips this classification is preliminary in nature:

1. Felsic Granulite (probably after granitoids); these are typically grey and weather pink. They are fine- to medium-grained with occasional pegmatitic intervals and massive textured to moderately foliated. The granulites are crystalline and quartzo-feldspathic with accessory biotite and pyroxenes. Regional fabric is defined by alignment of micas and elongate axes of mineral grains. It is possible that granitic textured cuttings are derived from granitic gneisses with the gneissic fabric unobservable in chip fragments. Several different phases of granitoids have been identified. They have been interpreted as basement rock to the metamorphosed greenstone assemblage.

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2. Mafic Granulite (probably after mafic volcanic rocks); these are typically fine to medium-grained with weakly to strongly foliated and intergranular crystalline textures. The mafic granulites are black to grey coloured and composed mainly of pyroxenes, plagioclase and possibly hornblende. This unit can have epidote and chlorite retrograde alteration both as pervasive and partial replacement as well as in veinlets. There is a broad range of geochemistry in this rock type likely reflecting compositional variation of different primary volcanic flows (e.g. high Cr contents (up to 2,741 ppm Cr) in some of the samples could be indicative of ultramafic affinities).
3. Pelitic Gneiss (probably after interflow sediments); generally grey coloured, medium-grained quartz-biotite gneiss with abundant mm-sized red to pink garnet porphyroblasts that occasionally contain graphite and disseminated pyrite. Micas are well banded defining mineral foliation. The pelitic gneisses are interbedded with metavolcanic rocks, follow the same magnetic low trends and commonly rind the margins of the inferred greenstone belt.
4. Dolerite (mostly Proterozoic dykes); strongly magnetic, aphanitic to coarse-grained and crystalline with lathy plagioclase and massive igneous textures. They are black and brown weathering with no observed deformation fabric. Dykes can be metre scale to tens of metres in thickness, and correlate well with linear magnetic highs but have no correlation with radiometric data.

There is a dominant northwest-southeast striking fabric to the belt with flexures distorting the fabric roughly east-west. Foliations in outcrop exposures dip moderately to steeply to the southwest. Arcuate map patterns with repetition of lithologic contacts internal to the belt suggest belt-scale folding with northwest-southeast trending fold axes. The broader northwest portions and wispy attenuating tail patterns to the southeast of the belt suggest a speculative northwest plunge. This may be an important control on mineralisation. Late brittle faults are expressed as linear, northeast-southwest trending magnetic lows cutting all features.

Cygnus has added to this interpretation utilising the recently released GSWA regional gravity data and believe the target mafic greenstone sequences are more extensive than currently known, as shown in Figure 7, Figure 8, Figure 9 and Figure 13.

At this stage, there is no clear understanding of the style and relative age of gold. Petrological work on end-of-hole (EOH) chips from gold bearing AC drill holes at the Bottleneck Prospect suggest the gold mineralisation is metamorphosed post formation and possibly related to intermediate to felsic igneous or pelitic rocks as proposed by petrologist Richard England: *"This rock could have been an Fe-rich pelite which underwent some ankerite-pyrite alteration and gold mineralisation before the high-grade metamorphism"* (WAMEX Report a082291).

5.1.4 Exploration History

Historical exploration within E70/4787 occurred in three distinct time periods:

- 1979 to 1988: Shell Company of Australia Ltd (Shell), Otter Exploration NL (Otter), and Associated Gold Fields NL (AGF) in joint venture with Golden Valley Mines NL. Work during this period was mainly undertaken in the northern part of E70/4787 and resulted in the discovery of several gold prospects. Shell testing anomalous gold in surface rocks intersected 2 m at 1.75 g/t from 9 m EOH in RAB drill hole RMY-112 and 10 m at 0.3 g/t Au from 62 m in PMY-5 (WAMEX Report a10620). AGF drilling at the Snake Hill Prospect returned up to 2 m at 16.65 g/t Au from 24 m in hole 86PSH-14 (WAMEX Report a20806).
- 1996 to 2002: Tiger Resources NL (Tiger) and Elward Nominees Pty Ltd (a wholly owned subsidiary of Tiger). Work during this period mainly focused on the northern portion of E70/4787 and was mostly directed towards follow-up of previously identified gold-in-regolith anomalies and gold prospects.
- 2006 to 2013: Dominion Mining Ltd (Dominion), Quadrio Resources Ltd (Quadrio; a wholly owned subsidiary of Dominion) and Kingsgate Consolidated Ltd (Kingsgate; which acquired Dominion in 2011). Work during this period was mainly undertaken in the southern and central parts of E70/4787 and resulted in the discovery in 2008 of the shallow, high-grade Bottleneck Prospect (described below). Fieldwork and drilling ceased in early 2012 after the merger of Kingsgate and Dominion. In 2013, Kingsgate sold Quadrio and its extensive portfolio of Australian exploration projects to Caravel Minerals Ltd. The latter did not undertake any further work and relinquished the project in 2014 during a major industry downturn.

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The effectiveness of these exploration programs was limited in that no previous explorers drilled any core holes. Given the general lack of outcrop, the absence of any detailed structural information would have given the past explorers little chance of determining ore shoot orientations and plunge directions. The following quote extracted from a 1984 exploration report by AGF (WAMEX Report a15084) illustrates this problem well: *"The gold mineralised intersection in PMY 5 is either horizontal, dipping to the north or dipping southerly at less than 13°."*

More detailed accounts of the historical exploration activities are provided below with a basic synthesis of mineralised drill hole intersections (downhole lengths; true widths not known) given in Appendix 2 and maps and sections of exploration activities provided in Figure 7 to Figure 13.

Initial exploration within Cygnus's E70/4787 was by Shell, which targeted the northern part of E70/4787 for copper-zinc and nickel deposits (WAMEX Report a10620). Shell undertook a comprehensive program of geological mapping, rock chipping (178 samples), petrography (six samples), auger drilling (147 holes; no gold assays), RAB drilling (172 holes ranging in depth from 3 m to 64 m depth), and reverse circulation-percussion (RCP) drilling (eight holes for a total of 556 m).

Six of the rock chip and float samples, described by Shell as quartzite (but considered here as possible metamorphosed, recrystallised quartz veins) and mafic granulite, returned highly anomalous assay values between 1.15 g/t and 9.08 g/t Au.

While having delivered important geological information about the regolith, Shell's auger drilling program may be considered irrelevant from Cygnus's perspective because gold was not assayed in the auger samples.

Only one significantly anomalous result was returned from Shell's 172 RAB drilling program: drill hole RMY-112 (Snake Hill) intersected 4 m at 1.0 g/t Au from 7 m in mafic granulite, including 2 m at 1.75 g/t Au from 9 m in the bottom of the hole.

Of Shell's RCP drilling, which was designed to test for base metals deposits, only one drill hole returned anomalous gold. This hole, PMY-5 (Gravel Pit Prospect), intersected 10 m at 0.3 g/t Au from 63 m. Again, the mineralised intersection was coincident with mafic granulite.

In 1982, the ground relinquished by Shell was acquired by Otter, the company that in 1979 had discovered the nearby Griffins Find gold deposit. Interpretation of airborne geophysical data and soil sampling (150 samples) undertaken by Otter within and outside Cygnus's E70/4787 *"led to the discovery later in 1982 of a very large gold anomalous area"* known as Fence Road. According to Otter, *"this zone is probably the largest gold anomalous zone discovered by Otter away from Griffins Find."* The gold-in-soil anomaly identified by Otter straddles the western boundary of E70/4787, is greater than 3.4 km long and up to 300 m wide, and defined by gold-in-soil levels equal to and greater than 10 ppb Au with a peak value of 30.6 ppb Au. Rock chips assayed by Otter (55 samples) returned highly anomalous values of 1.85 g/t Au and 3.45 g/t Au from float collected near the Snake Rock Prospect.

Following on from Otter in 1983, AGF undertook a comprehensive five-year exploration program aimed at evaluating and testing the Fence Road Prospect. Most of this work occurred immediately to the west of Cygnus's E70/4787, where AGF embarked on geological mapping, rock chip sampling (>80 samples), soil sampling (>910 samples), laterite sampling (>35 samples), stream sediment sampling (>20 samples), a detailed ground magnetic survey, trenching (two for a total of >305 m), RAB drilling (>1,450 m) and RCP drilling (>950 m).

Work undertaken within E70/4787 was centred upon the Gravel Pit and Snake Hill Prospects where AGF undertook geological mapping, rock chip sampling (>60 samples), soil sampling (>200 samples), laterite sampling (>40 samples), stream sediment sampling (>10 samples), detailed ground magnetic surveys, RAB drilling (16 holes for >1,050 m) and RCP drilling (Gravel Pit: six holes for >180 m; Snake Hill: 28 holes for >750 m).

Soil sampling at Gravel Pit identified three, greater than 80 m long and up to 35 m wide anomalies characterised by gold-in-soil levels equal to or greater than 30 ppb Au. Subsequent RAB and RCP drilling in the Gravel Pit area failed to locate any gold mineralisation.

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The RCP drilling at Snake Hill returned several mineralised intersections, including 6 m at 1.17 g/t Au from 23 m (PSH-7), 2 m at 16.65 g/t Au from 24 m (PSH-14) and 1 m at 4.28 g/t Au from 18 m (PSH-27) (WAMEX Report a20806).

After an eight-year exploration hiatus, Tiger acquired ground overlapping Cygnus's E70/4787 and embarked on a six-year program (from 1996 to 2002) designed to follow-up the previous work undertaken at Fence Road by Shell, Otter and AGF. However, most of this work occurred outside E70/4787, including RAB drilling (>85 holes for a total of >1,310 m) and RCP drilling (two holes for >235 m). None of these holes returned any anomalous results.

In addition to Fence Road, Tiger explored the southern part of Cygnus's E70/4787 where they identified the Brays and McDougall Prospects. Work undertaken by Tiger included soil sampling (>335 samples) and RAB drilling (>100 holes for a total of >3,375 m and an average hole depth of approximately 33 m).

Two mineralised intersections were returned from Tiger's RAB program: Hole PRRB119 (Brays) intersected 8 m at 2.87 g/t Au from 40 m (including 1 m at 5.64 g/t Au from 41 m) while hole PRRB59 intersected 7 m at 0.53 g/t Au from 35 m (including 1 m at 1.31 g/t Au from 37 m) (WAMEX reports a63432, a65631).

Dominion and Kingsgate completed extensive exploration between 2006 and 2013, including:

- 100 m line spaced, nominal 30 m flying height airborne magnetic survey
- 11 rock samples
- 742 soil samples
- 2,210 auger holes
- 323 RAB drill holes, average depth 26.5 m (depth range 2 m to 61 m)
- 874 AC drill holes, average depth 34.5 m (depth range 1 m to 71 m)
- Seven RCP drill holes for 1,095 m (depth range 100 m to 226 m).

Interpretation of the airborne magnetic survey data led to the definition of the northwest-southeast striking Kukerin shear zone with most subsequent work aimed at testing the gold potential of this structure. This approach culminated in the discovery in 2008 of the Bottleneck prospect (Figure 10 to Figure 12), where AC drilling returned a significant shallow intersection as follows:

- 08KUAC075 (angled west, discovery hole): 21 m at 3.3 g/t Au from 24 m (including 9 m at 5.3 g/t Au from 30 m and 3 m at 11.1 g/t Au from 33 m).

The soil and auger sampling completed by Dominion and Kingsgate covers some 35% to 40% of the Cygnus tenure, mainly within the southern area of the tenement. Sampling is generally broad with samples collected on 100 m x 200 m and 100 m x 400 m grid patterns. This sampling identified 19 isolated gold values above 50 ppb Au with a peak value of 378 ppb Au (Figure 7 and Figure 8). Sampling media in the plus 50 ppb Au group included calcrete, laterite, clay and one saprolite sample. The higher gold values are generally surrounded by lower gold values between 10 ppb Au and 49 ppb Au.

Most of the previous drilling within the Stanley Project area was RAB and AC drilling to blade refusal, which is generally in the lower saprolite weathering zone. This drilling comprised about 78% angled drill holes orientated at -60° towards 270°, with the remaining drill holes vertical. The drill collar spacing is variable with first pass drilling generally spaced at some 100 m to 200 m along traverse lines, and traverse lines spaced 200 m, 400 m or 800 m apart. The only prospect drilled at close spacing is Bottleneck, where drill collars in the central zone are spaced at around 10 m along traverse lines and on adjacent drill traverses.

The Bottleneck discovery drill hole, 08KUAC075, was drilled to the west (WAMEX Report a82291). Follow-up drilling included close-spaced (10 m to 15 m) angled and vertical AC drilling, again to blade refusal which is generally at a depth of about 45 m. East-directed drilling (09KUAC002) and two close-spaced vertical AC drill holes (09KUAC009 and 09KUAC012) also intersected gold mineralisation hosted mainly in felsic to intermediate granulite as follows:

- 09KUAC002: (angled) 3 m at 1.49 g/t Au from 42 m
- 09KUAC008: 18 m at 3.1 g/t Au from 30 m (including 2 m at 5.9 g/t Au from 42 m)

- 09KUAC009: 15 m at 5.3 g/t Au from 30 m (including 6 m at 11.62 g/t Au from 30 m and 3 m at 16.7 g/t Au from 33 m)
- 09KUAC012: 9 m at 6.86 g/t Au from 24 m
- 09KUAC158: (vertical) located 12 m northwest of the above drill holes intersected 7 m at 6.36 g/t Au from 24 m in upper saprolite
- 09KUAC164: (vertical) located 40 m northwest of the main Bottleneck gold zone intersected 7 m at 12.57 g/t Au from 21 m (including 1 m at 75.1 g/t Au from 24 m) located in upper saprolite (WAMEX Report a86754). This gold zone, constrained by adjacent drilling may have a horizontal width of some 10 m.

This drilling defined a northwest-southeast trending, higher-grade gold zone (i.e. a possible mineralised shoot) some 40 m in length and defined on three drill traverses. The gold mineralisation intersected is dominantly within the upper saprolite and lower saprolite weathered bedrock, at depths of between 25 m and 46 m (maximum blade refusal drill depth). The maximum horizontal mineralised width based on the shallow drilling is possibly some 15 m to 20 m constrained by adjacent drill holes intersecting only minor anomalous gold values.

A drill traverse located 10 m south of the main Bottleneck gold zone did not intersect any significant mineralisation with a peak value in 09KUAC151 of 1 m at 760 ppb Au from 24 m. Figure 10 shows a plan view of key Bottleneck drill hole gold intersections, and Figure 11 is a cross-section showing drill holes and gold intersections.

The Bottleneck gold prospect was not tested by deeper drilling until 2011, when six angled RCP holes (11KURC001 to 11KURC006) were completed (WAMEX Report a93451). Drill holes 11KURC001, 11KURC003 and 11KURC004 tested immediately below the main gold zone and 11KURC002 tested below 09KUAC158. These holes were drilled to test a zone some 25 m below the main gold zone and orientated towards 206° and 26° and at a -55° dip. Drill holes 11KURC001, 11KURC003 and 11KURC004 did not intersect any significant gold mineralisation with a peak result of 150 ppb Au located vertically below the main gold zone. Drill holes 11KURC005 to 11KURC006 were drilled some 100 m to the northwest also orientated towards 206° and 26° and at a -55° dip and again intersected only sporadic weak gold mineralisation.

This drilling, as illustrated in Figure 12, is not a definitive test of this prospect and there remains ample space between the current drilling to contain a plunging shoot of mineralisation.

One RCP drill hole, 11KURC007, tested below a previous AC hole, 07KUAC141 (3 m at 1.48 g/t Au from 24 m), located about 1 km to the south-east of Bottleneck at the Bottlerack prospect. The RCP drill hole intersected minor gold mineralisation.

Exploration work on the Bottleneck prospect stalled during 2011 following the Kingsgate takeover of Dominion.

The lack of success or focus by the previous explorers has provided Cygnus with an opportunity to apply their geoscientific skills to an interesting prospect. To capitalise on this opportunity, they will need to obtain good quality structural and lithological information from orientated diamond core to better understand and determine the controls on mineralisation shoot location and geometry and the structural architecture of the rocks that host the gold mineralisation.

5.1.5 Targets and Exploration Potential

Initially the key targets, based on past exploration work are Bottleneck and and Stanley Hill (Figure 7). These prospects offer immediate drill targets.

At Bottleneck the challenge is to understand the controls on and to locate extensions to the known gold mineralisation. To assist with this, Cygnus carried out a detailed ground gravity program during March 2017; which highlighted structure and lithological complexity previously unknown; and placed the existing Bottleneck drilling in context.

The detailed ground gravity data is shown in Figure 14. The Bouguer anomaly image shows where the dense rock packages are; and the first vertical derivative image highlights the internal character of the units [folding] and structure [breaks in continuity]. The gravity data reveals the internal complexity within the granulite

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sequence, previously thought to be fairly regular. Clear follow-up targets were identified [overlain on the interpretation in Figure 14].

The Stanley Hill Prospect is defined by two close-spaced (10 m) gold intersections in drill holes 11KUAC374 and 11KUAC380, which returned 3 m at 1.55 g/t Au from 15 m, and 3 m at 3.77 g/t Au from 18 m respectively, and by drill hole 11KUAC405 located some 350 m to the northwest of 11KUAC374, which intersected 3 m at 1.64 g/t Au from 12 m. There is no drilling between these wide-spaced drill holes with anomalous gold intersections. There is also no drilling for 450 m to the northwest of 11KUAC405. The nearest drill traverse to the gold intersections in drill holes 11KUAC374 and 11KUAC380 is 200 m to the south. Drilling on this traverse intersected multiple >100 ppb Au values over a 500 m wide zone.

Cygnus also identified several additional prospects (Figure 7), mainly based on previous gold geochemical results, that warrant follow-up work:

- Bottlerack – 3 m at 1.48 g/t Au from 24 m in hole 07KUAC141 and 0.5 km x 0.5 km auger gold anomaly with local highs ranging from 20 ppb Au to 116 ppb Au
- Gravel Pit – rock chips and float up to 9.08 g/t Au (sample 70937: WAMEX Reports a10620 and a15083), three discrete, 80 m-long and 10 m to 35 m-wide >30 ppb gold-in-soil anomalies and 10 m at 0.30 g/t Au from 63 m in hole PMY-5 (WAMEX Report a10620)
- McDougall and McDougall South – drill intersections that require further investigation include 1 m at 1.33 g/t Au from 37 m in hole PRRB59 and EOH values of 1 m at 0.35 g/t Au in hole PRRB62 and 1 m at 0.32 g/t Au in hole PRRB69. A >440 m long auger gold anomaly ranging from 49 ppb Au to 96 ppb Au presents another target.
- Snake Hill, where past drilling intersected shallow (<30 m downhole) and locally high-grade (up to 2 m at 16.65 g/t Au from 24 m in hole PSH-14) gold mineralisation along a greater than 250 m north-south trend along which the gold mineralisation is open along strike and down plunge.
- Brays – strong auger gold anomalism of greater than 25 ppb Au over an area of 0.2 km x 0.2 km (local values of 2 ppb, 38 ppb, 44 ppb, and 378 ppb Au), 5 m at 2.45 g/t Au EOH from 40 m in drill hole PRRB119, and 4 m at 610 ppb Au from 48 m to end of hole in drill hole 07KUAC134 has not been followed up
- Brays SE – northwest-southeast trending, >1 km-long and 0.2 km to 0.4 km-wide auger gold anomaly with individual highs ranging from 23 ppb Au to 59 ppb Au, drill hole, 09KUAC020 9 m at 442 ppb Au from 39 m has not been followed up
- Brays NW – 08KUAC032 intersected 11 m at 165 ppb Au from 36 m to EOH – open for over 800 m to the south-east with no drilling for some 2.7 km to tenement boundary
- Butterfly – isolated RAB traverse with EOH values of 135 ppb Au and 130 ppb Au in drill holes 07KUVR006 and 07KUVR004 respectively
- Dragonfly – extensive auger gold anomaly of greater than 10 ppb Au over an area of some 1 km by 0.8 km, with local high values (93 ppb, 89 ppb, and 53 ppb Au). One drill traverse has not effectively tested the anomaly
- Fence Road – several RCP drill intersections immediately west of the tenement boundary. Several highly anomalous auger samples (six values with greater than 100 ppb Au and four values with greater than 200 ppb Au) define a coherent anomaly some 700 m north-south and 100 m wide within a broader 20 ppb Au to 50 ppb Au anomaly.

In addition, interpretation of a detailed ground gravity survey Cygnus collected over the Bottleneck Prospect (Figure 14) has identified six high priority structural targets that will be followed up with a detailed, 15,000 m air core drilling program shortly after the IPO.

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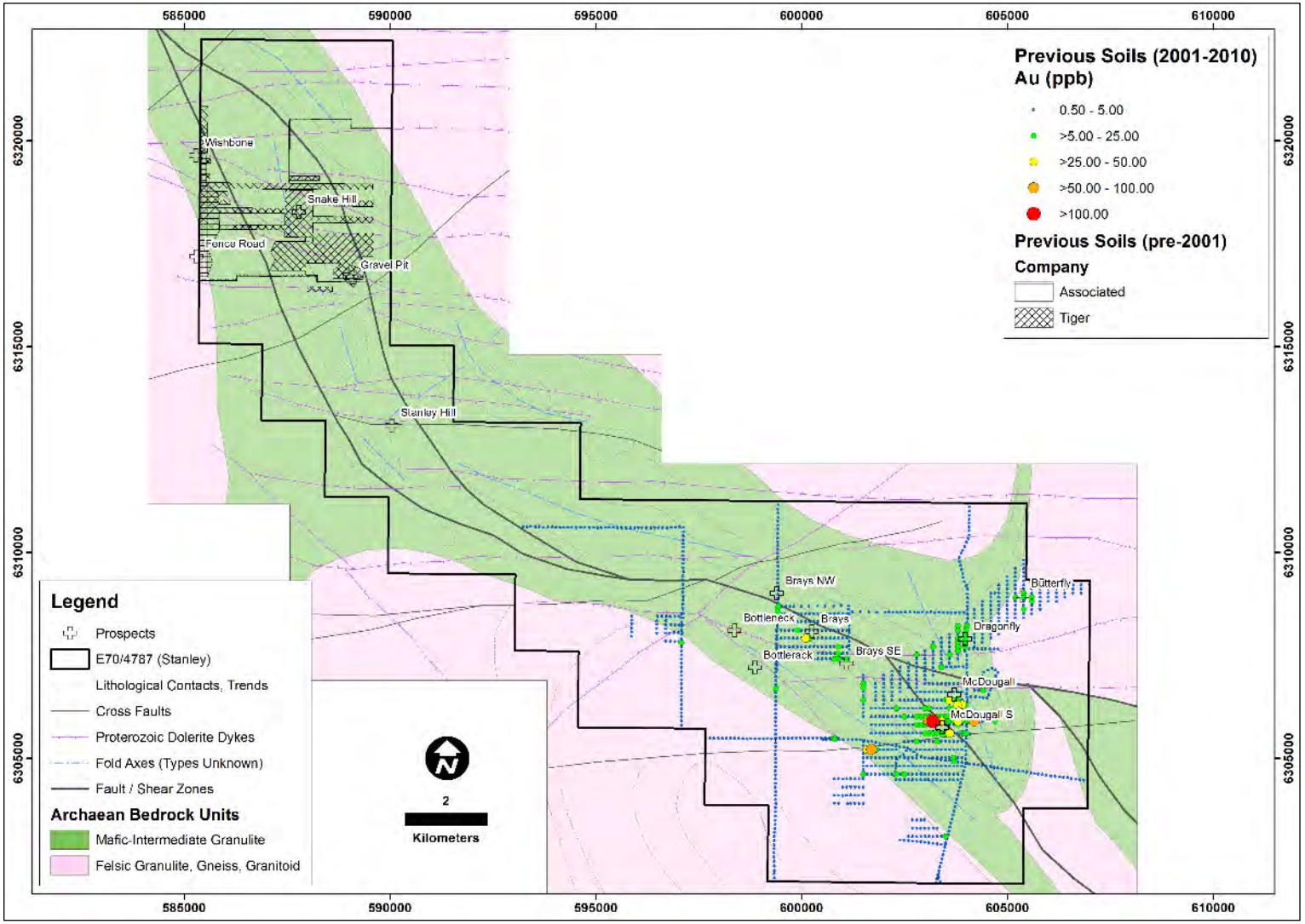

Figure 7: *E70/4787 (Stanley Project), previous soil sample coverage and gold results (ppb) extracted from WAMEX reports*
Note: The geology interpretation is based on previous geological interpretations and geophysical interpretation and modelling by Cygnus as explained in Section 3
Source: Cygnus

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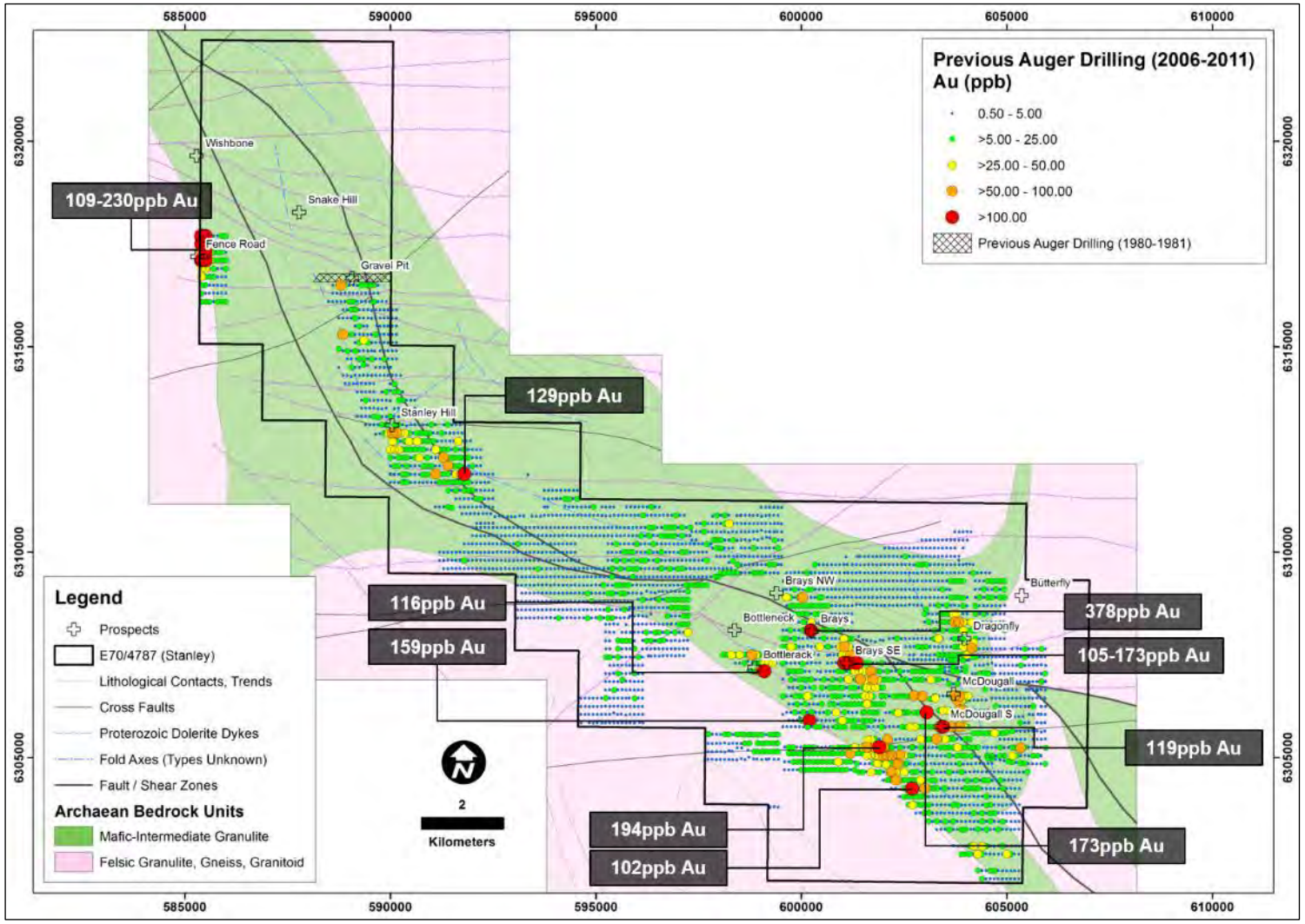

Figure 8: *E70/4787 (Stanley Project), previous auger drilling coverage and gold results (ppb) extracted from WAMEX reports*
Note: The geology interpretation is based on previous geological interpretations and geophysical interpretation and modelling by Cygnus as explained in Section 3
Source: Cygnus

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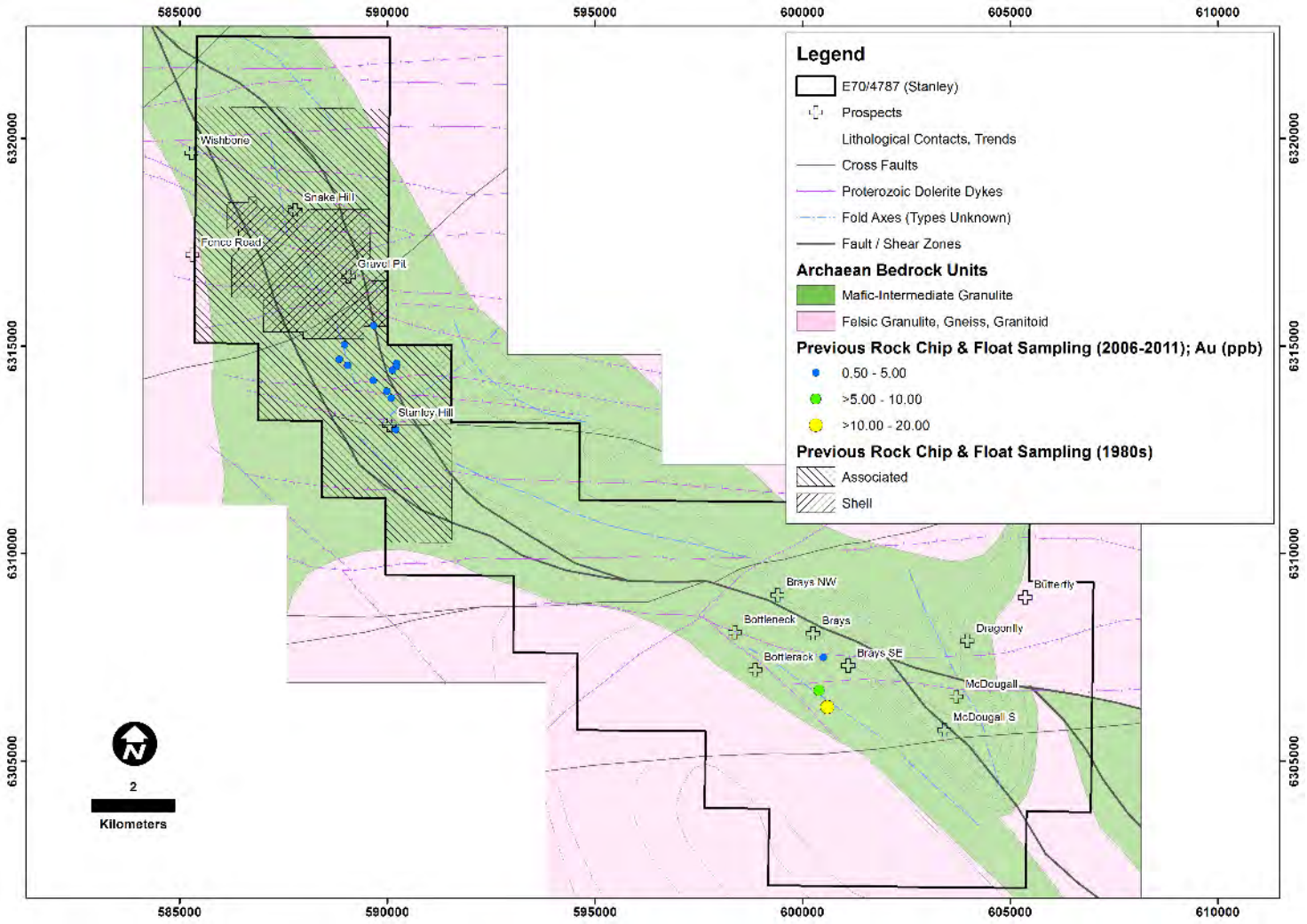

Figure 9: *E70/4787 (Stanley Project), previous rock chip coverage and gold results (ppb) extracted from WAMEX reports*
The geology interpretation is based on previous geological interpretations and geophysical interpretation and modelling by Cygnus as explained in Section 3
Source: Cygnus

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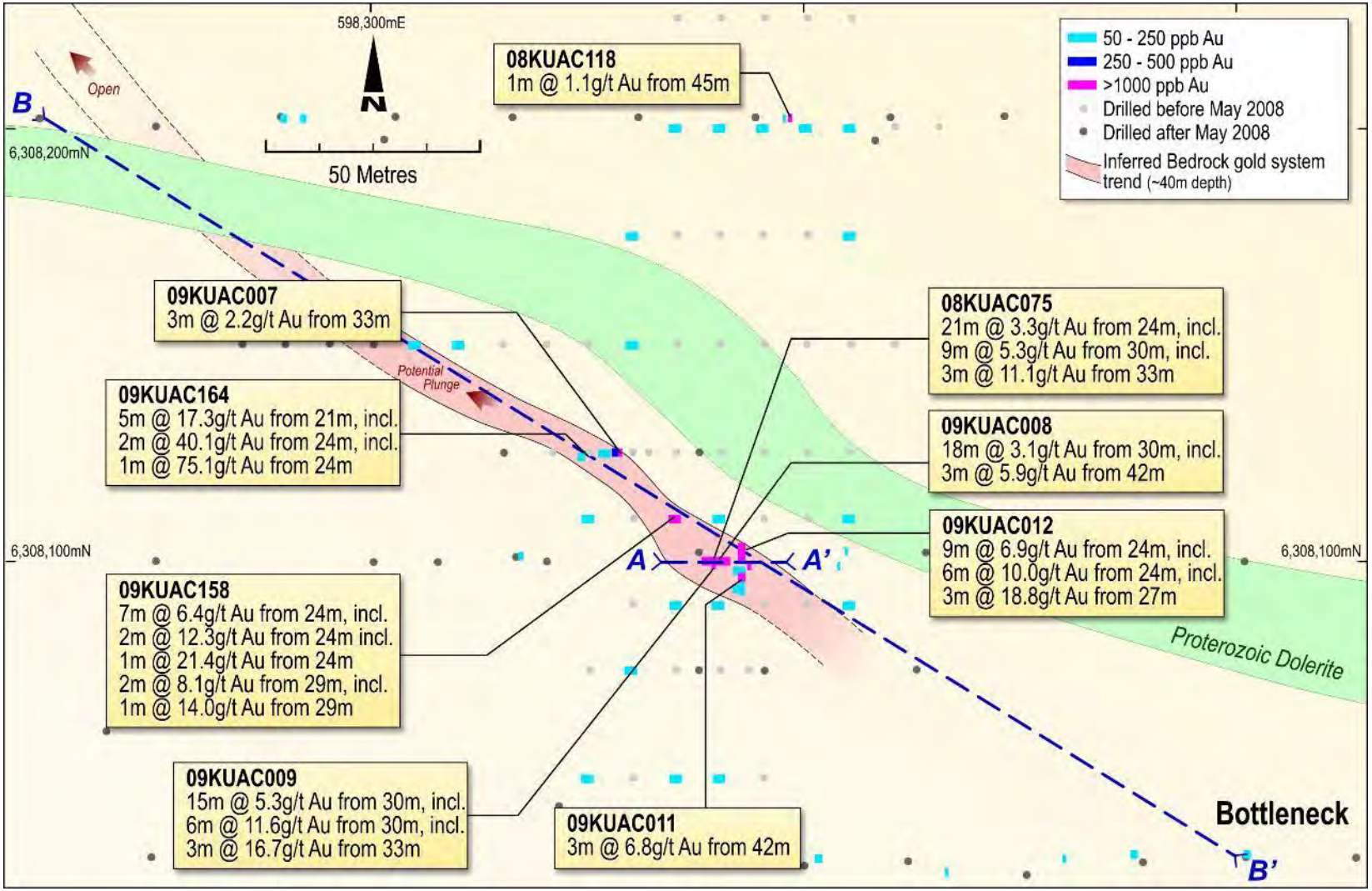

Figure 10: Plan view of the Bottleneck Prospect showing key gold intersections
Source: Cygnus

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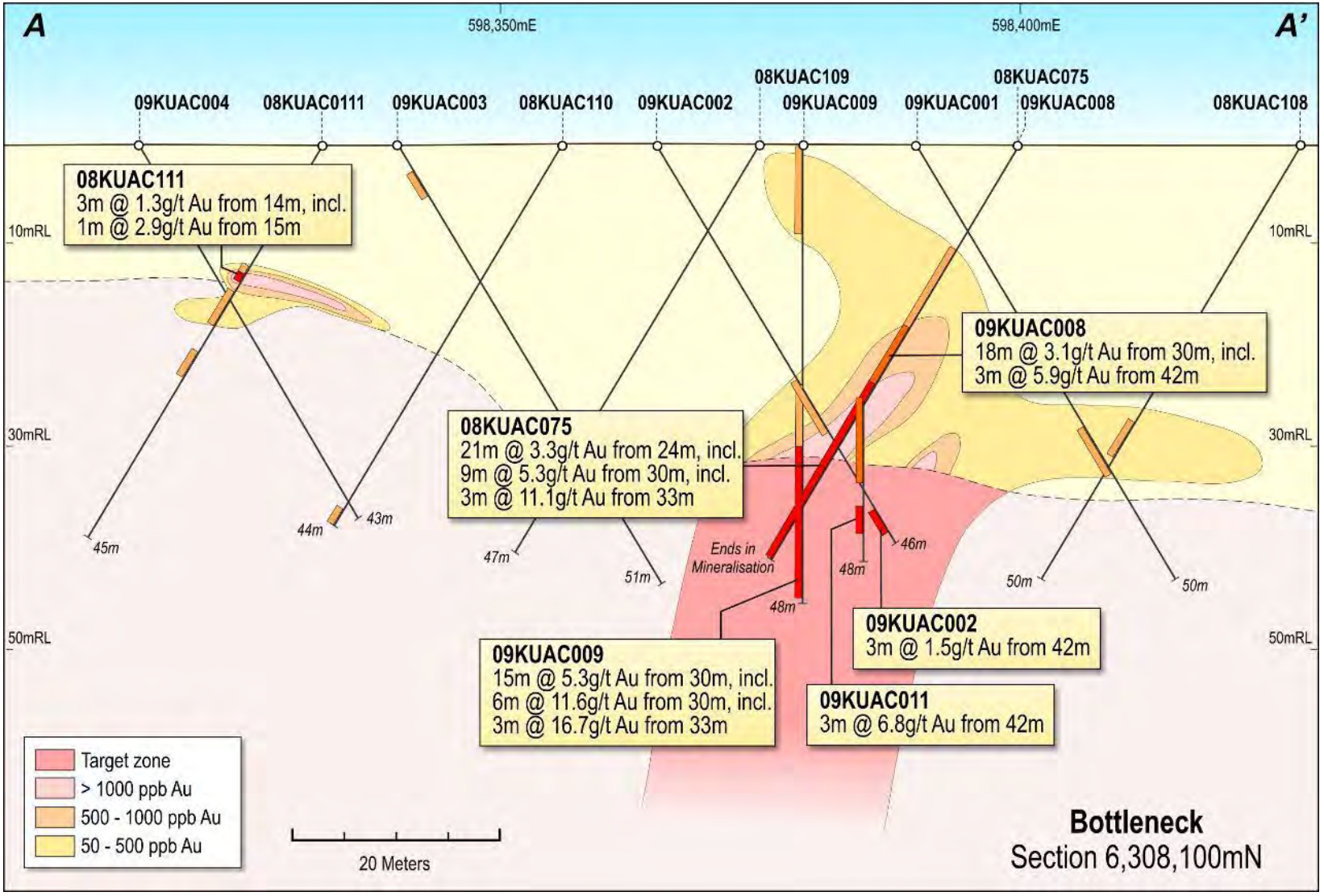

Figure 11: Cross section through the Bottleneck Prospect showing drill intersections and key gold intersections
Source: Cygnus modified from figure 5 in WAMEX Report a090254

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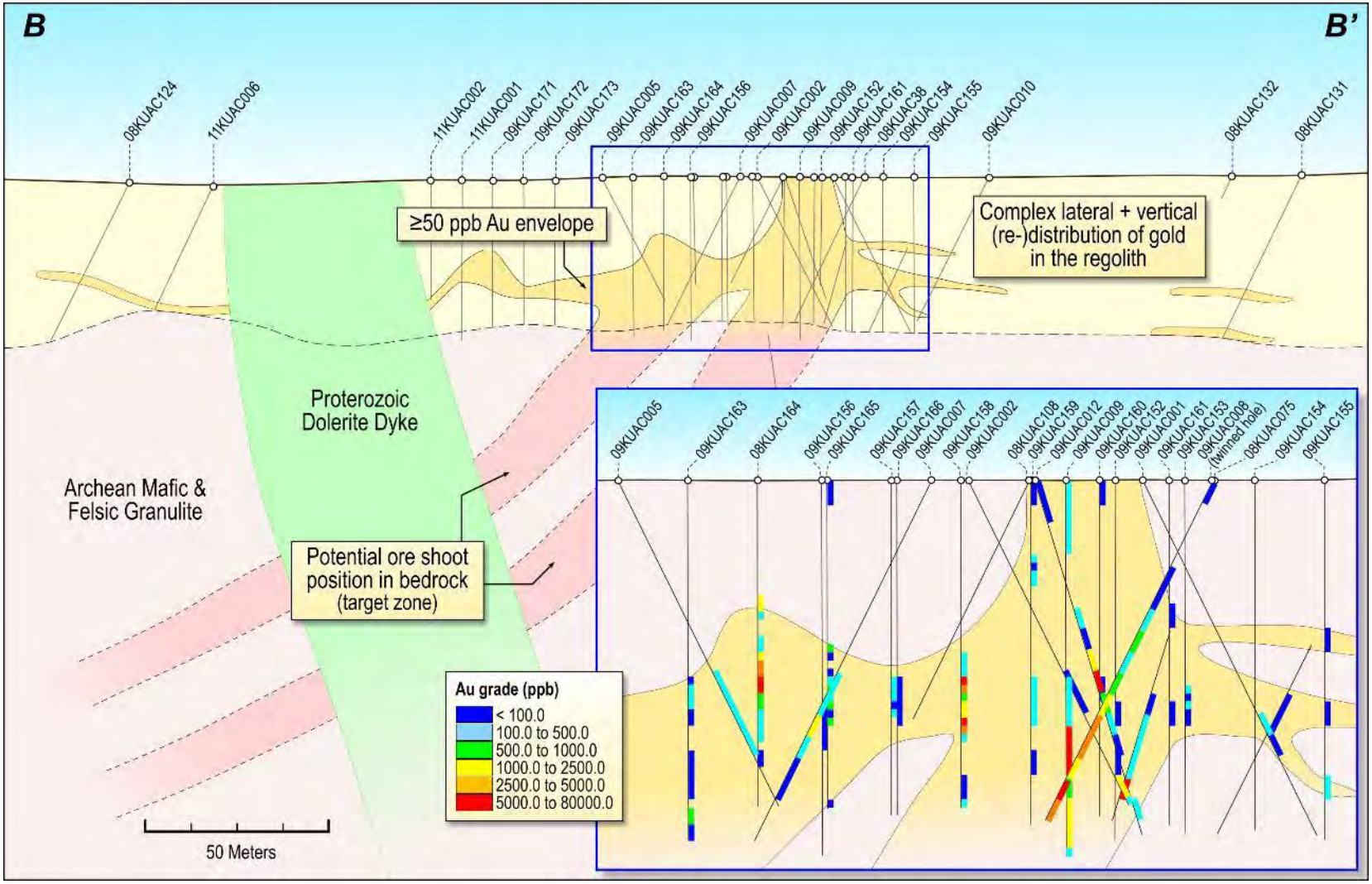

Figure 12: Long-section through the Bottleneck Prospect showing the possible position of the interpreted primary mineralisation shoot(s) and complex lateral and vertical redistribution of gold within the regolith
Source: Cygnus

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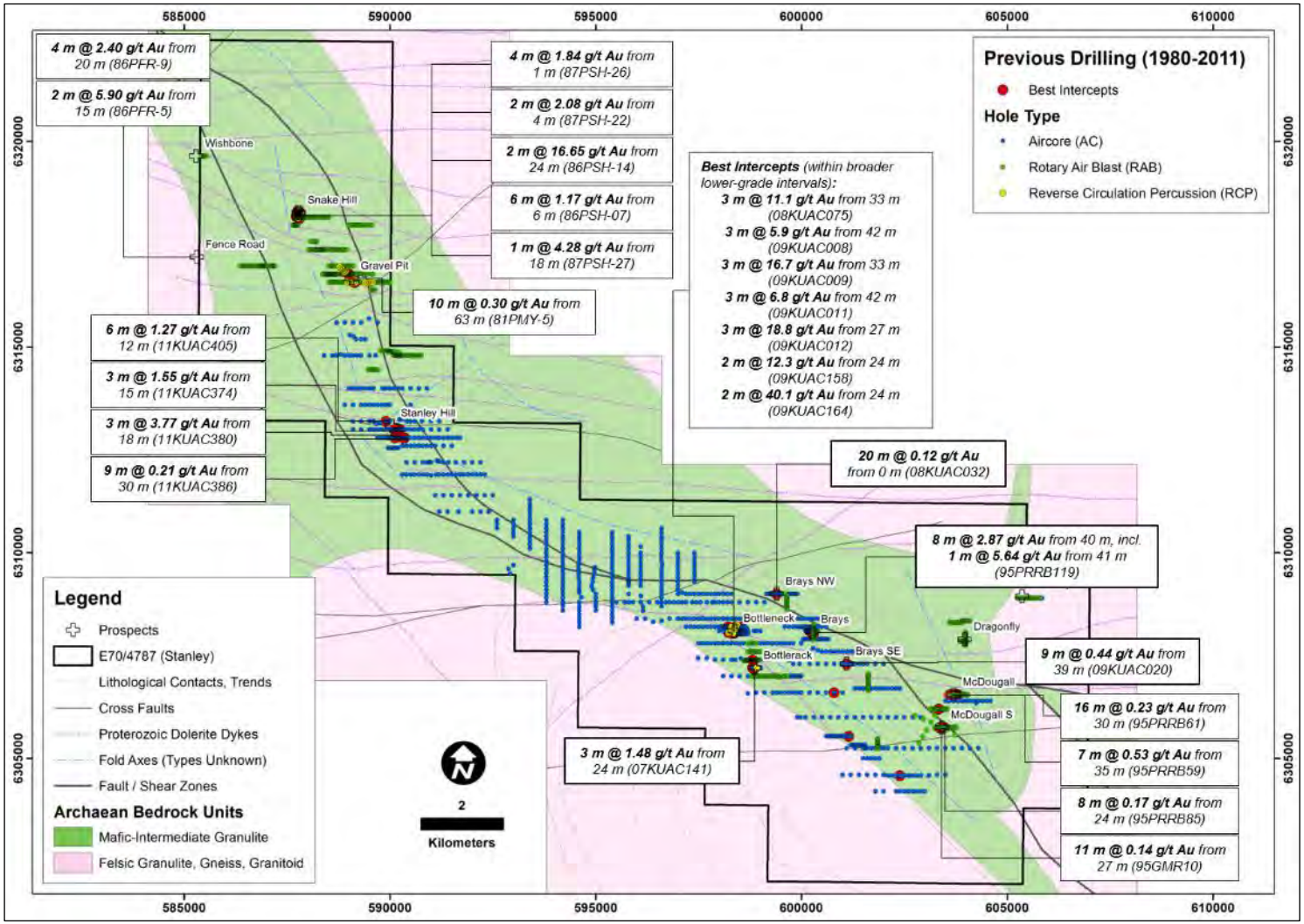

Figure 13: E70/4787 (Stanley Project), key drill results and prospects
Note: The geology interpretation is based on previous geological interpretations and geophysical interpretation and modelling by Cygnus as explained in Section 3
Source: Cygnus

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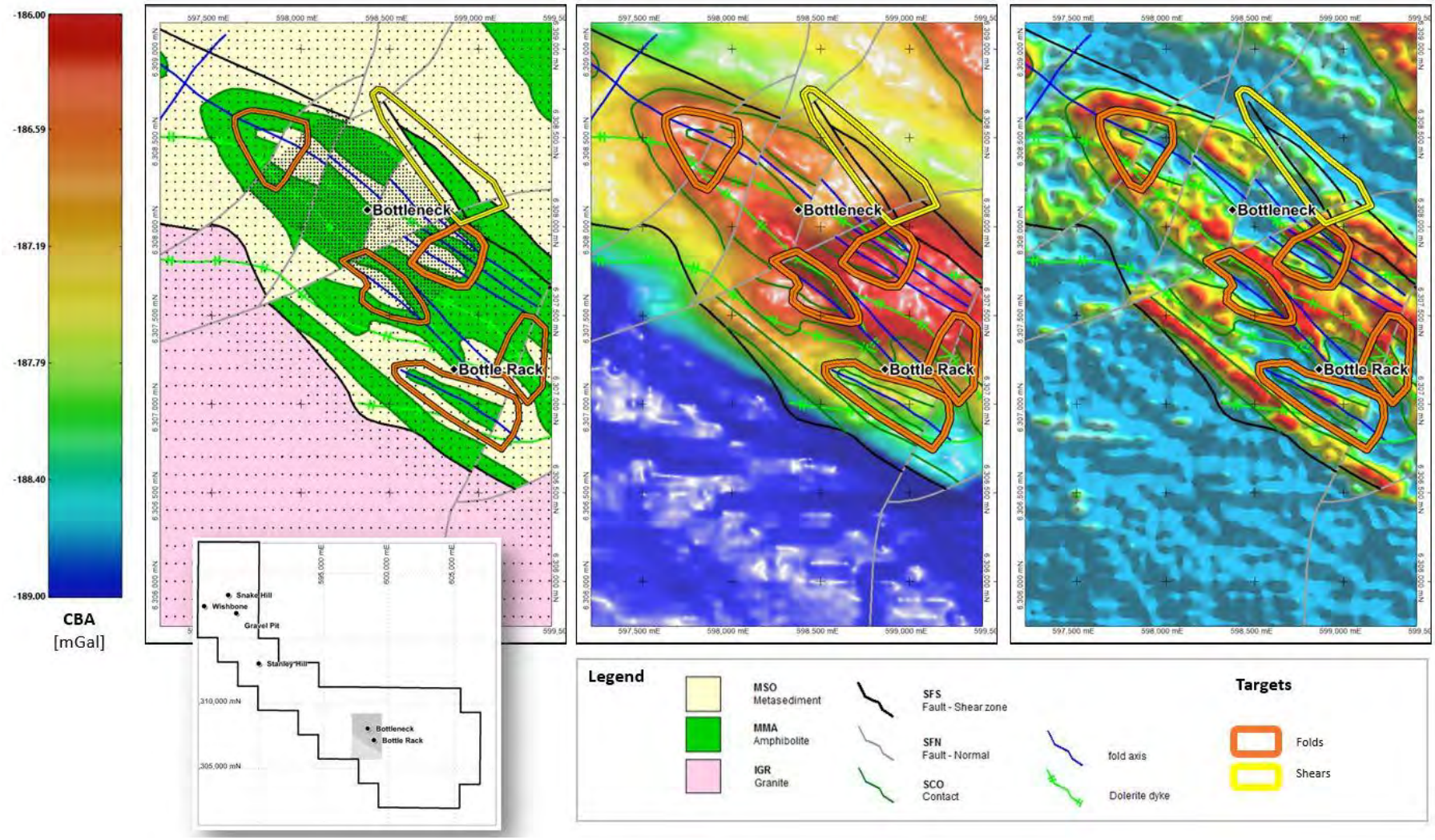

Figure 14: *E70/4787 (Stanley Project), ground gravity survey results and interpretation*
The location of the survey is shown relative to the larger tenement [inset bottom left]. The interpretation and target zones [left], the Bouguer gravity data [middle], and the first vertical derivative of Bouguer gravity [right]. The legend shows the features interpreted from the gravity [and magnetic] data. The colour bar is for the Bouguer gravity image [CBA].

Overall, CSA Global concurs with Cygnus that the Stanley Project offers excellent potential to host economic gold mineralisation. Cygnus interprets that the tenement contains at least 25 km of potential gold-hosting greenstone rocks as defined by geophysical and drill hole data and intermittent gold mineralisation. Mineralisation is likely closely related to the interpreted Kukerin Shear Zone.

Previous drill coverage is generally too broad spaced and too shallow to have adequately tested the regolith, and bedrock drilling is minimal. The median downhole depth of the 1,319 holes drilled by previous explorers within Cygnus's Stanley tenement is 34 m. Given that most of these holes were inclined (generally at -60°), the vertical rock column effectively tested by these holes would be even less. In addition, some 40% of the tenement is unexplored for gold mineralisation and these areas provide additional potential.

CSA Global notes that to date, most gold anomalism and mineralisation detected is located within the regolith or weathered bedrock profiles. At Bottleneck the gold mineralisation intersected in AC drilling is largely hosted within weathered bedrock (upper and lower saprolite). Weathering of largely sulphide hosted or sulphide related gold mineralisation typically enhances the primary grade by the removal of sulphides and increases the footprint by dispersion of gold, particularly in the upper regolith. On the positive side, gold hosted in regolith is generally non-refractory and easily processed. On the negative side, the primary mineralisation in fresh bedrock may be at least partially refractory and/or of low tonnes. At this stage, this primary bedrock information is largely lacking.

To determine this potential will require intensive bedrock interface AC or RAB drilling and well thought-out deeper exploration drilling. Cygnus believe that their "toolbox", which includes detailed ground gravity (enhanced by in-house processing) to track mafic rocks (greenstones) under cover, will give them an edge over previous explorers, and they also have the advantage of recent advances in the understanding of gold deposits located in high-grade metamorphic terranes.

An example of companies within the Lake Grace Terrane using similar exploration approaches is extracted from a recent announcement to the ASX by Explaurum Ltd (Explaurum) relating to the Tampia Project, as follows:

"Detailed density measurement collected from the recent drilling confirm the mafic gneiss that hosts the gold mineralisation at Tampia has a significantly higher density compared with the other lithologies present in the area. The main aim of the programme was to use the density data derived from logging drill core applied to the gravity programme data to map and interpret the distribution of the felsic and mafic lithologies at depth, and hence the exploration potential along strike and at depth from the known resource area. To date the geology of the area has been difficult to interpret due to poor outcrop in the area. A number of magnetic surveys have been conducted over the project area and have provided some structural information (Figure 2), but magnetic data have proved of limited use for mapping lithology." Source Explaurum ASX announcement, 12 April 2016.

5.1.6 Exploration Strategy

Cygnus has provided CSA Global with a clear exploration strategy to further test the known gold potential of the Stanley Project, which includes several gold prospects that have been confirmed as hosting multiple gold intersections. The Stanley Project includes Bottleneck, Bottlerack, and Stanley Hill where Cygnus has land access agreements in place with local landowners. These prospects, have previously returned multiple gold intersections in previous shallow drill programs.

Cygnus proposes to undertake further detailed ground gravity and ultra-high resolution airborne magnetic surveys across the Stanley tenement; and infill and step-out drilling programs at Bottleneck and Bottlerack. The latter will include a diamond drilling component aimed at verifying previous work and collecting lithological and structural information for better defining controls on the location of the gold mineralisation and mineralisation shoot plunges. The step-out drilling will initially incorporate Cygnus's Bottlerack prospect, located approximately 1 km to the south-southeast of Bottleneck, and test for the presence of gold mineralisation along the interpreted northwest extension of Bottleneck.

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Cygnus also plans detailed 'interface' AC drilling on up to six high priority structural targets identified in their ground gravity survey. Deeper RC and diamond drilling is planned to follow up anomalous results identified in the first pass drilling into Year 2.

RC and diamond drilling will continue at Bottleneck in Year 2 and will be accompanied by detailed geophysical surveys and potential drill testing of additional targets mentioned above and in areas of significant gold anomalism in previous auger and AC and RAB drilling to the south and north of Bottleneck including he Stanley Hill Prospect (Figure 8 and Figure 13)where land access agreements have been entered into on private land.

In addition, Cygnus will embark on a program of auger and/or AC drilling in areas of interpreted mafic granulite not previously tested but which are considered prospective due to the number of gold intersections achieved elsewhere within the tenement.

5.2 Kulin Project

5.2.1 Location, Access, Land Use

The Kulin tenement is centred some 15 km northwest of the township of Kulin. Access is excellent via a network of local roads servicing the farms and via local farm tracks. The physiography is flat and dominantly comprises cleared freehold farmland. The current land use is predominantly for grain crops, and sheep and cattle production.

5.2.2 Tenure

The Kulin Project comprises a granted Exploration Licence E70/4854 covering an area of 57 blocks or some 160 km². The tenement was granted on 29 November 2016 and expires on 28 November 2021 unless renewed.

5.2.3 Local Geology

Troy Resources NL (Troy) described the local geology as comprising a north-northwest to south-southeast trending belt of mafic and felsic granulite facies rocks interpreted to represent a high-grade metamorphic equivalent of the greenstone belts in the Southern Cross Province (WAMEX Report a82853).

Based on the processing, filtering and interpretation of magnetic and gravity data, Cygnus has defined what they believe is a 30 km-long and up to 2 km-wide metamorphosed greenstone belt underlying their tenement (Figure 15).

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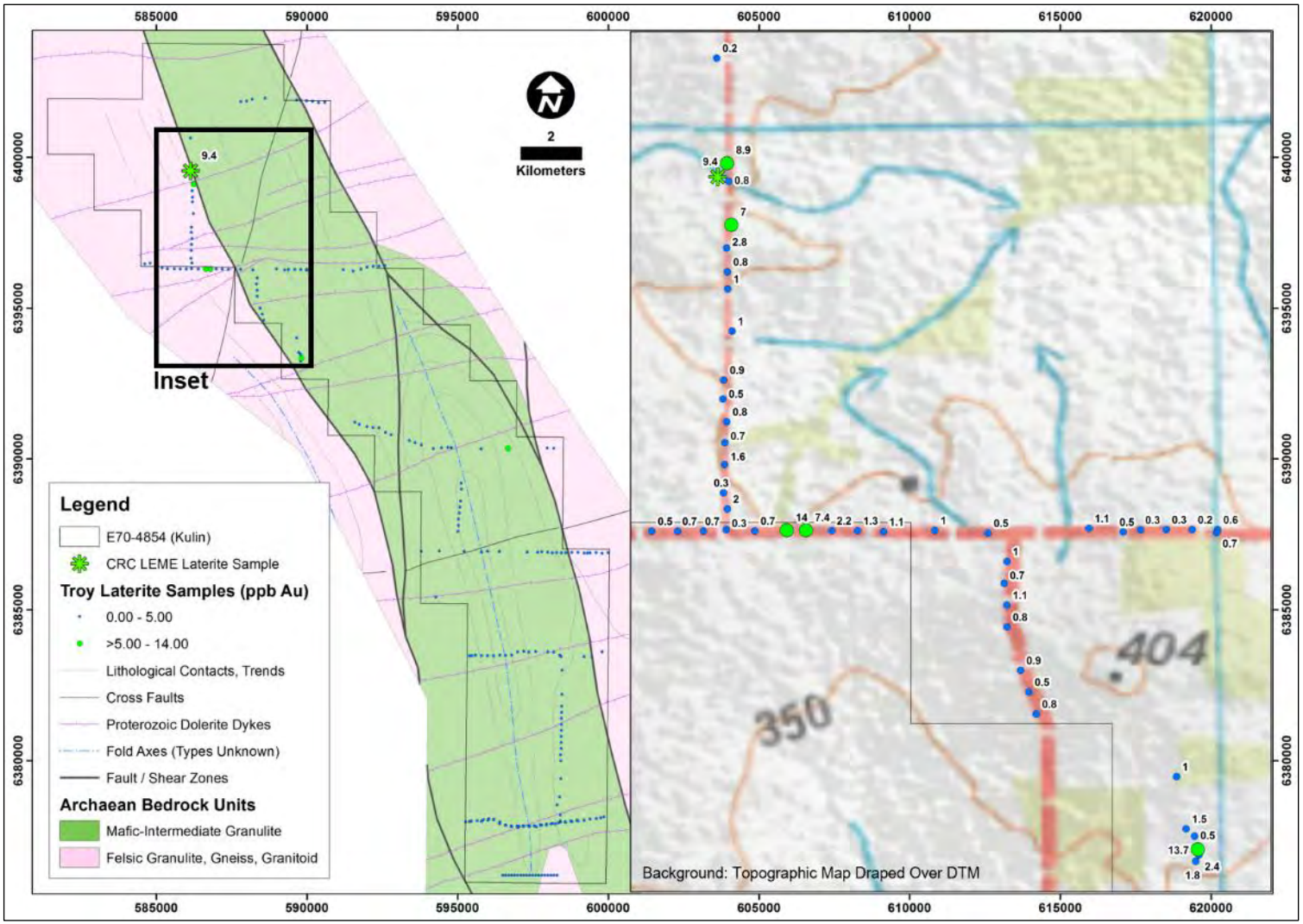

Figure 15: *E70/4854 (Kulin Project) showing previous lag sampling coverage and gold results*
Note: The geology is based on geophysical interpretation and modelling as explained in Section 3
Source: Cygnus

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5.2.4 Exploration History

Several companies are recorded as having held tenure over portions of Cygnus's E70/4854, including

- Western Mining Corporation Ltd (1980)
- Gem Exploration & Minerals Ltd (1984)
- Samedan Oil Corporation (1985)
- Associated Goldfields NL (1986 to 1989)
- Kestrel Mining NL (1987)
- Worsley Alumina Pty Ltd (1995)
- Raslot Pty Ltd (2001 to 2004)
- Troy Resources NL (2007 to 2009)
- Magnetic Resources NL (2010 to 2012).

However, according to the WAMEX data repository of the Western Australian Department of Mines and Petroleum (DMP), there is no exploration recorded by any of these companies over Cygnus's tenure except by Troy. There are no records of any prior drilling.

Troy held much of the area covered by Cygnus's tenure from 2007 and surrendered their tenure in May 2009 (WAMEX reports a079433 and a082853). Troy undertook an initial phase of exploration work that consisted of lateritic gravel sampling at 1,000 m spacing along roads and tracks within the area of the licence. This work was followed by two additional sampling campaigns that closed the sample spacing to 200 m along the road network. In total 529 samples were collected and submitted for assay.

Small pockets of lag-rich material occur along the road verges, which allowed relatively easy sampling. However most of the surface regolith is predominantly transported grey sand, often compacted into a hard cement-like layer. As a result, the lag sampling program often involved digging to a depth of approximately 1 m beneath the sand in an effort to identify suitable lag material for geochemical sampling. Approximately 65% of the planned sample sites yielded appropriate material for sampling. Samples consisted of approximately 1 kg of lateritic gravels, preferably of a pisolitic or nodular nature, that formed part of the lateritic residuum. Secondary lag formed from this gravel was selected as a next best medium. If none of the preferable material or secondary lag was available, no sample was collected. Samples were sieved, and the +2 mm fraction retained for assay.

Four gold-in-laterite anomalies were identified from this work (WAMEX Report a079433). The northernmost anomaly, with a peak value of approximately 8.9 ppb Au, is located immediately adjacent to an anomalous laterite sample (9.4 ppb Au) collected as part of a regional-scale laterite sampling program over the entire southwestern Yilgarn Craton by the Cooperative Research Centre for Landscape Environments and Mineral Exploration (CRC LEME) (Cornelius *et al.,* 2006). The sample collected within Cygnus's tenure is the ninth strongest gold-in-laterite anomaly obtained from over 5,000 samples collected over an area of approximately 500 km x 350 km Figure 15 shows the interpreted greenstone belt, the lag sampling coverage and Au results.

5.2.5 Targets and Exploration Potential

The principal target is the interpreted greenstone belt. The Troy lag and CRC LEME laterite sampling indicate some potential for gold mineralisation to be located within the Kulin tenement but at the current state of knowledge the exploration potential is largely conceptual.

5.2.6 Exploration Strategy

Cygnus has provided CSA Global with a clear exploration strategy to further test the gold potential of the Kulin Project.

Prior to land access agreements being signed, Cygnus propose to undertake airborne gravity and/or magnetic surveys to identify high priority targets, to be followed with auger drilling and subsequent drill testing. Samples will be assayed for a multi-element suite targeting gold.

5.3 Borden Project

5.3.1 Location, Access, Land Use

The Borden Project abuts the Wheatbelt town of Gnowangerup and encompasses the small township of Borden. Access is excellent via Gnowangerup-Jerramungup, Formby South and Chester Pass roads, and a network of local roads and farm tracks. The physiography is mostly flat with occasional low hills and dominantly comprises cleared freehold farmland. The current land use is predominantly for grain crops, and sheep production.

5.3.2 Tenure

The Borden Project tenement comprises a granted Exploration Licence E70/4912 covering an area of 167 blocks or some 475 km². The tenement was granted on 11 May 2017 and expires on 10 May 2022 unless renewed.

5.3.3 Local Geology

The Borden tenement straddles a northwest-southeast striking, crustal-scale fault zone that forms the boundary between the Boddington Terrane to the west and the Lake Grace Terrane to the east (Figure 2). The terrane-bounding fault zone is regarded as the backbone element of the plumbing system for the gold mineralisation in the area, such as the Katanning cluster of gold deposits approximately 45 km along strike to the northwest of Cygnus's E70/4912 (WAMEX Report a91175).

The tenement area is underlain by Archaean granitic and felsic and mafic gneissic (granulite) rocks (Figure 16). However, outcrop is scare due to surface weathering and very extensive cover commonly developed as thin sands and rocky soils over a stripped regolith profile of saprolitic clays. A remnant veneer of laterite is evident in areas of higher relief. Tertiary laterite overlying a thin unit of silicified sandstone and conglomerate is evident on top of some of the higher hills that represent the old land surface in the area. These hard-silicified remnants are interpreted as outliers of the Eocene Kojonup Sandstone.

Granitic rocks dominate to the west of the fault zone whilst gneissic rocks are more abundant to the east. The gneissic rocks are of high metamorphic grade, commonly banded and strongly schistose and include metamorphosed greenstone sequences represented by narrow belts of mafic and felsic granulite, quartzite and ironstone. Proterozoic dolerite dykes are abundant in the region, striking mainly east-northeast to west-southwest (WAMEX reports a24916, a70209, a91175, a96360, a106208).

5.3.4 Exploration History

Cygnus's Borden Project represents an almost unexplored proposition with no records of any prior drilling with past work having been limited to stream sediment and roadside soil sampling.

Between 1986 and 1988, AuDax Resources NL (AuDax) undertook a data review and completed an ultra-detailed airborne magnetic survey (450 line kilometres at 80 m line spacing), mapping, rock chipping (15 samples) and soil sampling (52 samples). This work identified two gold-in-soil anomalies (>1.25 ppb Au), up to 300 m wide and 800 m long, coincident with an interpreted fold structure and open at their eastern and western extremities (WAMEX reports a21452, a24916). Whilst AuDax's historical tenure overlaps the north-eastern part of Cygnus's E70/4912, none of the above work occurred within Cygnus's tenement but immediately north.

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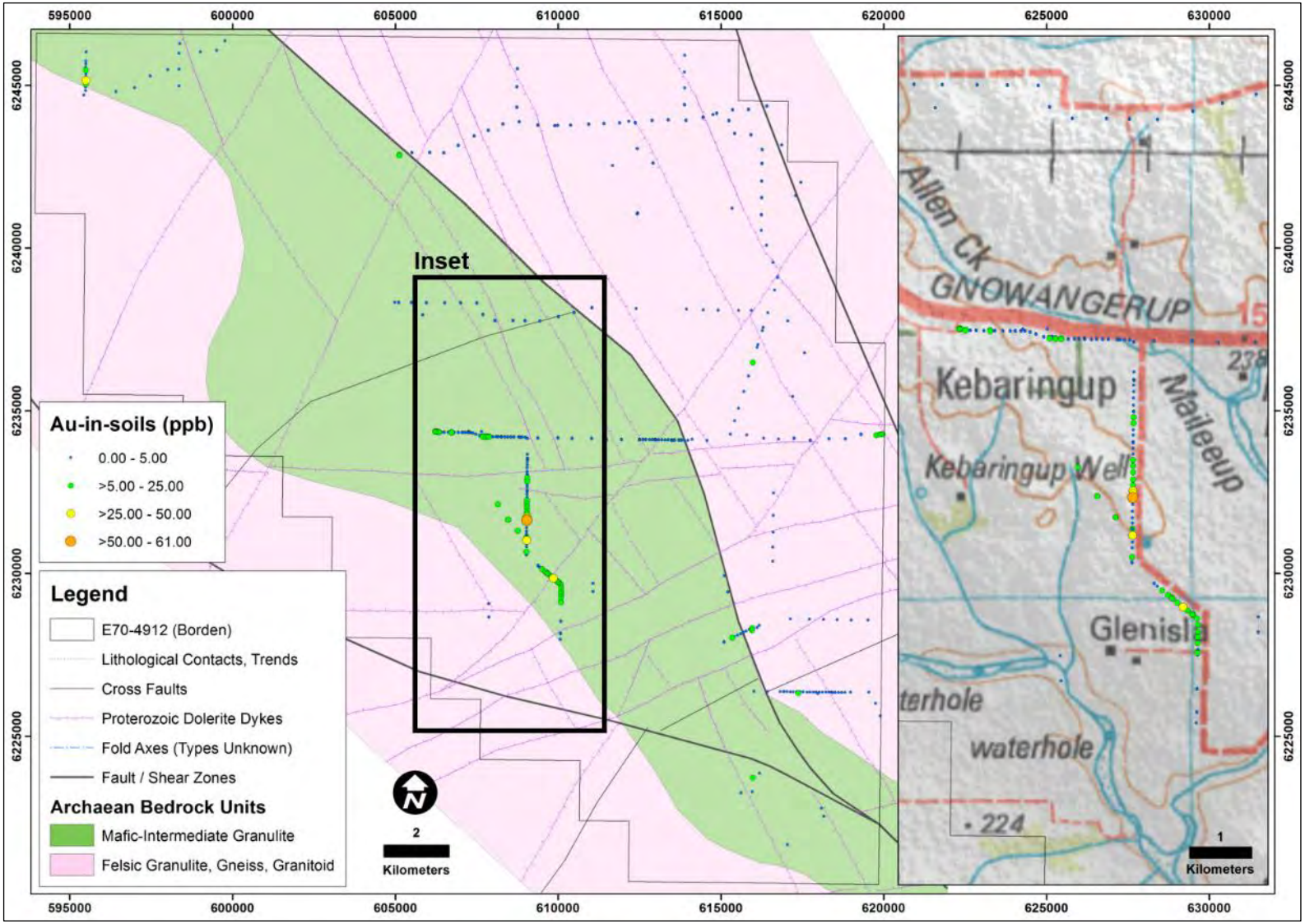

Figure 16: E70/4912 (Borden Project) showing previous soil sampling and gold results and the Glenisa Prospect (inset)
Note: The geology is based on geophysical interpretation and modelling as explained in Section 3
Source: Cygnus

Between 1999 and 2000, a small portion of the north-eastern corner of Cygnus's E70/4912 was explored by Tiger (WAMEX Report a60894). Again, the work occurred outside of Cygnus's tenement in the same area previously targeted by AuDax.

Between 2000 and 2005, Cygnus's Borden Project was explored by Dominion as part of their Southwest Yilgarn 'super-project', which encompassed 36 exploration licences for a total area greater 7,000 km² (WAMEX report a a62910, a65295, a65296, a65297, a65470, a67436, a68492, a68880, a69176, a69180, a69180, a69182, a69362, a69376, a70209, a70894).

Work undertaken by Dominion included roadside and infill soil sampling (by 2002 Dominion had collected more than 23,000 samples) and RAB, AC and RCP drilling (by 2002, Dominion had drilled over 1,600 holes for a total of greater than 49,500 m). Much of this work focused on new gold discoveries by Dominion at Nanicup Bridge and Bullock Pool. The only activity undertaken by Dominion within Cygnus's E70/4912 was roadside soil sampling, which defined the Glenisa gold-in-soil anomaly defined by three anomalous samples, 40 m to 60 m apart, that returned values from 29 ppb Au to 61 ppb Au (Figure 16).

Between 2010 and 2012, much of Cygnus's Borden Project was held by Ausgold Ltd (Ausgold) as part of their much larger Katanning South Project (WAMEX reports a91175, a96360). Work undertaken within Cygnus's E70/4912 and elsewhere within the Katanning South Project included a prospectivity review and targeting by external consultants, the collection of 1,149 soil and 95 stream sediment samples and geochemical and geological interpretation and targeting. Of these, 697 soil and 41 stream sediment samples were taken within Cygnus's Borden tenement. Ausgold duplicated many of the soil sampling locations previously sampled by Dominion but failed to replicate even the strongest gold-in-soil anomalies identified by Dominion. Given their decade-long experience in regolith sampling in this region, Dominion's soil geochemistry results are considered more reliable than Ausgold's until further check sampling is undertaken.

Between 2012 and 2014, a small portion of Cygnus's Borden Project was evaluated by Auzex Exploration Ltd (Auzex) (WAMEX Report a100130). No work was undertaken in this area by Auzex other than desktop-based gold prospectivity modelling aimed at identifying new exploration targets.

5.3.5 Targets and Exploration Potential

The principal target is the interpreted greenstone belt. The Dominion soil sampling (up to 61 ppb Au at Glenisa: Figure 16), and the occurrence of the Katanning gold deposit cluster in a similar geological and structural setting 45 km along strike to the northwest indicates the potential for gold mineralisation within the Borden tenement, but at the current state of knowledge the exploration potential is largely conceptual.

5.3.6 Exploration Strategy

Cygnus has provided CSA Global with a clear exploration strategy to further test the gold potential of the Borden Project.

Prior to land access agreements being signed, Cygnus propose to undertake airborne gravity and/or magnetic surveys to identify high priority targets, to be followed with auger drilling and subsequent drill testing. Samples will be assayed for a multi-element suite targeting gold.

5.4 Burracoppin Project

5.4.1 Location, Access, Land Use

The Burracoppin tenement is centred some 25 km east-northeast of the regional Wheatbelt service town of Merredin and immediately adjacent to the township of Burracoppin. Access is excellent via the Great Eastern Highway that crosses the tenements and a network of local roads servicing farms and local farm tracks. The physiography is flat and dominantly comprises cleared freehold farmland. The current land use is predominantly for grain crops.

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A renewable energy project, the Collgar windfarm, encroaches on the southernmost portion of Cygnus's E77/2405 where 36 of the 111 wind turbines of the Collgar venture are located.

The 1.4 Moz Au Edna May gold mine (historical production 555 koz, plus existing Mineral Resources of approximately 848 koz, ref: Evolution Mining website), currently owned and operated by Ramelius Resources Ltd (Ramelius), is located approximately 4 km from the north-eastern corner of Cygnus's Burracoppin Project.

5.4.2 Tenure

The Burracoppin Project tenement comprises a granted Exploration Licence E77/2405 covering an area of 70 blocks or some 205 km². The tenement was granted on 3 May 2017 and currently expires on 2 May 2022 unless renewed.

5.4.3 Local Geology

Cygnus's Burracoppin Project is underlain by Archaean granite and greenstone that were metamorphosed to amphibolite and granulite facies grade (Figure 17). Outcropping bedrock is rare with the area being dominated by an intensely developed regolith rarely more than 50 m thick. Gravel pits and farm dam exposures demonstrate that transported sediments occur even on hilltops. Some of these transported sedimentary deposits have a weathered granitic appearance. Hence, it is likely that areas that in the past were mistakenly interpreted to be underlain by granite are underlain by greenstone lithologies (WAMEX reports a84076, a101937).

5.4.4 Exploration History

Cygnus's Burracoppin tenement recorded a greater than 30-year exploration history that started in 1982. Given the proximity (approximately 4 km) of the north-eastern boundary of E77/2405 to the 1.5 Moz Au Edna May gold mine, the number of historical tenements that previously existed at Cygnus's Burracoppin Project is substantial. A WAMEX database search returned 80 historical mineral exploration open-file reports for Cygnus's E77/2405. Many of these reports exist in hardcopy format only. However, a cursory data review suggests that only few of the 80 reports are relevant, with most describing exploration activities that focussed on the nearby Edna May gold mine.

Detailed data compilation from the WAMEX open-file reports is ongoing. However, Cygnus's review of key reports linked to historical drilling activity within E77/2405 is at a more advanced stage (Figure 17), with the current status of knowledge presented below.

Between 2009 and 2010, Catalpa Resources Ltd (Catalpa) embarked on a drilling program (AC, RAB, RCP and DD) both at Edna May and regionally (WAMEX Report a87827). Only two short AC drill holes, BWA028 (10 m downhole length) and BWA029 (6 m downhole length), are located within Cygnus's Burracoppin Project. Neither of the drill holes returned any anomalous results, however drill hole BWA028 ended in transported sands and drill hole BWA029 in silcrete.

Between 2010 and 2014, most of Cygnus's Burracoppin Project was held by Enterprise Metals Ltd (Enterprise), which explored the area for magnetite iron, gold, platinum group metals and base metals (WAMEX reports a90428, a93797, a93879, a97794, a98497, a98573, a98860, a100065, a101937, a104197, a105931). Work undertaken during the period within Enterprise's greater 615 km² landholding included geological mapping, rock chipping (467 samples), soil sampling (1,876 samples), a detailed airborne magnetic survey (east-west flight lines 100 m apart and north-south flight lines 1,000 m apart; 50 m mean terrain clearance) and geophysical interpretation, and RAB and RCP drilling. Based on the geophysics, Enterprise identified a 20 km-long and up to 6 km-wide, intense magnetic feature called "The Duck". Limited drilling indicates that the magnetic signature is caused by magnetite within highly metamorphosed mafic and possibly ultramafic rocks. Between 2010 and 2014, Enterprise completed a total of 118 drill holes within Cygnus's Burracoppin tenement for a total of >3,086 m, including 103 RAB and AC holes for approximately 2,630 m and 15 RCP holes for 456 m. None of these holes returned any anomalous intersections.

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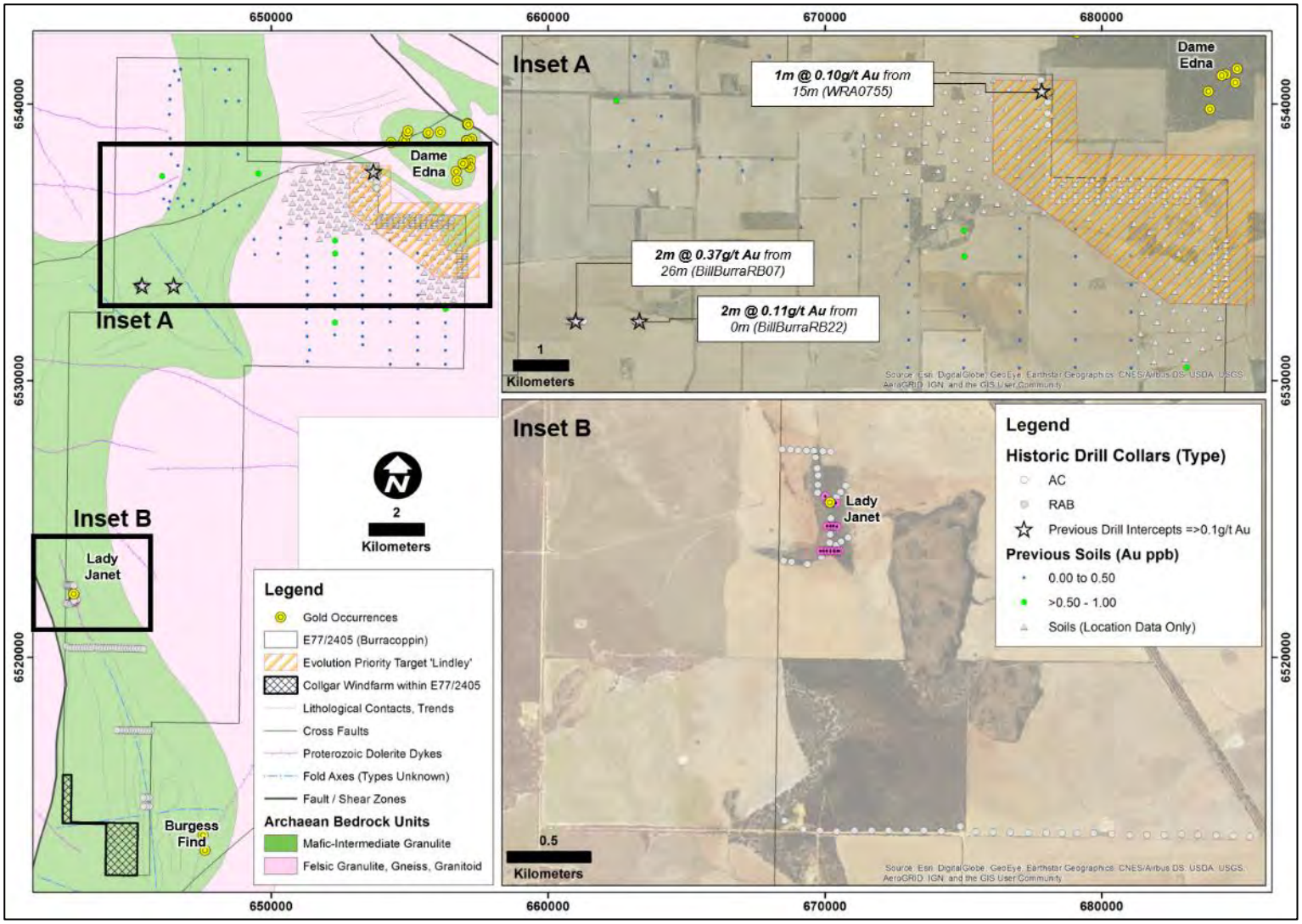

Figure 17: E77/2405 (Burracoppin Project) showing the location of previous drilling as compiled by the DMP, Government of Western Australia (i.e. open file mineral exploration drill holes)
Note: The geology is based on geophysical interpretation and modelling as explained in Section 3
Source: Cygnus

Between 2010 and 2015, the north-eastern portion of Cygnus's E77/2405 was explored by Evolution Mining Ltd (Evolution), the former owner and operator of the nearby Edna May gold mine, as part of the Westonia Project (WAMEX Report a106120). Evolution reported previous exploration at their Westonia Project was extensive and included airborne and ground magnetic surveys, detailed mapping, dump sampling, soil sampling and limited RAB and RCP drilling.

According to Evolution, previous explorers relied heavily on surface geochemical techniques. Evaluation of these data by Evolution demonstrated that much of the shallow drilling and surface sampling undertaken by previous explorers had been over transported colluvium, which had been sufficiently lateralised to appear in-situ and that bedrock geochemistry will likely be masked and potentially unrelated to the gold anomalies within the areas of lateritised transported colluvium cover sequences. Evolution concluded that deep RCP drilling is the only practical method of obtaining geochemical data and evaluating the gold prospectivity of interpreted greenstone belts under this cover. Therefore much (or most) of the previous work may be considered ineffective for detecting bedrock gold mineralisation.

Work undertaken by Evolution within Cygnus's E77/2405 was limited to soil sampling (85 samples with a maximum of 8 ppb Au) and shallow RAB drilling (five holes, WRA0754 to WRA0758, for a total of 80 m). The drilling did not return any significant results, however none of the holes penetrated the (potentially transported) regolith.

An additional 240 soil samples have been collected within Cygnus's E77/2405, possibly by a precursor to Evolution. Whilst the locations of these soil samples are known from WAMEX Report a106120 (Figure 17) the assay results have not been located at the date of this report. The soil samples were collected in the NE portion of Cygnus's E77/2405, where Evolution identified an "untested prospective target" (p. 19: WAMEX Report a106120) referred to as Lindley (Figure 21). Despite Evolution's finding that soil geochemical results in the Burracoppin area may not necessarily be related to local bedrock sources, Evolution interpreted the soil geochemical results at Lindley in terms of "*a clear north west trending anomalous Au trend […] that coincides with the magnetic structure of the area*". Evolution went on to "rank this area [Lindley] as one of the most prospective areas throughout the Westonia Greenstone Belt" (p. 17: WAMEX Report a106120). Approximately 80% of this untested priority target known as the Lindley is located within Cygnus's E77/2405.

5.4.5 Targets and Exploration Potential

The principal target at Burracoppin is the interpreted greenstone belt. No specific gold targets have been defined by Cygnus within the Burracoppin tenure but the location of the Edna May gold mine immediately to the northeast, and the Burgess Find gold deposit immediately to the east is very encouraging. Initial reconnaissance work by Cygnus will focus on evaluating Lindley (Figure 17), a gold target previously identified by Evolution, and the Duck's Beak, a syenite intrusion recognised by Enterprise. Syenite stocks are important gold deposit hosts in Archaean granite-greenstone terranes in both Australia and Canada.

5.4.6 Exploration Strategy

Cygnus has provided CSA Global with a clear exploration strategy to further test the gold potential of the Burracoppin Project.

Prior to land access agreements being negotiated, Cygnus propose to undertake airborne gravity and/or magnetic surveys to identify high priority targets, to be followed with auger drilling and subsequent drill testing once access agreements are signed. Samples will be assayed for a multi-element suite targeting gold.

5.5 Frankland Project

5.5.1 Location, Access, Land Use

The Frankland tenement is located between the towns of Frankland River to the east and Tenterden to the west. Access is excellent via the Albany Highway and a network of local roads servicing farms, and local farm

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tracks. The physiography of the area is flat to undulating and dominantly comprises cleared freehold farmland and eucalypt forest. The current land use is predominantly for grain crops, and sheep and cattle production.

5.5.2 Tenure

The Frankland Project tenement comprises a granted Exploration Licence E70/4910 covering an area of 114 blocks or some 323 km². The tenement was granted on the 9 May 2017 and currently expires on 8 May 2022 unless renewed.

5.5.3 Local Geology

In the Frankland tenement, the Yilgarn craton is in fault contact with the northern margin of the Albany-Fraser Orogen (Figure 18). The contact zone, known as the Northern Foreland, is defined as a portion of the Yilgarn Craton that has been reworked by the Albany-Fraser Orogeny, reflecting its position immediately to the north of this collisional orogenic belt (Spaggiari *et al.,* 2009).

Much of Cygnus's Frankland Project area is covered by recent, unconsolidated aeolian sands and colluvium and massive and pisolitic laterite. Outcrop within the area has been reported as extremely poor with only minor Archaean and Proterozoic basement outcrops having been recorded, including scattered Archaean biotite adamellite and granite in the Frankland River area of Cygnus's E70/4910 and Archaean (± porphyritic) biotite adamellite and granite and Proterozoic sandstone and quartzite of the Stirling Range Formation in the Tenterden area.

5.5.4 Exploration History

The first historical exploration record for Cygnus's Frankland Project is the work by Defiance Mining NL (Defiance) in the period 1998 to 1999 (WAMEX Report a58949). During this period, Defiance explored the area for Mount Isa-style Cu-Pb-Zn deposits in Proterozoic rocks of the Albany-Fraser Orogen. Work undertaken during the period included roadside laterite sampling (109 samples). However, none of the sampling occurred within Cygnus's Frankland Project.

Between 1998 and 1999, the southwestern corner of Cygnus's E70/4910 was explored by Homestake Gold of Australia Ltd (Homestake) (WAMEX Report a59704). During the period, Homestake collected 793 pisolite samples across its entire project area, of which only seven returned assays >3 ppb Au. However, the base metal assay results were considered encouraging. Compilation by Cygnus of the Homestake surface geochemistry data, which are available in hardcopy format only, is ongoing (Figure 18).

From late 1999 to 2001, Rio Tinto Exploration Pty Ltd (Rio Tinto) farmed into the project previously operated by Homestake (WAMEX reports a62005, a63132, a66494). The main attraction for Rio Tinto, which targeted Broken Hill-type base metal mineralisation, was the widespread base metal anomalism previously identified by Homestake.

Work undertaken by Rio Tinto included landholder access consultation and negotiation, desktop studies (including geophysical interpretation), re-assaying of pre-existing Homestake sample pulps (793 samples), lag surface sampling (318 samples), rock chip sampling (24 samples), regolith mapping (two areas), RAB and AC drilling (93 holes for a total of 1,868 m) and rehabilitation. Results from the drilling program were disappointing, with a maximum of 550 ppm Cu and 1,650 ppm Zn intersected in separate drill holes. None of the field activities occurred within Cygnus's Frankland tenement other than the collection of 27 roadside soil samples. However, these samples were not assayed for gold (Figure 18).

Between 2013 and 2015, the area of Cygnus's Frankland Project was explored by Windward Resources Ltd (Windward) (WAMEX Report a105532). Work completed by Windward during the period was limited to regional roadside geochemical soil sampling, infill sampling and priority targeting. A total of 160 soil samples were collected within Cygnus's Frankland tenement (Figure 18). Gold assay values ranged from 3 ppb Au to 12 ppb Au.

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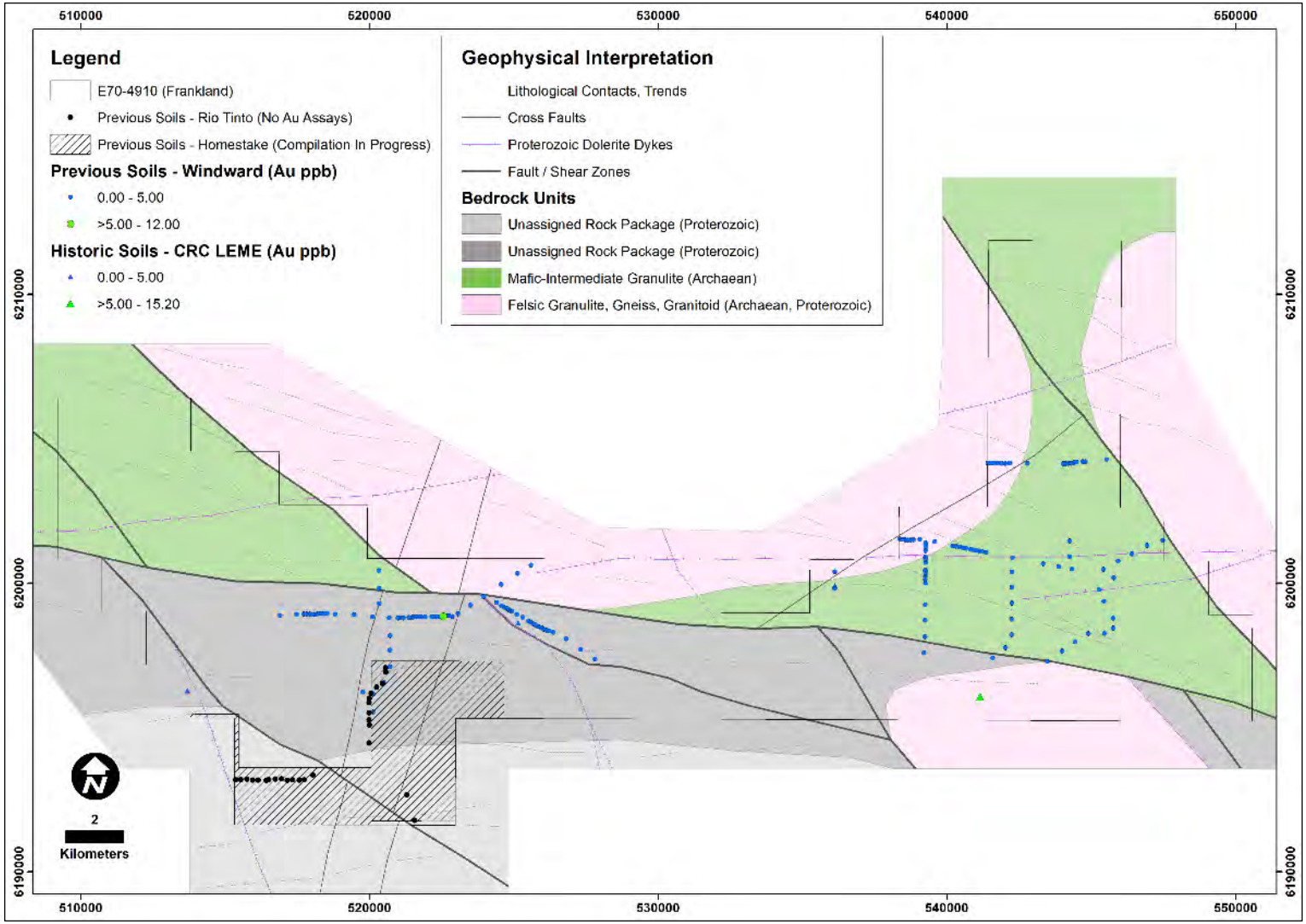

Figure 18: *E70/4910 (Frankland Project) showing interpreted greenstone rocks and previous soil samples.*
Note: The geology is based on geophysical interpretation and modelling as explained in Section 3. A major crustal-scale structure, the boundary fault between the Archaean Yilgarn Craton to the north and the Northern Foreland zone of the Albany-Fraser Orogen to the south.
Source: Cygnus

A laterite sample collected at Frankland (Figure 18) as part of a regional-scale laterite sampling program over the entire southwestern Yilgarn Craton by the CRC LEME (Cornelius *et al.,* 2006) returned a value of 15.2 ppb Au. This value is the sixth strongest gold-in-laterite anomaly obtained from over 5,000 samples collected over an area of approximately 500 km x 350 km.

5.5.5 Targets and Exploration Potential

The principal target are the interpreted greenstone belts and the reworked margin of the Archaean Yilgarn Craton. At the current state of knowledge, the exploration potential is largely conceptual.

The Frankland tenement straddles the southern margin of the Yilgarn Craton, bounded by crustal-scale structures, interpreted from gravity data. The tenement covers an area where terrain-wide northwest and north-northwest structures intersect the craton margin, coincident with an interpreted greenstone sequence, and elevated gold geochemistry.

Cygnus is principally targeting gold mineralisation similar in style to the Tropicana gold deposit, which is located in a similar geological environment in the Company's opinion. Refinement of the mineral systems model for this area will be possible with the acquisition of higher resolution gravity data.

5.5.6 Exploration Strategy

Cygnus has provided CSA Global with a clear exploration strategy to further test the gold potential of the Frankland Project.

Prior to land access agreements being signed, Cygnus propose to undertake airborne gravity and/or magnetic surveys to identify high priority targets, to be followed with auger drilling and subsequent drill testing. Samples will be assayed for a multi-element suite targeting gold.

5.6 Bullock North Project

5.6.1 Location, Access, Land Use

The Bullock North tenement is located in between the town of Katanning to the east and Nyabing township to the west (Figure 19). Access is excellent via Katanning-Nyabing Road and a network of local roads servicing farms, and local farm tracks. The physiography of the area is flat to undulating and dominantly comprises cleared freehold farmland and marshland. The current land use is predominantly for grain crops, and sheep and cattle production.

5.6.2 Tenure

The Bullock North project comprises a granted Exploration License E70/4952 with an area of 24 blocks or some 69 km^2. The tenement was granted on the 16 October 2017 and currently expires on 15 October 2022 unless renewed.

5.6.3 Local Geology

The Bullock North tenement straddles the boundary between the Boddington Terrane to the west and the Lake Grace Terrane to the east. However, only minor disjointed outcrop, comprising Proterozoic dolerite and Archaean felsic to mafic granulites and gneisses, has been recorded in the area. Hence, the bedrock geology is poorly known (WAMEX Report a98155).

The regolith in the area is essentially stripped and thin rocky soils over fresh to partially weathered bedrock dominate. Topographic lows within the gently undulating terrain are dotted with salt lagoons such as Bullock Pool that form part of a wide, ancient drainage system dominated by recent alluvium up to several metres thick. Underlying the alluvial sediment are plastic clays and gravels of varying thickness, recorded in bedrock drilling and salt drains in the area. Deeply weathered saprolite is common beneath the overburden to depths

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of 50 m with an average of ~30 m. Tertiary laterite overlying silicified sandstone and conglomerate of the Eocene Kojonup Sandstone is common on top of some of the higher hills in the area which represent the old land surface (WAMEX Report a98155).

5.6.4 Exploration History

Whilst the northern tip of Cygnus's E70/4952 was held previously (from 1983 to 1994) by several parties, including Otter Exploration NL, Renison Ltd, Gold Fields Exploration Pty Ltd, Associated Gold Fields NL, and Glengarry Mining NL (WAMEX Reports a13222, a13223, a15054, a20803, a20804, a24146, a27761, a37407, a37408, a39659, a39660, a42037). None of these explorers undertook any work within this portion of Cygnus's Bullock North Project. The exploration efforts by these companies was focused at Jinkas Hill, Dingo Hill and other prospects to the north of Cygnus's E70/4952.

Between 1986 and 1987, the southern tip of Cygnus's E70/4952 was explored by Audax Resources NL ("Audax") (WAMEX Report a21452). Work by Audax within Cygnus's Bullock North Project was limited to a detailed airborne magnetic survey flown at a height of 45m and with a line spacing of 80 m.

From 1999 to 2013 Cygnus's E70/4952 was explored by Quadrio, a wholly owned subsidiary of Dominion that was subsequently acquired by Caravel Minerals Ltd. From 2011 to 2013, exploration by Quadrio was undertaken in joint venture with Ausgold (WAMEX Reports a61658, a65470, a67436, a69362, a73589, a86934, a98155). Quadrio and Ausgold completed widespread surface geochemical sampling (several 1,000's of samples), airborne and ground magnetic and IP surveys, 230 auger drill holes targeting in-situ soils and calcrete and more than 1,050 AC holes, 300 RAB and 35 RC holes. However, apart from surface geochemical sampling most of this work was aimed at the Bullock Pool Prospect ~5 km to the south of Cygnus's Bullock North project.

A total of 949 surface geochemical soil, laterite and calcrete samples were collected within Cygnus's E70/4952. Seven of these samples returned assay values equal to or greater than 10 ppb Au, with a maximum value of 25ppb Au. Most samples (n = 492) yielded 0.5 ppb Au or less. However, as pointed out by Quadrio "many samples in past exploration were collected in an ineffective fashion (e.g. surface nodular calcrete)" (WAMEX Report a98155) and most surface geochemical samples collected within Cygnus's E70/4952 probably represent transported cover given the presence of a broad Tertiary drainage channel.

Previous auger drilling (n = 37 holes) across a topographic high in the northern part of Cygnus's Bullock North Project returned anomalous assay values up to 41 ppb Au, which is considered significant. The only drill hole within Cygnus's E70/4952 is 04BPAC004, a vertical, 46m deep AC drill hole (WAMEX Report a73589). The drill hole did not intersect any significant gold mineralisation.

5.6.5 Targets and Exploration Potential

The principal target at Bullock North is the interpreted greenstone belt. Whilst at the current state of knowledge the exploration potential is largely conceptual, the occurrence in a similar geological and structural setting to the Katanning gold deposit cluster 7 km to the NNW, and the Bullock Pool gold occurrence some 3 km to the south, indicates there is potential for gold mineralisation within the Bullock North tenement.

Interestingly, at Bullock Pool a close association was observed by previous explorers between surface gold geochemistry and elevated thorium readings seen in radiometric data. Both the geochemistry and radiometrics define two distinct anomalous trends viz. a main NNW-SSE and a subordinate NE-SW trend. It was postulated that "this association may be related to a similar genetic model to the Boddington [gold-copper] deposit" (WAMEX Report a98155), where the anomalous thorium may be indicative of the presence of a late granitoid ['mineralising'] stock, (Hagemann *et al.*, 2007). CSA Global notes that a similar relationship between elevated thorium and gold-in-soil and gold-in-auger values, as noted at Bullock Pool, is evident in the northernmost portion of Cygnus's Bullock North tenement.

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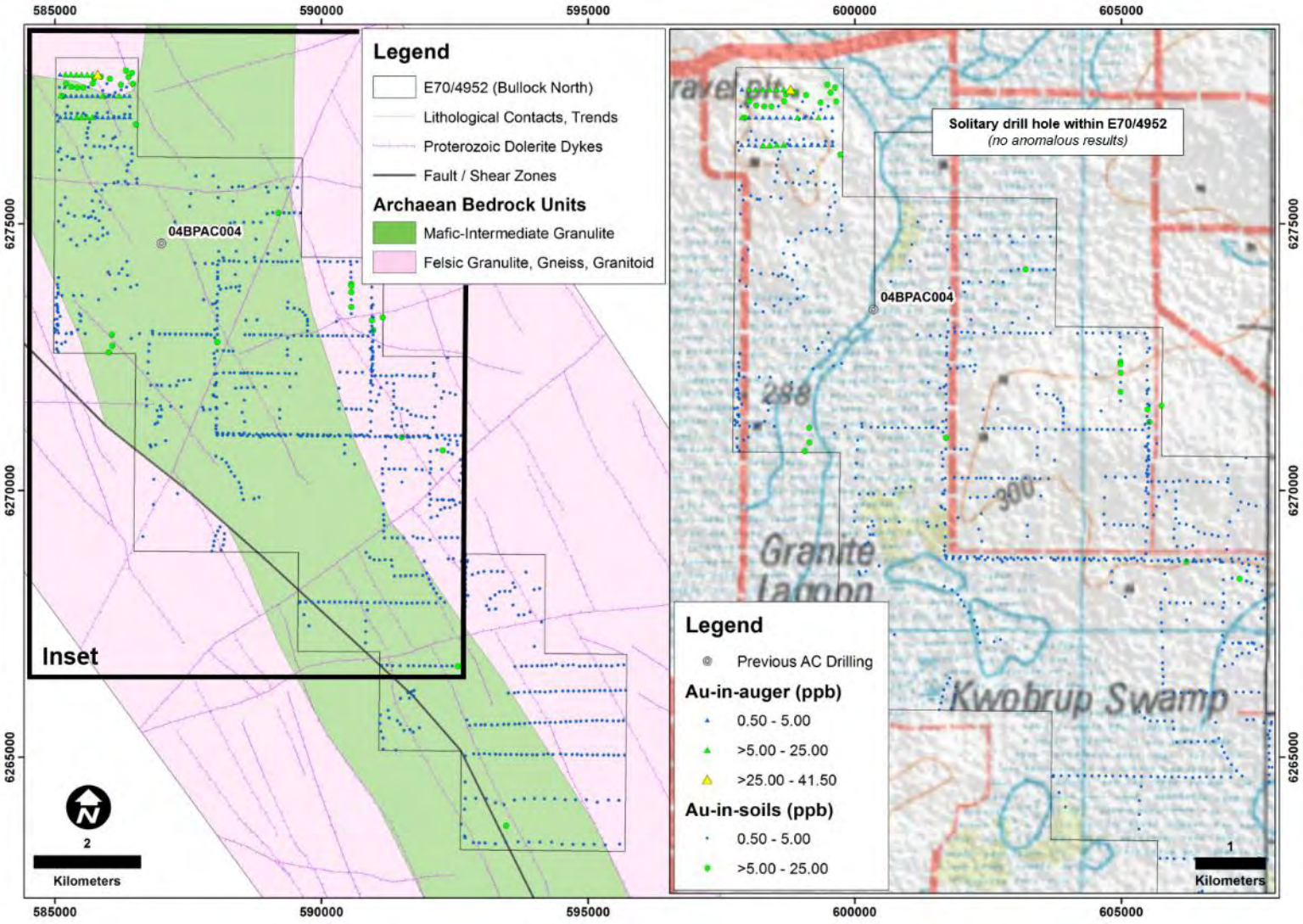

Figure 19: Bullock North Project
showing interpreted greenstone rocks and previous soil and auger samples, and drilling. The geology is based on geophysical interpretation and modelling as explained in Section 3.
Source: Cygnus

5.6.6 Exploration Strategy

Cygnus has provided CSA Global with a clear exploration strategy to further test the gold potential of the Bullock North Project.

Prior to land access agreements being signed, Cygnus propose to undertake airborne gravity and/or magnetic surveys to identify high priority targets, to be followed with auger drilling and subsequent drill testing. Samples will be assayed for a multi-element suite targeting gold

5.7 Bencubbin Project

5.7.1 Location, Access, Land Use

Cygnus's Bencubbin tenement is located between the townships of Kununoppin to the south and Bencubbin to the north, and approximately 50 km north-west of Merredin and 220 km north-east of Perth. Good access is provided via Nungarin-Wyalkatchem Road, which connects to the Great Eastern Highway, and a network of local public roads, private roads and fence lines. The physiography of the area is flat to undulating and dominantly comprises cleared freehold farmland and marshland. Granite outcrops along the eastern boundary of Cygnus's Bencubbin tenement form prominent peaks such as Mt Stevens and Billyacatting Hill. The current land use is predominantly for grain crops and sheep production.

5.7.2 Tenure

The Bencubbin project consists of one Exploration License Application, E70/4988, covering an area of 34 blocks or some 100 km^2.

5.7.3 Local Geology

Cygnus's E70/4988 is centred upon a 10 km-long section of the north-south to northwest-southeast -striking, west-dipping Bencubbin Greenstone Belt. The belt, which has been dismembered by faults and shear zones, is a significant feature up to 5 km wide and at least 70 km long. However, gravity data suggest a possible strike length of 130 km. Outcrop is generally poor, although near Bencubbin (to the north of Cygnus's E70/4988) the belt crops out over a strike length of approximately 20 km.

The greenstone successions of the Bencubbin Greenstone Belt mainly comprise amphibolite and BIF with ultramafic schist having been recorded in the southern part of the belt. The commonly schistose, fine- to medium-grained amphibolite is composed of hornblende, plagioclase and minor sphene and interpreted as a series of metamorphosed basaltic flows. Banded iron formation, which marks the eastern and western margins of the greenstone belt, have been described as medium-grained, sugary textured, quartz-magnetite-hematite rock with strong compositional layering. The greenstone successions are flanked by schistose biotite gneiss of adamellite, granodiorite and hornblende-diorite composition that range in age from 3100 to 2800 Ma and are locally intruded by post-peak deformation granitoid and adamellite intrusions, forming irregular plutons (WAMEX Reports a73305, a85895) Figure 20.

At the Jefferies gold prospect rafts of quartz-muscovite-fuchsite schist have been identified in outcrop associated with thin BIF and other metasedimentary units, flanked by granitic rocks. Previous diamond drilling in this same area identified a high-grade metamorphic assemblage of sillimanite and andalusite rimmed by cordierite and spinel probably related to contact metamorphism associated with granite intrusion. A garnet sillimanite rock has also been identified near the contact with the granites (WAMEX Reports a73305, a87615).

Gold mineralisation at Jefferies appears to be late, with gold related wall rock alteration, comprising white mica, chlorite and sulphides, overprinting high-grade metamorphic mineral assemblages (WAMEX Reports a73305, a87615).

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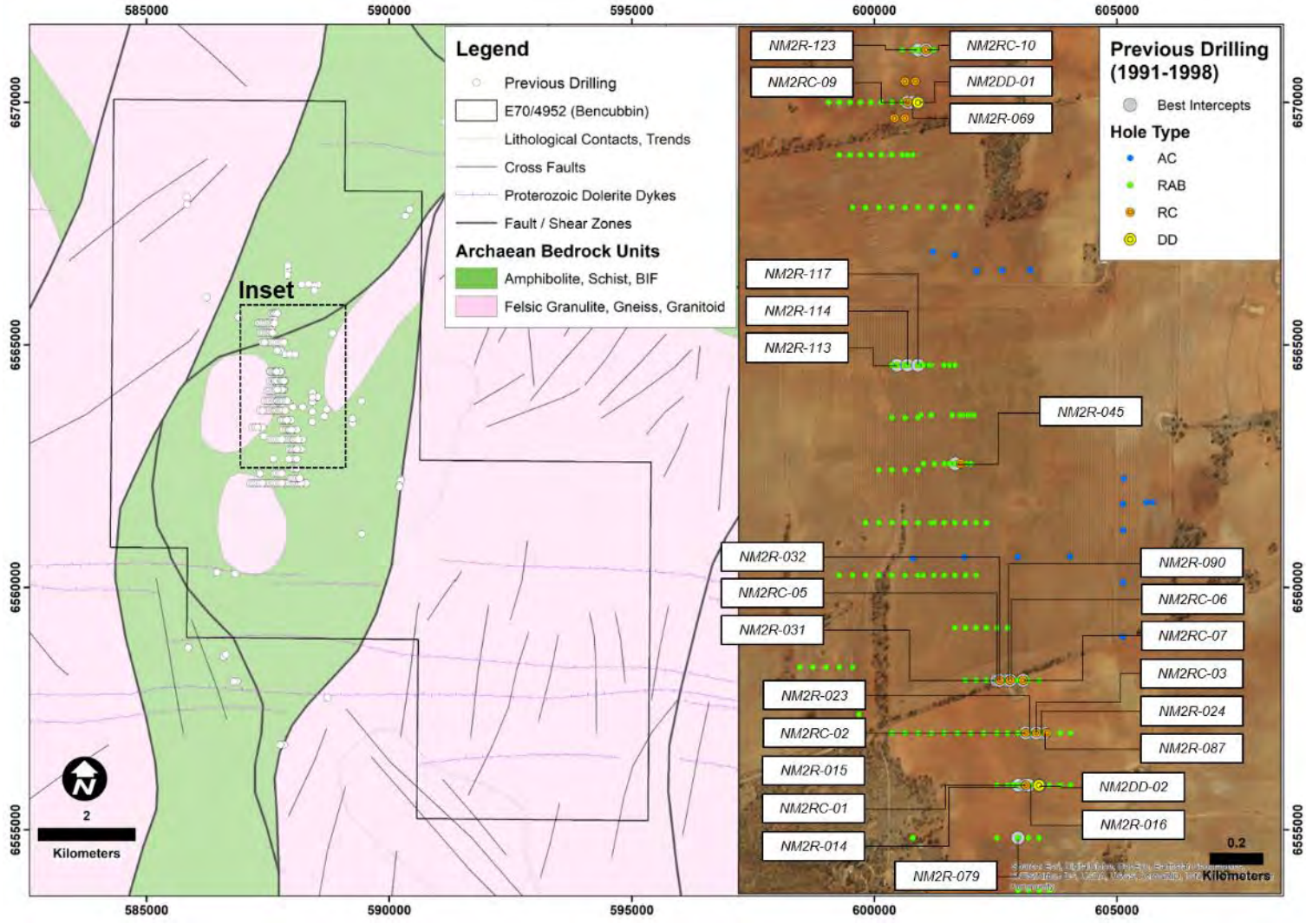

Figure 20: Bencubbin project showing interpreted geology and previous drilling. The geology is based on geophysical interpretation and modelling as explained in Section 3, and information provided in WAMEX Reports a75751 to a75752, a76183, a79804, a79954, a81371, a84230, a84853, a85895, and a87615. The inset map shows the main area of drilling, a breakdown of drill holes according to type, and the locations of the best intercepts in the previous drilling. Table 3 provides a summary of these intercepts. (Source Cygnus)

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5.7.4 Exploration History

The earliest record of exploration at E70/4952 is by CRA Exploration Pty Ltd (CRAE), which from 1991 to 1992 held most of the area of Cygnus's Bencubbin tenement as part of their Merredin Super Project. This project stretched from Bencubbin in the north to Kukerin in the south, covering "a major north-south structural corridor [of ~300 km strike length] similar to those hosting the Laverton, Kalgoorlie - Kambalda and Forrestania Goldfields" (WAMEX Report a38750). Work undertaken by CRAE included an airborne magnetic and radiometric surveys, geological and regolith mapping, laterite, soil and drainage sampling, ground magnetics and extensive auger, RAB, RC, AC and DD drilling (Figure 21). The geochemical sampling defined a strong BLEG Au-in-soil anomaly at the North Merredin II prospect (also known and referred to in this report as Jefferies). This was confirmed and further defined by auger drilling as a strong, >3.5 km-long anomaly with assay values up to 566 ppb Au broadly coincident with the contact between the greenstone belt and an ovoid granitoid intrusion. The significance of this anomaly is indicated by 256 (or 57%) of the 443 auger samples having returned assay values equal to or >20 ppb Au, 111 (25%) having returned values of 50 ppm or greater, and 46 (10%) having returned values >100 ppb Au.

Initial RAB (119 holes) and DD (2 holes for a total of 420 m) drilling by CRAE at the Jefferies prospect intersected up to 12 m at 1.96 g/t Au from surface in hole NM2R-113 and 13 m at 0.62 g/t Au from 42 m to EOH, including 2 m at 3.36 g/t Au from 52 m in hole NM2R-014. Subsequent RC drilling (10 holes for a total of 927 m) only outlined broad zones of sub-economic grade mineralisation such as 34 m at 0.33 g/t Au from 60 m (hole NM2RC05), including 2 m at 1.14 g/t Au from 66 m and 2 m at 1.19 g/t Au from 72 m. However, the drilling was not exhaustive and the holes were possibly misaligned given that they were drilled towards 270° (i.e., towards the west) and thus subparallel rather than orthogonal to the west-dipping greenstone belt successions. The more significant results of the drilling by CRAE at the 3.5 km-long Jefferies Au-in-auger anomaly are listed in Table 3.

Table 3: Bencubbin anomalous gold drill intersections (vertical RAB holes)

Hole no.	MGA north	MGA east	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
NM2R-014	588,020	6,562,849	52	54	2	3.36	55 m EOH
NM2R-015	588,060	6,562,849	36	42	6	1.22	
NM2R-023	588,060	6,563,049	6	8	2	3.80	
NM2R-024	588,100	6,563,049	24	26	2	1.12	
NM2R-032	587,980	6,563,249	12	15	3	1.26	
NM2R-045	587,782	6,564,074	32	36	4	1.57	
NM2R-069	587,620	6,565,449	26	28	2	1.10	
NM2R-090	587,979	6,563,249	36	37	1	1.30	37 m EOH
NM2R-113	587,560	6,564,449	0	12	12	1.96	
NM2RC-02	588,050	6,563,049	26	28	2	1.15	
NM2RC-05	587,950	6,563,249	66	68	2	1.14	
			72	74	2	1.19	
NM2RC-09	587,600	6,565,450	20	22	2	1.09	
			64	66	2	1.10	
			70	72	2	1.01	
NM2DD-01	587,640	6,565,449	109	111	2	2.60	
			119	120	1	2.50	
			146	147	1	3.00	
NM2DD-02	588,100	6,562,849	137	138	1	1.01	

Notes: Intersections ≥1.00 g/t Au, minimum width 1 m, maximum 2 m internal waste, true intersection width unknown.

Between 1996 and 1999, the area of Cygnus's E70/4952 was explored by Astro Mining NL (Astro) as part of their greater 10,000 km^2 Merredin Super Project (WAMEX Reports a52763 to a52767, a54018 and a59228). Astro's work mainly focused on diamond exploration, although towards the end of its exploration program the company switched to gold and base metals exploration. Work undertaken by Astro during the period included geochemical and petrographic studies, reconnaissance mapping, airborne magnetic and remote sensing surveys, aerial photography and AC (52 holes for a total of ~3,087 m), RAB (84 holes for a total of 1,101 m) and RC (four holes for a total of 360 m) drilling. No significant gold results were returned from any

of these holes, many holes were not assayed for gold and the RC drill holes were not assayed at all. The best results of Astro's drilling within Cygnus's E70/4952 were returned from AC holes MERA-3 (28 m at 0.15% Ni + 0.18% Cr from 48 m to EOH) and MERA-5 (9 m at 0.1 g/t Au from 39 m). No additional drilling has been undertaken at Jefferies or anywhere else within Cygnus's E70/4952 since the 1998 Astro drilling.

From 2005 to 2010, Cygnus's E70/4952 was explored by Heron Resources Ltd (Heron) (WAMEX Reports a73305 to a73307, a73328 and a74815) and Rubicon Resources Ltd (Rubicon) (WAMEX Reports a75751, a75752, a76183, a79804, a79954, a81371, a84230, a84853, a85895, and a87615), which acquired Heron's Bencubbin and Bencubbin South projects in 2005(?). Initial field reconnaissance by Heron of the Jefferies prospect identified small outcrops of a ferruginous quartz breccia along strike from CRAE's RAB hole NM2R-113 (12 m at 2.15 g/t Au from surface). Rock chip samples taken from these outcrops returned assay values between 0.25 g/t and 12.9 g/t Au. Work undertaken by Rubicon included compilation of open-file data, acquisition and interpretation of geophysical data, geological mapping and rock chip and soil auger sampling, some of which occurred outside Cygnus's E70/4952. No drill targets were defined by either company.

Between 2010 and 2013, the northern and southern parts of Cygnus's Bencubbin tenement were investigated by Reedy Lagoon Corporation Ltd (Reedy) and joint venture partner Cliffs Asia Pacific Iron Ore Pty Ltd (Cliffs) for their detrital magnetite iron ore potential (WAMEX Reports a90475, a90479, a94010, a94011, a98662 and a98663). Exploration activities during the life of the project, part of Reedy's and Cliffs' Bullamine Joint Venture, included a review of open file magnetic and radiometric data, acquisition, processing and interpretation of Falcon (gravity gradiometer) and magnetic data acquired by airborne surveying and limited field investigations.

5.7.5 Targets and Exploration Potential

The immediate target at Bencubbin is the Jefferies gold prospect, defined by a significant, >3.5 km-long auger gold anomaly, anomalous rock chip assays up to 12.9 g/t Au (sample BEN-13) and wide, anomalous gold intercepts up to 12 m at 2.15 g/t Au from surface (drill hole NM2R-113). Despite the encouraging previous results, the Jefferies Prospect remains underexplored and, apart from generally shallow AC and RAB drilling, has only been tested by two DD and 14 RC holes (note: four of the RC holes drilled by Astro were not assayed). In addition, no auger soil sampling or drilling have been undertaken to test the potential for gold mineralisation at Jefferies to extend further towards the south or south-west along the interpreted granite-greenstone contact.

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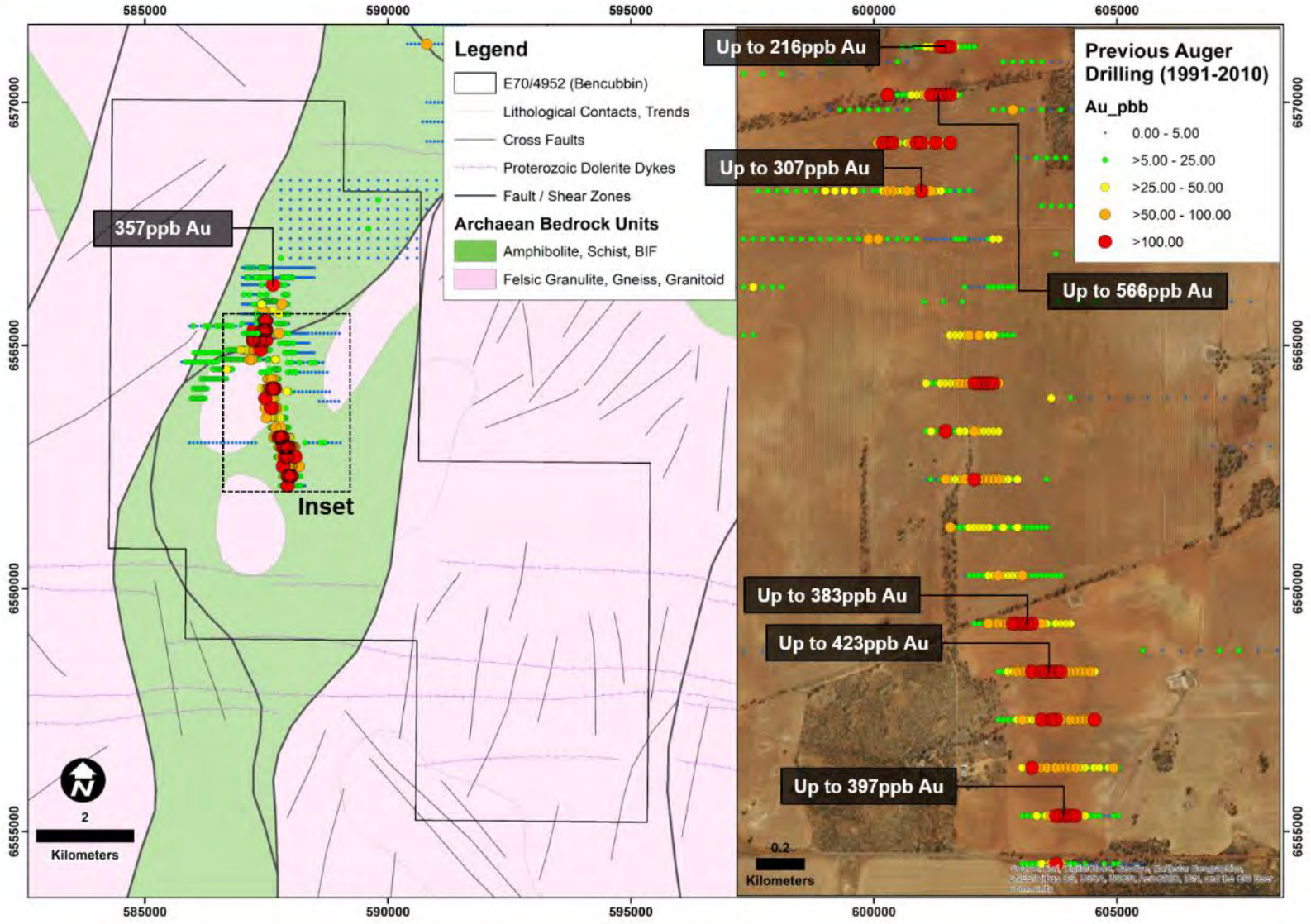

Figure 21: Bencubbin project showing interpreted geology and previous auger samples. The geology is based on geophysical interpretation and modelling as explained in Section 3, and information provided in WAMEX Reports a75751 to a75752, a76183, a79804, a79954, a81371, a84230, a84853, a85895, and a87615. (Source Cygnus)

5.8 Burracoppin North Project

5.8.1 Location, Access, Land Use

Cygnus's Burracoppin North tenements are located 50km east-north-east of the regional Wheatbelt service town of Merredin and ~20 km north of the township of Burracoppin. Access is excellent via Rabbit Proof Fence Road, which connects to nearby Great Eastern Highway, and a network of local public roads servicing farms in the area. The physiography is flat and dominantly comprises cleared freehold farmland and marshland. The current land use is predominantly for grain crops. The 1.4 Moz Au (historical production 555 koz, plus existing Mineral Resources of approximately 848 koz, ref: Evolution Mining website) Edna May gold mine, currently owned and operated by Ramelius, is located ~12 km south of the south-east corner of Cygnus's Burracoppin North tenure.

5.8.2 Tenure

The Burracoppin North project consists of two Exploration License Applications, E70/4992 and E77/2463, covering a combined area of 143 blocks or some 422 km^2. The Burracoppin North project is contiguous with Cygnus' Burracoppin project (Section 5.4)

5.8.3 Local Geology

In contrast to most other projects held by Cygnus, Burracoppin North is not located in the Southwest Terrane but in the Murchison Domain of the Youanmi Terrane (Figure 2).

Cygnus's Burracoppin North tenements cover the north-western extension of the west-northwest – east-southeast striking and steeply north-dipping Westonia greenstone belt, which is comprised of high-grade amphibolite to granulite facies metamorphic rocks (mainly amphibolite, massive and strongly magnetic ultramafic rocks, quartz-biotite-muscovite schist and sulphidic quartz-feldspar-biotite gneiss) disrupted by granitic gneiss, granitoid and Proterozoic dolerite dykes. The area is dominated by gently undulating topography with isolated lateritic breakaways preserved on an intensely developed regolith comprising deeply weathered soils, colluvium and alluvium. Gravel pits and farm dam exposures reveal transported sediments even on hill tops. Outcropping bedrock outcrop is rare (WAMEX Reports a14914, a20937, a72431, a105607).

The nearby Edna May mine, the largest known gold deposit in the Westonia greenstone belt, has a distinctive Au-W-Mo ore element association and is hosted by an uncommon sulphidic quartz-feldspar-biotite gneiss (WAMEX Report a14914).

A similar gneiss has been described from Dicks Reward, a group of historic gold diggings within Cygnus's tenure. Gossanous, granular quartz veins exposed at Dicks Reward are associated with an up to 2 m-wide ferruginous (probably sulfidic) domain in the felsic host gneiss. Also exposed at Dicks Reward are ironstone and schist (WAMEX Reports a14914, a18714, a20937, a24325, a28416, a31179). The Dicks Reward prospect covers a >2 km-long weakly magnetic horizon (known as M1) interpreted from airborne magnetics. A similar parallel, >5 km-long horizon (M2) occurs ~1.3 km to the south. A large, 3 km-long and up 1 km-wide hook-like magnetic feature ~1.5 km to the west of M1 has been interpreted as BIF or a lens of ultramafic rock.

Anomaly 47, described as "a complex folded and faulted structure trending east-south-east over a distance of 1,500 m", occurs ~1.5 km to the north of the M1 magnetic horizon and is marked by a >2.5 km-long and up to 0.7 km-wide gold-in-soil anomaly ranging from >10 ppb Au to >25.5 ppb Au (WAMEX Report a 72431).

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5.8.4 Exploration History

In 1984, part of Cygnus's E77/2463 was held by Delta Gold NL (Delta) (WAMEX Reports a14914, a18714) as part of their greater Westonia project. Work by Delta included a literature review, geological mapping, surface geochemical sampling, detailed airborne magnetics and (stratigraphic) RAB drilling within the Edna May mine corridor. Dicks Reward, within Cygnus's E77/2463, was proposed as an exploration target. However, no work was undertaken by Delta within Cygnus' tenure.

From 1985 to 1988 part of Cygnus's E77/2463 was held by Australian Consolidated Minerals Ltd (ACM) (WAMEX Reports a15354, 17469, a20532, a24890, a25610, a27079, a27081, a30257) as part of their Westonia, Della Bosca's and Bodallin, North Walgoolan projects. During the period ACM completed geological mapping, (BLEG) soil sampling, airborne and ground magnetic surveys, an IP survey, geophysical interpretation, and RAB and RC drilling. None of these activities occurred within Cygnus's tenure.

In 1985, Gold Fields Exploration Pty Ltd (Gold Fields) (WAMEX Report a15354) entered the Westonia district. Whilst their Bodallin project, subject to geological mapping, rock chip sampling, vacuum and auger drilling, covered part of Cygnus's E77/2463 no work was undertaken by Gold Fields within Cygnus's tenure.

Between 1983 and 1984 Australian Anglo American Ltd (AAA) (WAMEX Report a16696) explored the Westonia district, including part of Cygnus's E77/2463, in the search for alluvial gold deposits. No work was undertaken by AAA within the area of Cygnus's Burracoppin North project.

From 1986 to 1990, much of Cygnus's E77/2463 was held by Aurex Pty Ltd (Aurex) (WAMEX Reports a20937, a24325, a28416, a31179) as part of Dicks Reward project. The latter was subject to an option agreement between Aurex (later known as ACM Gold Ltd), Orion Resources NL and Samedan Oil Corp.

Initial rock chip sampling and RAB drilling by Aurex was disappointing, having returned a maximum assay value from Dicks Reward of only 3 ppb Au. However, the arsenic (up to 170 ppm As) and tungsten (up to 103 ppm W) results were considered anomalous.

Subsequent work within the greater area comprised airborne magnetic and radiometric surveying, ground magnetic surveying, rock chip, stream sediment (n = 16), soil (n >1,150) sampling, auger drilling (n = 802), shallow RAB drilling (163 mostly vertical holes for a total of 1,902 m) and petrographic studies. The soil sampling program returned highly anomalous results with a peak assay value of 2,745 ppb Au and nine additional samples >100 ppb Au. Two of the best soil assays (2,745 ppb Au and 1,115 ppb Au) were obtained from a prospect named Anomaly 47, "a complex folded and faulted structure trending east-southeast over a distance of 1,500 m". Subsequent RAB drilling at Anomaly 47 returned 1 m at 1.21 ppm Au from surface in hole DRA057 and 2 m at 0.78 ppm g/t Au from 6 m in hole DRA109, and with petrographic studies confirming the presence of mafic and felsic granulite. Follow-up RC drilling returned a best result of 2 m at 1.14 g/t Au from 16 m in hole DRC011. A mineragraphic study of the drill chips identified marmatite (an opaque variety of sphalerite), chalcopyrite, pyrite, and pyrrhotite in metasomatised (K-feldspar and silica altered) felsic granulites derived from fine-grained acid intrusives. Re-assaying of some of the drilling samples from Anomaly 47 for base metals returned a best intercept in hole DRC027 of 4 m at 1% Pb, 0.14% Zn and 24 g/t Ag within a 26 m zone from surface to EOH, aggregating 0.42% Pb, 0.23% Zn, 12 g/t Ag and 0.12 g/t Au.

BHP Minerals Pty Ltd (BHP) (WAMEX Report a22068) was active in the Westonia district from 1986 to 1987, having undertaken field reconnaissance, rock chip sampling, ground gravity surveying and RC drilling. However, BHP's Warralakin Project covered only a small portion of E77/2463 with none of the above work having occurred within Cygnus's tenure.

Since the late 1980s exploration companies have been attracted to the Westonia district by the gypsum and alunite clay resource potential of the region's playa lakes. Between 1987 and 2010, the Chandler Lake alunite clay deposit at the southern end of Cygnus's E70/4992 was subject to auger drilling, reconnaissance RAB drilling, Mineral Resource and Ore Reserve estimations, metallurgical test work, engineering, and scoping, prefeasibility and feasibility studies by Wolstencroft & Associates (WAMEX Report a22765), Boorara Mining Ltd (WAMEX Report a32791), RC Sadleir Pty Ltd (WAMEX Reports a40516, a66729) Welcome Stranger Mining Company NL (WAMEX Reports a45610, a46603, a49341, a49400, a51430, a54067, a57646, a59004), WSM Ltd (WAMEX Report a60149), Tyson Resources Ltd (WAMEX Reports a68456, a68457, a74899) and M Ruane (WAMEX Report a72523, a78343, a81443, a85641). And between 1995 and 1998, Cambrian Resources NL

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(WAMEX Reports a47958, a51907, a54295) carried out field reconnaissance and RAB drilling (111 holes for a total of 1,925 m) to the north of Chandler Lake exploring for alunite and gypsum.

Between 1993 and 1994, Dominion (WAMEX Report a42034) investigated the potential for metamorphosed polymetallic VMS deposits at the Dicks Reward and Anomaly 47 prospects, which the company held as part of their Westonia Project. In particular, Dominion noted similarities between the geological settings of Anomaly 47 and the large Geco copper-zinc VMS deposit (58.4 Mt at 3.45% Zn, 1.86% Cu, 0.15% Pb, 50 g/t Ag), which is hosted by amphibolite to granulite facies felsic gneisses of the Manitouwadge Greenstone Belt (Ontario, Canada). Work by Dominion at Dicks Reward and Anomaly 47 was limited to rock chip and soil sampling (n = 78). Based on the new surface geochemistry data and a review of previous work, Dominion concluded that any VMS deposit that may exist in the area would most likely occur either along strike of or down dip from the previously identified base metals anomalies.

In 1994, Equinox Resources NL (Equinox) entered into a joint venture with Dominion over their Dicks Reward Project that formed the northern most extension of Equinox's greater Westonia Project, which covered the entire Edna May mine corridor (WAMEX Reports a45118, a48628, a54523, a55409).

Work undertaken by Equinox between 1994 and 1998 comprised soil and lag sampling, ground magnetic surveying and RAB drilling of structural targets and geochemical anomalies. However, most of this work occurred outside of Cygnus's Burracoppin North Project. Based on a detailed review of previous exploration at Dicks Reward and their experience in deeply weathered Archaean terrain, Equinox concluded that BLEG and -80 mesh sieved soil sampling, the previous geochemical methods of choice, are not suited for the area. Instead, Equinox promoted an approach of pisolite and lag sampling in combination with fire assaying. Equinox also emphasized that previous exploration did not consider possible gold depletion of the regolith and that previous RAB drilling was probably too shallow to effectively test the known surface anomalies.

The 1994 to 1996 work program by Equinox at Dicks Reward included geological and regolith mapping and minor lag sampling (n = 5). The latter focused on an area ~800 m west of Dicks Reward and returned a best assay result of 14 ppb Au, 86ppm Cu and 2,340 ppm As (sample ID 17,507).

From 1997 to 1998 the area of Cygnus's Burracoppin North tenements was held by Astro, forming part of their greater 10,000 km^2 Merredin Super Project (WAMEX Report a59228). Astro's focus was mainly diamond exploration, although the company also explored for gold and base metals. Work undertaken by Astro included geochemical and petrographic studies, reconnaissance mapping, airborne magnetic and remote sensing surveys, aerial photography and AC (52 holes for a total of ~3,087 m), RAB (84 holes for a total of 1,101 m) and RC (4 holes for a total of 360 m) drilling. However, none of this work was undertaken within Cygnus's tenure.

Between 2003 and 2015, the southern part of Cygnus's Burracoppin North Project was explored by Westonia Mines Ltd (Westonia) and successors Catalpa and Evolution (WAMEX Reports a69195, a70579, a71107, a72431, a73356, a75481, a75980, a78156, a79553, a84270, a87827, a100952, a100953, a106119, a106120). Westonia held the area as part of their greater Westonia Project, centred upon the Edna May gold mine corridor.

Between 2003 and 2015 Westonia completed a synthesis of all available previous data, resource definition drilling (70 RC and DD holes for a total of 8,501 m), a bankable feasibility study and grade control drilling within the Edna May mine corridor, and geophysical surveys, lag sampling and auger, RAB and RC drilling at regional exploration targets. Most of Westonia's work was outside Cygnus's Burracoppin North tenements, although some exploration was undertaken at Dicks Reward on an exploration licence granted to Westonia in 2004 that covered the entire area of Cygnus's E77/2463.

Initial work by Westonia at Dicks Reward entailed collection of 478 mag-lag samples over weakly magnetic "target horizons" (known as M1 and M2), considered prospective for VMS and magnetite-pyrrhotite-gold deposits. The sampling identified a large arsenic anomaly over the M1 target and returned 17 strongly anomalous samples >500 ppm As (max. = 1,000 ppm As) and 19 samples >2 ppb Au (max. = 129 ppb Au). In most cases, mag-lag samples anomalous in arsenic also recorded weak base metals anomalism. The 100 ppm As contour of the M1 anomaly is ~2,600 m long and up to 1,500 m wide, and open to the east. The 500 ppm As contour is 1,000 m long and 200 m wide.

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Haematitic ironstones collected as part of a rock chip (n = 57) sampling program retuned arsenic values up to 2.13%, confirming a geochemical association between high arsenic and ironstones. The nearby Capito lead-zinc gossan (~4.5 km to the south of Anomaly 47, and immediately adjacent to Cygnus's E77/2463), which has strongly anomalous barium, was interpreted by Westonia, as a possible distal facies to a VMS deposit (cluster) that may exist in the area and would most likely be located north of the Capito gossan.

Westonia also emphasized that the features described above encompass a zone of about 100 km^2 that has been poorly explored with minimal drilling.

Auger drilling (n = 468) by Westonia over the M1 and M2 target horizons returned best results of 99 ppb Au (WDRA00387), 1,500 ppm As (WDRA00438), 130 ppm Cu (WDRA00380), 525 ppm Ni (WDRA00001), 59 ppm Pb (WDRA00143), and 56 ppm Zn (WDRA00264).

Follow-up RAB (15 holes for a total of 745 m) and RC (6 holes for a total of 616m) drilling at Anomaly 47 returned four wide, shallow intercepts of base and precious metals anomalism:

- Hole A47RC001: 30 m at 1.82 g/t Ag + 0.04% Pb + 0.06% Zn from surface, including 8 m at 4.00 g/t Ag + 0.06% Pb + 0.09% Zn from surface. No gold assays are available for this hole.
- Hole A47RC002: 10 m at 1.18 g/t Ag + 0.01% Pb + 0.01% Zn from 21 m and 11 m at 3.95 g/t Ag from 87 m, including 3 m at 12.40 g/t Ag from 89 m. In addition, a 12 m interval from 81 m to 93 m returned 0.09% Pb + 0.17% Zn. Gold assays are only available from 61 m to EOH but do not exceed 80 ppb Au where available.
- Hole A47RC003: 93 m at 4.19 g/t Ag + 0.07 g/t Au + 0.12% Pb + 0.10% Zn from 3 m, including higher-grade intercepts of 1 m at 28.6 g/t Ag + 1.34 g/t Au from 17 m, 3 m at >1% Zn from 27 m, 1 m at 36.10 g/t Ag + 2.13 g/t Au + >1.00% Pb from 30 m, 3 m at 23.27 g/t Ag + 0.48% Pb + 0.27% Zn from 73 m, and 5 m at 26.03 g/t Ag + 0.24% Pb + 0.31% Zn from 91 m. Gold assays are only available for parts of hole A47RC003.
- Hole A47RC004: 96 m at 3.06g/t Ag + 0.05g/t Au + 0.05% Pb + 0.43% Zn from 7 m to EOH, including higher-grade intercepts of 1 m at 18.80 g/t Ag + 0.28% Pb from 10 m, 1 m at 15.60 g/t Ag + 0.24 g/t Au + 0.13% Pb from 26 m, 10 m at 13.05 g/t Ag + 0.14 g/t Au + 0.14% Pb from 33 m, 1 m at 22.30 g/t Ag + 1.03 g/t Au + 0.26% Pb + 0.08% Zn from 61 m, 1 m at 8.30 g/t Ag + 0.38 g/t Au + 0.38% Pb + >1.00% Zn from 67 m.

Post drilling, Westonia commissioned an IP survey over Anomaly 47. Interpretation of this survey by Southern Geoscience Consultants identified 22 zones of anomalous chargeability, including 12 potential targets.

In 2006, Dominion (WAMEX Report a75353) returned to the district with the company having secured three tenements referred to as the Burracoppin Project. Work carried out by Dominion was restricted to geological and geophysical data compilation and a review of these data. The results of the desktop study led to the decision by Dominion in 2007 to surrender the project.

From 2006 to 2007, Uranoz Ltd (Uranoz) explored the district as part of their Warralakin Project (WAMEX Report a75728), targeting roll-front uranium deposits at redox boundaries within palaeodrainage sediments and surficial calcrete-hosted uranium deposits in palaeodrainages and playa lakes. During the period, Uranoz completed a program of data compilation, interpretation of airborne radiometric data and RAB drilling (154 holes for a total of 2,421 m). None of this drilling occurred within the area of Cygnus's Burracoppin North Project.

A second uranium explorer, Mindax, was active in the district from 2007 to 2014. Mindax had assembled a large tenement holding referred to as the Mukinbudin Project (WAMEX Reports a79354, a84414, a85362, a88208, a91522, a94471, a95662, a99174, a102192), where the company targeted sediment-hosted uranium deposits within palaeodrainages. Work by Mindax included AC drilling (>500 holes for a total of ~39,600 m), DD drilling (3 holes for a total of 323 m), down-hole gamma logging, water sampling of bore holes and surface waters, a hydro-geochemistry study, and ground gravity surveying (7,647 gravity stations). In addition, Mindax completed Mineral Resource estimates for the Jindarra (1.86 Mt at 273 ppm U_3O_8 for 1.12 Mlbs U_3O_8) and Yandegin (4.36 Mt at 221 ppm U_3O_8 for 2.12 Mlbs U_3O_8) deposits discovered by the company. Of more

than 500 AC holes only eight holes were drilled within Cygnus's Burracoppin North Project and none were assayed for gold.

Between 2010 and 2015, the southern part of Cygnus's Burracoppin North tenure was held by Enterprise as part of their sizeable Burracoppin Project (WAMEX Reports a90428, a93797, a97794, a98497, a101937, a104197, a105607). Work completed by Enterprise included desktop studies, airborne geophysical surveys and geophysical interpretation, soil sampling and RC drilling (31 holes for a total of 4,048 m) at a number of magnetite iron ore and gold prospects. Most of Enterprise's work focused on the Burgess Find gold prospect some 28 km south of Cygnus's Burracoppin North Project. Little work was undertaken within the southern part of Cygnus's tenure other than an airborne magnetic and radiometric survey, a detailed (but incomplete) review of the Dicks Reward and Anomaly 47 prospects (cf. WAMEX Report a98497) and 15 shallow (5-26 m deep) roadside RAB holes, none of which returned any significant results.

From 2010 to 2013, a small portion of Cygnus's Burracoppin North tenure was held by a consortium of Fleet Street Holdings Pty Ltd, Wellington Minerals Pty Ltd and Bildex Holdings Pty Ltd (the Consortium) as part of their Marjorie Project (WAMEX Report a91814, a95871, a98140). Work by the Consortium was limited to field reconnaissance and soil sampling (n = 324), Figure and Figure 22. The soil sampling identified some low-level anomalism up to a maximum of 9 ppb Au. Most of the sampling occurred outside Cygnus's tenure.

Between 2011 and 2012, Magnetic held the northern tip of Cygnus's Burracoppin North tenure as part of their Brown and Mukinbudin Projects (WAMEX Reports a94548, a94549). Magnetic embarked on a program of reconnaissance exploration, mainly aimed at targeting magnetite iron ore deposits. Work undertaken by Magnetic included high-resolution airborne magnetic and radiometric surveying, field reconnaissance and scout soil and rock chip sampling (n = 59) at identified targets, returning no anomalous results. Target MH3 in the northern part of Cygnus's E70/4992 was interpreted by Magnetic as complex, reworked granitoid terrain including magnetic granite and ubiquitous quartz pegmatite.

5.8.5 Targets and Exploration Potential

The key target at Burracoppin North is Anomaly 47 and vicinity, an area of 100 km^2 prospective for metamorphosed polymetallic VMS deposits that has been poorly explored with only minimal drilling deeper despite large multi-element VMS pathfinder anomalism at surface and wide, low-grade, shallow drill intercepts such as 96m at 3.06g/t Ag + 0.05g/t Au + 0.05% Pb + 0.43% Zn from 7 m to EOH and narrow, higher-grade intervals such as 10 m at 13.05g/t Ag + 0.14g/t Au + 0.14% Pb from 33 m, 1 m at 22.30 g/t Ag + 1.03 g/t Au + 0.26% Pb + 0.08% Zn from 61 m (all hole A47RC004).

Given the commonly clustered mode of occurrence of VMS deposits, the potential for additional discoveries within Cygnus's Burracoppin North Project is considered high.

In addition, excellent potential exists within Cygnus's tenure for discovery of an Edna May-style lode gold deposit. As indicated by Equinox, Westonia and Evolution, exploration techniques utilised by previous gold explorers in the Edna May district have been largely inadequate, and bedrock geochemical testing has been too shallow. If correct, Cygnus's Burracoppin North presents a vast greenfields proposition covering highly prospective felsic to mafic granulite successions along strike from the nearby Edna May gold mine located less than 15 km to the south-east of Cygnus's southern tenement boundary.

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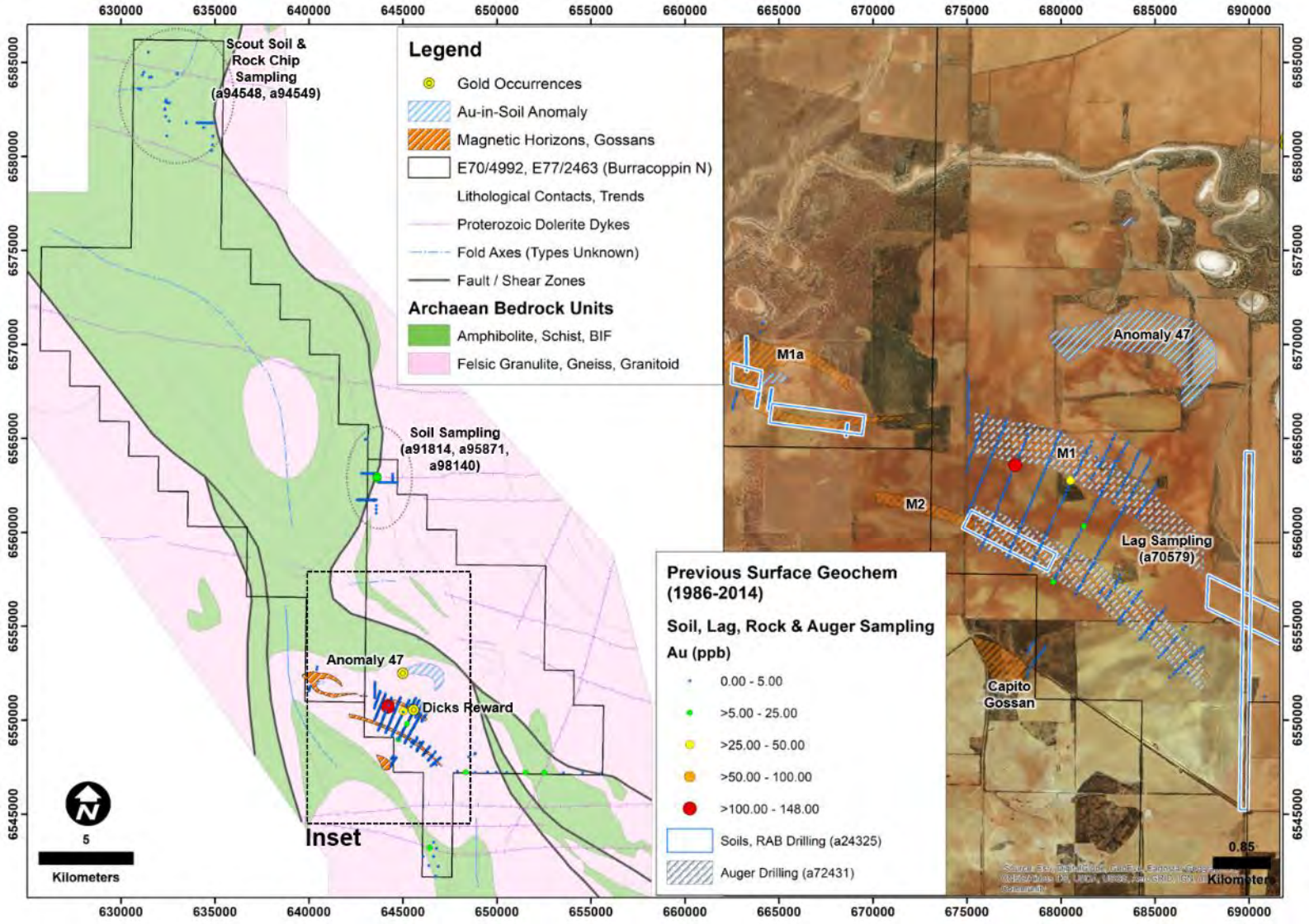

Figure 21: Burracoppin North Project showing interpreted geology and previous surface geochemical samples. Numbers shown in brackets refer to relevant WAMEX open-file exploration reports. Also shown are previously interpreted (and targeted) magnetic horizons and gossans. The geology is based on geophysical interpretation and modelling as explained in Section 3. (Source Cygnus)

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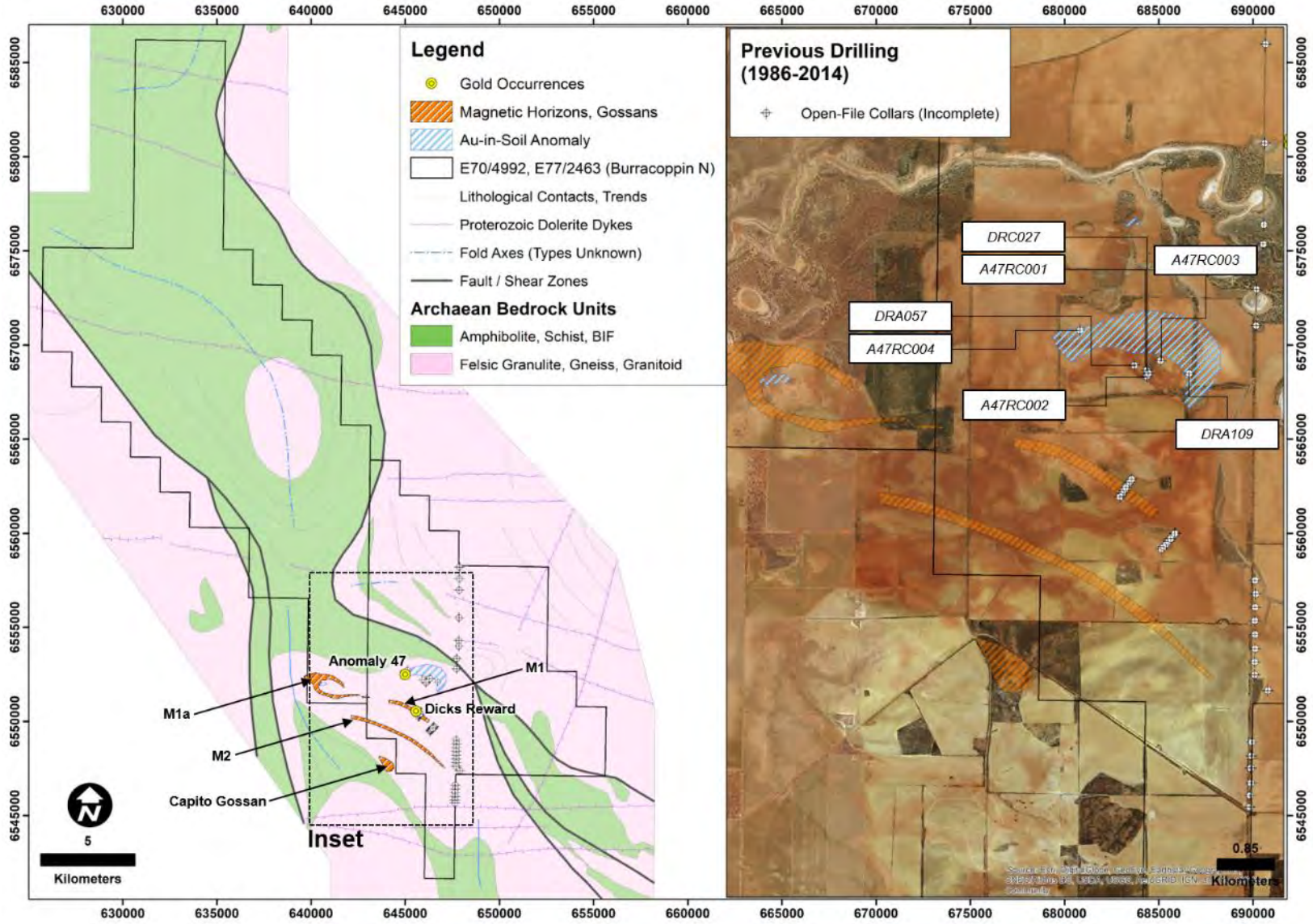

Figure 22: *Burracoppin North Project showing interpreted geology and previous drilling. The results obtained from the highlighted drill holes are provided in the body of text. Also shown are previously interpreted (and targeted) magnetic horizons and gossans. The geology is based on geophysical interpretation and modelling as explained in Section 3. (Source Cygnus)*

6 Lake Grace Earn-In Projects

Cygnus has entered into an earn-in agreement with Gold Road Projects over the Griffins Find, Lake Grace, Holland Rocks and Newdegate Projects, collectively the Lake Grace Earn-In. The key terms of the agreement are:

- Gold Road Projects can earn a 51% interest in the Lake Grace Earn-In by spending A$700,000 within 30 months.
- After the initial earn-in, Gold Road Projects can elect to earn a further 24% interest (75% in total) by spending a further A$500,000 (A$1,200,000 in aggregate), over a further 18 months (4 years in aggregate).
- Gold Road Projects can withdraw from the earn-in after spending a minimum of A$400,000 within 18 months.

6.1 Griffins Find Project

6.1.1 Location, Access, Land Use

The Griffins Find tenement is located some 30 km northwest of the township of Lake Grace. Access is excellent via a network of local public roads servicing farms and via local farm tracks. The physiography is low hills and mainly comprises cleared freehold farmland. The current land use is predominantly for grain crops, and sheep and cattle production.

6.1.2 Tenure

The Griffins Find Project comprises a granted Exploration Licence E70/4855 covering an area of 31 blocks or some 89 km². The tenement was granted on 29 November 2016 and expires on 28 November 2021 unless renewed.

6.1.3 Local Geology

Cygnus's Griffins Find Project (Figure 1) is located immediately north of the Griffins Find gold deposit cluster (not owned by Cygnus). According to Tomkins and Grundy (2009), Griffins Find is situated in a greenstone belt remnant, in what is predominantly a high-grade granitoid and gneiss terrane. Interpreted granulite facies metamorphic ages for Griffins Find include 2641 Ma to 2633 Ma (U-Pb zircon and Pb-Pb isochron ages), and 2627 ± 12 Ma (U-Pb zircon).

Tomkins and Grundy (2009) showed that gold mineralisation at Griffins Find formed well before granulite facies peak metamorphism, and that peak metamorphism caused vapor-absent melting of the deposit and country rocks. In other words, the gold mineralisation at Griffins Find was introduced prior to peak metamorphism, and Griffins Find is thus a migmatised gold deposit. The pressure-temperature (P-T) conditions for peak metamorphism at this deposit have been revised to 820°C to 870°C and >550 MPa.

At Griffins Find, mineralisation consists of disseminated pyrrhotite, löllingite, and arsenopyrite (and minor galena and sphalerite) dispersed in the gneissic host lithologies between numerous thick quartz veins. Gold is contained in the disseminated mineralisation, particularly in association with composite löllingite-arsenopyrite-pyrrhotite grains, although visually, the highest gold concentrations appear to be in quartz veins (Tomkins and Grundy, 2009).

Little is known about the geology of Cygnus's Griffins Find tenement, which is described as comprising a northwest-southeast striking belt of mafic and felsic granulites representing former greenstone sequences and felsic gneiss (WAMEX reports a18835, a20420). Remnant laterite is preserved on the higher elevation areas.

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Cygnus interpret a northwest-southeast trending gravity anomaly that equates with the mafic-felsic granulites. This belt of rocks is likely an extension of the sequence hosting the Griffins Find cluster of gold deposits located 5 km to the southeast of the southern boundary of the Cygnus tenure.

6.1.4 Exploration History

The Griffins Find Project area has been explored by the following groups:

- Seltrust Mining Corporation Pty Ltd (Seltrust) – 1979 to 1981
- Associated Gold Fields NL (AGF) – 1984 to 1989
- Tiger Resources NL (Tiger) – 1996 to 2004

Seltrust targeted gold and base metals associated with mafic enclaves within gneiss belts in the Southwest Terrane, and undertook regional mapping, stream sediment, rock and soil sampling. Seltrust discovered the Hideaway prospect in 1980 and completed local mapping and collected seven rock samples. No records of this work appear available.

AGF rediscovered the Hideaway prospect in 1984 during regional mapping. The discovery was based on an area of gossanous granular quartz float associated with magnetic mafic granulite and lesser felsic to intermediate granulite. Initial work comprised regional stream sediment sampling, which resulted in detecting a best result of 1.3 ppb Au 3 km downstream from Hideaway. Reconnaissance soil samples were collected on soil traverses spaced from 160 m to 240 m apart. These comprised 5 kg bulk samples analysed using the cyanide leach method (BLEG).

Detailed soil sampling was carried out over the Hideaway prospect with 1,210 samples collected on a 20 m x 40 m grid. These were analysed for As and Pb on a small -80 mesh subsample and the remaining 2 kg sample analysed for gold by the cyanide leach method. This detected a number of anomalous gold results mainly near laterite breakaways. Costeans for 1,850 m were dug, sampled and mapped in the Hideaway prospect area. The costeans revealed only thin zones of quartz-sulphide veining carrying weak gold values with little tonnage potential. A ground magnetic survey was also completed (WAMEX Report a20420).

AGF tested gold-in-soil anomalies, which also coincided with a target derived from an interpretation of ground magnetic survey data along a 1.1 km-long mafic-felsic granulite contact that was previously tested by a costeaning program at the Hideaway prospect using wide spaced RCP drilling (11 drill holes for 574 m) (WAMEX Report a22751). The drill results revealed pyrite and arsenopyrite is present along the contact associated with a weakly mineralised zone comprising quartz veins and sulphide stringers dipping east at 35° to 40°. The best results from this drilling are:

- HRC1: 1 m at 1.3 g/t Au from 7 m (partly oxidised)
- HRC7: 1 m at 1.0 g/t from 31 m (fresh) and 1 m at 0.83 g/t Au from 37 m.

AGF also undertook a regional laterite (orientation) sampling program collecting 46 samples over a 2 km strike along the Hideaway zone with a best result of 0.03 g/t Au. Regional rock chip sampling (50 samples) was also completed with 35 of these collected from an outcropping iron-sulphide gossan. The best result was 0.12 g/t Au (WAMEX Report a22751).

The last phase of work by AGF in 1989 was a RAB drilling program (72 drill holes for 2,946 m) over a broad arsenic anomaly, also testing an area with elevated tungsten values. The maximum EOH result was 0.18 g/t Au with a peak value of 1.07 g/t Au (WAMEX Report a26812).

Tiger partly held the current tenure area under the project names Jitarning and Jitarning South, and also held adjacent tenure to the northwest (Jitarning Northwest), and to the southeast (Jitarning Southeast).

On the Jitarning and Jitarning South areas they completed three phases of soil sampling over a period of several years (WAMEX reports a52567, a58873, a61292, a063428, a63431, a68183, a69310 and a69698). Most of the soil sampling within Cygnus's E70/4855 focused on Hideaway and Tarin, a prospect identified by Tiger located 3 km south of Hideaway. At Tarin, the soil sampling defined a >0.8 km-wide and 1.2 km-long area of highly anomalous gold-in-soil levels up to 121 ppb Au (Figure 22).

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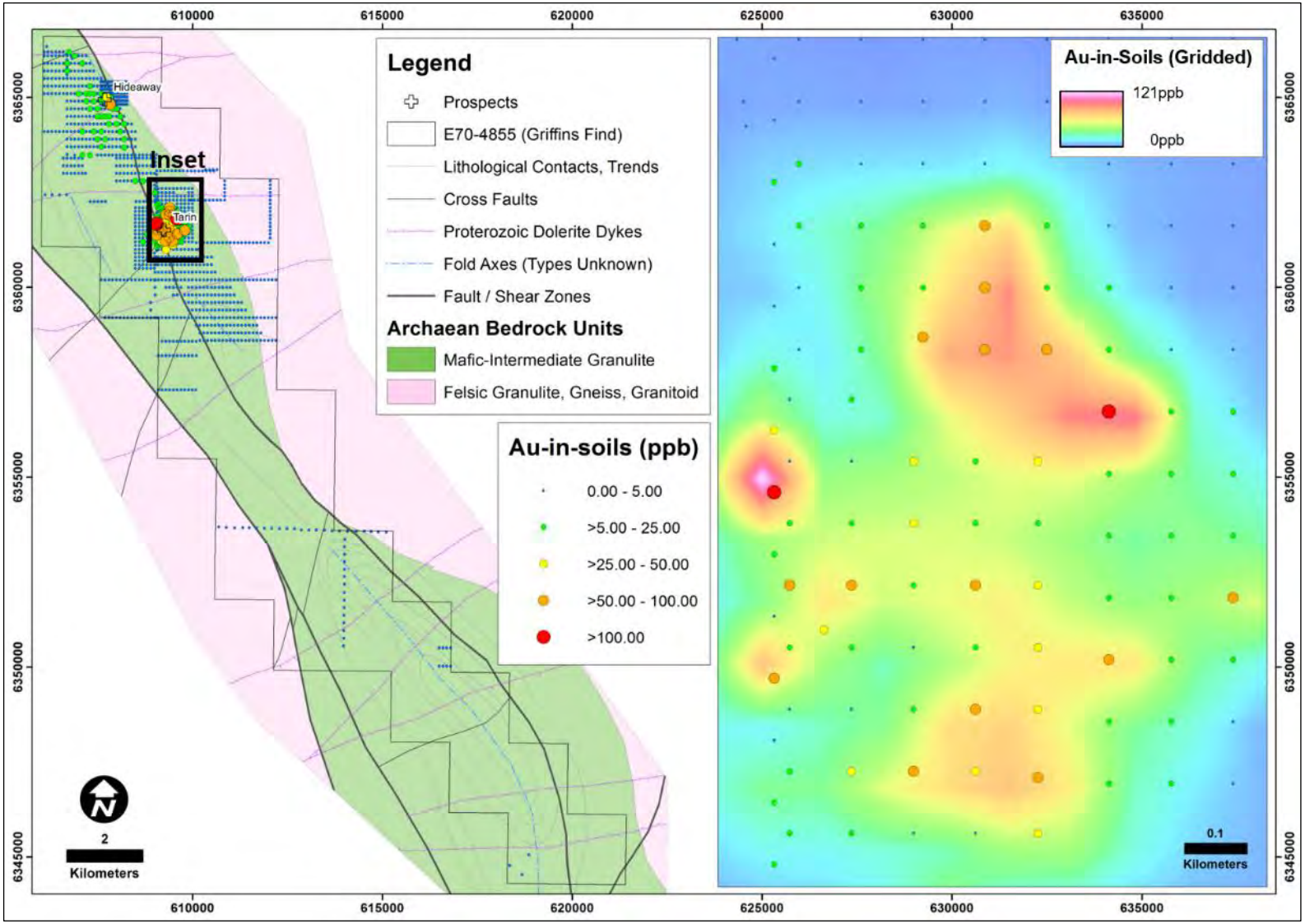

Figure 22: E70/4855 (Griffins Find Project), previous soil sample coverage and anomalous gold results at the Tarin Prospect (inset)
Note: The geology is based on geophysical interpretation and modelling as explained in Section 3
Source: Cygnus

Subsequent RAB drilling at Tarin did not fully test the southern part of the gold-in-soil anomaly. The better results (>1 g/t Au) from the RAB drilling include:

- JT20: 1 m at 1.73 g/t Au from 21 m downhole
- JT21: 4 m at 1.19 g/t Au from surface
- JT22: 1 m at 1.85 g/t Au from 1 m
- JT38: 1 m at 3.15 g/t from 30 m to EOH.

Together with additional anomalous intersections returned in holes:

- JT08 4 m at 0.54 g/t Au from 0 m
- JT09 1 m at 0.27 g/t Au from 32 m
- JT17 4 m at 0.39 g/t Au from 0 m
- JT23 1 m at 0.73 g/t Au from 1 m
- JT26 2 m at 0.67 g/t Au from 1 m
- JT34 4 m at 0.31 g/t Au from 16 m
- JT37 6 m at 0.52 g/t Au from 12 m
- JT42 4 m at 0.96 g/t Au from 0 m.

The RAB drilling defined a greater than 0.85 km-long north-south trend of poorly tested gold anomalism (Figure 23) coincident with significant gold-in-soil anomalism (WAMEX Report a061292).

A laterite sample collected at Tarin as part of a regional-scale laterite sampling program over the entire southwestern Yilgarn Craton by the CRC LEME (Cornelius *et al.,* 2006) returned a value of 35.8 ppb Au. This value is the second strongest gold-in-laterite anomaly obtained from over 5,000 samples collected over an area of approximately 500 km x 350 km.

6.1.5 Targets and Exploration Potential

Cygnus's E70/4855 covers some 25 km of strike of the Griffins Find greenstone belt. The northern portion comprising about 9.5 km of the belt has about 60% geochemical coverage. Southeast of this area is about 12 km strike length of interpreted metamorphosed greenstone with no reported exploration coverage.

Approximately 4 km of strike includes the North Tarin Rock Nature Reserve 29857. Access to this reserve to conduct any prospecting or exploration activity requires the prior written consent of the Minister responsible for the *Mining Act 1978* being obtained, with the concurrence of the Minister for Environment. Cygnus would apply to be granted access to the Nature Reserve if exploration results justified this action. Therefore, some 55% of the Cygnus tenure has not had any significant geochemical sampling coverage, or drilling, and this offers Cygnus an excellent exploration opportunity. CSA Global notes that the recent change of government in Western Australia may render ministerial consent more difficult to obtain.

Cygnus indicate their initial exploration focus is to follow up on the Tiger RAB drilling, particularly the EOH gold result in JT38 by additional drilling and to fully drill test the gold-in-soil anomaly generated by Tiger, particularly the gold-in-soil values up to 121 ppb Au located immediately west of the Tiger RAB drilling (Figure 23).

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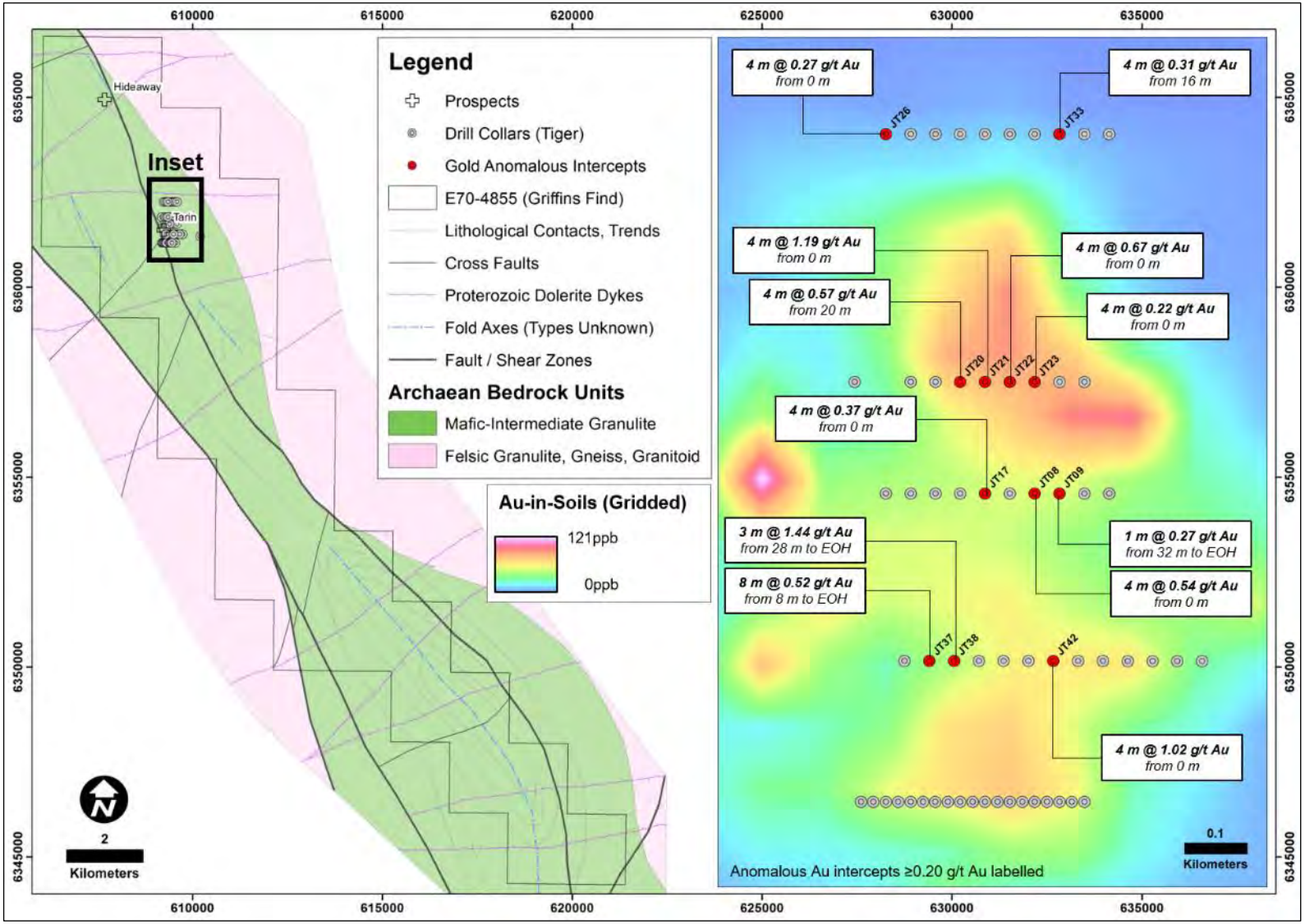

Figure 23: E70/4855 (Griffins Find Project) showing distribution of previous drilling and anomalous drill hole gold results at the Tarin Prospect (inset)
Note: The geology is based on geophysical interpretation and modelling as explained in Section 3
Source: Cygnus

6.2 Lake Grace Project

6.2.1 Location, Access, Land Use

Cygnus's Lake Grace Project is located 15 km west of the Wheatbelt town of Lake Grace. Access is excellent via the sealed Lake Grace-Newdegate Road and a network of local roads and tracks servicing local farms. The physiography is flat and dominantly comprises cleared freehold farmland. The current land use is predominantly for grain crops, and sheep and cattle production.

6.2.2 Tenure

The Lake Grace Project comprises a granted Exploration Licence E70/4853 covering an area of 42 blocks or some 121 km². The tenement was granted on 29 November 2016 and expires on 28 November 2021 unless renewed.

6.2.3 Local Geology

Little information is available about the local geology of the Lake Grace Project area. According to Dominion, and felsic to mafic granulites and gneisses occur as scattered outcrop and subcrop throughout farming paddocks although much of the area is regolith covered (WAMEX Report a69360). North Ltd (North) interpreted the geology in the northern part of Cygnus's E70/4853 in terms of a north-northwest to south-southeast striking sequence of subcropping mafic plagioclase-pyroxene and plagioclase-amphibole-pyroxene granulites and foliated granitoid that was intruded by a younger biotite granite (WAMEX Report a45226). A geophysical interpretation of Cygnus's Lake Grace tenement is shown in Figure 24.

6.2.4 Exploration History

Minimal prior exploration has occurred within Cygnus's Lake Grace Project area.

Between 1994 and 1995 North explored the area as part of their greater 400 km² Southwest Yilgarn Gold Project (WAMEX Report a45226). Airborne geophysics and soil sampling (412 samples with a peak value of 63 ppb Au; Figure 24) within and immediately outside Cygnus's E70/4853 identified the Panhandle gold anomaly spatially coincident with a sequence of subcropping mafic granulite. North subsequently tested the anomaly by AC drilling (53 drill holes; Figure 24) without success. The best intersection returned from the AC drilling was 4 m at 0.06 g/t Au from 32 m in hole LGA134 (located outside Cygnus's E70/4853).

Between 2003 and 2008, the Lake Grace area was explored by Dominion as part of their ~2,000 km² Newdegate gold super-project (WAMEX reports a69360, a71833, a73591, a73613, a75701, a75820, a76709, a79320, a80072). At that time, the area of Cygnus's E70/4853 was almost completely covered by Dominion's Nimbuwah and Silver Wattle Hill tenements. Work undertaken by Dominion included soil sampling and auger drilling followed up with RAB, AC, RCP and DD drilling. Most of this work however was undertaken outside Cygnus's tenement. A total of 86 roadside soil samples (maximum 8.5 ppb Au) were collected by Dominion within E70/4853. No drilling occurred within Cygnus's tenement area.

Between 2013 and 2014, the Lake Grace Project area was explored by Auzex under a farm-in joint venture agreement with Panoramic Resources Ltd (Panoramic) on Panoramic's Lake Grace 'super-project', acquired after they took over Magma Metals Ltd in 2012 (WAMEX reports a100126, a100127, a100783, a100784). No work was undertaken at Cygnus's Lake Grace tenement other than desktop-based gold prospectivity modelling and geophysical interpretation aimed at identifying new exploration targets within Panoramic's substantial tenement holdings.

6.2.5 Targets and Exploration Potential

The principal target is the interpreted greenstone belt. The North and Dominion soil sampling indicates some potential for gold mineralisation to be located within the Lake Grace tenement but at the current state of knowledge the exploration potential is largely conceptual.

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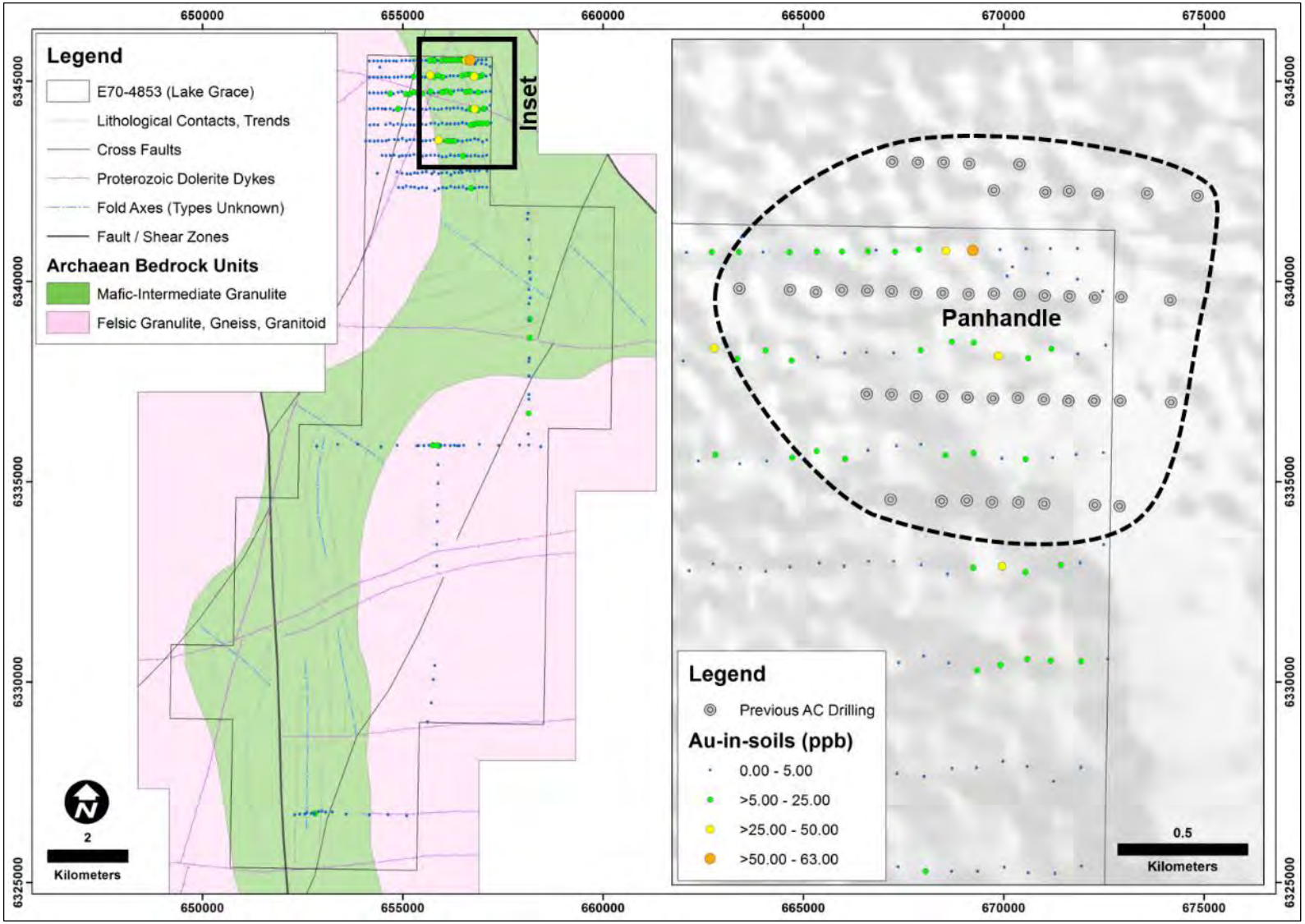

Figure 24: *E70/4853 (Lake Grace Project) showing interpreted greenstone belt and previous soil sampling coverage and gold results with Panhandle gold anomaly inset*
Note: The geology is based on geophysical interpretation and modelling as explained in Section 3
Source: Cygnus

6.3 Holland Rocks Project

6.3.1 Location, Access, Land Use

Cygnus's Holland Rocks tenement is located approximately 18 km south-east of the township of Lake Grace. Good access is provided via the Kulin-Lake Grace and Lake Grace-Newdegate roads, and a network of local public and private roads. The physiography of the area is flat to undulating and dominantly comprises cleared freehold farmland and marshland. The current land use is predominantly for grain crops and sheep production.

6.3.2 Tenure

The Holland Rocks Project consists of one Exploration License Application, E70/4991, covering an area of 67 blocks or some 192 km^2.

6.3.3 Local Geology

Little is known about the bedrock geology at Holland Rocks. Most of the tenement is covered by a dissected Tertiary laterite profile with soils ranging from quartz-rich sands to humic clays. Surface expression of solid geology is limited to occasional granite outcrop and surface float. Shallow drilling by Dominion (WAMEX Report a69360) intercepted a variety of lithologies, including felsic (quartz-feldspar ± biotite) and mafic (hornblende-biotite ± pyroxene, magnetite) granulite, pegmatite and (Proterozoic?) dolerite.

A geophysical interpretation of Cygnus's Holland Rocks tenement is shown in Figure 25. The main geophysical features within the area are (1) the Yandina shear zone, a regional-scale (>450 km-long), NNW-SSE-striking structure that may represent the boundary between two different lithostructural domains (e.g., WAMEX Report a98020); and (2) a narrow NNW-SSE-striking gravity high interpreted here as a belt of mafic granulite.

6.3.4 Exploration History

Previous exploration work in the Holland Rocks area has been limited, and there are no records of any exploration prior to the 1980s.

In 1981, the southern part of Cygnus's E70/4991 was held by Conex Australia NL (Conex) as part of their Newdegate Project (WAMEX Report a36029). 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.

After a more than 20-year hiatus, Dominion entered the Holland Rocks area exploring for gold (Wamex Reports a69360, a71833, a71833, a73591, a73613, a75702, a75820, a78275, a79320, a81148, a82027). From 2003 to 2009, 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) 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.

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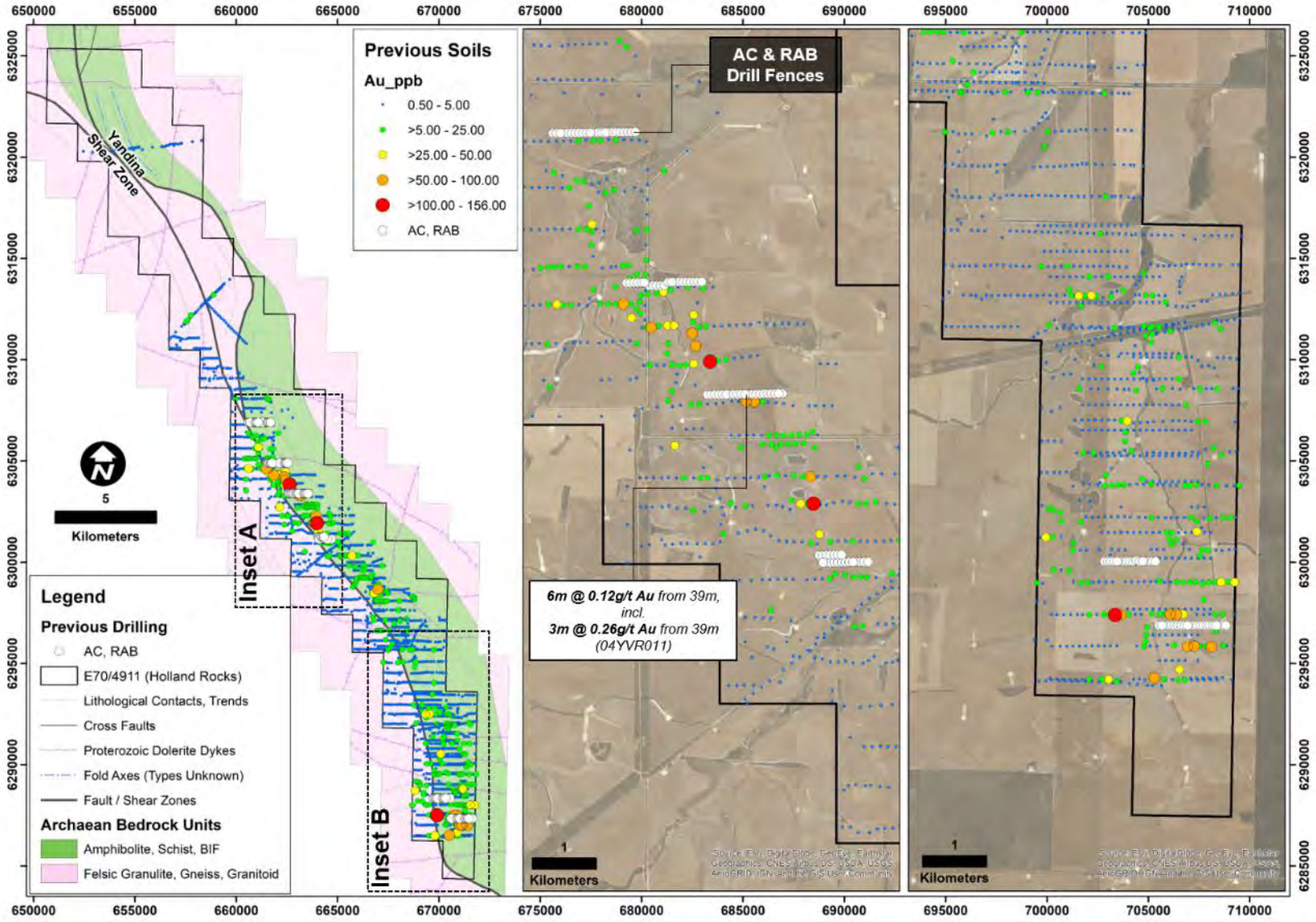

Figure 25: Holland Rocks Project showing interpreted geology and previous soil samples and AC and RAB drill fences. The geology is based on geophysical interpretation and modelling as explained in Section 3. (Source Cygnus)

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 with average hole depth of 31 m) confirmed the surface gold geochemical anomalism with a best result of 6 m at 0.12 g/t Au from 39 m to EOH (04YVR011), including 3 m at 0.26 g/t Au from 39 m, but failed to define any significant, shallow gold mineralisation (Figure 26). However, Dominion indicated that "further bedrock drilling coverage is warranted […] to properly test the nature and extent of the surface geochemical anomalism outlined to date" (WAMEX Report a69360, p. 8-9). This drilling never occurred given Dominion's subsequent focus on their Lake Magneta discovery 25 km south of Holland Rocks.

From 2009 to 2013, the area was held by Magnetic Resources NL (Magnetic), who referred to it as the Holland Rocks and Greenshield Soak tenements (WAMEX Reports a87509, a091116, a098020, a098021).

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. A reassessment of priorities led to the surrender of Magnetic's tenements in 2013.

Between 2013 and 2014, the Holland Rocks area was part of Auzex Lake Grace Super Project (WAMEX Reports a100127, a100128, a100131, a100463, a100784 and a100785). 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.

6.3.5 Targets and Exploration Potential

The key target at Holland Rocks is the Yandina shear zone, particularly where this structure is coincident with a narrow gravity ridge (i.e., interpreted belt of folded mafic granulite) and surface gold geochemical anomalism.

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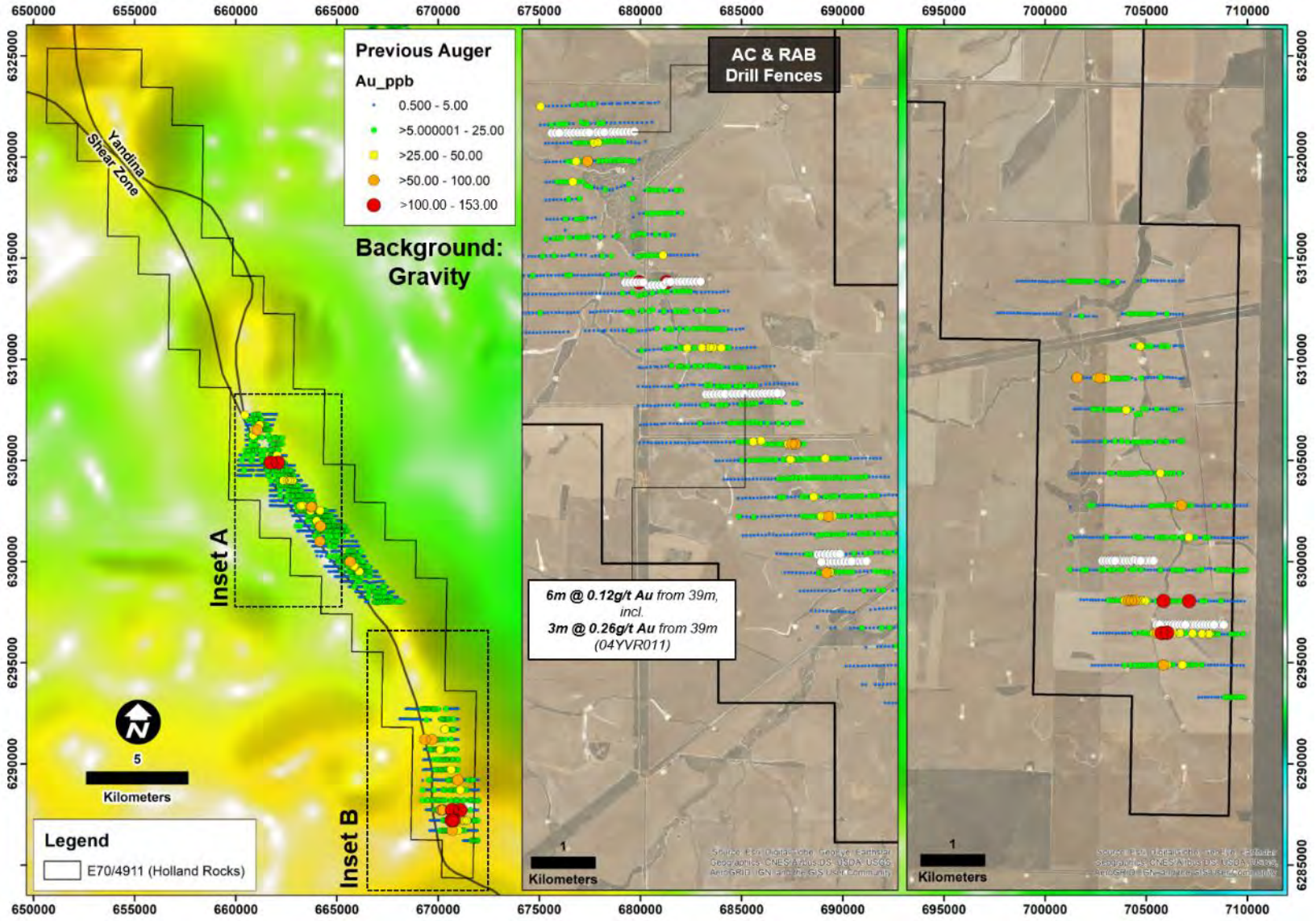

Figure 26: Holland Rocks Project showing the results of previous auger drilling superimposed on a regional scale residual Bouguer gravity image. Insets A and B also show previous AC and RAB drill fences. (Source Cygnus)

6.4 Newdegate Project

6.4.1 Location, Access, Land Use

Cygnus's Newdegate tenement is located 22 km east of the Lake Grace township and 15 km south-west of the township of Newdegate, approximately 300 km south-east of Perth. Good access is provided via a network of local public roads, private roads and fence lines, with the Lake Grace-Newdegate Road running east-west through the northern part of the tenement. The physiography of the area is flat to undulating and dominantly comprises cleared freehold farmland and marshland.

6.4.2 Tenure

The Newdegate Project consists of one Exploration License Application, E70/5017, covering an area of 200 blocks or some 588 km^2.

6.4.3 Local Geology

The underlying geology of Cygnus's E70/5017 is interpreted to be primarily granite, granulites and gneisses with scattered subcrop, however the area is predominantly covered by regolith (WAMEX Report a69360).

6.4.4 Exploration History

The first detailed work conducted within the tenement area was undertaken by Dominion, through their wholly owned subsidiary Quadrio, during the period 2003-2004. (WAMEX Report a69360). Specifically, the area covered by Dominion was the historic Silver Wattle Hill tenement (E70/2395). Dominion undertook extensive surface geochemical surveys within Cygnus's current tenure and followed up with AC and RAB drilling.

A total of 5,456 surface geochemical samples were collected and analysed by Dominion, including 1,057 soil samples, 178 rock chip samples, 2,626 laterite samples, 4 lag samples, 206 clay samples, 821 calcrete samples and 564 auger samples. Gridding of all samples reveals several low-level anomalies over a northwest strike of approximately 30 km over Cygnus's tenure (

Figure 27), and a generally higher order set of anomalies over approximately 10 km on the northern most end of the broader anomalous trend. Peak discrete geochemistry within the anomalies includes 187 ppb Au in Calcrete, 172.5 ppb Au in auger, 47.7 ppb Au in laterite, 25.5 ppb Au in soil and 32 ppb Au in rock chip.

Two lines of drilling were conducted over the northern areas of the geochemical anomalies, totalling 50 drill holes for 1,582 m of drilling. Fifteen of these holes were AC and 35 holes were RAB. A total of 349 samples were collected from the drilling. Two anomalous intercepts were returned from holes drilled on the northern most drill line (

Figure 27):

- 2 m at 0.16 g/t Au from 30 m in hole 04SWAC017
- 12 m at 0.16 g/t Au from 36 m in hole 04SWAC020

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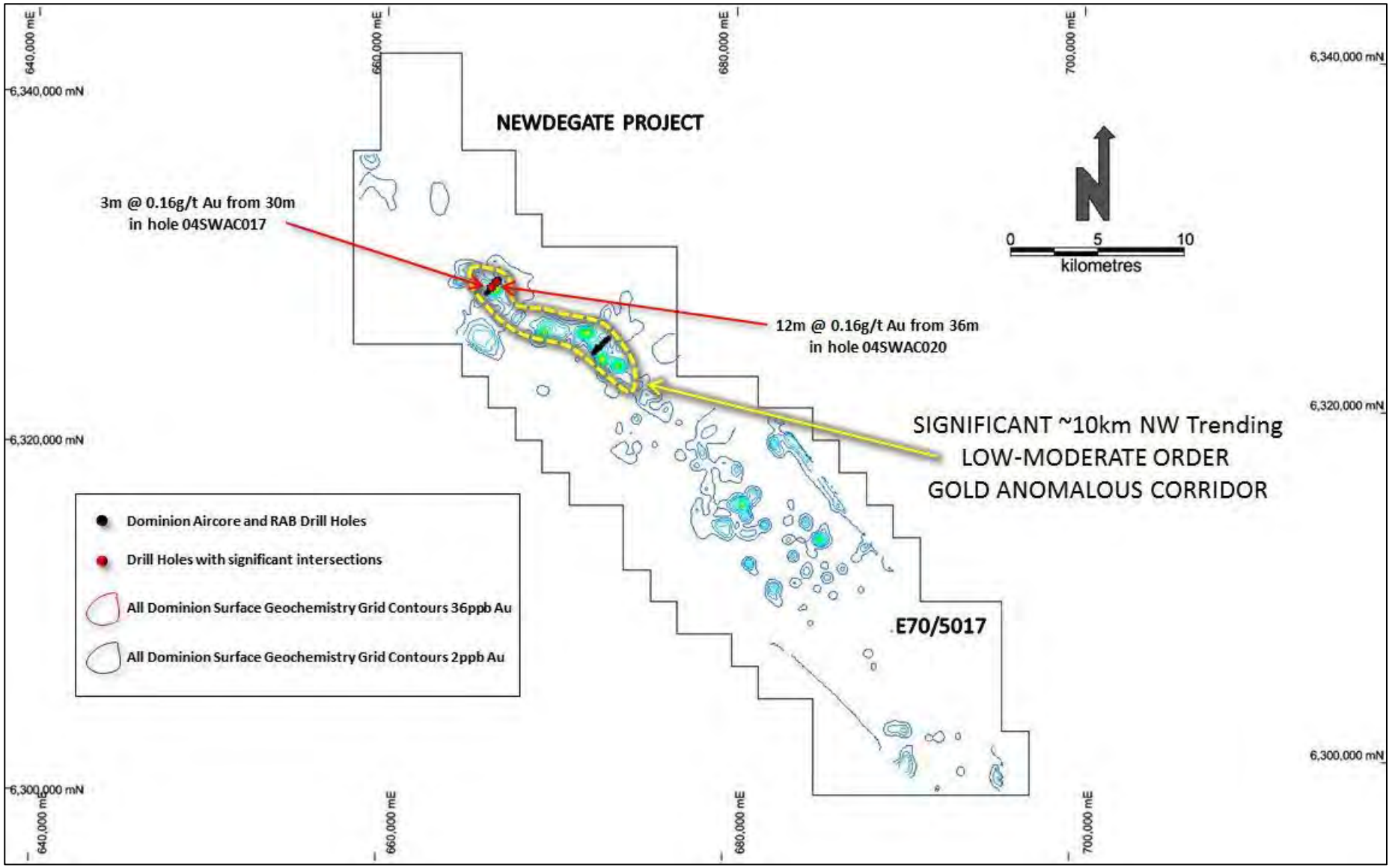

Figure 27: E70/5017 (Newdegate Project) showing Dominion surface geochemistry all sample gold grid-derived contours, and Dominion AC and RAB drill holes with holes yielding significant intersections highlighted.

In 2006, Dominion partially surrendered the northern and southern ends of their project area (WAMEX Report a75701, and a further large area was surrendered in 2007 (WAMEX Report a76709). No further work was completed on Dominion's tenure before the remainder of the ground was surrendered in 2008 (WAMEX Report a80072).

In 2013, as a part of an earn-in by Auzex into Panoramic's Lake Grace Project, held by subsidiary Greenstone Metals Limited, Auzex undertook a project wide prospectivity mapping study using a Weights of Evidence probabilistic targeting approach. This study included tenement E70/4360, which covers most of Cygnus's Newdegate Project area (WAMEX Report a100140). The Weights of Evidence study yielded a couple of small high-ranking zones of prospectivity over the area, however, most of the ground was surrendered. During the period, Auzex engaged Fathom to undertake advanced processing of the available airborne magnetic data (WAMEX Report a100467). No further work was recorded for E70/4360 and the tenure was eventually surrendered in full.

As a part of a South West Yilgarn-wide CRC LEME regolith sampling program, a total of six regolith (lateritic residuum) samples were collected and analysed over the tenement area. No significant results were found.

6.4.5 Targets and Exploration Potential

The principal target within E70/5017 is a coincident zone of surface geochemical gold anomalism, with an interpreted zone of demagnetisation striking north-west, observed in the reduced to pole magnetics. Semi-coincident to this demagnetised-geochemical zone is a subtle gravity high, interpreted to be a greenstone belt. This zone then presents a >20 km prospective corridor for gold mineralisation, with mineralisation being confirmed by the relatively shallow drilling, previously undertaken by Dominion. The shallow drilling is limited to two lines spaced ~7 km apart. The prospective gold corridor is, for the most part, untested by ground geophysics and drilling, with no RC or DD drilling having been undertaken.

The coincidence of surface gold anomalism, gold mineralisation in drilling, demagnetisation potentially related to structure and hydrothermal fluid flow (Figure 28) and an interpreted underlying greenstone belt, results in a prospective >20 km orogenic gold corridor target. Along the corridor there are three separate geochemical anomalies, each appearing to be related to a north-north-east or east-west cross structure, which may be a dilational zone prospective for gold deposition.

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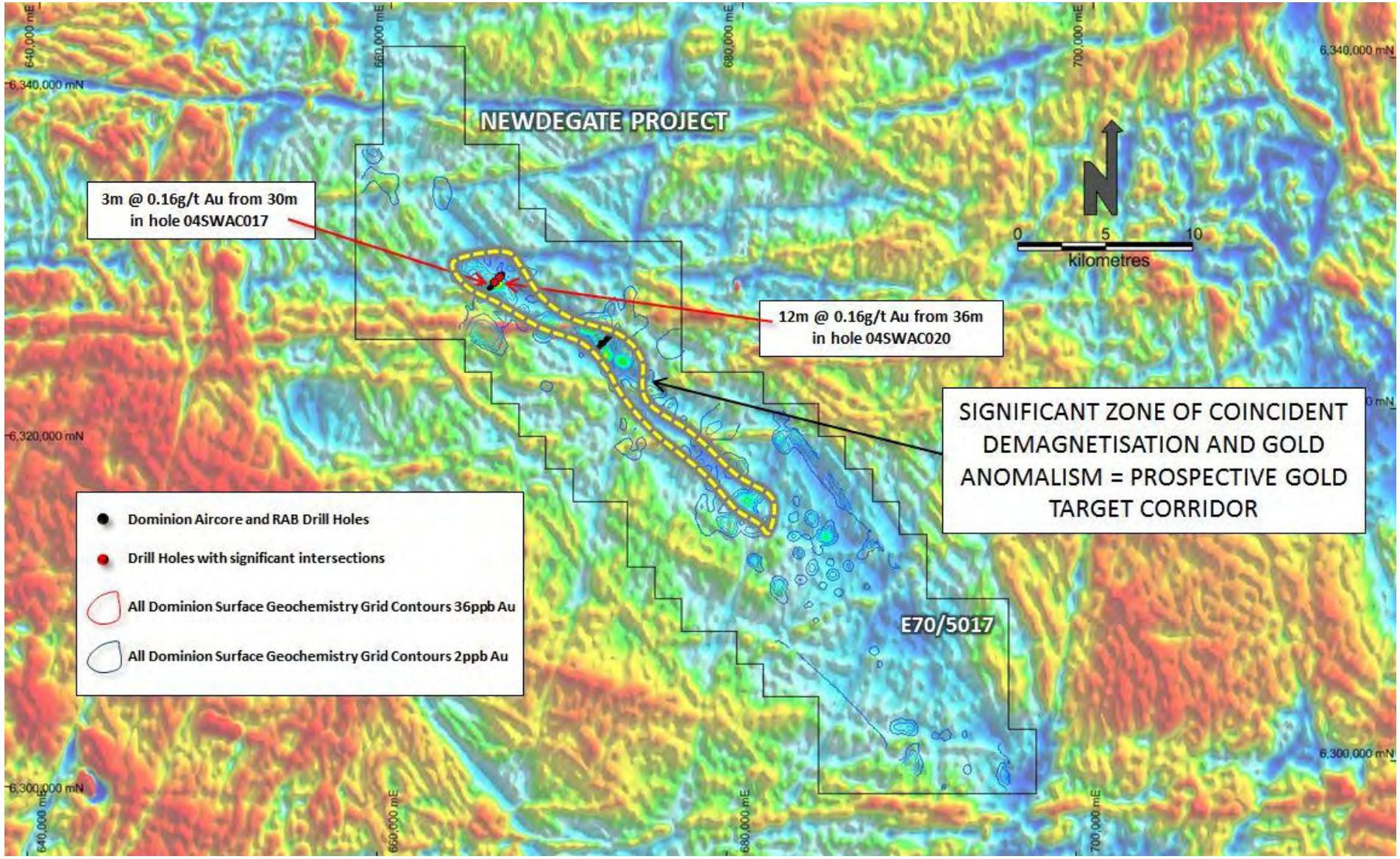

Figure 28: E70/5017 (Newdegate Project) Au geochemistry contours, drilling and reduced-to-pole magnetic image, showing a prospective gold zone of coincident geochemistry and demagnetisation (magnetic low structures in the reduced-to-pole image).

7 Wadderin Earn-In Projects

Cygnus has entered into a joint venture agreement with Gold Road Projects over the Snake Rock, Hardies, Hardies Extension, Wadderin, Bendering North, Bendering South, Emu Hill North and Emu Hill South Projects, collectively the Wadderin Earn-In Project. The key terms of the agreement are:

- Gold Road can earn a 51% interest in the Wadderin Earn-In by spending A$1,600,000 within 30 months.
- After the initial earn-in, Gold Road can elect to earn a further 24% interest (75% in total) by spending a further A$900,000 (A$2,500,000 in aggregate), over a further 18 months (4 years in aggregate).
- Gold Road can withdraw from the earn-in after spending a minimum of A$900,000 within 18 months.

7.1 Snake Rock Project

7.1.1 Location, Access, Land Use

The Snake Rock tenement is centred some 20 km north-northwest of the town of Kondinin. Access is excellent via a network of local roads servicing farms and local farm tracks. The physiography is flat and dominantly comprises cleared freehold farmland. The current land use is predominantly for grain crops, and sheep and cattle production.

7.1.2 Tenure

The Snake Rock Project comprises a granted Exploration Licence E70/4911 covering an area of 180 blocks or some 522 km². The tenement was granted on 10 May 2017 and expires on 9 May 2022 unless renewed.

7.1.3 Local Geology

Little is known about the geology of the area. Outcrop is sparse with much of the area covered by soils and salt lakes and salt marsh associated with a major palaeodrainage channel. Diamond drilling (up to 265 m downhole length) by Electrolytic Zinc Company of Australasia Ltd (Electrolytic) in the western central portion of Cygnus's E70/4911 (immediately adjacent to the tenement boundary) intersected what three petrologists of AMDEL (now Bureau Veritas) and the West Australian Institute of Technology (now Curtin University of Technology) identified as a suite of ultramafic (classified as serpentinised olivine norite, pyroxenite, dunite, peridotite, and harzburgite), and felsic (classified as granite and adamellite) and intermediate to mafic (hornblende diorite and gabbro) igneous rocks.

The differentiated igneous suite encountered in the drilling was interpreted as evidence for a possible mafic-ultramafic layered igneous complex, similar to Skaergaard (Greenland) and Stillwater (USA) that intruded older granite gneiss (WAMEX Report a7659). The same geology was later reinterpreted by Abador Gold NL (Abador) as serpentinised komatiite flows. Abador also concluded that Electrolytic's record of serpentinite, magnetite and dunite may be taken to imply that metamorphism only reached greenschist facies conditions (WAMEX reports a60982 and a63529).

Cygnus interpret a north-south to northwest-southeast trending belt of potential greenstone up to 15 km wide and extending over at least an approximate 70 km to 80 km strike through the Snake Rock tenement (Figure 29).

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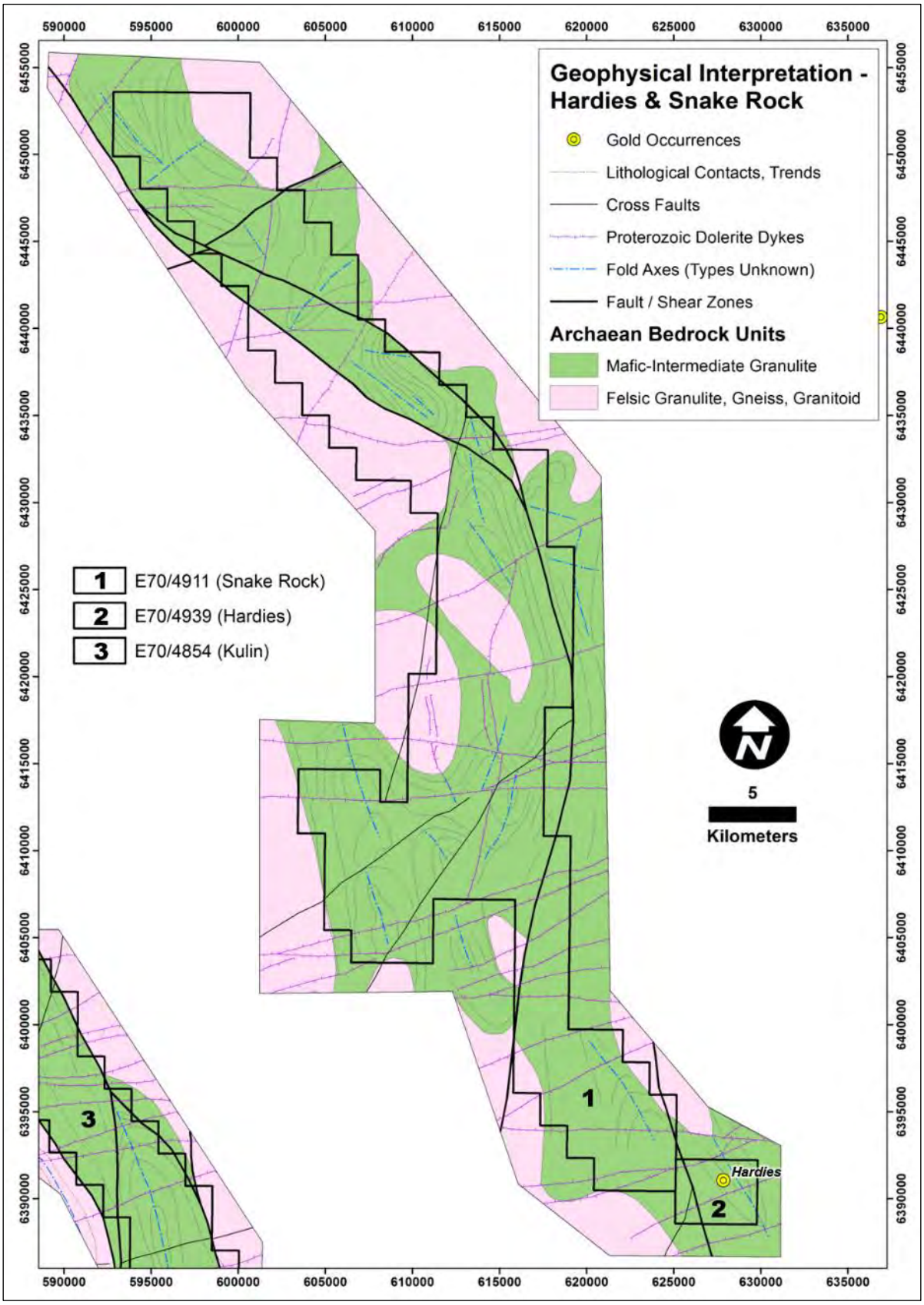

Figure 29: Snake Rock Project showing the approximately 80 km-long greenstone belt interpreted from geophysical data and modelling as explained in Section 3
Source: Cygnus

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7.1.4 Exploration History

Little prior exploration has been undertaken within Cygnus's Snake Rock tenement.

Between 1967 and 1973, Electrolytic held ground that partially overlapped with Cygnus's Snake Rock Project (WAMEX reports a7659 and 7662). During this period, Electrolytic undertook geological, geochemical (auger drilling, soil and rock chip sampling) and geophysical (airborne magnetics) studies that culminated in a small DD drilling program (four holes for 788 m), immediately adjacent to Cygnus's tenement, designed to test the depth potential of surficial nickel-copper anomalism (up to 0.85% Ni). No gold assays were undertaken on the samples submitted for analysis. While the drilling failed to locate any economic Ni-Cu accumulations, it intersected a suite of igneous rocks (± strongly magnetic, ± weakly nickeliferous with a maximum of 1 m at 0.33% Ni) interpreted as a possible mafic-ultramafic layered igneous complex.

In 1990, CRAE completed airborne magnetic and radiometric surveys and a reconnaissance geochemical survey over a major north-south striking structural zone (approximately 190 km x 15 km) considered similar to those hosting significant gold deposits in the Eastern Goldfields Superterrane. The best gold-in-soil anomalies were followed up with auger drilling (WAMEX Report a35137). As part of this program, CRAE collected 95 roadside soil samples at 500 m centres in what is now the central portion of Cygnus's E70/4911. Of these, eight samples returned assay values between 5 ppb Au and 10 ppb Au. However, the results must be treated with caution given that CRAE sampled not only laterite but also (most likely transported) colluvium.

Between 1997 and 1998, the southern part of Cygnus's tenement was explored by North in joint venture with BHP (WAMEX reports a54894, a54895, a55977, a56202). This work culminated in the discovery of the Hardies gold anomaly described in Section 7.2. None of North's AC drill holes located within Cygnus's Snake Rock Project recorded any significant gold intersections.

Between 2012 and 2014, much of Cygnus's Snake Rock Project was explored by Auzex under a farm-in joint venture agreement with Panoramic on their Lake Grace 'super-project' (WAMEX reports a100122, a100123, a100138, a100139, a100304, a100305, a100780, a100781, a104605). No work appears to have been undertaken within Cygnus's E70/4911 other than desktop-based gold prospectivity modelling and geophysical interpretation by Auzex aimed at identifying new exploration targets within Panoramic's tenements.

7.1.5 Targets and Exploration Potential

No specific gold targets have been defined by Cygnus within Snake Rock but the location of the Hardies gold prospect immediately to the south-east is encouraging. The author has previously reviewed the Hardies Prospect in detail and considers the prospect warrants further exploration.

The principal target at Snake Rock is the approximately 70 km to 80 km-long greenstone belt interpreted by Cygnus, using available geophysical data. The presence of serpentinised mafic-ultramafic igneous rocks (previously interpreted as both layered intrusive rocks and stacked komatiite flows) has been confirmed for at least a portion of the Snake Rock greenstone belt by previous DD drilling immediately west (within 20 m) of the tenement boundary.

The observation by previous explorers that metamorphism, for at least a portion of the Snake Rock greenstone belt, appears to have only reached greenschist metamorphic grade indicates that these rocks may be late in terms of emplacement timing (i.e. post the regional high-grade metamorphism), or were unaffected by the regional metamorphic event for some reason. In either case, Cygnus controls the entire 70 km to 80 km-long interpreted greenstone belt which is prospective for gold as well as nickel associated with the ultramafic rocks.

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7.2 Hardies Project

7.2.1 Location, Access, Land Use

The Hardies tenement is centred some 20 km north-northwest of the town of Kondinin. Access is excellent via a network of local roads servicing farms and local farm tracks. The physiography is flat and dominantly comprises cleared freehold farmland. The current land use is predominantly for grain crops, and sheep and cattle production.

7.2.2 Tenure

The Hardies Project comprises a granted Exploration Licence E70/4939 covering an area of six blocks or some 18 km². The tenement was granted on 12 July 2017 and expires on 11 July 2022 unless renewed.

7.2.3 Local Geology

The Hardies gold anomaly (Figure 30) is associated with a northwest-striking shear zone cutting granitic gneiss and amphibolite, and felsic to intermediate granulite of possible greenstone affinity, that were intruded by later porphyritic monzonite and monzogranite. The Archaean lithologies are cut by Proterozoic dolerite dykes. The mineralisation is spatially coincident with the western limb and southern closure of a north-northwest to south-southeast trending fold structure (WAMEX Report a54894).

The surface geology is dominated by Tertiary regolith, commonly comprising a stripped laterite profile. The north-western part of the tenement is cut by a palaeochannel now occupied by salt lakes and salt marsh. Much of the area is covered by a thin veneer of transported sand cover (WAMEX Report a54894).

7.2.4 Exploration History

The area of Cygnus's Hardies Project was previously held by Worsley Alumina Pty Ltd (1994 to 1995: WAMEX Report a44958), North in joint venture with BHP (1997 to 1998: WAMEX reports a54894, a54895, a55977, a56202) and Auzex (2012 to 2014: WAMEX reports a100122, a100304, a100780). Only North undertook any field-based exploration.

During 1997 to 1998, North interpreted airborne magnetic data, undertook a ground magnetic survey and collected 1,372 -4 mm soil samples from 30 cm depth. The sampling defined a 20 km long north-northwest trending zone at greater than 4 ppb Au coincident with a belt of lower magnetic intensity interpreted to be granulites and gneissic rocks of "greenstone" affinity. Within this belt, closer spaced soil sampling defined the Hardies anomaly, which is located entirely within Cygnus's E70/4939.

Follow-up AC drilling (226 holes for 6,399 m) on a 250 m x 50 m grid intersected greater than 0.1 g/t Au anomalism over several hundred metres along strike within a zone of higher magnetic intensity (Table 4**,** Figure 30). RCP drilling (10 holes for 972 m) and three short diamond tails (for 30 m) were carried out to test the AC anomalies and to provide structural information. The more significant results, mostly associated with an interpreted zone of supergene enrichment at the base of oxidation rather than fresh bedrock, are listed in Table 4.

Primary mineralisation was intersected in two holes; KDRC8 and KDRC10. This mineralisation is associated with minor quartz veining, biotite-diopside alteration and disseminated pyrite-pyrrhotite and arsenopyrite and is hosted by felsic to intermediate gneiss and amphibolite. The primary mineralisation was interpreted to be associated with a northwest-southeast striking shear zone.

The zone of RCP and AC anomalism, dispersed over an area of >1 km², remains open in several directions.

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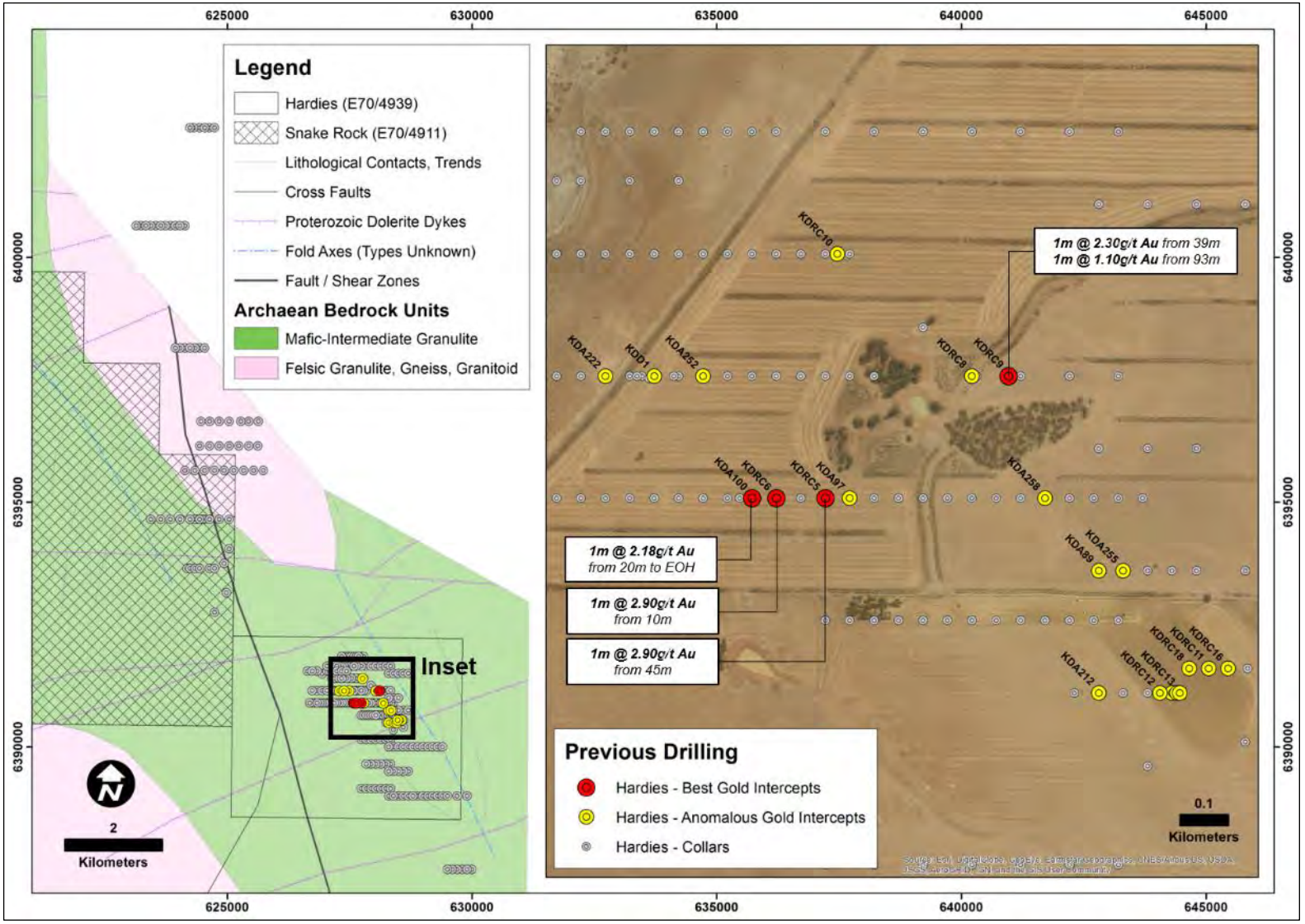

Figure 30: E70/4939 (Hardies Project) with Hardies Prospect inset showing previous drill coverage and gold intersections as listed in Table 4.
Note: The geology is based on geophysical interpretation and modelling as explained in Section 3
Source: Cygnus

Table 4: Hardies Prospect anomalous gold drill intersections

Hole no.	MGA north	MGA east	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
KDA89	6390898.19	628439.52	28	30	2	0.39	
KDA97	6390898.23	627789.52	24	28	4	1.22	
			40	42	2	0.13	
KDA100	6390898.24	627589.53	20	21	1	2.18	21 m EOH
KDA212	6390648.26	628439.49	36	44	8	0.58	
KDA215	6390648.21	628589.56	24	46	22	0.35	46 m EOH
KDA222	6391148.24	627289.50	12	16	4	0.52	
KDA250	6391148.17	628039.55	22	24	2	0.45	24 m EOH
KDA252	6391148.23	627489.49	12	36	24	0.25	
KDA255	6390898.22	628489.54	28	40	12	0.18	
KDA258	6390898.20	628189.51	40	44	4	0.28	
KDA292	6390648.19	628599.50	28	42	14	0.30	
KDRC5	6390898.20	627739.50	44	45	1	2.90	
KDRC6	6390898.20	627639.55	10	11	1	2.90	
KDRC8	6391148.17	628039.55	25	33	8	0.24	
			36	41	5	0.27	
			59	64	5	0.12	
			70	76	6	0.15	Primary
			93	100	7	0.36	Primary
KDRC9	6391148.21	628114.54	39	40	1	2.30	
			93	94	1	1.10	
KDRC10	6391398.19	627764.49	49	62	13	0.16	
KDRC11	6390898.20	627739.5	36	48	12	0.41	
KDRC12	6390648.20	628564.50	30	39	9	0.29	
KDRC13	6390648.23	628605.51	26	50	24	0.30	
			56	61	5	0.22	
KDRC16	6390698.18	628704.51	51	54	3	0.17	
			61	65	4	0.17	
			79	81	2	0.21	
			84	86	2	0.14	
			93	99	6	0.22	
KDRC18	6390698.21	628624.55	22	34	12	0.16	
			42	50	8	0.90	
KDD1	6391148.18	627389.54	20	22	2	0.77	

Source: CSA Global

7.2.5 Targets and Exploration Potential

The immediate targets at Hardies are the poorly tested southern extension of the gold anomalous trend, and the almost completely untested hinge and eastern limb of the fold structure underlying Hardies. In addition, the strong magnetic gradient near the western tenement boundary, a possible parallel structure, remains untested. Initially, Cygnus will embark on a small diamond drilling program designed to collect critical lithological and structural information required for testing the depth potential at the Hardies anomaly.

7.3 Hardies Extension Project

7.3.1 Location, Access, Land Use

The Hardies Extension tenement application is located immediately south-east of the small township of Kondinin, approximately 240 km east-south-east of Perth. Good access is provided via a network of local public and private roads and fence lines, with the Kondinin-Hyden Road providing the main access to the northern half of the tenement and the Kulin-Holt Rock Road providing the main access to the southern half. The physiography of the area is flat to undulating and dominantly comprises cleared freehold farmland and marshland.

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7.3.2 Tenure

The Hardies Extension Project consists of one Exploration License Application, E70/4990, covering an area of 39 blocks or some 113 km^2.

7.3.3 Local Geology

The underlying geology of E70/4990 is interpreted to comprise primarily of recrystallised granitoid gneiss, enclaves of metamorphosed mafic gneiss and associated sediments and minor dolerite, with Tertiary regolith almost completely covering the license area (WAMEX Reports a54894, a100780).

7.3.4 Exploration History

The first phase of exploration activity over E70/4990 was carried out by North, on the Jilaken Project (WAMEX Reports a54894, a55977) and in joint venture with BHP over the Kondinin Joint Venture Project area during 1997-1998 (WAMEX Reports a54895, a56202). Exploration work carried out during this period is summarised as follows:

- An airborne magnetic survey was flown by CRAE on 200 m flight lines for a total of 30 line kilometres within the Jilaken Project area and 129 line kilometres over the Kondinin Joint Venture Project;
- A detailed 4 km ground magnetic survey was carried out over the Hardies Project, predominantly within the Kondinin Joint Venture Project;
- A total of 1,204 soil samples were collected within the Jilaken Project on a 100 m x 500 m and some 100 m x 250 m infill lines. Sample W612442 returned a peak value of 12 ppb Au within the E70/4990 tenement application area (Figure 31). No further anomalous results were returned for samples within the current tenement application area. The results of this soil survey could not be verified at the time of reporting as the data was not available, however there is no reason to believe that the results are incorrect;
- A total of 1,372 soil samples were collected within the Kondinin Joint Venture Project, predominantly over the Hardies anomaly, on a 100 m x 500 m grid, with some 100 m x 250 m and 200 m x 50 m infill lines. No anomalous results were returned for samples within the current tenement application area. The results of this soil survey could not be verified at the time of reporting as the data was not available, however there is no reason to believe that the results are incorrect;
- Drilling within the Jilaken Project comprised 65 AC holes for 2,259 m and 8 RC holes for 718 m, of which thirteen AC holes fall within the southern portion of the current tenement application area. No anomalous results were returned from these holes (Figure 31); and
- Drilling within the Kondinin Joint Venture Project comprised 226 AC holes for 6,399 m, 10 RC holes for 972 m and three diamond core tail holes for 30 m. Of these, 41 AC holes fall within the northern portion of the current tenement application area. No anomalous results were returned from these holes (Figure 31).

Auzex in joint venture with Panoramic undertook a geophysical interpretation and prospectivity analysis during 2012-2013 over E70/4324 and E70/4325. This work included geophysical filtering and autolithology analysis, however due to the withdrawal of Auzex from the joint venture the projects were subsequently surrendered in early 2014.

7.3.5 Targets and Exploration Potential

Geophysical images and interpretation suggests a potential terrane bounding structure is present along the western side of the tenement. This feature separates a magnetic high zone to the west and magnetic low domain to the east, the latter of which contains the Hardies prospect immediately west of the tenement application E70/4990.

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This structural zone is semi-coincident with a geophysically interpreted greenstone belt along the western margin of the tenure. The entire structural zone is considered prospective for gold on the basis that domain bounding faults are often major fluid flow pathways for ore deposition, especially where greenstones may be present. A prospective gold mineralised corridor (Figure 31) may be present to the east of the structural zone where the magnetics indicates potential zones of demagnetisation (magnetic low), with the highest prospectivity to the immediate east of the main structure.

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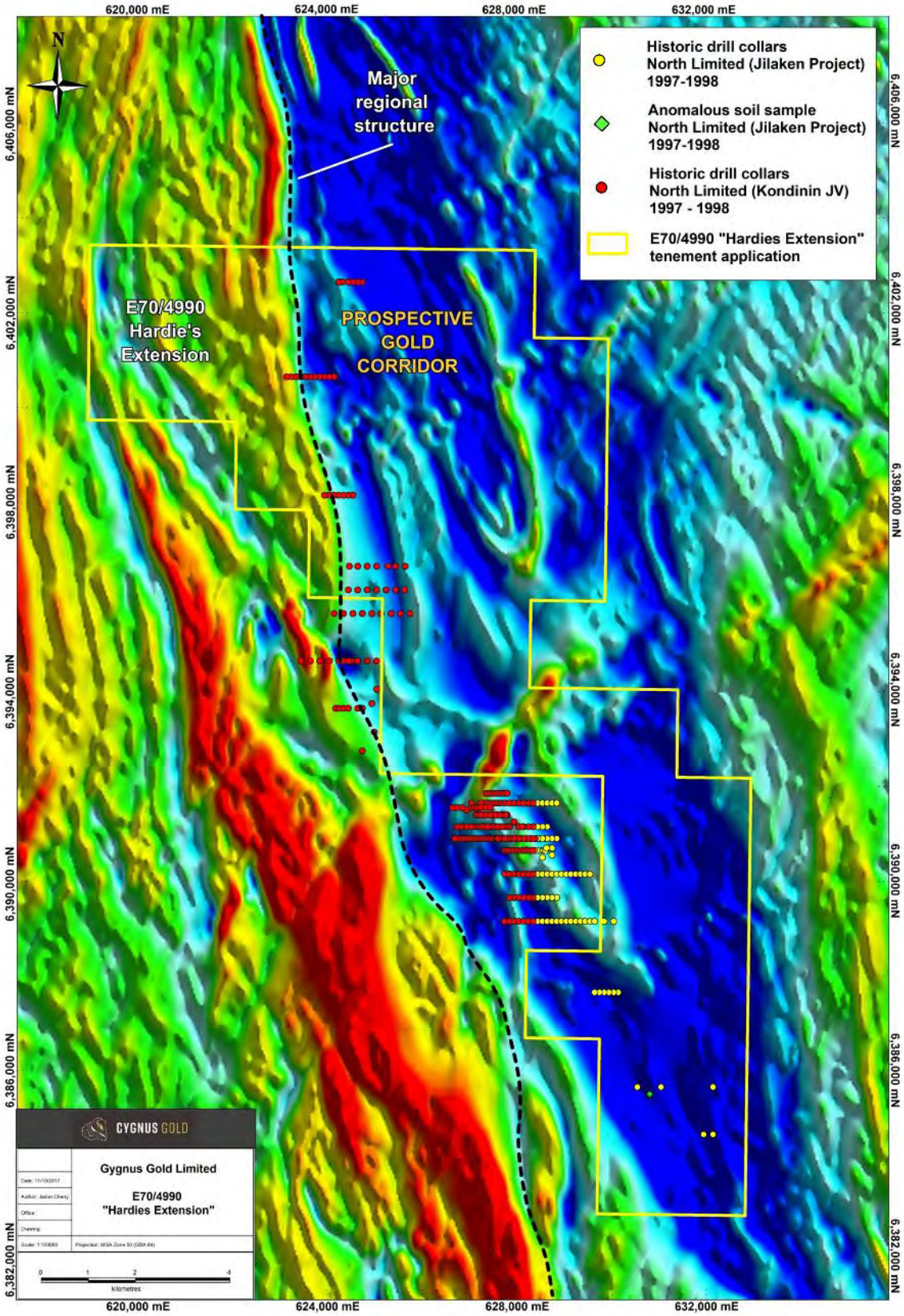

Figure 31: E70/4990 (Hardies Extension) tenement interpreted prospective gold corridor. Aircore drill hole samples (North Limited, WAMEX Reports a55977 & a56202). Background is a reduced to the pole [RTP] magnetic image, with a directional cosine filter applied (for crude dyke removal) (Source: Cygnus Gold Limited).

7.4 Wadderin Project

7.4.1 Location, Access, Land Use

Cygnus's Wadderin tenement is located ~15 km west of the township of Bruce Rock and encapsulates the township of Narembeen. Access is excellent via the Bruce Rock-Narembeen Road, which connects to the Great Eastern Highway, and a network of local public roads servicing farms in the area. The physiography is flat and dominantly comprises cleared freehold farmland and marshland. The current land use is predominantly for grain crops and sheep farming. The 695 Koz Au Tampia Gold Project, currently owned and operated by Explaurum, is located ~ 12 km south-south-east of Cygnus's Wadderin tenure.

7.4.2 Tenure

The Wadderin Project consists of Exploration License Application E70/4989, covering a combined area of 199 blocks or some 580 km^2.

7.4.3 Local Geology

The bedrock in the Wadderin area is largely concealed beneath alluvial and colluvial cover. Where outcrop does occur it largely consists of massive granitoid gneiss and leucocratic adamellite dyke stockworks intruding the granitoid gneiss or forming discrete adamellite intrusive bodies. Occasionally, outcrop also comprises mafic granulite and small enclaves of banded quartzite-magnetite-grunerite gneiss and metamorphosed BIF. At Chitterberrin, an up to 60 m-wide, N-S-striking and 55° east-dipping, "mafic granulite hosted" BIF has been drill tested for a 2.5 km along strike to evaluate its magnetite iron ore potential (WAMEX Reports a98176, a108989).

The main structural feature of the area is the Yandina shear zone, a regional-scale (>450 km-long), NNW-SSE-striking deformation zone that may represent the boundary between two different lithostructural domains (e.g., WAMEX Reports a90993, a98020).

7.4.4 Exploration History

The area of Cygnus's Wadderin tenement was first explored by BHP) in 1986 as part of their Narembeen Project, Figure 32 and Figure 33 (WAMEX Reports a25715, a26101, a26102, a26103, a26138, a26815, a29161). At the time, BHP had commenced a large regional greenfields exploration program of widely spaced BLEG stream-sediment and rock chip sampling with follow-up detailed grid soil sampling, targeting Archaean lode gold mineralisation within high-grade metamorphic rocks. BHP's exploration was successful with the discovery, in 1987, of the nearby Tampia gold deposit. The discovery of Tampia and other gold prospects nearby focused BHP's attention to a very small area around the deposit, resulting in little attention being paid to the wider region. BHP withdrew from the area in 1989, due to the difficulty in gaining access to the private properties containing the deposit.

From 1987 to 1991, CRAE explored the area to the north of BHP's Tampia gold discovery, as part of their Tank Hill South Project (WAMEX Report a36742), which covered part of Cygnus's Wadderin tenement. Work by CRAE included an airborne magnetic and radiometric survey, ground gravity traverses, photogeology and roadside geochemical sampling of soil, stream and laterite media. Auger sampling of areas of gold and multi-element surface geochemical anomalism defined a significant gold anomaly referred to as Bruce Rock II, located outside, but immediately adjacent to Cygnus's Wadderin tenement. Follow-up RAB and limited DD drilling at Bruce Rock II returned a best intercept of 12 m at 0.8 g/t Au from 28 m in hole 89BR2DD01, developed within a sequence of schistose felsic and mafic granulites and interbedded BIF along the Yandina shear zone.

From 1996 to 1999, Cygnus's Wadderin tenement was explored by Astro as part of their >10,000 km^2 Merredin Super Project (WAMEX Reports a54018, a59228, a59424). Astro's work mainly focused on diamond exploration, although the company also explored for gold and base metals. Work undertaken by Astro included geochemical and petrographic studies, reconnaissance mapping, airborne magnetic and remote sensing surveys, aerial photography and AC, RAB and RC drilling. However, little of this work was undertaken within Cygnus's tenure. Of interest is that geochemical sampling by Astro in the Tampia district identified

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numerous gold anomalies above the regional background of 1 ppb Au. Astro found that values greater than 5 ppb Au (including a peak of 62 ppb Au) are clustered in three linear north-south-trending domains, spatially associated with the margins of magnetic highs interpreted to represent or include BIF.

Between 2000 and 2004, Dominion held much of Cygnus's Wadderin tenement as part of their Corrigin Project (WAMEX Reports a62909, a65437, a67438, a67675, a69119a, a69343, a69345, a70066, a70067). Initial surface geochemical sampling by Dominion involved reconnaissance road side sampling at 500 m spacings along public roads. Follow-up infill sampling at 100 m spacings on numerous anomalous values greater than 3 ppb Au returned anomalous assays up to 120 ppb Au. The latter anomaly, which is located near the intersection of the Merredin-Narembeen and Muntadgin Roads within Cygnus's tenure, forms part of a cluster of anomalies of >50 ppb Au spatially coincident with a bend along the regionally extensive Yandina shear zone. The anomalism was not followed-up.

From 2006 to 2011, much of Cygnus's Wadderin tenement was explored by Magnetic Resources NL (Magnetic) as part of their Wadderin (Tampia North) Project (WAMEX Reports a76401, a76624, a76763, a78613, a78634, a78659, a79565, a83043, a84138, a84308, a84569, a87837, a87879, a90708, a90993). Work by Magnetic included field examination of several small unrecorded gold workings (located with the aid of local farmers), rock chip and soil sampling and AC (61 holes for a total of 893 m) and RAB (224 holes for a total of 2,499 m) drilling. The soil sampling defined three areas of gold anomalism, including one that returned exceptional assay values up to 1,300 ppb Au. The latter value was returned from CRAE's Bruce Rock II prospect, which is spatially coincident with the Yandina shear zone. Drilling confirmed the gold-in-soil anomalism with best results of 2 m at 0.42 g/t Au from surface in hole TNRAB106 and 4 m at 0.36 g/t Au from surface in hole MTNRB-10. Whilst most of this work occurred outside Cygnus's Wadderin tenement the main area of anomalism is located immediately adjacent to and along the eastern boundary of Cygnus's E 70/4989.

In 2010 to 2014, Mindax Energy Pty Ltd (Mindax) and joint venture partner Quasar Resources Pty Ltd explored the district as part of their Kellerberrin Project (WAMEX Reports a91753, a95174, a95566, a99499, a101218), targeting roll front uranium within palaeodrainage systems. Work by Mindax included AC drilling (38 holes for a total of 1,875 m) and ground gravity traverses (465 stations). Whilst the Kellerberrin Project partially overlapped with Cygnus's Wadderin tenement, no work was undertaken within Cygnus's tenure.

From 2011 to 2014, part of Cygnus's Wadderin tenement was held by Enterprise as part of their Burracoppin South (WAMEX Reports a94515, a99199) and Burracoppin (WAMEX Reports a97794, a101937) projects where Enterprise targeted magnetite, base metals, gold and platinum group metals systems. Work undertaken by Enterprise within the Wadderin area was restricted to compilation of open-file data, desktop studies, processing and interpretation of existing airborne magnetic and radiometric survey data, field reconnaissance and minor soil sampling. Importantly, surface geochemical sampling by Enterprise near the intersection of Merredin-Narembeen and Muntadgin Roads returned 93 ppb Au from the same location previously by Dominion and having returned 120 ppm Au.

Between 2012 to 2014, a small portion of Cygnus's Wadderin tenement was held by Ishine International Resources Ltd (Ishine) as part of their Narembeen Project (WAMEX Reports a93721, a97879, a102191). Ishine, which targeted gold and magnetite iron ore systems, completed desktop studies and field reconnaissance, a VTEM survey (308 line kilometres) and one 200 m-long DD hole at Emu Hill near Tampia gold mine. The drilling results were not available at the time of reporting.

From 2011 to 2016, Reedy explored an area within Cygnus's Wadderin tenement, known as Chitterberrin, for magnetite deposits. Between 2011 and 2014, exploration at Reedy's Bullamine Project (WAMEX Reports a90477, a90478, a94006, a94013, a98176, a103135, a105847, a107095, a108989) was undertaken in joint venture with Cliffs. Work completed by Reedy and Cliffs included an airborne gravity survey (for a total of 178 line kilometres), a combined magnetic and radiometric survey (for a total of ~1,889 line kilometres), a desktop review that led to the identification of the Chitterberrin magnetite prospect and diamond drilling (15 holes for ~2,820 m), metallurgical test work and calculation of an Inferred Resource for the newly discovered Chitterberrin magnetite deposit of 53.6 Mt at 29.3% Fe.

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Given the following observations, the Chitterberrin magnetite deposit may warrant follow up in terms of its gold potential:

- Previous diamond drilling revealed the presence of mafic granulite, quartz veining, significant amounts of pyrite and pyrrhotite and intense chlorite alteration (e.g. from 73.75–80.00 m in hole CB11DD004), which has been described as hydrothermal.
- The previous drilling also recorded narrow intercepts of >0.50% Cu (81.10–81.30 m in hole CB11DD002 and 47.25–47.70 m in hole WB11DD004) and >0.50% Zn (112.30–113.25 m in hole WB11DD005), that may be linked to the presence of chalcopyrite and sphalerite.
- As illustrated in Figure 3 of WAMEX Report a94013, previous drilling intersected a ≈10 m-wide, sub-vertical, quartz-filled fault zone cutting the BIF.
- None of the previous drill holes were assayed for gold.

As a whole, the above may be taken to imply a possible overprint of the banded iron formation by a later hydrothermal and potentially gold-bearing event.

7.4.5 Targets and Exploration Potential

The key targets at Wadderin are:

- A cluster of significant untested gold surface geochemical anomalies (up to 120 ppb Au) near the intersection of Merredin-Narembeen and Muntadgin roads and spatially coincident with a bend along the regionally extensive Yandina shear zone.
- The greenstone succession at the Chitterberrin magnetite deposit, which has not been assayed for gold despite (a) the presence of mafic granulite, significant amounts of pyrite and pyrrhotite (and possibly of chalcopyrite and sphalerite as indicated by narrow drill hole intercepts with >0.50% Cu and Zn), quartz veining and intense chlorite alteration, and (b) the deposit being cut by a 10 m-wide, quartz-filled, sub-vertical fault zone.

Additional targets include:

- An up to 4.7 km-wide and 45 km-long section of metamorphosed greenstone belt rocks bound by the north-south-striking Yandina shear zone.
- An array of complex folds developed in metamorphosed greenstone belt rocks in the western part of the Wadderin tenement, and extensional to fold axes targeted by Explaurum to the south.

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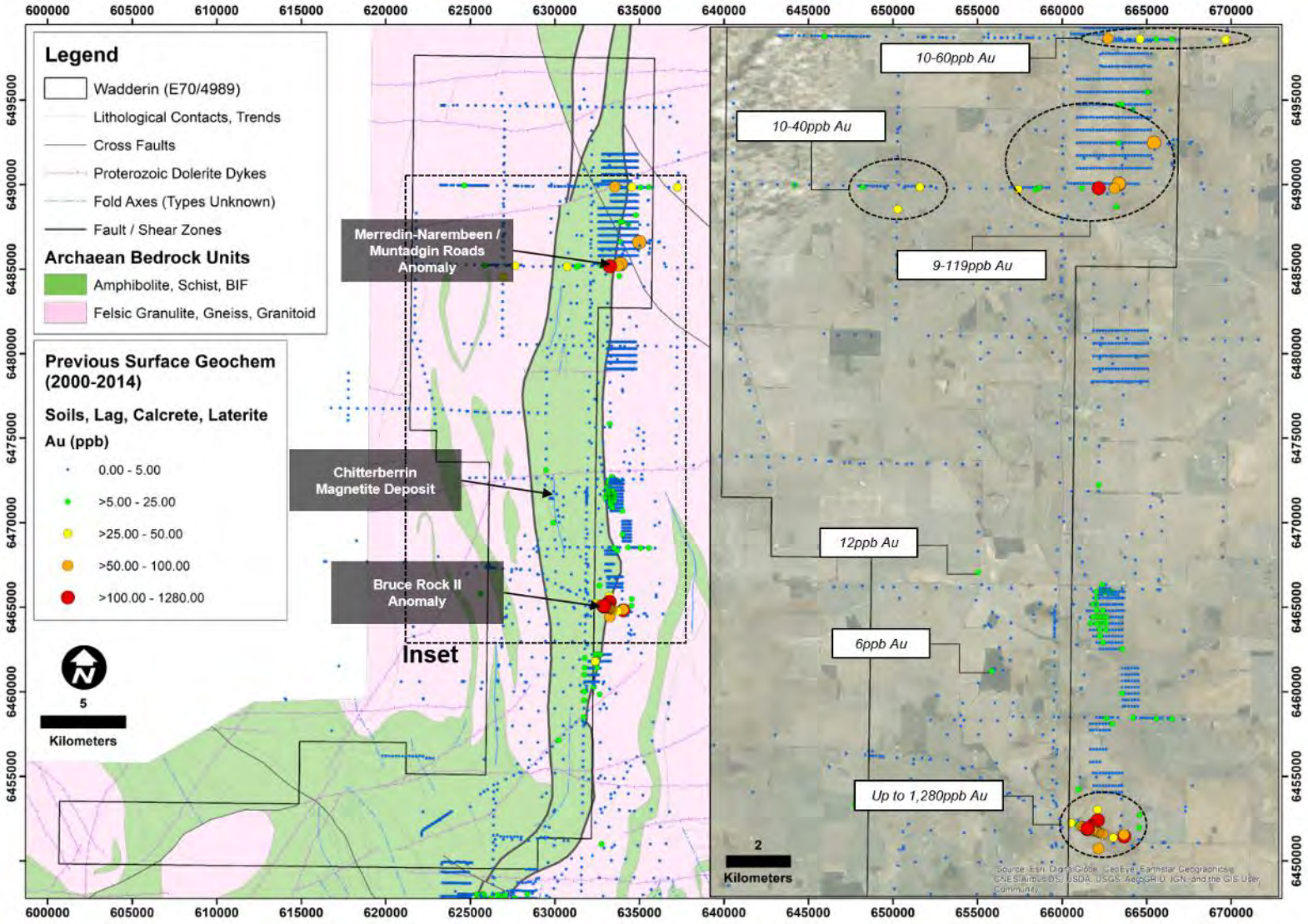

Figure 32: Wadderin Project showing interpreted geology and previous surface geochemical samples. The geology is based on geophysical interpretation and modelling as explained in Section 3. Source: Cygnus

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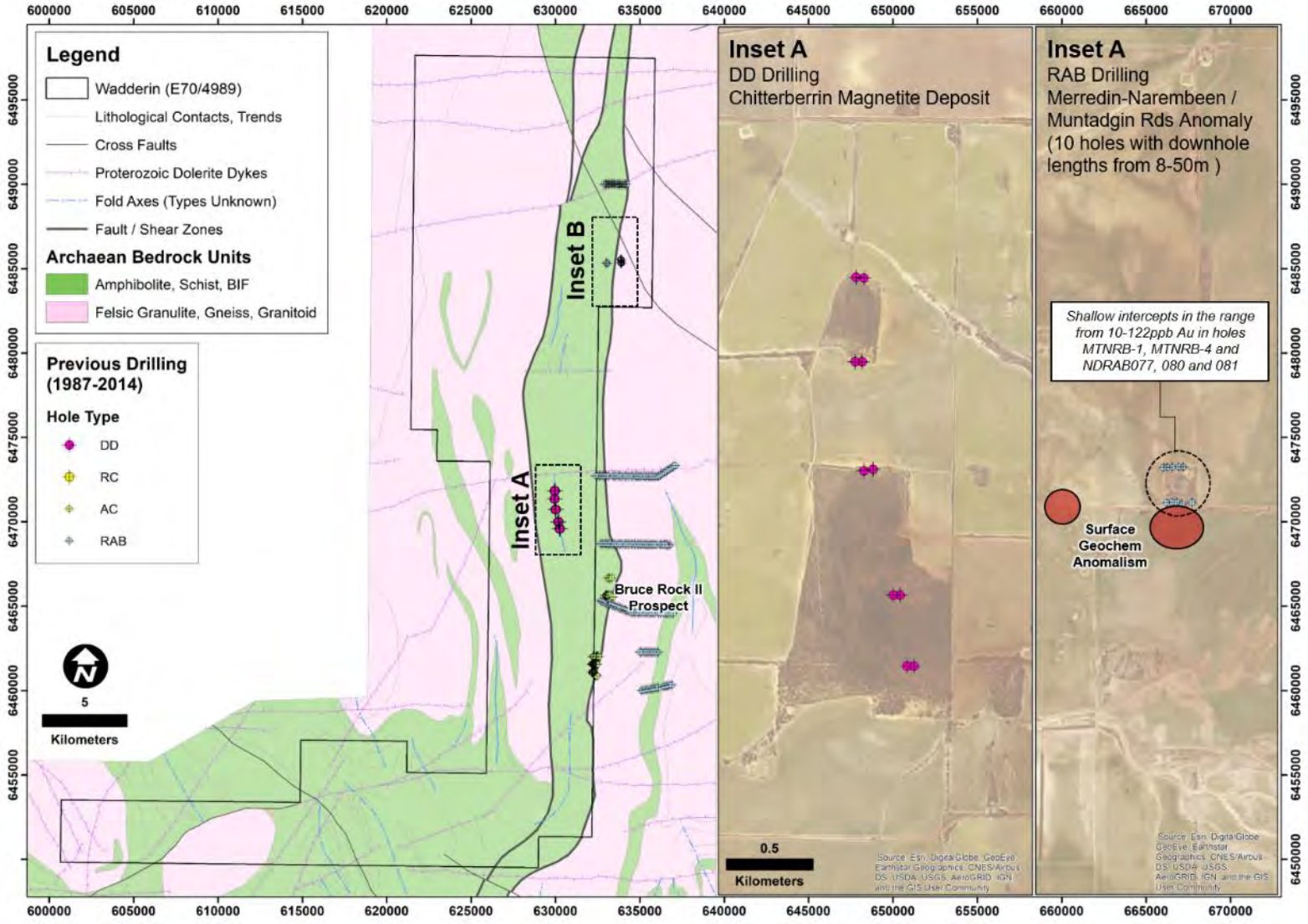

Figure 33: Wadderin Project showing interpreted geology and previous drilling.
The results obtained from the highlighted drill holes are provided in the body of text. The geology is based on geophysical interpretation and modelling as explained in Section 3.
Source: Cygnus

7.5 Bendering South Project

7.5.1 Location, Access, Land Use

Cygnus's Bendering South tenement is located immediately east of the small township of Kondinin, approximately 240 km east-south-east of Perth. Good access is provided via a network of local public roads, private roads and fence lines, with the Kondinin-Hyden Road running east-west through the tenement. The physiography of the area is flat to undulating and dominantly comprises cleared freehold farmland and marshland.

7.5.2 Tenure

The Bendering South Project consists of one Exploration License Application, E70/5018, covering an area of 105 blocks or some 309 km^2.

7.5.3 Local Geology

The geology underlying Cygnus's E70/5018 is interpreted to be primarily granite, granulite, gneiss and minor dolerite, however the area is almost completely covered by regolith (WAMEX Report a95107).

7.5.4 Exploration History

The first recorded historical work completed over the current tenement application was undertaken in 1997 and 1998, by North Limited in joint venture with BHP Minerals over the Kondinin Joint Venture Project area (WAMEX Report a56202). Ten AC holes were drilled by North Limited in the north-western portion of the current tenement application area, no significant results were returned. The hole locations are shown in Figure 34.

More recent exploration was undertaken by Ausgold on E70/3342 within their broader Katanning Regional Project area during the period 2010 to 2012, but no direct work carried out over Cygnus tenement area (WAMEX Report a95107).

Most recently, Auzex (now Explaurum Limited) undertook a prospectivity study of their broader project area. Within the current tenement area, the study covered part of the eastern half of Cygnus's ground. (WAMEX Report a100781). No strongly prospective ground was identified by this study on that part of the Cygnus tenement that it covered.

As a part of a South West Yilgarn-wide CRC LEME regolith sampling program, a total of six regolith (lateritic residuum) samples were collected and analysed over the tenement area. Regolith sample locations are shown in Figure 34. No significant results were found.

7.5.1 Targets and Exploration Potential

A potential terrane bounding structure is exposed on the western side of the tenement, supported by geophysical interpretation. The structure separates a magnetic high zone to the west and magnetic low domain to the east.

This structural zone is semi-coincident with a geophysically interpreted greenstone belt along the western margin of the tenure. The entire structural zone is potentially prospective for gold, on the basis that domain bounding faults are often attributed to be major fluid flow pathways for gold deposition, especially where greenstones may be present. A prospective gold mineralised corridor (Figure 34) may be present to the east of the structural zone, where the magnetics indicate potential zones of demagnetisation (magnetic low), with the highest prospectivity to the immediate east of the main structure.

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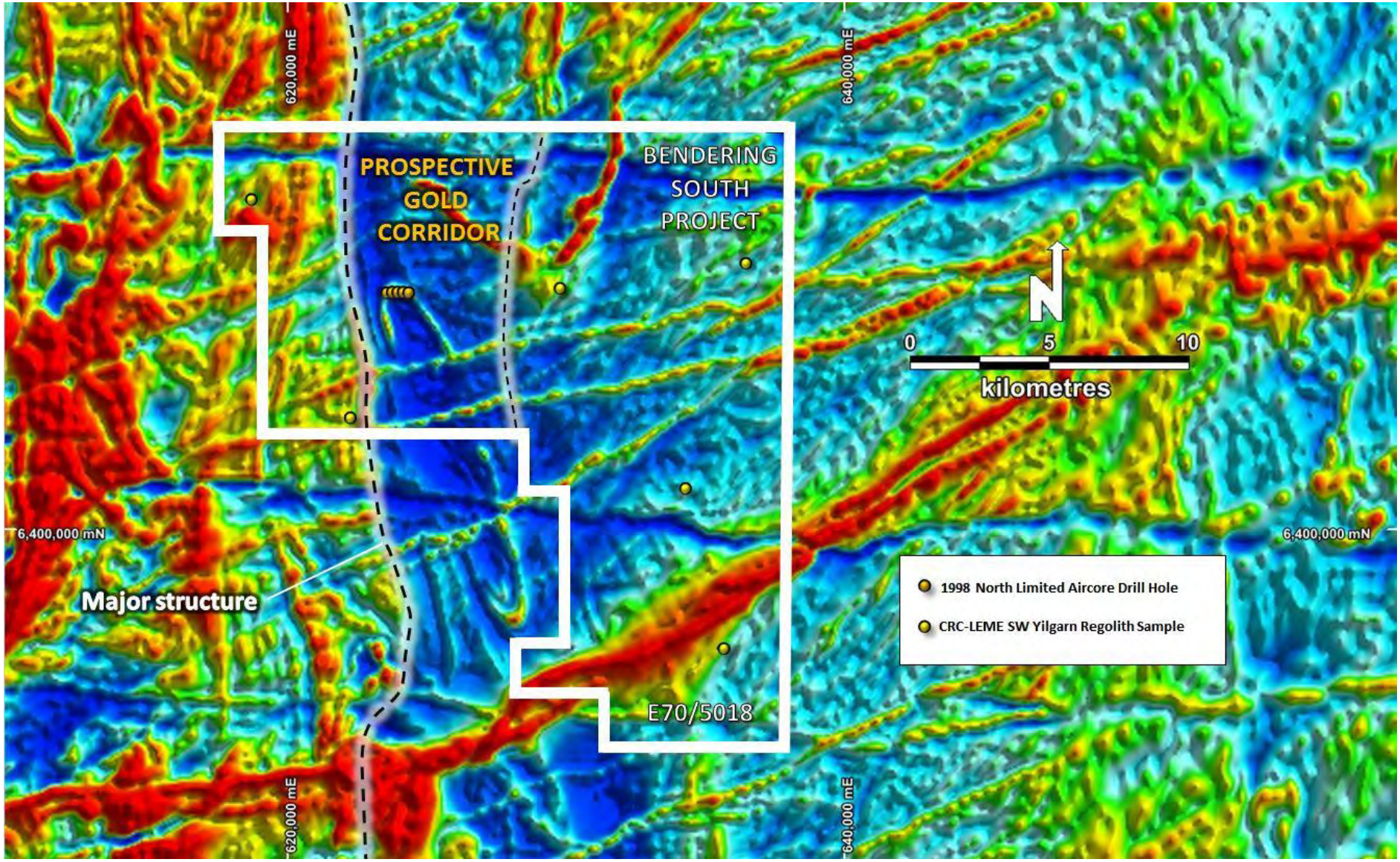

Figure 34: E70/5018 (Bendering South Project) interpreted prospective gold corridor, AC Drill hole samples (North Limited, WAMEX Report a56202) and regional regolith samples (CRC-LEME). Background is reduced-to-pole magnetics (Source: Cygnus Gold Limited).

7.6 Bendering North Project

7.6.1 Location, Access, Land Use

Cygnus's Bendering North tenement is located 2 km south of the small township of South Kumminin, approximately 240 km north-east of Perth. Good access is provided via a network of local public roads, private roads and fence lines. The physiography of the area is flat to undulating and dominantly comprises cleared freehold farmland and marshland.

7.6.2 Tenure

The Bendering North Project consists of one Exploration License Application, E70/5019, covering an area of 120 blocks or some 353 km^2.

7.6.3 Local Geology

Cygnus's E70/5019 underlying geology is interpreted to be primarily granite, granulite, gneiss and minor dolerite, however the area is almost completely covered by regolith (WAMEX Report a95107).

7.6.4 Exploration History

Historical exploration over E70/5019 is restricted to recent work by Ausgold on E70/3342 within their broader Katanning Regional Project area during the period 2010 to 2012.

Ausgold undertook a regional stream sediment geochemical program, where two samples were collected in the south-western corner of the Bendering North tenement, the locations of which are shown in Figure 35. These samples did not yield significant results. Additionally, Ausgold undertook a prospectivity analysis over the region. Although a potential target zone was identified, Ausgold concluded that there was a lack of gold prospectivity and subsequently surrendered the tenement.

As a part of a South West Yilgarn-wide CRC LEME regolith sampling program, a total of six widely spaced regolith (lateritic residuum) samples have been collected and analysed over the tenement area. Regolith sample locations are shown in Figure 35. No significant results were found.

7.6.5 Targets and Exploration Potential

A potential terrane bounding structure is exposed on the western side of the tenement, supported by geophysical interpretation. The structure separates a magnetic high zone to the west and magnetic low domain to the east.

This structural zone is semi-coincident with a geophysically interpreted greenstone belt along the western margin of the tenure. The entire structural zone is potentially prospective for gold on the basis that domain bounding faults are often attributed to be major fluid flow pathways for gold deposition, especially where greenstones may be present. A prospective gold mineralised corridor (see Figure 35) may be present to the east of the structural zone where the magnetics indicate potential zones of demagnetisation (magnetic low), with the highest prospectivity to the immediate east of the main structure.

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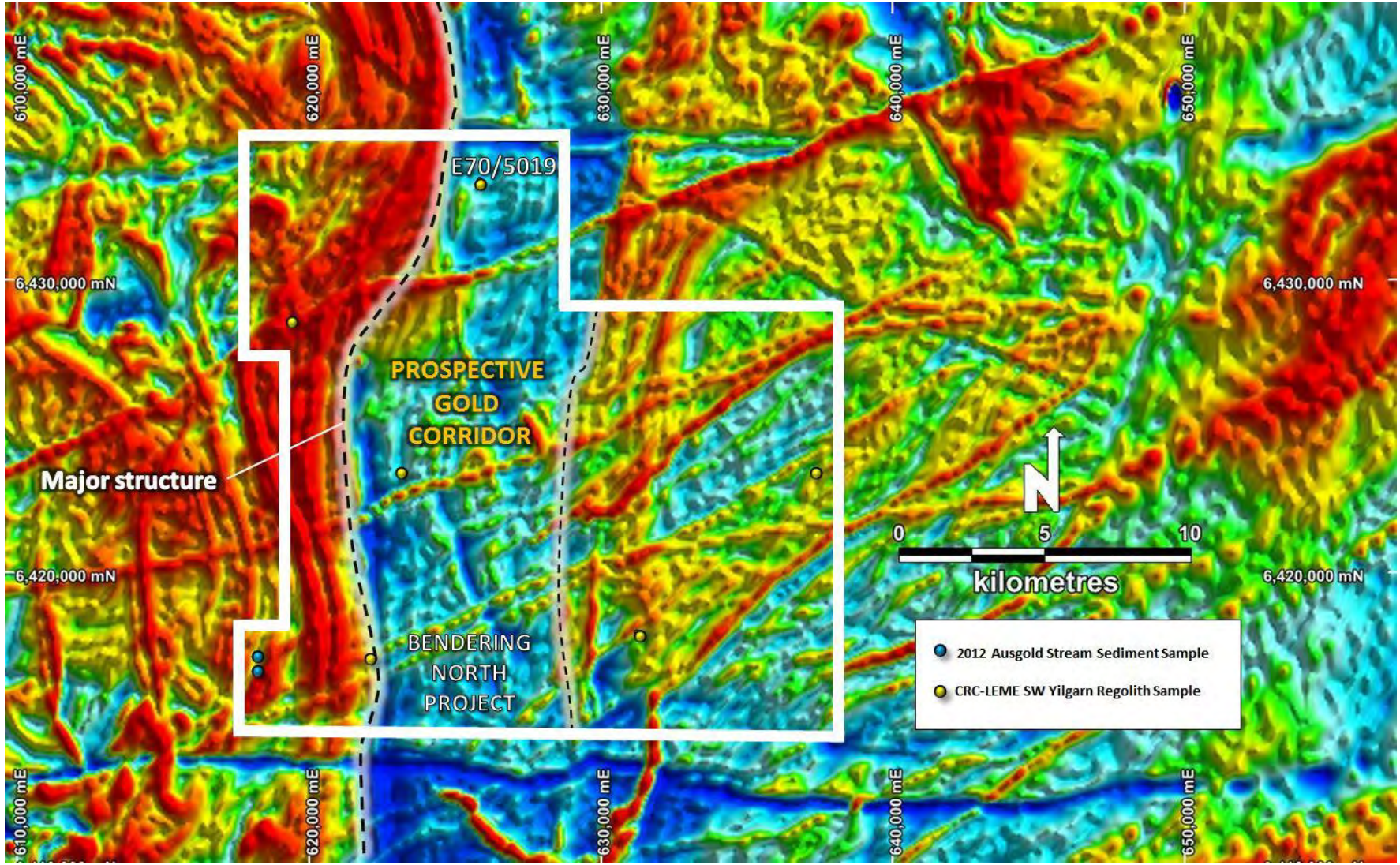

Figure 35: E70/5019 (Bendering North Project) interpreted prospective gold corridor, stream sediment samples (Ausgold Limited, WAMEX Report a95107), and regional regolith samples (CRC-LEME). Background is reduced-to-pole magnetics
Source: Cygnus Gold Limited

7.7 Emu Hill North Project

7.7.1 Location, Access, Land Use

Cygnus's Emu Hill North tenement is located approximately 15 km to the south of Muntadgin, and approximately 250 km east of Perth. Good access is provided via Wogari-Muntadjin Road, and a network of local public roads, private roads and fence lines. The physiography of the area is flat to undulating and dominantly comprises cleared freehold farmland and marshland. The current land use is predominantly for grain crops and sheep production.

7.7.2 Tenure

The Emu Hill North Project consists of one Exploration License Application, E70/5020, covering an area of 48 blocks or approximately 140 km^2.

7.7.3 Local Geology

Cygnus's E70/5020 is centred upon a 10 km-long section of the north-south to northwest-southeast-striking, west-dipping Bencubbin Greenstone Belt. The tenement is located within the Western Gneiss Terrane of the south-west Yilgarn Province and the geology comprises of granite, felsic to mafic granulite, gneiss and dolerite occur as scattered outcrop and subcrops throughout farming paddocks on the tenement area.

7.7.4 Exploration History

No historic exploration work has been identified in the tenement area, however, the current tenement area has been covered by historical tenements, with the work undertaken predominantly to the east around the Holleton area. Work carried out within the broader historic tenements are described in WAMEX reports a27185, a30975 and a30995.

7.7.5 Targets and Exploration Potential

The main target at Emu Hill North is a subtle north-east trending gravity ridge interpreted as a greenstone belt, which may be prospective for orogenic gold mineralisation. The conceptual target is highlighted in Figure 36, and is focused on the southern portion of the tenement where the interpreted greenstone belt bends from a northerly to north-easterly orientation, potentially a dilational site within the greenstone. The greenstone belt can be interpreted to extend south-west along strike through the Tampia Gold Project, owned by Explaurum, which has a current JORC (2012) Mineral Resource of ~695 Koz Au (Explaurum ASX Announcement dated 13 September 2017). The target is entirely conceptual in nature, with no previous work or detailed mapping confirming prospectivity.

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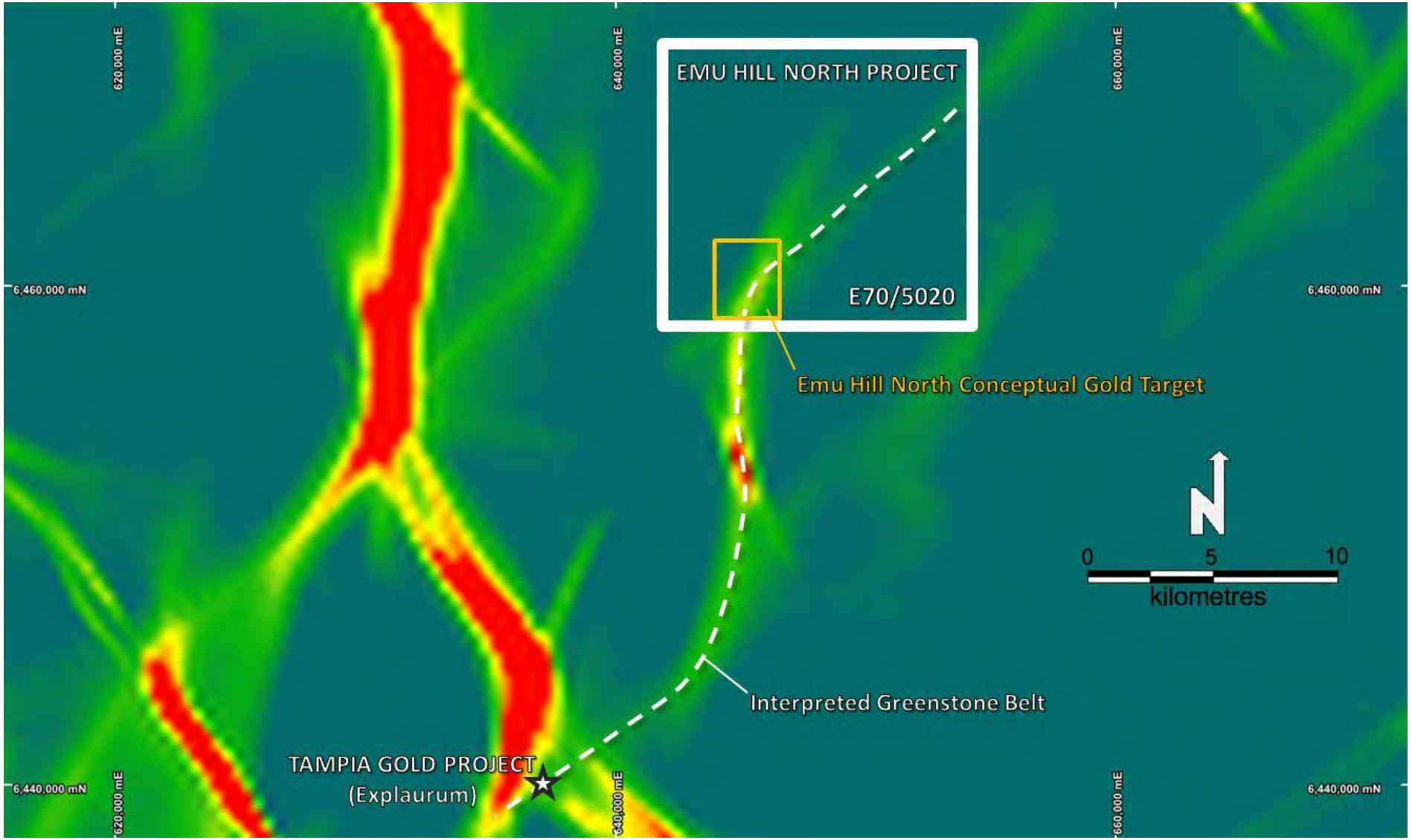

Figure 36: E70/5020 (Emu Hill North Project) showing a geophysically-derived gravity-inferred greenstone belt extending northeast from Explaurum Limited's Tampia Gold Project to the south-west.

7.8 Emu Hill South Project

7.8.1 Location, Access, Land Use

Cygnus's Emu Hill South tenement is located 10 km east of the township of Narembeen, approximately 250 km north-east of Perth. Good access is provided via Mt Walker Road, which runs east-west through the tenement, and a network of local public roads, private roads and fence lines. The physiography of the area is flat to undulating and dominantly comprises cleared freehold farmland and marshland.

7.8.2 Tenure

The Emu Hill South Project consists of one Exploration License Application, E70/5021, covering an area of 152 blocks or some 447 km^2.

7.8.3 Local Geology

Cygnus's E70/5021 is predominantly regolith covered. Where outcrop is present, it has been identified as primarily granite and felsic granulite and gneiss with some mafic granulite and gneiss and minor dolerite (WAMEX Report a78422).

7.8.4 Exploration History

The earliest record of exploration on the area covered by E70/5021 is by Quadrio, a wholly owned subsidiary of Dominion, who were granted E70/2621 in 2006. A total of 137 auger samples were collected, with a maximum value of 18 ppb Au returned. No significant results were interpreted, and no targets were generated. Dominion recommended that no further work be undertaken on E70/2621 and it was subsequently relinquished (WAMEX Report a78422). No work has been undertaken on the area covered by E70/5021 since. The location of the auger samples within the tenement are shown in Figure 37.

7.8.5 Targets and Exploration Potential

There are two conceptual target areas identified by the company in E70/5021, both are geophysically-driven interpreted greenstone belts, prospective for orogenic gold mineralisation (Figure 37). Both interpreted greenstone belts appear to continue along strike through the Tampia Gold Project (Explaurum).

The northern target comprises a north-trending interpreted greenstone belt, which continues north into Cygnus's adjoining tenement E70/5020 (Emu Hill North Project) and south-west towards the Tampia Gold Project. The southern target is a predominantly north-west trending interpreted greenstone belt, which continues a further 6 km to the north-west to the Tampia Gold Project. Given the spatial relationship to the Tampia Gold Project, both targets are considered prospective for gold mineralisation.

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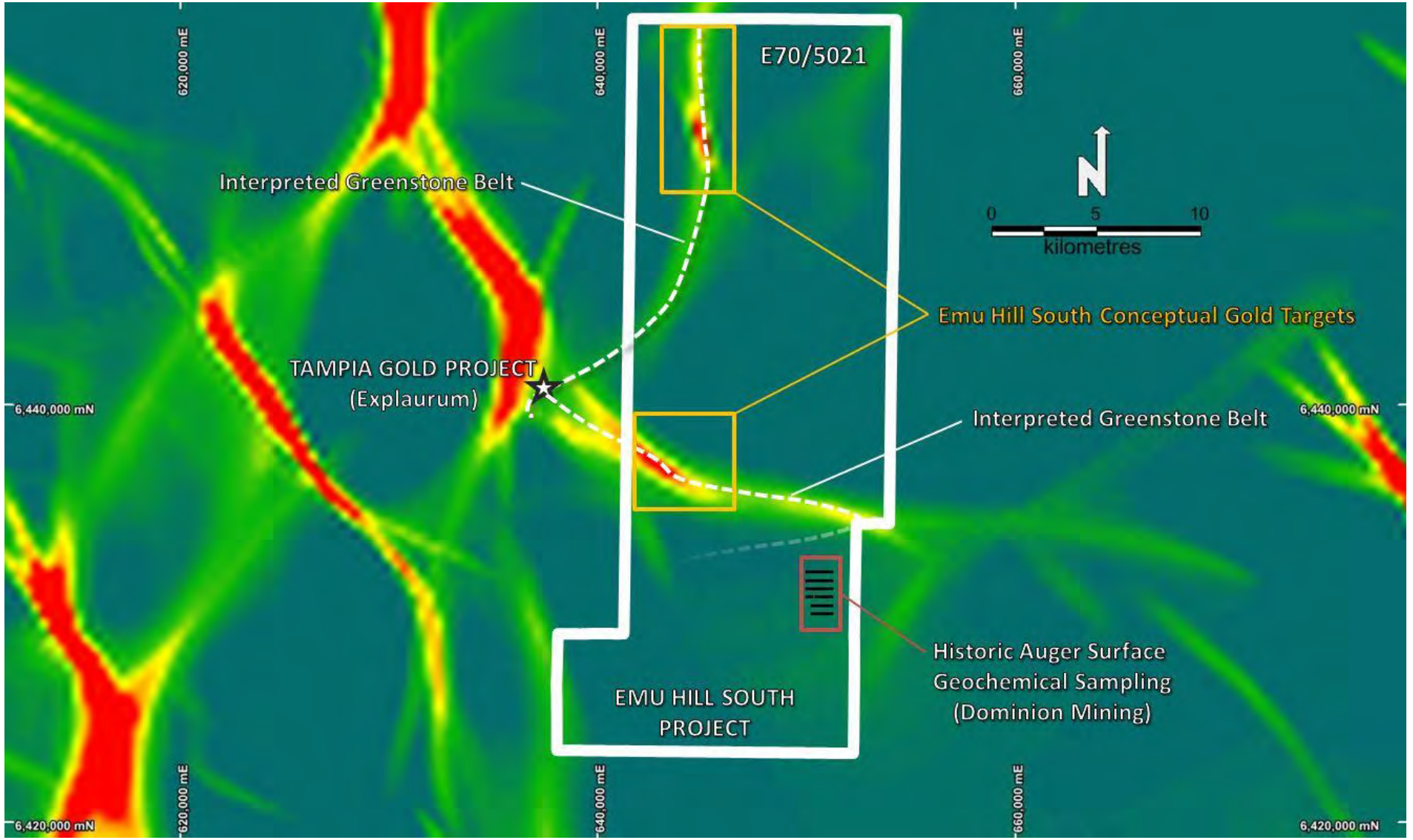

Figure 37: E70/5021 (Emu Hill South Project) with conceptual targets, interpreted greenstone belts and location of historic auger samples (Dominion Mining, WAMEX Report a78422). Background is 'Gravity Ridge/Greenstone' geophysical filter (Source: Cygnus Gold Limited).

8 Risks

A key risk, common to all exploration companies, is that the expected mineralisation may not be present or that it may be too small to warrant commercial exploitation.

The interpretations and conclusions reached in this ITAR are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

Exploration licence tenure covering freehold land, on grant, only provides for access below 30 m of the natural land surface. Access to freehold land to conduct normal exploration activities is therefore contingent on freehold landowners and occupiers granting surface access rights via an access agreement negotiated by Cygnus with the freehold landowners and occupiers. These are typically agreements for exploration purposes only and access to undertake mining activities requires additional access permission. Therefore, an additional risk to Cygnus achieving its stated exploration goals, apart from potential technical or fund-raising issues, is whether the Company can obtain access to its project areas. Most tenure held by Cygnus is over freehold land and surface rights to allow access for exploration activities must be provided by the freehold landowner and occupiers.

Cygnus has signed land access agreements with various landowners and occupiers, which provides the Company with year-round access to the Bottleneck and Bottlerack Prospects located within the Stanley Project. Access is noted on the licence documentation and is shown on the DMIRS title system. The Company also advises that additional land access agreements will be sought to allow access to other areas of the Stanley Project and to their other project areas, as required.

With respect to land access in the Southwest Terrane it is important to note that other companies (e.g. Ausgold and Explaurum, at their Katanning and Tampia/Gault Gold Projects, respectively) are operating successfully on freehold land in the Southwest Terrane.

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9 Proposed Exploration Budget Summary

9.1 Cygnus Projects

The exploration approach and strategy are discussed in more detail for each project in the relevant report sections describing the projects. Table 5 provides a summary of expenditure by activity for Cygnus's tenure that they will explore 100% outright.

The Stanley Project where Cygnus already has landholder access agreements in place, will utilise much of the budget presented in Table 5, with a two-year program and budget ranging between approximately $2.3 million to $2.5 million.

The other granted projects will use the balance of the budget where exploration will include airborne geophysical surveys (gravity and magnetic) to locate targets where land access agreements are yet to be negotiated.

Table 5: Proposed exploration expenditure summary by project and activity

Project	Program	$5M Raising				$6M Raising			
		Total Budget $M	Drilling (m)	Year 1 $M	Year 2 $M	Total Budget $M	Drilling (m)	Year 1 $M	Year 2 $M
Stanley	Geological and Geophysical	0.30		0.20	0.10	0.30		0.20	0.10
	Surface Geochemistry	0.30		0.20	0.10	0.20		0.10	0.10
	Aircore Drilling	0.60	15,000	0.40	0.20	0.60	15,000	0.40	0.20
	Aircore Drilling (Other Prospects)	0.40	10,000	0.20	0.20	0.60	15,000	0.40	0.20
	RC Drilling (Other Prospects)	0.10	1,000		0.10	0.20	2,000		0.20
	Diamond Drilling (Bottleneck)*	0.40	3,000	0.20	0.20	0.40	3,000	0.30	0.10
	Diamond Drilling (Other Prospects)	0.20	1,000		0.20	0.20	1,000		0.20
	Sub Total	**2.30**	**29,000**			**2.50**	**35,000**		
Kulin	Airborne Geophysics	0.09		0.09		0.16		0.16	
	Sub Total	**0.09**				**0.16**			
Burracoppin	Airborne Geophysics	0.12		0.12		0.20		0.20	
	Sub Total	**0.12**				**0.20**			
Frankland	Airborne Geophysics	0.18		0.18		0.32		0.32	
	Sub Total	**0.18**				**0.32**			
Borden	Airborne Geophysics	0.27		0.27		0.47		0.47	
	Sub Total	**0.27**				**0.47**			
Bullock North	Airborne Geophysics	0.04		0.04		0.07		0.07	
	Sub Total	**0.04**				**0.07**			
Grand Total		**3.00**				**3.72**			

** Note includes DMIRS EIS co-funded drilling rebate of $150,000 to fund half of direct drilling costs (1,000 m)*

The proposed budget is considered consistent with the exploration potential of Cygnus's projects and is considered adequate to cover the costs of the proposed program. The budgeted expenditure is also considered sufficient to meet the minimum statutory expenditure on the tenements.

9.2 Lake Grace and Wadderin Earn-In Projects

It is assumed that Gold Road Projects will meet minimum expenditure commitments to earn at least a 51% interest in the exploration commitments on the Lake Grace and Wadderin Earn-In Projects. Gold Road Projects must spend a minimum of A$400,000 and A$900,000 on the Lake Grace and Wadderin Earn-INs respectively within 18 months, before they can withdraw. To earn 51% in the Lake Grace and Wadderin Joint Ventures, Gold Road must spend A$700,000 and A$1,600,000 respectively within 30 months which covers the two-year budget period.

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11 Glossary

For further information or for terms that are not described here, please refer to internet sources such as Wikipedia www.wikipedia.org.

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Appendix 1: JORC Code Table 1 for Exploration Results

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The Company has completed a comprehensive compilation of past exploration work completed over the tenement portfolio. Past reports on work completed have collated and (where available) digital data has been consolidated into a project database.

The Company has not yet acquired any new samples for analysis, all tenement selection and target identification has been based on open file historical data sourced from WAMEX reports.

The primary objective in compiling this data was to collect evidence that supported the underlying exploration rationale for the tenement acquisition. In this instance, the presence of gold, in a permissive interpreted geological setting (i.e. greenstone terrains) is considered more important than the exact value of the assay for the individual results. Apart from RC percussion and core holes, all data is presented and used as 2D maps because the focus is on geochemistry and maximum values in holes for use as a prospect identification/targeting tool.

The results are considered to have been generated from work programmes representing usual industry practice for the time they were collected, and analysed at commercial laboratories who serviced the mineral exploration industry. However, for much of the work in the historical reports there is only limited information to address specific Table 1 criteria.

In the professional opinion of the Competent Persons, Cygnus has however done sufficient verification of the data, to provide sufficient confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for further investigation. The Competent Persons have completed checks of the original reports and found the Cygnus compilation to be a comprehensive and accurate capture of the available data.

Given the large number of individual reports (all referenced above), the following Table 1 sections provide overview comments and readers are encouraged to check the freely available source documents for any specific details they may require. It is considered impractical and unnecessary to attempt detailed Table 1 disclosure for every past exploration result presented in the ITAR, bearing in mind that the objective of the Report is to provide a high-level summary of the key features of the projects and to comment on the use of funds being contemplated. The discussion and illustrations provided in the ITAR address Cl 19 of the JORC Code, while the following Table 1 provides a high level response that covers all of the exploration results discussed in this report.

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*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 downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	All data presented herein are from past exploration activities prior to Cygnus involvement and have been obtained from open file public records. Cygnus Gold Limited (Cygnus) is undertaking a full validation of the nature and quality of the sampling undertaken. Samples are all from early stage exploration work comprising surface soil and rock samples, auger soil samples, RAB and aircore geochemical sampling, as well as limited RC percussion drilling. Open file geophysical data was also acquired.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	All data presented herein are previous and Cygnus is undertaking a full validation of the nature and quality of the sampling undertaken. Cygnus has however done sufficient verification of the sampling techniques, in the Competent Person's opinion to provide sufficient confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation. For early stage exploration projects the quality of past data is considered fit for purpose.
	Aspects of the determination of mineralisation that are Material to the Public Report.	All references to mineralisation are taken from reports and documents prepared by previous explorers and have been reviewed by Cygnus and considered to be fit for purpose. The authors of the ITAR concluded that the results highlighted by Cygnus are anomalous and warrant further investigation based on their experience in the areas of the Company projects
	In cases where "industry standard" work has been done this would be relatively simple (e.g. "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 where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	All data presented herein are historical to varying degrees and Cygnus is undertaking a full validation of the nature and quality of the sampling completed. Cygnus has however done sufficient verification of the sampling techniques, in the Competent Person's opinion to provide sufficient confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	Various drill types have been used previously including aircore (AC), rotary air blast (RAB), reverse circulation percussion (RC) and diamond coring (DD). At this time, hole diameters and detailed information regarding drilling has not been compiled and are not considered material to supporting the assessment of prospectivity underpinning the tenement selection.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Cygnus is undertaking validation of the data to determine whether this information has been collected in full. Only limited data is available in the open file reports addressing this criteria. However,
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	

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Criteria	JORC Code explanation	Commentary
	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.	for early stage, grass roots exploration projects the absence of this information is not considered material.
Logging	*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.*	All holes were geologically logged to various degrees of detail. Cygnus is undertaking verification of the quality and level of detail of the geological logging data. Cygnus has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence that the logging was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	
	The total length and percentage of the relevant intersections logged.	
Subsampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	It is believed that core has been sawn and sampled according to industry standard (half core).
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Various sampling methods have been employed previously for non-core drilling, as discussed above the absence of detailed information on this criteria in not considered material to an assessment of early stage exploration potential.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Cygnus has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence that past sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation.
	Quality control procedures adopted for all subsampling stages to maximise representivity of samples.	
	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.	
	Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Cygnus has done sufficient verification of the assay data, in the Competent Person's opinion to provide sufficient confidence that the assaying was appropriate for the mineralisation present and is fit for the purpose of planning exploration programmes and generating targets for investigation.
	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.	Cygnus has compilated all past geophysical data for the project areas. In consolidating and reprocessing the geophysical data, Cygnus applied checks on the quality of the data and concluded that the data were appropriate for regional targeting exercises. None of the previous reports that have been reviewed by Cygnus to date specified the use of any spectrometers or handheld XRF tools.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Cygnus has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence that the quality control procedures were performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation. As discussed above, the absence of detailed information on this criteria in not considered material to an assessment of early stage exploration potential and planning exploration activities.

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Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant intersections have been taken from previous databases. The CPs completed a number of spot checks of the source data and did not identify any issues with the reported intersections.
	The use of twinned holes.	No validation or check assaying has yet been carried out by Cygnus. Cygnus is yet to twin any holes from the previous work. One set of previous twinned holes exist for the Bottleneck prospect; hole 08KUAC075 and its twin hole 09KUAC008. Both holes are AC holes that were collared at 598,400 mE and 6,308,100 mN (MGA 94 Zone 50) and drilled to a downhole depth of 48 m at an inclination of -60° and azimuth of 270°. Hole 08KUAC075 returned 21 m at 3.3 g/t Au from 24 m. Hole 09KUAC008 returned 18 m at 3.1 g/t Au from 30 m.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Cygnus has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programmes and generating targets for investigation.
	Discuss any adjustment to assay data.	No adjustments have been made to any of the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Cygnus has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence in the accuracy and quality of survey data and that it is fit for the purpose of planning exploration programmes and generating targets for investigation. A Mineral Resource or Ore Reserve is not determined.
	Specification of the grid system used.	Several grid systems have been used previously, including AGD 1966 AMG Zone 50, AGD 1984 AMG Zone 50 and GDA 1994 MGA Zone 50. Cygnus currently uses the grid system GDA 1994 MGA Zone 50. Previous data in grid systems AGD 1966 AMG Zone 50 and AGD 1984 AMG Zone 50 have been converted to MGA 94 Zone 50.
	Quality and adequacy of topographic control.	The local topography in the area is flat and nominal RLs or RLs taken from handheld GPS are assumed to have been used previously. Cygnus continues to fully verify the data and has not found any material issues to date.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Various data spacing has been used at various prospects by previous explorers. Examples of data spacing are provided in the Independent Technical Assessment Report.

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Criteria	JORC Code explanation	Commentary
		The maps showing sample and collar locations illustrate the data density at the various projects.
	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.	Not applicable as a Mineral Resource or Ore Reserve is not determined.
	Whether sample compositing has been applied.	Not applicable as a Mineral Resource or Ore Reserve is not determined.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of controlling structures has not been fully determined and a variety of drill orientations have been used previously. Cygnus's review so far has indicated no material issues exist to date. Cygnus recognises the importance of understanding the structural controls on mineralisation and will prioritise the collection of oriented drill core early in test programmes to address this criteria.
	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.	Unable to be address due to insufficient data at this stage.
Sample security	*The measures taken to ensure sample security.*	Due to the historical nature of the data, this has not and may not be determinable. Cygnus believes that none of the historical samples have been preserved. There are no concerns about sample security or possible tampering with historical samples.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Cygnus has not performed any audits at this time. The authors of the ITAR completed spot checks on data compiled by Cygnus to check the accuracy of the compilation and did not identify any issues in these checks.

Section 2: Reporting of Exploration Results

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.*	Exploration results reported in this ITAR are historical data. A range of tenements covered the areas where the samples were originally collected. Full details are available in the referenced WAMEX reports. The details and status of Cygnus's Exploration Licences and Exploration Licence Applications is provided in Table 1 of the Independent Technical Assessment Report. As stated in the Independent Technical Assessment Report, landownership within Cygnus's tenements are mostly freehold, with the exception of small reserves set aside by the government for infrastructure or nature conservation. Exploration licence tenure covering freehold land, on grant, only provides for access below 30 m of the natural land surface. Access to freehold land to conduct normal exploration activities is therefore contingent on freehold landowners granting surface access rights via a standard agreement template drawn up by the

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Criteria	JORC Code explanation	Commentary
		government. These are typically agreements for exploration purposes only and access to undertake mining activities requires additional access permission. Cygnus recently commenced access negotiations with the freehold landowners that own the ground (i.e. lots 9721, 9722 and 13192) at and around Cygnus's Bottleneck and Bottlerack Prospects. Those negotiations are now completed and resulted in the signing of a Land Access Agreement according to the *Mining Act 1978* (WA). Cygnus believes that similar agreements can be negotiated with other freehold landowners holding ground over other key prospects and areas of interest. With respect to its granted Exploration Licences, Cygnus signed a Standard Indigenous Land Use Agreement (ILUA) for E70/4787 and Noongar Standard Heritage Agreements for E70/4853, E70/4854 and E70/4855. Similar standard agreements will be signed prior to granting of Cygnus's current Exploration Licence Applications. The Collgar Windfarm project encroaches onto tenement E77/2405 (Burracoppin), affecting 0.53 km^2 of the 204 km^2 tenement area.
	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.	Cygnus's granted tenements E70/4787, E70/4853, E70/4854, E70/4855, E70/4910, E70/4911, E70/4912, E70/4939, E70/4952 and E77/2405 are 100% owned by Cygnus and are in good standing. Cygnus is unaware of any impediments for exploration on these licences. In terms of Cygnus's tenement applications E70/4988, E70/4989, E70/4990, E70/4991, E70/4992, E70/5017, E70/5018, E70/5019, E70/5020, E70/5021 and E77/2463, Cygnus is the only applicant and is unaware of any impediments that may negatively impact on the granting of these applications.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	All of the exploration reported in this ITAR has been completed by a variety of companies, as noted in the text of the reports and described more fully in the open file WAMRX reports referenced throughout the text. Previous exploration has been completed on Cygnus's projects . Please refer to the Independent Technical Assessment Report for details and references to the previous work.

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Criteria	JORC Code explanation	Commentary
Geology	*Deposit type, geological setting and style of mineralisation.*	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. More detailed information is provided in the Independent Technical Assessment Report. 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. 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 for more detail.
Drill hole information	*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:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *downhole length and intersection depth* • *hole length.*	Summaries of significant previous drill intersections at Cygnus's Bottleneck (Stanley), Bencubbin and Hardies Prospects are provided in the Independent Technical Assessment Report and in Appendix 2 Significant previous drill intersections returned from other prospects within Cygnus's tenure are yet to be compiled in detail.
	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.	Not applicable, as no information has been excluded.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	All assays are based on historical data in open file reports, and upon review have been treated at face value. Since these are exploration results, there has been no top cutting, and all data are presented, either graphically or in tables in Appendix 2
	Where aggregate intersections 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.	Average reporting intervals are based on reported results derived from applying cut-off grades, as listed in the summary tables,for a minimum thickness of 1 m. Significant intersections at Bottleneck have been previously reported to the ASX by Dominion Mining Ltd and Caravel Minerals Ltd.

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Criteria	JORC Code explanation	Commentary
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable, as no metal equivalent values have been reported.
Relationship between mineralisation widths and intersection lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Previous drilling has been undertaken on various drill orientations, and thus does not represent true width intersections. Future work by Cygnus will involve validation and reinterpretation of previous results and the drilling of additional holes to determine the orientation of mineralisation and thus true widths.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Not applicable, as the geometry of the mineralisation with respect to the drill angles has yet to be verified. .
	If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. "downhole length, true width not known").	The statement "downhole length, true width not known" has been added to captions and footnotes of relevant tables and figures presented in the Independent Technical Assessment Report.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intersections should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Please refer to the Independent Technical Assessment Report for details.
Balanced reporting	*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.*	All previous drill holes are reported that have results equal to or greater than 1 m at the gold grades noted on the summary tables (as considered appropriate for early stage exploration data).
Other substantive exploration data	*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.*	All data presented herein are previous and Cygnus is yet to complete a full validation of the nature and quality of the previous work undertaken within its tenements. All material data encountered by Cygnus to date has been reported herein. Cygnus have completed re-processing and interpretation of geophysical data (gravity and magnetics) to assist in selecting tenements. This work is discussed throughout the ITAR.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Cygnus will undertake extensive validation and field confirmation of previous drill and sampling data at the various prospects, in particular at Bottleneck. Once the previous data review is completed, it is planned that Cygnus will undertake drilling programs to test Bottleneck and other high-priority targets.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Please refer to the Independent Technical Assessment Report.

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Appendix 2: Significant Drill hole intersections

Compliance with LR 5.7.2 is not considered necessary for RAB and aircore drilling because this data is presented and used solely in a 2D fashion and treated as geochemical sampling points rather than as drilling results.

Stanley Project Drill Hole Intersections

Company	Hole no.	GDA east	GDA north	From (m)	To (m)	Interval (m)	Au (g/t)	Comments*	Prospect
Shell	PMY-5	589,146	6,316,573	63	65	2	0.31		Gravel Pit
				65	67	2	0.33		
				69	71	2	0.36		
				71	73	2	0.40		
	RMY-10	589,006	6,316,776	25	27	2	0.25		
	RMY-112	587,796	6,318,115	7	9	2	0.25		Snake Hill
				9	**11**	**2**	**1.75**	11 m EOH	
AGF	PSH-1	587,723	6,318,179	0	1	1	0.36		Snake Hill
	PSH-3	587,744	6,318,200	1	2	1	0.30		
	PSH-6	587,765	6,318,221	6	7	1	0.42		
				7	**8**	**1**	**1.10**		
				10	11	1	0.76		
				11	12	1	0.30		
	PSH-7	587,775	6,318,232	23	24	1	0.52		
				25	26	1	0.56		
				26	**27**	**1**	**1.65**		
				27	**28**	**1**	**3.75**		
				28	29	1	0.42		
	PSH-8	587,771	6,318,171	2	3	1	0.42		
				8	9	1	0.32		
				9	10	1	0.92		
				10	11	1	0.66		
				11	12	1	0.54		
				16	17	1	0.78		
				17	18	1	0.26		
				20	21	1	0.56		
	PSH-9	587,757	6,318,170	1	2	1	0.26		
				16	18	2	0.84		
				18	20	2	0.34		
	PSH-10	587,772	6,318,170	**9**	**10**	**1**	**1.10**		
				10	11	1	0.48		
				14	16	2	0.38		
				18	19	1	0.40		
	PSH-11	587,777	6,318,240	10	11	1	0.26		
	PSH-13	587,772	6,318,329	**8**	**10**	**2**	**1.05**		
	PSH-14	587,787	6,318,329	22	24	2	0.70		
				24	**26**	**2**	**15.80**	Average = 16.65 g/t Au	
	PSH-16	587,772	6,318,289	2	3	1	2.05		
				3	4	1	1.00		
				4	5	1	0.46		
	PSH-17	587,787	6,318,289	**13**	**15**	**2**	**2.25**		
				23	**25**	**2**	**1.10**		
	PSH-20	587,810	6,318,249	33	34	1	0.66		
Tiger	PRRB58	603,810	6,306,548	1	2	1	0.36		McDougall
				18	19	1	0.31		

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Company	Hole no.	GDA east	GDA north	From (m)	To (m)	Interval (m)	Au (g/t)	Comments*	Prospect
				19	20	1	0.81		
	PRRB59	603,770	6,306,548	36	40	4	0.46		
				37	**38**	**1**	**1.33**		
				39	40	1	0.29		
	PRRB60	603,730	6,306,548	1	2	1	0.61		
	PRRB61	603,690	6,306,548	14	15	1	0.34		
				30	31	1	0.50		
				36	40	4	0.40		
				37	38	1	0.67		
				38	39	1	0.55		
	PRRB62	603,650	6,306,548	34	35	1	0.35	35 m EOH	
	PRRB63	603,610	6,306,548	25	26	1	0.32	26 m EOH	
	PRRB69	603,340	6,306,203	32	33	1	0.25		
	PRRB82	603,480	6,305,748	37	38	1	0.29		McDougall S
	PRRB83	603,440	6,305,748	37	38	1	0.29		
	PRRB84	603,400	6,305,748	35	36	1	0.28		
				38	39	1	0.24		
				40	41	1	0.26		
	PRRB85	603,360	6,305,748	24	28	4	0.34		
				27	28	1	0.42		
	PRRB119	600,293	6,308,008	36	40	4	0.31		Brays
				37	**38**	**1**	**2.89**		
				40	**41**	**1**	**2.77**		
				40	**44**	**4**	**2.08**		
				41	**42**	**1**	**5.26**		
				42	**43**	**1**	**2.11**		
				43	**44**	**1**	**1.48**		
				44	45	1	0.64		
				44	45	1	0.49	45 m EOH	
	PRRB121	600,293	6,308,088	34	35	1	0.51		
				36	37	1	0.24		
Dominion	07KUAC133	600,241	6,308,100	48	51	3	0.37		Brays
	07KUAC134	600,214	6,308,100	48	51	3	0.64		
				51	52	1	0.52	52 m EOH	
	07KUAC141	598,865	6,307,200	15	18	3	0.80		Bottlerack
				24	**27**	**3**	**1.48**		
	07KUAC142	598,820	6,307,200	24	27	3	0.41		
				45	48	3	0.30		
	07KUAR152	598,816	6,307,395	0	3	3	0.26		
	08KUAC032	599,400	6,309,000	36	39	3	0.37		Brays NW
	08KUAC075	598,400	6,308,100	**24**	**27**	**3**	**2.94**		Bottleneck
				27	30	3	0.96		
				30	**33**	**3**	**1.89**		
				33	**36**	**3**	**11.06**		
				36	**39**	**3**	**2.96**		
				42	**45**	**3**	**3.26**	48 m EOH	
	08KUAC090	601,150	6,305,540	60	63	3	0.50	64 m EOH	N/A
	08KUAC104	598,627	6,308,102	27	28	1	0.39		Bottleneck
				31	32	1	0.56		
	08KUAC105	598,551	6,308,102	28	29	1	0.33		
	08KUAC106	598,475	6,308,101	32	33	1	0.56		
	08KUAC111	598,333	6,308,101	14	15	1	0.37		
				15	**16**	**1**	**2.85**		
				16	17	1	0.65		
				17	18	1	0.31		
	08KUAC115	598,547	6,308,202	34	35	1	0.25		
	08KUAC118	598,419	6,308,202	**45**	**46**	**1**	**1.11**		
	08KUAC124	598,224	6,308,202	29	30	1	0.43		
				31	32	1	0.46		

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Company	Hole no.	GDA east	GDA north	From (m)	To (m)	Interval (m)	Au (g/t)	Comments*	Prospect
	09KUAC002	598,365	6,308,100	**42**	**45**	**3**	**1.49**		
				45	46	1	0.32	46 m EOH	
	09KUAC005	598,330	6,308,125	27	30	3	0.29		
	09KUAC007	598,375	6,308,125	**33**	**36**	**3**	**2.19**		
				36	39	3	0.30		
	09KUAC008	598,400	6,308,100	18	21	3	0.25		
				21	24	3	0.53		
				24	27	3	0.44		
				27	30	3	0.68		
				30	**33**	**3**	**1.00**		
				33	**36**	**3**	**3.70**		
				36	**39**	**3**	**3.55**		
				39	**42**	**3**	**1.72**		
				42	**45**	**3**	**5.93**		
				45	**48**	**3**	**2.80**	48 m EOH	
	09KUAC009	598,379	6,308,100	**30**	**33**	**3**	**6.53**		
				33	**36**	**3**	**16.70**		
				36	39	3	0.52		
				39	**42**	**3**	**1.63**		
				42	**45**	**3**	**1.13**		
				45	46	1	0.32	46 m EOH	
	09KUAC011	598,385	6,308,075	**42**	**45**	**3**	**6.77**	48 m EOH	
	09KUAC012	598,385	6,308,117	30	33	3	0.61		
				27	**30**	**3**	**18.80**		
				24	**27**	**3**	**1.19**		
	09KUAC020	601,100	6,307,300	39	42	3	0.58		Brays SE
				45	48	3	0.63		
	09KUAC144	598,380	6,308,050	26	27	1	0.71		Bottleneck
				28	29	1	0.83		
	09KUAC146	598,360	6,308,075	18	19	1	0.52		
				22	23	1	0.46		
	09KUAC151	598,370	6,308,090	24	25	1	0.76		
				25	26	1	0.42		
				26	27	1	0.31		
				29	30	1	0.28		
	09KUAC153	598,390	6,308,090	25	26	1	0.34		
				27	28	1	0.45		
	09KUAC157	598,360	6,308,110	24	25	1	0.34		
				26	27	1	0.42		
	09KUAC158	598,370	6,308,110	22	23	1	0.30		
				23	24	1	0.39		
				24	**25**	**1**	**21.40**		
				25	**26**	**1**	**3.29**		
				26	27	1	0.87		
				27	**28**	**1**	**1.43**		
				28	**29**	**1**	**1.41**		
				29	**30**	**1**	**11.40**		
				30	**31**	**1**	**4.70**		
	09KUAC159	598,380	6,308,110	12	13	1	0.48		
				25	26	1	0.34		
				26	27	1	0.31		
				27	28	1	0.43		
	09KUAC162	598,410	6,308,110	27	28	1	0.26		
	09KUAC163	598,340	6,308,125	27	28	1	0.25		
				40	41	1	0.90		
				41	42	1	0.50		
	09KUAC164	598,350	6,308,125	**14**	**15**	**1**	**1.77**		
				15	**16**	**1**	**1.39**		
				16	17	1	0.40		

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Company	Hole no.	GDA east	GDA north	From (m)	To (m)	Interval (m)	Au (g/t)	Comments*	Prospect
				20	21	1	0.27		
				21	**22**	**1**	**1.00**		
				22	**23**	**1**	**2.69**		
				23	**24**	**1**	**2.83**		
				24	**25**	**1**	**75.10**		
				25	**26**	**1**	**5.01**		
				26	27	1	0.65		
				27	28	1	0.71		
	09KUAC165	598,360	6,308,125	20	21	1	0.81		
				25	26	1	0.63		
				26	27	1	0.41		
				27	28	1	0.58		
				29	30	1	0.60		
	11KUAC003	598,280	6,308,150	21	24	3	0.60		
				24	27	3	0.79		
				27	30	3	0.68		
				30	33	3	0.46		
	11KUAC004	598,270	6,308,150	21	24	3	0.93		
				24	27	3	0.73		
	11KUAC096	600,800	6,306,600	39	40	1	0.27	40 m EOH	N/A
	11KUAC152	602,400	6,304,580	24	27	3	0.54		N/A
	11KUAC374	590,200	6,313,000	**15**	**18**	**3**	**1.55**		Stanley Hill
	11KUAC379	590,238	6,313,000	18	21	3	0.49		
	11KUAC380	590,210	6,313,000	6	9	3	0.93		
				18	**21**	**3**	**3.77**		
	11KUAC382	590,144	6,313,000	66	69	3	0.32		
	11KUAC383	590,110	6,313,000	36	39	3	0.39		
				39	42	3	0.27		
				45	48	3	0.28		
	11KUAC386	590,353	6,312,800	36	39	3	0.31		
	11KUAC387	590,330	6,312,800	36	39	3	0.39		
	11KUAC393	590,125	6,312,800	18	21	3	0.34		
	11KUAC405	589,900	6,313,200	**12**	**15**	**3**	**1.64**		
				15	18	3	0.90	22 m EOH	
	11KURC004	598,343	6,308,044	147	150	3	0.31		Bottleneck
	11KURC006	598,239	6,308,061	66	69	3	0.33		

Notes:

- *Intersections ≥0.25 g/t Au, minimum width 1 m, maximum 2 m internal waste, true intersection width unknown.*
- *NB: RLs are not provided, and this is not considered material due the limited area of the drilling and the generally flat terrain).*

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Bencubbin Project Drill Hole intersections

Hole no.	MGA north	MGA east	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
NM2R-014	588,020	6,562,849	52	54	2	3.36	55 m EOH
NM2R-015	588,060	6,562,849	36	42	6	1.22	
NM2R-023	588,060	6,563,049	6	8	2	3.80	
NM2R-024	588,100	6,563,049	24	26	2	1.12	
NM2R-032	587,980	6,563,249	12	15	3	1.26	
NM2R-045	587,782	6,564,074	32	36	4	1.57	
NM2R-069	587,620	6,565,449	26	28	2	1.10	
NM2R-090	587,979	6,563,249	36	37	1	1.30	37 m EOH
NM2R-113	587,560	6,564,449	0	12	12	1.96	
NM2RC-02	588,050	6,563,049	26	28	2	1.15	
NM2RC-05	587,950	6,563,249	66	68	2	1.14	
			72	74	2	1.19	
NM2RC-09	587,600	6,565,450	20	22	2	1.09	
			64	66	2	1.10	
			70	72	2	1.01	
NM2DD-01	587,640	6,565,449	109	111	2	2.60	
			119	120	1	2.50	
			146	147	1	3.00	
NM2DD-02	588,100	6,562,849	137	138	1	1.01	

Notes:

- *Intersections ≥1.00 g/t Au, minimum width 1 m, maximum 2 m internal waste, true intersection width unknown.*
- *NB: RLs are not provided, and this is not considered material due the limited area of the drilling and the generally flat terrain).*
- *vertical RAB holes*

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Hardies Project Drill Hole Intersections

Hole no.	MGA north	MGA east	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
KDA89	6390898.19	628439.52	28	30	2	0.39	
KDA97	6390898.23	627789.52	24	28	4	1.22	
			40	42	2	0.13	
KDA100	6390898.24	627589.53	20	21	1	2.18	21 m EOH
KDA212	6390648.26	628439.49	36	44	8	0.58	
KDA215	6390648.21	628589.56	24	46	22	0.35	46 m EOH
KDA222	6391148.24	627289.50	12	16	4	0.52	
KDA250	6391148.17	628039.55	22	24	2	0.45	24 m EOH
KDA252	6391148.23	627489.49	12	36	24	0.25	
KDA255	6390898.22	628489.54	28	40	12	0.18	
KDA258	6390898.20	628189.51	40	44	4	0.28	
KDA292	6390648.19	628599.50	28	42	14	0.30	
KDRC5	6390898.20	627739.50	44	45	1	2.90	
KDRC6	6390898.20	627639.55	10	11	1	2.90	
KDRC8	6391148.17	628039.55	25	33	8	0.24	
			36	41	5	0.27	
			59	64	5	0.12	
			70	76	6	0.15	Primary
			93	100	7	0.36	Primary
KDRC9	6391148.21	628114.54	39	40	1	2.30	
			93	94	1	1.10	
KDRC10	6391398.19	627764.49	49	62	13	0.16	
KDRC11	6390898.20	627739.5	36	48	12	0.41	
KDRC12	6390648.20	628564.50	30	39	9	0.29	
KDRC13	6390648.23	628605.51	26	50	24	0.30	
			56	61	5	0.22	
KDRC16	6390698.18	628704.51	51	54	3	0.17	
			61	65	4	0.17	
			79	81	2	0.21	
			84	86	2	0.14	
			93	99	6	0.22	
KDRC18	6390698.21	628624.55	22	34	12	0.16	
			42	50	8	0.90	
KDD1	6391148.18	627389.54	20	22	2	0.77	

Notes:

- *Intersections ≥0.1 g/t Au, minimum width 1 m, maximum 2 m internal waste, true intersection width unknown.*
- *NB: RLs are not provided, and this is not considered material due the limited area of the drilling and the generally flat terrain*

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9 Solicitor's Report on Tenements

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22 November 2017

The Directors
Cygnus Gold Ltd
288 Churchill Avenue
Subiaco, WA 6008

Dear Sirs and Madam

Solicitor's Report on Mining Tenements

This report is prepared for inclusion in a prospectus to be dated on or about 22 November 2017 to be issued by Cygnus Gold Limited (**Company**) for the offer of up to 30,000,000 shares at $0.20 per share to raise up to $6,000,000.

This report relates to the mining tenements in Western Australia listed in the Schedule of Mining Tenements (**Schedule**), being the mining tenements in which the Company holds or proposes to acquire an interest (**Tenements**).

1 Searches

We have arranged for the following searches to be conducted for the purpose of this report:

(a) searches of the Tenements in the register maintained by the Department of Mines, Industry Regulation and Safety (**Department**) pursuant to the *Mining Act 1978* of Western Australia (**Mining Act**) on 18 October 2017, other than Exploration Licence 77/2405 which was obtained on 30 October 2017 and Exploration Licence 70/4787 which was obtained on 16 November 2017;

(b) quick appraisal searches of the Tenements obtained on-line from the Department dated 18 October 2017, other than Exploration Licence 77/2405 which was obtained on 30 October 2017 and Exploration Licence 70/4787 which was obtained on 13 November 2017;

(c) searches of the native title application summaries maintained by the National Native Title Tribunal (**NNTT**) on 19 and 20 October 2017 in relation to those registered native title claims which affect the Tenements;

(d) searches of the register of Aboriginal heritage sites obtained online from the database maintained by the Department of Planning, Land and Heritage on 20 October 2017 of the Tenements; and

(e) online searches of the Australian Heritage Database/State Heritage Council Register obtained on 20 October 2017 and 23 October 2017 respectively of the Tenements.

On the basis of the searches we consider that this report provides an accurate statement as to the status of the Tenements as at the dates of the searches referred to in paragraphs (a) and (b) above.

2 The Tenements

The Tenements comprise exploration licences which are granted or applied for under the Mining Act.

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In relation to exploration licence applications, any person may object to the grant of an application for an exploration licence within 35 days of the date of lodgement of the application. An owner of private land that is included in the area of the application must be served with a copy of the application and has 21 days from the date of service to object to the grant of the exploration licence. The Mining Warden (**Warden**) may, if he considers it reasonable, extend the time for lodgement of an objection.

Where an objection is made the matter is heard by the Warden, who will determine whether or not to recommend to the Minister responsible for administration of the Mining Act (**Minister**) that the application can be granted. The Minister will then determine the application.

Based on the searches we have obtained, there have been no objections lodged against the Tenements that are listed in the Schedule as pending (**Exploration Licence Applications**) as at the date of those searches and the period for objection has now passed.

Once granted, an exploration licence will remain in force for a period of 5 years and may, in prescribed circumstances, at the discretion of the Minister, be extended over whole or part of the exploration licence for a further period of 5 years, followed by 2 year periods. The prescribed circumstances include where the Minister is satisfied that planned exploration could not be carried out due to delay in obtaining necessary approvals or due to the land being unworkable for at least a significant part of one year of the term, or where the Minister is satisfied that work carried out justifies further exploration.

The holder of an exploration licence applied for on or after 10 February 2006 (being all of the Tenements) must relinquish an area which constitutes not less than 40% of the area of the licence at the end of 5 years and earlier relinquishments are not required. A holder may apply to the Minister for a deferral of the requirement to relinquish an area of the exploration licence for a period of 12 months.

No legal or equitable interest in or affecting an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. No fee is payable for the obtaining of such consent. In determining a request for consent the Minister will consider whether the exploration programme planned for the first 12 months following grant and lodged by the tenement holder at the time of applying for the tenement has been complied with.

Exploration licences are described by graticular blocks, which range in area from approximately 2.8 km^2 to 3.3 km^2 depending on where the block is located in the State.

The Mining Act confers on the holder of an exploration licence which is in force, the right to apply for and, subject to the Mining Act, have granted one or more mining leases over any part of the land the subject of that licence. The exploration licence will continue in force beyond its term if the holder has made an application for a mining lease over the area of the licence.

A mining lease may only be applied for in instances where the Director, Geological Survey is satisfied that significant mineralisation exists or where a mining proposal has been prepared. "Significant mineralisation" is defined in the Mining Act as a deposit of minerals where there is a reasonable prospect of those minerals being obtained by mining operations. A mining proposal is a document which sets out in detail the mining operations proposed to be carried out on the area of the application.

A mining lease remains in force for a period of 21 years and may be renewed for successive periods of 21 years with the tenement holder entitled to the first renewal as of right. No legal interest in a mining lease can be transferred or mortgaged without the prior written consent of the Minister.

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3 Tenement conditions and forfeiture

Mining tenements in Western Australia are granted subject to various standard conditions prescribed by the Mining Act including payment of annual rent, minimum expenditure requirements, reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on mining or access to certain reserves).

If a tenement holder fails to comply with the terms and conditions of a tenement the Warden or the Minister, as applicable, may impose a fine or order that the tenement be forfeited. In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. In certain cases, a third party can institute administrative proceedings under the Mining Act before the Warden seeking forfeiture of the tenement.

In the case of failure to comply with the annual minimum expenditure requirement the tenement holder can apply to the Department for an exemption from that expenditure requirement. In addition, a third party can object to an application for exemption for expenditure. If an exemption application is refused then it is open to the Warden or Minister (as applicable) to impose a fine or make an order for forfeiture.

Mining tenements in Western Australia are also subject to statutory requirements of certain other Acts including the *Aboriginal Heritage Act 1972*, *Environmental Protection Act 1986*, *Rights in Water and Irrigation Act 1914* and *Conservation and Land Management Act 1984*, the full details of which are beyond the scope of this report.

4 Private land and minerals-to-owner land

As noted in the notes to the Schedule, all of the Tenements that have been granted as at the date of our searches (**Granted Tenements**) encroach almost entirely on land which is classified as "private land" for the purposes of the Mining Act (**Private Land**). The percentage extent of the encroachment is set out in the Tenement Schedule and in almost all cases is over more than 93% of the relevant Granted Tenement.

Under the Mining Act, a tenement may only be granted over areas that are within 30 metres from the natural surface of certain specified areas of Private Land with the consent of the owner and the occupier of that land. That is, in respect of those specified areas, only sub-surface rights can be granted without the consent of the owner and the occupier of that land. Further, section 35 of the Mining Act provides that no mining activities may be conducted on or within 30 metres of the natural surface of any Private Land unless the tenement holder has made an agreement with the owner and occupier of the Private Land as to the compensation payable.

Specific consent from the owner and occupier is required for the grant of a mining tenement over the specified areas of Private Land set out in section 29(2) of the Mining Act, and comprise land:

(a) which is in bona fide and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is land under cultivation;

(b) which is the site of a cemetery or burial ground;

(c) which is the site of a dam, bore, well or spring;

(d) on which there is erected a substantial improvement;

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(e) which is situated within 100m of any private land referred to in paragraphs (a) – (d) above; or

(f) which is a separate parcel of land and has an area of 2,000m^2 or less.

The searches of all of the Granted Tenements state that the grant of the Tenements does not include any Private Land referred to in section 29(2) of the Mining Act except below 30 metres from the natural surface of the land. In the case of E 70/4787 the search confirms that consents by some private land owners and occupiers have been obtained in respect of certain lots of Private Land. As such, the area above 30 metres in relation to these lots (which are noted in Schedule) have been included in the area the subject of E 70/4787. It is possible for a holder of a tenement to subsequently obtain the consent of the owners and the occupiers of the relevant land and then apply to the Minister for that tenement to be amended by granting it in respect of those surface areas that were not originally included. This occurred in respect of certain lots of Private Land on which E 70/4787 encroaches, as mentioned above and in the Schedule.

We have not considered the extent of encroachment on Private Land of the Exploration Licence Applications as that will not be accurately known until the Exploration Licence Applications are granted. We do note however that there will be substantial encroachment on Private Land if and when they are granted.

Where the consent of the owner and occupier of Private Land is given it is commonly given under the terms of an access agreement under which the tenement holder also agrees to pay compensation to the owner and/or occupier for losses including loss of use of the land, damage or disturbance caused to the surface of the land, damage to improvements or loss of earnings.

Most grants of freehold which were made prior to 1899 in Western Australia included the grant of minerals other than gold, silver and precious metals, which were reserved to the Crown. This land is commonly referred to as "minerals to owner" land, as the landowner owns all other minerals and has the right to deal with those minerals as it sees fit. We have not been advised by the Company that any of the Tenements encroach on "minerals to owner" land and accordingly we have not undertaken the detailed land searches necessary to confirm that this is the case.

5 Aboriginal heritage

The Aboriginal Heritage Act 1972 (WA) (**WA Heritage Act**) applies to the Tenements and makes it an offence to, among other things, alter or damage an Aboriginal site or object on or under an Aboriginal site. A site is defined to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent. There is no requirement or need for a site to be registered in any public manner or, indeed, be in any way acknowledged as an Aboriginal site for it to qualify as an Aboriginal site for the purposes of the WA Heritage Act.

The *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth) (**Commonwealth Heritage Act**) also applies to the Tenements and is aimed at the preservation and protection of significant Aboriginal areas and significant Aboriginal objects. This Act only applies if, and to the extent, a declaration has been made by the Commonwealth Minister for Aboriginal Affairs.

Our searches indicate that there are registered sites of Aboriginal heritage or significance located on the land the subject of the following Tenements which details are set out in the Schedule:

(a) E 70/4910;

(b) E 70/4912; and

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(c) application for E 70/4991.

There may be other sites of Aboriginal heritage or significance located on the land the subject of the Tenements that may not have been registered, as under these Acts there is no obligation, to register sites, objects or relics. In any event, their exact location is not always ascertainable from such searches.

To ensure that that it does not contravene these Acts while carrying out operations on the Tenements, the Company will, in appropriate circumstances, need to conduct heritage surveys in accordance with its Aboriginal heritage agreements to determine if any Aboriginal sites exist within the area of the Tenements. If so, the Company would also need to ensure that any interference with such Aboriginal sites is in strict conformity with the provisions of the above WA Heritage Act and the Commonwealth Heritage Act.

All of the Granted Tenements contain a condition that before exercising any of the rights pursuant to those Exploration Licences the Company must execute and enter into an Aboriginal heritage agreement with the relevant native title group or regional corporation (as the case requires). The Company has entered into the required Aboriginal heritage agreements.

6 Australian Heritage Database

One of the Tenements, being E 77/2405, encroaches (to a very minor extent) on a site that is in the Australian's National Heritage List and is recorded in the Australian Heritage Database. Sites recorded in this Database are sites considered to be of national significance and any proposals for development of such sites will be referred to the appropriate government authority.

7 Environmentally sensitive areas

Each of E 70/4854, E 70/4910, E 70/4911 and E 77//2405 encroach on environmentally sensitive areas such as Declared Rare Flora sites, Waterways Management Areas, Surface Water Areas, Water Reserves and Clearing Control Catchments. The extent of encroachment is set out in the Schedule.

The terms of grant of mining tenements over these types of land contain stringent conditions relating to ground disturbing activities and access to and from the area. In relation to these Tenements, these conditions are mentioned in the notes to the Schedule. The conditions all involve consultation with the appropriate government department and/or restrictions on conducting certain activities in the vicinity of the environmentally sensitive areas without the consent licence or permit issued by the relevant government department. In order to obtain such written permission the licensee must first submit detailed written exploration programmes to the relevant department/officer which programmes must include details of proposed rehabilitation after exploration. Permission from the relevant department/officer may commonly include additional conditions to prevent damage to the environmentally sensitive areas such as measures to prevent the spread of soil-borne diseases. In all such cases the licensee is required to provide brief reports, at agreed intervals not greater than 12 monthly, to the relevant department/officer detailing the progress of the exploration and rehabilitation programmes.

We have not considered the impact of environmentally sensitive areas on the Exploration Licence Applications as it is uncertain if the final area over which such Exploration Licence Applications are granted will encroach on environmentally sensitive areas.

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8 Reserves

A reserve is Crown land that has been set aside or dedicated for a particular purpose in the public interest. Reserve tenure is usually applied to land, which, because of its intrinsic community value, should be preserved and maintained for the benefit of present and future generations. This is primarily because of its recreation, historical, social, natural resources, environmental, or cultural significance, or because it has special value for present or future generations.

Reserves are categorised into classes and restrictions on activities in reserves vary between classes. All of the Granted Tenements encroach on one or more reserves including "A Class" reserves and "C Class" reserves. The extent of encroachment is set out in the Schedule.

In respect of both "A Class" reserves and "C Class" reserves, the consent of the Minister of Mines is required before any mining can be carried out on a reserve. The Minister may give his consent subject to any terms and conditions as the Minister specifies. The Minister must first consult with other Ministers or persons and receive either their consent or recommendation, depending on the type of reserve. As a result, all of the Granted Tenements are the subject of conditions that require the prior written consent of the Minister before conducting activities on the area of encroachment over reserves.

Further, each of E 70/4853, E 70/4855, E 70/4910, E 70/4911 and E 70/4912 encroach upon one or more "A Class" reserves. No mining lease or general purpose lease will be granted in respect of land that is the subject of an "A Class" reserve unless both Houses of Parliament by resolution consent to such grant, and then only on the terms or conditions specified in such resolution. As such, these Granted Tenements may not be converted to mining leases or general purpose leases where they encroach upon "A Class" reserves without a resolution by both Houses of Parliament and such grant will be subject to any terms and conditions imposed under such resolution.

We have not considered the impact of reserves on the Exploration Licence Applications as it is uncertain if the final area over which such Exploration Licence Applications are granted will encroach on reserves.

9 Rail Corridor Land

Rail Corridor Land is designated by the Minister for Transport under the *Rail Freight System Act* 2000 and is managed by the Public Transport Authority. Each of E 70/4787, E 70/4853, E 70/4910, E 70/4911 and E 77/2405 encroach on Rail Corridor Land to a very minor extent.

Conditions have been imposed on these Tenements that restrict the activities that may be undertaken by the Company in the vicinity of the Rail Corridor Land to ensure that the railway is not interfered with and to ensure access is available to the staff of the Public Transport Authority.

We have not considered the impact of Rail Corridor Land on the Exploration Licence Applications as it is uncertain if the final area over which such Exploration Licence Applications are granted will encroach on Rail Corridor Land.

10 Dieback risk zone

Dieback is a fungal disease which kills a wide variety of plants in moist parts of Western Australia. Dieback can be spread by exploration activities. Each of E 70/4910, E 70/4912 and E 70/4952 is wholly or partly located in a dieback area and a condition has been imposed on those tenements that no exploration activities can commence until a plan of management to prevent the spread of dieback disease is submitted to and approved in writing by the Executive Director, Environment Division at the Department.

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11 Road reserves

All of the Granted Tenements encroach on road reserves. Standard conditions are imposed on the Tenements to ensure that activities within the vicinity of the road reserves are restricted to ensure that there is no interference with the roads.

E 70/4910 encroaches on the Albany Highway road reserve and E 77/2405 encroaches on the Great Eastern Highway road reserve so both of these tenements contain further restrictions on the activities that may be conducted in the vicinity of these reserves.

We have not considered the impact of road reserves on the Exploration Licence Applications as it is uncertain if the final area over which such Exploration Licence Applications are granted will encroach on road reserves.

12 Threatened ecological communities

E 70/4910 encroaches to a minor extent on an area where there are threatened ecological communities. Upon grant, an endorsement is attached to all mining tenements encroaching on a threatened ecological community, noting that the holder must contact the Department of Parks and Wildlife's Threatened Species and Communities Unit for detailed information on the management plans for such communities.

13 File Notation Areas

A number of the Granted Tenements encroach on areas that are noted as File Notation Areas. File Notation Areas are areas that have proposals for changes in land tenure or areas that are particularly sensitive for the mining industry which necessitates the need for special conditions.

Both of E 70/4854 and E 70/4911 encroach (to a very minor extent) on File Notation Areas relating to power transmission lines and are subject to conditions restricting activities in the vicinity of such transmission lines.

14 Native title – generally

On 3 June 1992 the High Court of Australia held in *Mabo v Queensland* that the common law of Australia recognises a form of native title. In order to maintain a native title claim the persons making such claim must show that they enjoyed certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that land. Such a claim will not be recognised if the native title has been extinguished or otherwise lost, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of an "inconsistent interest" in the land by the Crown. An example of inconsistent interest would be the granting of a freehold or some types of leasehold interest in the land. The granting of a non-exclusive interest will not extinguish native title unless it is wholly inconsistent with native title and native title rights will co-exist with that interest to the extent that they are not inconsistent with that interest.

The Commonwealth Parliament responded to the Mabo decision by passing the *Native Title Act 1993* (Cth) (**Commonwealth Act**). Among other things, the Commonwealth Act:

(a) regulates the recognition and protection of native title;

(b) confirms the validity of titles granted by the Federal Government prior to the commencement of that Act on 1 January 1994;

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(c) specifies the procedures to be complied with for certain future acts which affect native title; and

(d) specifies the procedures by which Aboriginal people can claim native title and by which people determined to hold native title can claim compensation.

The Commonwealth Act was extensively amended in 1998 by the *Native Title Amendment Act 1998*. These amendments include the validation of any titles that may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. Other significant amendments include a revised threshold test for the acceptance of native title claims, confirmation of extinguishment of native title by the grant of "exclusive possession" pastoral leases and certain other leasehold interests and provisions intended to deal with overlapping claims.

The Western Australian Parliament has enacted the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* which adopts the Commonwealth Act in Western Australia.

The majority of the High Court concluded in the Ward decision (8 August 2002) that, among other things:

- native title is wholly extinguished in respect of land the subject of freehold, public works or other previous "exclusive possession" acts, and in respect of minerals and petroleum which are vested in the Crown, as well as various other grants and vestings; and

- native title is partially extinguished as a result of the grant of "non-exclusive possession" pastoral leases and mining leases, and also as a result of the creation of certain reserves.

While we note that significant portions of the land the subject of the Granted Tenements are comprised of Private Land which may have extinguished native title, we have not researched the historic underlying land tenure in respect of the Tenements in order to assess the extent of extinguishment (if any) for the purposes of this report.

15 Native title – native title claims

Persons claiming to hold native title may lodge an application for determination of native title (being a native title claim) with the Federal Court. Applications which are lodged with the Federal Court will be referred to the NNTT for the purposes of registration of the claim.

If the Native Title Registrar is satisfied that a claim meets the registration requirements set out in the Commonwealth Act (**Registration Test**) it will be entered on the Register of Native Title Claims maintained by the NNTT (**NT Register**). Claimants of registered claims are afforded certain procedural rights under the Commonwealth Act including the "right to negotiate" discussed further below.

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received maintained by the NNTT. Such claims may be entered on the NT Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. Claims which are not registered do not get the right to negotiate and claims. Claims that are deregistered lose the right to negotiate from the date of deregistration but will still remain on foot in the Federal Court until such time as they are determined by the Court. The quick appraisal searches provided by the Department only include information in relation to claims on the NT Register. We have not undertaken the additional searches needed to determine whether any unregistered claims affect the Tenements.

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All of the Tenements except Exploration Licence Applications E 77/2463 and E 70/4992 relate to land which is currently the subject of either a registered native title claim and/or a determination, or determinations, of native title. The Tenements affected by these claims and determinations are identified in the Schedule. The fact that a claim has been lodged (but not yet determined) does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists over that area. The existence of native title will be established in due course as the undetermined claims are determined by the Federal Court. We have not undertaken, nor are we qualified to undertake, the considerable historical, anthropological and ethnographic work that would be required to determine the possibility of any further claims in respect of the area of the Tenements being made in the future.

16 Native title – validity of titles

16.1 Granted Tenements

The grant of a mining tenement is an act that is capable of affecting, and which may affect, native title. The future act processes of the Commonwealth Act provide a mechanism for achieving the valid grant of a mining tenement in terms of native title. The validity of a mining tenement granted in Western Australia is dependent on its date of grant.

(a) Tenements granted prior to 1 January 1994

Under the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* the grant of mining tenements granted in Western Australia prior to 1 January 1994 has been validated to the extent that the grant may have been invalid as a result of the existence of native title. None of the Granted Tenements were granted during this period.

(b) Tenements granted between 1 January 1994 and 23 December 1996

The Western Australian Parliament passed the *Titles Validation Amendment Act 1999* which confirmed the validity of certain acts made by the State of Western Australia between 1 January 1994 and 23 December 1996, provided such acts had met various conditions set out in the Commonwealth Act, primarily that there was some form of underlying non-exclusivity at the time of grant. None of the Granted Tenements were granted during this period.

(c) Tenements granted after 23 December 1996

Mining tenements granted since 23 December 1996 which are affected by native title rights and interests will be valid provided the applicable processes prescribed by the Commonwealth Act were complied with. We understand that it has been the practice of the Western Australian Government to comply with these processes but we have not undertaken any independent enquiries to confirm that this is the case. All of the Granted Tenements were granted during this period.

16.2 Future Tenement Grants

As stated above, the valid grant of any of the Tenements which may affect native title requires full compliance with the “future act” provisions of the Commonwealth Act in addition to compliance with the usual procedures under the State's mining legislation. The primary future act procedure prescribed under the Commonwealth Act applicable to mining tenements is the "right to negotiate" process. Other procedures generally apply to low-impact titles (such as prospecting and exploration licences) or infrastructure titles as noted below.

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The right to negotiate process involves the publishing of a notice of the proposed grant of a tenement followed by negotiation in good faith between the relevant State Government, the tenement applicant and the relevant registered native title claimant or holder. If agreement to enable the grant to occur is not reached within 6 months of the relevant notification, the matter may be referred to arbitration before the NNTT, which has a further 6 months to make a determination. A party to a determination of the NNTT may appeal that determination to the Federal Court on a question of law.

The Commonwealth Act provides that, in relation to the grant of mining tenements in certain areas, a State law can operate in lieu of the right to negotiate process of the Commonwealth Act. These areas are principally areas covered by pastoral leases. The Western Australian State Government has not yet introduced such a law.

The Department has released a policy to facilitate the grant of exploration licence applications which falls within an exception to the right to negotiate procedure. The Department has indicated its intention to grant exploration licences where the applicant is willing to enter into a standard aboriginal heritage protection agreement (**HPA**) or an alternative heritage agreement. The HPAs have been negotiated between the State, mining and exploration representative bodies, and certain of the Aboriginal representative bodies. A number of native title groups have developed alternative heritage agreements. The policy appears to be effective in achieving the expeditious grant of prospecting and exploration licences.

The right to negotiate process does not have to be pursued in cases where an indigenous land use agreement (**ILUA**) is negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of the tenement. These procedures will vary depending on the terms of the relevant ILUA. Similarly, if any other type of agreement is reached between a mining company or other proponent and a native title group which allows the grant of future tenements, the right to negotiate process may not have to be followed with that native title group but the parties will be required to enter into a State Deed pursuant to section 31 of the Commonwealth Act which refers to the existence of that other ancillary agreement and confirms that the tenement can be granted. A State Deed is a standard form document prepared by the State Government and available from the Department.

The right to negotiate process also doesn't apply for grants of tenure for the sole purpose of infrastructure (as defined under the Commonwealth Act). Depending on the purpose for which they are sought, this applies to most miscellaneous licences and general purpose leases. For that tenure an alternate consultative process applies. If, after consultation, the native title claimants or holders object to the grant, the matter can be referred to an "independent person" (as defined under the Commonwealth Act) for assessment. Regardless of the independent person's assessment the State Minister still has the power to undertake the act.

16.3 Renewals

As with the grant of mining tenements, renewals of mining tenements granted prior to 1 January 1994, to the extent the renewals were invalid due to native title, have been validated by legislation. Renewals granted between 1 January 1994 and 23 December 1996 have been similarly validated provided certain statutory criteria have been met.

Renewals made after 23 December 1996 of tenements validly granted before that date, whether they be first renewals or subsequent renewals, will not be subject to the right to negotiate process provided:

(a) the area to which the earlier right is made is not extended;

(b) the term of the new right is not longer than the term of the earlier right; and

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(c) the rights to be created are not greater than the rights conferred by the earlier grant.

Other than as stated above, renewals of mining tenements are subject to the same right to negotiate (or, pending legislation, alternative State) process as is described above.

17 Risk factors – native title and Aboriginal heritage

The existence of native title and/or native title claims in relation to the land the subject of the Tenements may have an adverse impact on the activities of the Company and its ability to fund those activities. It is impossible at this stage to quantify the impact that these matters may have, but the main risks include:

(a) delays in obtaining the grant of renewals or conversions of the Tenements, or further applications, as a result of the future act processes as these processes can typically take in excess of 18 months unless there is an agreement already in place. Further, in the case of the right to negotiate process, if the parties cannot reach agreement the matter may be referred to the NNTT for arbitration. The NNTT may determine that the application cannot be granted or can only be granted on conditions unacceptable to the Company. Similarly, in the process for infrastructure titles, the independent person may make an assessment that, if accepted by the State Minister means, the application cannot be granted or can only be granted on conditions unacceptable to the Company;

(b) compensation may be payable by the Company as a result of agreements made pursuant to the right to negotiate or alternative process or as a result of a compensation order made by the Federal Court in the event native title has been determined to exist. The amount of such compensation is not quantifiable at this stage;

(c) failure by the State Government to fully comply with the applicable future act processes will result in a tenement that is granted being invalid to the extent it is inconsistent with native title rights and interests. It will be difficult to assess what practical effect that will have other than on a case by case basis; and

(d) the risk that Aboriginal sites and objects exist on the land the subject of the Tenements, the existence of which sites and objects may preclude or limit mining activities in certain areas of the Tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties, unless authorisation is obtained under the relevant legislation.

18 Qualifications

While the status of the Tenements is dealt with in detail in the Schedule and the Notes, we point out by way of summary, that:

(a) we have assumed the results of the searches which we have made or caused to be made referred to in Section 1 of this report are accurate, complete and up-to-date;

(b) we have relied on the accuracy of the Registers and databases maintained by the governmental bodies referred to in Section 1 of this report; and

(c) the holding of the Tenements is subject to compliance with their terms and conditions and the provisions of the Mining Act and the information available from the searches we conducted only includes information in relation to compliance with some such terms, conditions and provisions.

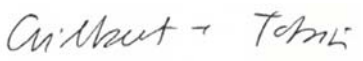
Further, as it is beyond the scope of this report, we have not undertaken the following searches:

(a) searches of the register of contaminated sites maintained by the Department of Water and Environmental Regulation;

(b) searches of deregistered or unregistered native title claims with NNTT; and

(c) historic land tenure searches to determine if the Tenements encroach on any "minerals to owner" private land.

Yours faithfully
Gilbert + Tobin



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Cygnus Gold Limited Tenement Schedule

GRANTED TENEMENTS												
Tenement	**Registered holder (shares)**	**Status**	**Commencement date**	**Expiry date**	**Annual rent**	**Minimum annual expenditure (current tenement year)**	**Minimum annual expenditure (prior tenement year) and status**	**Registered mortgages and caveats**	**Registered Native Title Claim**	**Encroachments[1]**	**Endorsements and conditions**	**Notes**
E 70/4787	Cygnus Gold Limited (100 / 100)	Live	1/07/2016	30/06/2021	For year end 30/06/2018: $0.00 outstanding For year end 30/06/2019: $7,504.00	$56,000.00	Expended in full $0.00 outstanding	Nil	Ballardong People WC2000/007 – 53.28% Southern Noongar WC1996/109 – 46.72% Wagyl Kaip WC1998/070 – 46.72%	Private land – 97.81% "C" Class Reserve – 0.64% Abandoned railway – 0.03% Road reserves – [percentage cannot be identified] Closed road reserves – 0.01% Railway corridor land – 0.03% File Notation Areas: • Ballardong People ILUA (FNA 12313) – 53.28% • Wagyl Kaip Southern Noongar People (FNA 12316) – 46.72%	1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), 1(h), 2(a), 2(b), 2(c), 2(d), 2(e), 2(f), 2(g), 2(h), 2(i), 2(j), 2(k), 2(l), 2(m), 2(n) and 2(o)	3(a), 3(b), 3(c), 3(d), 3(e), 3(f) and 3(g)
E 70/4853	Cygnus Gold Limited (100 / 100)	Live	29/11/2016	28/11/2021	For year end 28/11/2017: $0.00 outstanding For year end 28/11/2018: $5,628.00	$42,000.00	N/A	Nil	Ballardong People WC2000/007 – 100%	Private land – 93.51% "A" Class Reserve – 5.19% File Notation Area: Ballardong People ILUA (FNA 12313) – 100% Abandoned railway – 0.05% Road reserves – [percentages cannot be identified] Railway corridor land – 0.05% Aboriginal heritage registered sites – 4.54%	1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), 1(h), 2(a), 2(b), 2(f), 2(g), 2(h), 2(i), 2(j), 2(k), 2(l), 2(m), 2(n), 2(p), 2(q), and 2(r)	3(a), 3(h)
E 70/4854	Cygnus Gold Limited (100 / 100)	Live	29/11/2016	28/11/2021	For year end 28/11/2017: $0.00 outstanding For year end 28/11/2018: $7,638.00	$57,000.00	N/A	Nil	Ballardong People WC2000/007 – 100%	Private land – 98.56% "C" Class Reserve – <0.01% Road reserves – [percentage cannot be identified] Closed road reserves – 0.07% File Notation Areas: • Ballardong People ILUA	1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), 1(h), 1(i), 1(j), 1(k), 1(l), 1(m), 2(a), 2(b), 2(n), 2(s), 2(t), 2(u), 2(v) and 2(w)	3(a)

[1] We have included encroachments listed on the quick appraisal searches for the granted tenements and where available, the percentage of the area of the tenement that encroaches on other land interests. Percentages do not include encroachments listed as <0.01 on the quick appraisal searches.

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										(FNA 12313) – 100% • Muja to Kalgoorlie 220kV Transmission Line South West Portion (FNA 1882kulin) – 0.11% • Muja to Kalgoorlie 220kV Transmission Line South West Portion (FNA 1882yealer) – 0.08% Environmentally sensitive areas: • Surface Water Area – Avon River system (SWA2) – 22.58% • Waterways (Avon River) Management Area– 37.17% Unallocated Crown land – 0.05%		
E 70/4855	Cygnus Gold Limited (100 / 100)	Live	29/11/2016	28/11/2021	For year end 28/11/2017: $0.00 outstanding For year end 28/11/2018: $4,154.00	$31,000.00	N/A	Nil	Ballardong People WC2000/007 – 100%	Private land – 88.36% “C” Class Reserve – 0.16% “A” Class Reserve – 10.19% Road reserves – [percentage cannot be identified] Aboriginal heritage registered sites – 12.67% File Notation Areas : Ballardong People ILUA (FNA 12313) – 100%	1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), 1(h), 2(a), 2(b), 2(n), 2(x) and 2(y)	3(a), 3(h)
E 70/4910	Cygnus Gold Limited (100 / 100)	Live	9/05/2017	8/05/2022	For year end 8/05/2018: $0.00 outstanding For year end 8/05/2019: $15,276.00	$114,000.00	N/A	Nil	Southern Noongar WC1996/109– 100% Wagyl Kaip WC1998/070 – 100%	Private land – 95.77% “C” Class Reserve – 0.48% “A” Class Reserve – 1.49% Road reserves – [percentage cannot be identified] Closed road reserves – 0.01% Railway corridor land – 0.01% Aboriginal heritage registered sites – 0.03% File Notation Areas: • Wagyl Kaip Southern Noongar People (FNA 12316) – 100% • Road closure adjacent to lots 138, 833, 834, 411, 1139, 1167, 1177, section 16(3) Certificate (FNA	1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), 1(h), 1(q), 1(r), 1(s), 1(t), 2(a), 2(b), 2(g), 2(h), 2(i), 2(j), 2(k), 2(l), 2(m), 2(aa), 2(ff), 2(gg), 2(hh), 2(ii), 2(jj), 2(kk), 2(ll) and 2(mm)	3(a)

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										10046) – 0.02% Environmentally sensitive areas: • Clearing Control Catchment – Kent River Water Reserve – 51.14% • Kent River Water Reserve (WR24) – 51.14% Threatened ecological communities – 0.54% Unallocated crown land – 0.1% Historical pastoral lease – 0.09% Dieback area – 100%		
E 70/4911	Cygnus Gold Limited (100 / 100)	Live	10/05/2017	9/05/2022	For year end 9/05/2018: $0.00 outstanding For year end 9/05/2019: $24,120.00	$180,000.00	N/A	Nil	Ballardong People WC2000/007 – 100%	Private land – 96.17% “C” Class Reserve – 0.98% “A” Class Reserve – 1.21% Abandoned railways – 0.14% Road reserves – [percentage cannot be identified] Closed road reserves – 0.01% Railway corridor land – 0.15% Aboriginal heritage registered sites – 0.74% File Notation Areas: • Ballardong People ILUA (FNA 12313) – 100% • Muja to Kalgoorlie 220kV Transmission Line South West Portion (FNA 1882kulin) – 0.04% • Proposed Excisions from Reserves 23936 and 23641 Kondinin section 16(3) Clearance (FNA 10247) – 0.01% • 132kv transmission line South West (FNA 1870narem) – 0.01% • 132kv transmission line South West (FNA 1882narem) – 0.34% Environmentally Sensitive Areas:	1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), 1(h), 1(i), 1(j), 1(l), 1(m), 1(u), 1(v), 1(w), 1(x), 1(y), 1(z), 2(a), 2(b), 2(h), 2(i), 2(j), 2(k), 2(l), 2(m), 2(n), 2(v), 2(aa), 2(nn), 2(oo), 2(pp), 2(qq) and 2(rr)	3(a), 3(i)

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										• Groundwater Area – Kondinin-Ravensthorpe (GWA27) – 53.2% • Groundwater Area – Westonia (GWA40) – 4.87% • Surface Water Area – Avon River system (SWA2) – 45.05% • Waterways (Avon River) Management Area– 6.15% Unallocated Crown land – 0.05%		
E 70/4912	Cygnus Gold Limited (100 / 100)	Live	11/05/2017	10/05/2022	For year end 10/05/2018: $0.00 outstanding For year end 10/05/2019: $22,378.00	$167,000.00	N/A	Nil	Southern Noongar WC1996/109 – 100% Wagyl Kaip WC1998/070 – 100%	Private land – 97.39% “C” Class Reserve – 0.63% “A” Class Reserve – 0.13% Road reserves – [percentage cannot be identified] Closed road reserves – 0.06% Aboriginal heritage registered sites – 0.7% File Notation Areas: • Proposed Reserve WPL of UCL Lot 109 Moir Street Section 16(3) Clearance South West Settlement (FNA 11387) – 0.01% • Proposed UCL Lot 96 Trappitt Street to Reserve WPL Section 16(3) Clearance South West Settlement (FNA 11482) – 0.01% • Proposed UCL to Lot 97 Norrish PL to Reserve WPL Section 16(3) Clearance South West Settlement (FNA 11492) – 0.01% • Proposed UCL Lot 112 Moir Street to Reserve WPL Section 16(3) Clearance South West Settlement (FNA 11494) – 0.01% • Proposed UCL Lot 110 Moir Street to Reserve WPL Section 16(3) Clearance South West Settlement (FNA 11495)	1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), 1(h), 1(aa), 2(a), 2(b), 2(o), 2(hh), 2(ll), 2(ss), 2(tt) and 2(uu)	3(a)

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										– 0.01% • South West Native Title Settlement – proposed shire Gnowangerup over (622259) – 0.01% • South West Native Title Settlement – proposed shire Gnowangerup over (622260) – 0.01% • Wagyl Kaip Southern Noongar People (FNA 12316) – 100% Unallocated Crown land – 0.25% Dieback area – 100%		
E 70/4939	Cygnus Gold Limited (100 / 100)	Live	12/07/2017	11/07/2022	For year end 11/07/2018: $0.00 outstanding For year end 11/07/2019: $804.00	$20,000.00	N/A	Nil	Ballardong People WC2000/007 – 100%	Private land – 93.89% “C” Class Reserve – 4.56% Road reserves – [percentage cannot be identified] File Notation Areas: Ballardong People ILUA (FNA 12313) – 100%	1(a), 1(b), 1(c), 1(d), 1(e), 1(g), 1(h), 2(a), 2(b), 2(n), 2(o) and 2(vv)	3(a), 3(i)
E 70/4952	Cygnus Gold Limited (100 / 100)	Live	16/10/2017	15/10/2022	For year end 15/10/2018: $0.00 outstanding For year end 15/10/2019: $3,216.00	$24,000.00	N/A	Nil	Southern Noongar WC1996/109 – 100% Wagyl Kaip WC1998/070 – 100%	Private land – 97.41% “C” Class Reserve – 1.5% Road reserves – [percentage cannot be identified] Closed road reserves – 0.03% Unallocated Crown land – 0.03% File Notation Areas: • Wagyl Kaip Southern Noongar People (FNA 12316) – 100% Dieback area – 6.64%	1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), 1(h), 2(a), 2(b), 2(o), 2(hh), 2(ll) and 2(vv)	3(a)
E 77/2405	Cygnus Gold Limited (100 / 100)	Live	3/05/2017	2/05/2022	For year end 2/05/2018: $0.00 outstanding For year end 2/05/2019: $9,380.00	$70,000.00	N/A	Nil	Ballardong People WC2000/007 – 100%	Private land – 96.13% “C” Class Reserve – 2.18% Road reserves – [percentage cannot be identified] Closed road reserves – 0.01% Unallocated Crown land – 0.09% File Notation Areas: • Ballardong People ILUA (FNA 12313) – 45.56% • Proposed windfarm on	1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), 1(l), 1(m), 1(n), 1(o), 1(p), 2(a), 2(b), 2(n), 2(v), 2(z), 2(aa), 2(bb), 2(cc), 2(dd) and 2(ee)	3(a)

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										various Avon locations (FNA8342) – 0.26% Environmentally Sensitive Areas: • Surface Water Area – Avon River system (SWA2) – 91% • Groundwater Area – Westonia (GWA40) – 83.41% Railway corridor land – 0.13% Aboriginal heritage registered sites – 0.88 % Mineralisation Zone – non-section 57(2AA) Southern – 100% National Heritage Listing Goldfields Water supply Scheme (WA) (106007) – 0.01%		

EXPLORATION LICENCE APPLICATIONS

Tenement	Registered applicant (shares)	Status	Application date	Registered objections	Registered Native Title Claim	Notes
E 70/4988	Cygnus Gold Limited (100 / 100)	Pending	07/06/2017	Nil	Ballardong People WC2000/007 – 100%	3(j), 3(k)
E 70/4989	Cygnus Gold Limited (100 / 100)	Pending	07/06/2017	Nil	Ballardong People WC2000/007 – 100%	3(i), 3(j), 3(k)
E 70/4990	Cygnus Gold Limited (100 / 100)	Pending	07/06/2017	Nil	Ballardong People WC2000/007 – 100%	3(i), 3(j), 3(k)
E 70/4991	Cygnus Gold Limited (100 / 100)	Pending	07/06/2017	Nil	Ballardong People WC2000/007 – 43.13% Southern Noongar WC1996/109 – 56.87% Wagyl Kaip WC1998/070 – 56.87%	3(h), 3(j), 3(k)
E 70/4992	Cygnus Gold Limited (100 / 100)	Pending	07/06/2017	Nil	Nil	3(j), 3(k)
E 70/5017	Cygnus Gold Limited (100 / 100)	Pending	24/08/2017	Nil	Ballardong People WC2000/007 – 76.76% Southern Noongar WC1996/109 – 23.34% Wagyl Kaip WC1998/070 – 23.34%	3(h), 3(j), 3(k)
E 70/5018	Cygnus Gold Limited (100 / 100)	Pending	24/08/2017	Nil	Ballardong People WC2000/007 – 100%	3(i), 3(j), 3(k)
E 70/5019	Cygnus Gold Limited (100 / 100)	Pending	24/08/2017	Nil	Ballardong People WC2000/007 – 100%	3(i), 3(j), 3(k)
E 70/5020	Cygnus Gold Limited (100 / 100)	Pending	24/08/2017	Nil	Ballardong People WC2000/007 – 100%	3(i), 3(j), 3(k)

E 70/5021	Cygnus Gold Limited (100 / 100)	Pending	24/08/2017	Nil	Ballardong People WC2000/007 – 100%	3(i), 3(j), 3(k)
E 77/2463	Cygnus Gold Limited (100 / 100)	Pending	07/06/2017	Nil	Nil	3(j), 3(k)

Endorsements and conditions

1 Endorsements

(a) The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.

(b) The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.

(c) In respect to Water Resource Management Areas (**WRMA**) the following endorsements apply: The Licensee attention is drawn to the provisions of the:

- Waterways Conservation Act, 1976
- Rights in Water and Irrigation Act, 1914
- Metropolitan Water Supply, Sewerage and Drainage Act, 1909
- Country Areas Water Supply Act, 1947
- Water Agencies (Powers) Act 1984.

(d) The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water (**DoW**) for inspection and investigation purposes.

(e) The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the DoWs relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.

(f) The taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by DoW.

(g) Measures such as drainage controls and stormwater retention facilities are to be implemented to minimise erosion and sedimentation of adjacent areas, receiving catchments and waterways.

(h) All activities to be undertaken so as to avoid or minimise damage, disturbance or contamination of waterways, including their beds and banks, and riparian and other water dependent vegetation.

(i) In respect to Waterways Management Areas the following endorsements apply: Prior to undertaking any exploration within a Waterways Management Area the Licensee shall seek advice from DoW.

(j) Any dredging and/or reclamation within a Waterways Management Area which affects the waterway or adjacent land within the Waterway Management Area is prohibited unless a current licence to dredge and/or reclaim has been issued by DoW.

(k) In respect to Proclaimed Surface Water Areas, Irrigation District Areas and Rivers (RIWI Act) the following endorsements apply: The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by DoW.

(l) Advice shall be sought from DoW and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 metres of a channel, drain or watercourse from which water is used for irrigation or any other purpose, and the proposed activity may impact water users.

(m) No exploration activity is to be carried out if:

- it may obstruct or interfere with the waters, bed or banks of a watercourse or wetland
- it relates to the taking or diversion of water, including diversion of the watercourse or wetland

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unless in accordance with a permit issued by the DoW.

(n) The land the subject of this Licence affects a Rare Flora site/s (including Rare Flora Site/s DRF/89006, DRF/100324, DRF/100325, DRF100326, DRF/100327, DRF100283, DRF/100284, DRF89002 & DRF89003) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Parks and Wildlife for information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.

(o) In respect to Proclaimed Surface Water Areas (SWA2 Avon River System), Irrigation District Areas and Rivers (RIWI Act) the following endorsements apply: The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by DoW.

(p) In respect to Proclaimed Ground Water Area GWA/40 the following endorsement applies: The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by DoW, unless an exemption otherwise applies.

(q) The land the subject of this Licence affects a Rare Flora site (including Rare Flora Site 91193) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Parks and Wildlife for information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.

(r) The land the subject of this licence may affect a Threatened Ecological Community. The licensee is advised to contact the Department of Parks and Wildlife's Threatened Species and Communities Unit for detailed information on management.

(s) In respect to Clearing Control Catchments (CAWSA) the following endorsement applies: Clearing of any area of vegetation is prohibited within Kent River Water Reserve without appropriate licensing from the DoW.

(t) In respect to Public Drinking Water Source Areas (PDWS - Kent River Water Reserve) the following endorsement applies: All activity within proclaimed public drinking water source areas shall comply with the current published version of the DoWs [Quality Protection Note 25 Land Use Compatibility in Public Drinking Water Source Areas]. Key issues that need to be considered within the Water Quality Protection Note are:

- All exploration involving the storage, transport and use of toxic and hazardous substances (including human wastes) within public drinking water source areas being prohibited unless approved in writing by the DoW.
- Seek written advice from the DoW if handling, storing and/or using hydrocarbons and potentially hazardous substances.

(u) The land the subject of this licence affects Rare Flora sites (including Rare Flora Sites 110119 and 110131) declared under the Wildlife Conservation Act 1950. The licensee is advised to contact the Department of Parks and Wildlife for information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.

(v) The licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.

(w) In respect to Waterways Management Areas (Avon) the following endorsements apply: Prior to undertaking any exploration within a Waterways Management Area the licensee shall seek advice from DoW.

(x) Any discharge or deposit of any matter within a Waterways Management Area which affects the waterway or adjacent land within the Waterways Management Area is prohibited unless a current disposal licence has been issued by the DoW.

(y) In respect to Proclaimed Surface Water Areas (Avon River), Irrigation District Areas and Rivers (RIWI Act) the following endorsements apply: The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by DoW.

(z) In respect to Proclaimed Ground Water Areas (Westonia and Kondinin-Ravensthorpe) the following endorsement applies: The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by DoW, unless an exemption otherwise applies.

(aa) The land the subject of this Licence affects a Rare Flora site (including Rare Flora Site 85106) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Parks and Wildlife for information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.

2 Conditions

(a) All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.

(b) Unless the written approval of the Environmental Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.

(c) The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Unnumbered Land Act Reserve 27, Stopping Place for Travellers and Stock Reserve 2248, Recreation Reserve 21110 and Water Reserve 26757.

(d) The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.

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(e) No interference with Geodetic Survey Station Stanleys and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

(f) In respect to Rail Corridor Land 43 the following conditions apply: No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land 43 (Moulyinning to Lake Grace) as shown in TENGRAPH without the prior written approval of the Minister responsible for the Mining Act.

(g) No surface excavation approaching closer to the boundary of the Safety Zone established by Condition 6 hereof than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer, DMP.

(h) Mining below 15 metres from the natural surface of the land in the Safety Zone established in Condition 6 hereof being approved by the State Mining Engineer, DMP in consultation with the operator of the railway on corridor land.

(i) No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition 6 hereof without the prior approval of the operator of the railway on corridor land.

(j) The Licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition 6 hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer, DMP.

(k) No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods Safety Branch, DMP.

(l) The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.

(m) Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act for the purpose of protecting the rail corridor land.

(n) In respect of the grant to the Licensee of this Licence, the Native Title Group's consent pursuant to clause 18 of Schedule 10 of the Ballardong People Indigenous Land Use Agreement(s) (relevant ILUA) to such grant is, as a condition precedent, subject to the Minister for Mines and Petroleum imposing the following condition: As the Ballardong People ILUA (relevant ILUA) applies to this Exploration Licence, the Licensee must before exercising any of the rights, powers or duties pursuant to this Exploration Licence over that portion of the area of land the subject of the relevant ILUA:

(i) subject to paragraph (ii), execute and enter into in respect of this Exploration Licence an Aboriginal Heritage Agreement (as defined in the relevant ILUA) with the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA on terms and conditions agreed by the Licensee and the Native Title Agreement Group or Regional Corporation (as the case may be) for the relevant ILUA (the Parties) or, failing such agreement being reached between the Parties within 20 Business Days of the commencement of negotiations, execute and enter into a NSHA subject only to any necessary modifications in terminology required for the tenure;

(ii) where:

(A) Parties have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and

(B) the Licensee executes a NSHA (subject only to any necessary modifications in terminology required for the tenure); and

(C) The Licensee provides a copy of the NSHA to the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA for execution; if the Native Title Agreement Group or Regional Corporation (as the case requires) does not execute the NSHA and provide a copy of the executed NSHA to the Licensee within 20 Business Days of receipt of the NSHA, the requirements of paragraph (i) do not apply; and

(iii) provide to the Department of Mines and Petroleum a statutory declaration from the Licensee (or if the Licensee is a corporation, from a director of that corporation on its behalf)] in the form contained in Annexure U to the Settlement Terms (as defined in the relevant ILUA), as evidence that the Licensee has complied with the requirements of paragraph (i) of this condition or that paragraph (ii) of this condition applies."

(o) All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DMIRS. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMIRS.

(p) The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Unnumbered Land Act Reserve 29.

(q) The prior written consent of the Minister responsible for the Mining Act being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on Conservation of Flora and Fauna Reserve 26762.

(r) In respect to Rail Corridor Land 44, Lake Grace to Newdegate the following conditions apply: No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land 44, Lake Grace to Newdegate as shown in TENGRAPH without the prior written approval of the Minister responsible for the Mining Act.

(s) Any discharge or deposit of any matter within a Waterways Management Area which affects the waterway or adjacent land within the Waterways Management Area is prohibited unless a current disposal licence has been issued by the DoW.

(t) The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Water Supply Reserve 31618.

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(u) No interference with Geodetic Survey Station CORRIGIN 12 AND CORRIGIN 148 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

(v) Mining on a strip of land 20 metres wide with any pipeline as the centreline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such strip and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.

(w) In respect to the Muja to Kalgoorlie Transmission Line designated as FNA 1882 on Tengraph the following condition applies: No interference with the Muja to Kalgoorlie transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.

(x) The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Water Reserve 18173.

(y) The prior written consent of the Minister responsible for the Mining Act being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on Conservation of Flora and Fauna Reserve 29857.

(z) All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines and Petroleum (DMP). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMP.

(aa) No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.

(bb) No excavation, excepting shafts, approaching closer to the Great Eastern Highway Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Great Eastern Highway Highway or Highway verge being confined to below a depth of 30 metres from the natural surface, and on any other road or road verge, to below a depth of 15 metres from the natural surface.

(cc) The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Water Reserve CR 17965, Conservation of Flora and Fauna Reserves 18198 & 18199, Water &Timber Reserve CR9473, Depot and Workshop Reserve CR33908, Gravel Reserve CR 23412, Parkland and Recreation Reserve CR18273 and Walgoolan & Burracoppin Townsite Boundaries.

(dd) No interference with Geodetic Survey Stations SSM- KELLERBERRIN 177 and SSMSoutherncross 113 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

(ee) Mining operations being carried out at such times and in such a manner as not to interfere with the full use of Rifle Range Reserve 19200 for rifle practice and no person being domiciled on the Rifle Range.

(ff) The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Recreation Reserve 24853; Great Southern Railway Reserve 16969; Quarry Gravel Reserve 19931; Parkland Reserve 2095; Parklands Reserves 5095, 15080, 18429, 18430 & 22451; Water and Camping Reserve 1883; Gravel Reserve 32445; Water Supply Reserve 37371; Recreation & Camping Reserve 875 and Tenterden Townsite.

(gg) The prior written consent of the Minister responsible for the Mining Act being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on Conservation of Flora and Fauna Reserves 1931, 2096, 2218 and 21543.

(hh) In areas of native vegetation within the tenement, no exploration activities commencing until the licensee provides a plan of management to prevent the spread of dieback disease (Phytophthera sp) to the Executive Director, Environment Division, DMP for assessment and until his written approval has been received. All exploration activities shall then comply with the commitments made in the management plan.

(ii) No excavation, excepting shafts, approaching closer to the Albany Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Albany Highway or Highway verge being confined to below a depth of 30 metres from the natural surface.

(jj) No interference with Geodetic Survey Stations SSM-Mount Barker 16, 49, 85, 214-216, SSMSZ 46 and SSM-SZ 46T/STN and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

(kk) In respect to Rail Corridor Land 30 (Narrikup to Cranbrook) the following conditions apply: No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land 30 (Narrikup to Cranbrook) as shown in TENGRAPH without the prior written approval of the Minister responsible for the Mining Act.

(ll) In respect of the grant to the Licensee of this Licence, the Native Title Group's consent pursuant to clause 18 of Schedule 10 of the Wagyl Kaip Southern Noongar People Indigenous Land Use Agreement(s) (relevant ILUA) to such grant is, as a condition precedent, subject to the Minister for Mines and Petroleum imposing the following condition: As the Wagyl Kaip Southern Noongar People ILUA (relevant ILUA) applies to this Exploration Licence , the licensee must before exercising any of the rights, powers or duties pursuant to this Exploration Licence over that portion of the area of land the subject of the relevant ILUA:

(i) subject to paragraph (ii), execute and enter into in respect of this Exploration Licence an Aboriginal Heritage Agreement (as defined in the relevant ILUA) with the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA on terms and conditions agreed by the Licensee and the Native Title Agreement Group or Regional Corporation (as the case may be) for the relevant ILUA (the Parties) or, failing such agreement being reached between the Parties within 20 Business Days of the commencement of negotiations, execute and enter into a NSHA subject only to any necessary modifications in terminology required for the tenure;

(ii) where:

(A) the Parties have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and

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(B) the licensee executes a NSHA (subject only to any necessary modifications in terminology required for the tenure); and

(C) The licensee provides a copy of the NSHA to the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA for execution; if the Native Title Agreement Group or Regional Corporation (as the case requires) does not execute the NSHA and provide a copy of the executed NSHA to the Licensee within 20 Business Days of receipt of the NSHA, the requirements of paragraph (i) do not apply; and

(iii) provide to the Department of Mines and Petroleum a statutory declaration from the Licensee (or if the licensee is a corporation, from a director of that corporation on its behalf)] in the form contained in Annexure U to the Settlement Terms (as defined in the relevant ILUA), as evidence that the licensee has complied with the requirements of paragraph of this condition or that paragraph (ii) of this condition applies."

(mm) Consent to explore on Kent River Water Reserve granted by the Minister responsible for the Mining Act.

(nn) The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Railway Reserves, Conservation of Flora and Fauna Reserves 12900, 26692, 46116 and 51602; Excepted from Sale Reserves 18455 & 19293; Flora Reserve 23637; Gravel Reserves 13164 & 26903; Quarry Gravel Reserve 19420; Recreation Reserve 16731; Water Reserves 2494, 10715, 12671, 14320, 15780 & 21883 and Kondinin & Babakin Townsites.

(oo) The prior written consent of the Minister responsible for the Mining Act being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on Conservation of Flora and Fauna Reserves 16493 and 25062 and Recreation and Conservation of Flora and Fauna Reserve 22519.

(pp) No interference with Geodetic Survey Stations SSM-Corrigin 4, 125, 126 and 143 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

(qq) In respect to Rail Corridor Land 50 (Kulin to Narembeen) and 54 (Corrigin to Bruce Rock) the following conditions apply: No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land 50 (Kulin to Narembeen) and 54 (Corrigin to Bruce Rock as shown in TENGRAPH without the prior written approval of the Minister responsible for the Mining Act.

(rr) No surface excavation approaching closer to the boundary of the Safety Zone established by Condition 8 hereof than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer, DMP.

(ss) The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Sump Reserve 17067; Public Utility and Camping Reserve 20935; Parklands Shelter Belt Reserve 26853; For the Purposes of the School Education Act 19 Reserve 22321; Water Supply Reserve 42013; Water Reserve 21748; Sanitary Site Reserve 22219 and Gnowangerup, Borden and Kebaringup Townsites.

(tt) The prior written consent of the Minister responsible for the Mining Act being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on Conservation of Flora and Fauna Reserve 12590.

(uu) No interference with Geodetic Survey Stations SSM-Dumbleyung 9, 10, 94, SSM-Mount Barker 194, 195, 293, 293T, 294, 295 and 296 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

(vv) The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Conservation of Flora and Fauna Reserve 26692.

(ww) The prior written consent of the Minister responsible for the Mining Act being obtained before commencing any exploration activities on Water Reserves 11519 and 13448.

Notes

3 Notes

(a) Except where notes 3(b) and 3(c) apply, the grant of this exploration licence does not include any private land referred to in Section 29(2) of the Mining Act except that below 30 metres from the natural surface of the land.

(b) Inclusion of private land 502028 – including Williams Land District Lots 9721 on Deposited Plan 137628, 9722 on Deposited Plan 137629 and 13192 on Deposited Plan 137629 to a depth of 30 metres from the natural surface. This inclusion relates to land that is owned by Peter and Wendy Johnston and is the subject of a land access agreement - see further the summary of the land access agreements in Section 10.5 of the Company's prospectus.

(c) Inclusion of private land 506753 – including Williams Lots 11419 on Deposited Plan 85197, 11420 on Deposited Plan 85196, 12879 on Deposited Plan 46732, 11520 & 11521 on Deposited Plan 228770 and 11503 on Deposited Plan 228769 to a depth of 30 metres from the natural surface. This inclusion relates to land that is owned by The Fosse Pty Ltd, Fosse Nominees Pty Ltd and Lindsay Thomson and includes land that is occupied by Bradley Harris. This land is the subject of land access agreements - see further the summary of the land access agreements in Section 10.5 of the Company's prospectus.

(d) Inclusion of private land 517540 – including Williams Lots 12 on Deposited Plan 63824, 8334 on Deposited Plan 132148, 8511 on Deposited Plan 132147, 9708 on Deposited Plan 137597 and 14209 on Deposited Plan 155987 to a depth of 30 metres from the natural surface. This inclusion relates to land that is owned by Michael Smith and is the subject of a land access agreement - see further the summary of the land access agreements in Section 10.54 of the Company's prospectus.

(e) Inclusion of private land 518316 – including Williams Lot 8296 on Deposited Plan 130253; Lot 7006 on Deposited Plan 126965; Lot 9729 on Deposited Plan 137636; Lots 13758 and 9718 on Deposited Plan 137625; Lot 11496 on Deposited Plan 228769; Lots 11516, 11523 and 11524 on Deposited Plan 228770; Lots 9719, 9720 and 8224 on Deposited Plan 137627; Lot 9723 on Deposited Plan 137630 and Williams Location 13976 Vol 3084 Folio 475 to a depth of 30 meters

from the natural surface. This inclusion relates to land that is owned and/or occupied by members of the Lee family or entities associated with them and is the subject of a land access agreement - see further the summary of the land access agreements in Section 10.5 of the Company's prospectus.

(f) Inclusion of private land 518317 – including Williams Lot 11499 and Lot 11501 on Deposited Plan 228769 and Lot 13011 on Deposited Plan 146795 to a depth of 30 metres from the natural surface. This inclusion relates to land that is owned and occupied by members of the Lee family or entities associated with them. This land is the subject of land access agreements - see further the summary of the land access agreements in Section 10.5 of the Company's prospectus.

(g) Inclusion of private land 518318 – including Williams Lot 15060 on Deposited Plan 167462 to a depth of 30 metres from the natural surface. This inclusion relates to land that is owned by Barry Bracknell and occupied by members of the Lee family or entities associated with them. This land is the subject of land access agreements - see further the summary of the land access agreements in Section 10.5 of the Company's prospectus.

(h) This tenement is the subject of the Lake Grace Earn-in Agreement. For further details see Section 10.6 of the Company's prospectus.

(i) This tenement is the subject of the Wadderin Earn-in Agreement. For further details see Section 10.6 of the Company's prospectus.

(j) The period for an objection being lodged to the grant of the tenement under the Mining Act has expired and accordingly, an objection may only be lodged if the Warden extends the time for such lodgement.

(k) The period for objection to the native title expedited procedure applying has not yet expired so objections to the grant of the tenement via the expedited procedure may still be lodged by the native title claimants. If an objection is lodged and not withdrawn by agreement, the appropriateness of the inclusion of the application in the expedited procedure will be determined by the National Native Title Tribunal.

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10 Material Contracts

The material contracts of the Group are set out below.

A brief overview of where to find the material contracts in this Section is set out below:

Section number	Contract name
10.1	Lead Manager Mandate
10.2	Southern Cross Capital Subscription Agreement
10.3	Gold Road Subscription Agreement
10.4	Resource Capital Fund Subscription Agreement
10.5	Land Access Agreements
10.6	Earn-In and Joint Venture Agreements
10.7	Co-Funding Agreement
10.8	Executive Services Agreement – James Merrillees
10.9	Executive Services Agreement – Blue Leaf Corporate Pty Ltd
10.10	Non-Executive Director Appointment Letters
10.11	Cygnus Employee Equity Incentive Plan

10.1 Lead Manager Mandate

The Company has agreed to appoint the Lead Manager as the sole lead manager and sole bookrunner to the Offer. The key terms of the IPO Mandate are set out in the table below.

Parties	The Company and Morgans Corporate Limited (**Morgans**).
Brief Description	The Company appoints Morgans to act as the exclusive lead manager to the Company's initial public offering (**IPO**).
Fees	The Company will pay Morgans: (f) a management fee of 2% payable on the total funds raised through the IPO. The management fee payable in aggregate on the subscription for Shares under the IPO (**Offer Securities**) by Gold Road Resources, Resource Capital Funds and an existing US private investor (collectively, the Cornerstone Investors) is capped at $30,000 plus GST; and

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	(g) a selling fee of 4% on all funds raised through the IPO minus funds raised through the Cornerstone Investors. Payment of these fees is conditional upon completion of the IPO. The Company agrees to reimburse Morgans for all reasonable out of pocket expenses incurred in association with the IPO.
Termination	The Company or Morgans may terminate the agreement at any time. If the Company terminates the agreement, the IPO does not proceed with Morgans as the lead manager and within 12 months of the termination and without the prior written consent of Morgans and the Company raises funds in excess of $5 million, a fee equal to 2% of the funds raised will be payable by the Company to Morgans.
Other key terms	The mandate also contains other standard clauses customary to an agreement of this nature, including an indemnity from the Company to Morgans, its related bodies corporate, and their directors, officers, agents and employees against any losses arising in connection with the engagement (excluding indirect and consequential losses and losses of profit), except to the extent any loss arises from the wilful misconduct, fraud or gross negligence or material breach by an indemnified party.

10.2 Southern Cross Capital Subscription Agreement

Parties	The Company and Southern Cross Capital
Subscription	Southern Cross agrees to subscribe for: (a) 5,000,000 Shares at $0.10 per Share for a total subscription amount of $500,000 (**Tranche 1 Shares**); and (b) subject to the Company lodging a prospectus for an initial public offering of its Shares with ASIC on or before 31 March 2018, 2,500,000 Shares at the Offer Price for a total subscription amount of $500,000 (**Tranche 2 Shares**). Subscription for the Tranche 1 Shares was completed on 19 April 2017.
Warranties	The Company provides standard warranties to Southern Cross Capital, including in relation to certain factual and historical information and the Company's tenements at the date of the agreement and Southern Cross Capital provides standard warranties to the Company in relation to itself and the agreement.
Termination	Either party may terminate the agreement at any time before the completion of the subscription for and the issue of the Tranche 2 Shares if any of the warranties provided cease to be true, complete or accurate in any material respect or if the other party fails to complete their obligations to subscribe for and issue the Tranche 2 Shares, as applicable, when required to do so other than as a result of the other party's default. Termination of the agreement will not affect any other rights the parties have against one another at law or in equity.
Escrow of Tranche 1 Shares	Southern Cross Capital acknowledges and agrees that the Tranche 1 Shares may be subject to mandatory escrow restrictions imposed by ASX and has agreed to sign any and all restriction agreements and documents that are required to effect any mandatory escrow restrictions imposed by ASX.

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No Offer of Tranche 1 Shares	Southern Cross Capital agrees that it will not transfer, dispose, encumber or offer any of the Tranche 1 Shares for sale to any person within 12 months from the date of issue of the Tranche 1 Shares (**Offer**) unless (but subject to ASX mandatory escrow restrictions): **(a)** the Tranche 1 Shares are trading on the ASX and are no longer subject to mandatory escrow restrictions; **(b)** the Offer does not require disclosure as a result of sections 707, 708 or 708A of the Corporations Act (excluding s 708(1)); **(c)** the Offer is made pursuant to a disclosure document in accordance with the Corporations Act; or **(d)** the Offer is received by a person outside Australia.

10.3 Gold Road Subscription Agreement

Parties	The Company and Gold Road Projects
Subscription	Gold Road Projects agrees to subscribe for, subject to the Company lodging a prospectus for an initial public offering of its Shares with ASIC by 31 August 2018, 3,750,000 Shares at the Offer Price for a total subscription amount of $750,000.
Pre IPO issues of securities	If the Company intends to issue Shares or other equity securities prior to the issue of Shares or other equity securities in accordance with the terms of a prospectus lodged for the initial public offer of Shares or 31 August 2019 (whichever occurs first), the Company must offer to issue at least 6% of the total offering of Shares or other equity securities to Gold Road Projects (except where the Company is issuing options or performance rights to a director, officer or employee of the Company or is issuing Shares or other equity securities under a prospectus lodged for the initial public offer of Shares).
Warranties	The Company provides standard warranties to Gold Road Projects in relation to itself and the agreement (but also including that the Shares issued under the agreement will be freely tradeable) and Gold Road Projects provides standard warranties to the Company in relation to itself and the agreement.

10.4 Resource Capital Fund Subscription Agreement

Parties	The Company and
Subscription	Resource Capital Fund VI L.P. agrees to subscribe for, subject to the Company lodging a prospectus for an initial public offering of its Shares with ASIC by 31 March 2018, 2,500,000 Shares at the Offer Price for a total subscription amount of $500,000.
Warranties	The Company provides standard warranties to Resource Capital Fund VI L.P. in relation to itself and the agreement and Resource Capital Fund VI L.P. provides standard warranties to the Company in relation to itself and the agreement.

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10.5 Land Access Agreements

The Company has entered into land access agreements with various parties as owners and/or occupiers (as the case may be) of the private land which encroaches on Exploration Licence E70/4787 (**Tenement**) (**Land Access Agreements**) and which is part of the **Stanley Project**. The key terms of the Land Access Agreements are similar and are summarised in the table below.

Parties	The Company has entered into the following Land Access Agreements: (a) an agreement dated 13 February 2017 with Peter Johnston and Wendy Johnston as owners of various parcels of private land on which the Tenement encroaches; (b) an agreement dated 11 May 2017 with Bradley Harris as occupier of various parcels of private land on which the Tenement encroaches; (c) an agreement dated 17 May 2017 with: (i) The Fosse Pty Ltd as owner; (ii) Fosse Nominees Pty Ltd as owner; and (iii) Lindsay John Thomson as owner and occupier, of various parcels of private land on which the Tenement encroaches; (d) an agreement dated 17 July 2017 with Michael Smith as owner of various parcels of private land on which the Tenement encroaches; (e) agreements dated 13 November 2017 with various member of, or entities associated with, the Lee family as owner and/or occupiers (as applicable) of various parcels of private land on which the Tenement encroaches; and (f) an agreement dated 13 November 2017 with Barry Bracknell as owner of a parcel of private land on which the Tenement encroaches.
Purpose	Under the Land Access Agreements: **(a)** the parties agree the amount of compensation that the Company will pay to the owner and/or occupier (as applicable) of the land for the purposes of Division 3 of Part III and Part VII of the Mining Act or any other applicable acts and/or regulations; and **(b)** the owner and/or occupier (as applicable) consents to and agrees not to object to the granting to the Company of the Tenement in respect of land referred to in section 29(2) of the Mining Act (that is, to a depth of 30 metres from the natural surface of the land).
Compensation	The compensation payments payable under the Land Access Agreements comprises a lump sum payment and/or an amount per hectare for every hectare on which drilling activities take place. The value per hectare varies depending on whether or not the land is used for cropping in that year. Any dispute relating to the compensation payments which has not been resolved by discussion of the parties within 30 days of a party giving a notice of dispute may be referred to an independent expert who is agreed between the parties. If the parties cannot agree on an independent expert then either

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	party may request the president of the Resolution Institute to nominate the expert, which expert the parties must then appoint.
Termination	Each of the Land Access Agreements will terminate upon the earlier of the expiry of the Tenement, such time as the Tenement no longer overlaps the relevant land or if the Land Access Agreement relates to an occupier or lessee only, upon the expiry or termination of the lease. Except for the Land Access Agreements with the Johnstons, the Company may terminate the agreement on 1 months' notice.
Cygnus obligations	The Company must give notice to the owner and/or occupier (as applicable) prior to commencing any drilling on the land. The Company also agrees to certain conditions regarding its activities on the land in order to minimise the damage to the land, any improvements or crops or the disturbance to stock.
Commencing commercial mining operations	If the Company gives a notice that it considers that commercial mining operations could be undertaken on the relevant land, then the parties will negotiate in good faith for the purpose of agreeing to the compensation payable under Part VII of the Mining Act in respect of such commercial mining operations. If the parties are unable to agree such compensation within sixty (60) days of receipt of the above notice, then the compensation will be determined in the Warden's Court in accordance with sections 123 and 124 of the Mining Act. The other parties will not be obliged to provide the consent for the grant of the mining lease until a compensation agreement is finalised.
Assignment and transfer	(a) The Company has agreed that it will not transfer or create any interest in the Tenement without ensuring that the transferee enters into a deed with the relevant counterparties to observe the Company's obligations under the Land Access Agreement. (b) The owner and/or occupier (as applicable) must not: (i) assign or transfer any interest in the relevant land, or lease or create any other rights of occupation in favour of a third party without ensuring that the assignee, transferee or third party enters into a deed with the Company to observe that party's obligations under the Land Access Agreement; or (ii) mortgage or grant any security interest over the relevant land without having the person taking the benefit of the encumbrance entering into a deed in favour of the Company under which it acknowledges the rights of the Company under the Land Access Agreement.

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10.6 Earn-In and Joint Venture Agreements

On 9 October 2017, the Company entered into two earn-in and joint venture agreements with Gold Roads Projects, one in relation to its **Lake Grace Project** (**Lake Grace Earn-In Agreement**) and one in relation to its **Wadderin Project** (**Wadderin Earn-In Agreement**) (together **Earn-in and Joint Venture Agreements**). The key terms of these agreements are summarised below:

Parties	The Company, Gold Road Projects and Gold Road
Lake Grace Earn-In Agreement - Earn-in Terms	**Tenements** The tenements the subject of the Lake Grace Earn-In Agreement are E70/4853 and E70/4855 and applications for E70/4991 and E70/5017 (**Lake Grace Tenements**). The dealing with the exploration licence applications is subject to consent of the Minister for Mines, which the Company will need to apply for once those tenements are granted. **Earn-In** Pursuant to the Lake Grace Earn-In Agreement, with effect from 27 October 2017 (**Lake Grace Commencement Date**) Cygnus granted to Gold Road Projects the right to earn up to 75% interest in the Lake Grace Tenements, as follows: (a) Gold Road Projects must incur a minimum of $400,000 on exploration expenditure within 18 months of the Lake Grace Commencement Date (**Lake Grace Minimum Expenditure**). Gold Road Projects may withdraw at any time after it has met the Lake Grace Minimum Expenditure in accordance with the terms of the Lake Grace Earn-In Agreement; (b) Gold Road Projects may earn a 51% interest in the Lake Grace Tenements by sole funding $700,000 (including the Lake Grace Minimum Expenditure) on exploration expenditure and a 15% service fee within 30 months of the Lake Grace Commencement Date; and (c) if Gold Road Projects gives a notice to Cygnus that it wishes to enter into a joint venture with Cygnus, the parties will then form an unincorporated joint venture. If Gold Road Projects elects to do so, it may earn a further 24% in the Lake Grace Tenements by sole funding a further $500,000 within 18 months after the formation of the joint venture (**Sole Funding Period**). **Management and Funding** Cygnus will be the Manager during the earn-in period and will administer the Lake Grace Tenements and prepare and carry out programmes and budgets agreed by Gold Road Projects. Gold Road Projects will sole fund these programmes.
Wadderin Earn-In Agreement - Earn-in Terms	**Tenements** The Tenements the subject of the Wadderin Earn-In Agreement are E70/4911 and E70/4939 and applications for E70/5019, E70/5018, E70/5020, E70/5021, E70/4990 and E70/4989 (**Wadderin Tenements**). The dealing with the exploration licence applications is subject to consent of the Minister for Mines, which the Company will need to apply for once those tenements are granted

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	Earn-In Pursuant to the Wadderin Earn-In Agreement with effect from 24 October 2017 (**Wadderin Commencement Date**) the Company granted to Gold Road Projects the right to earn up to 75% interest in the Wadderin Tenements, as follows: (a) Gold Road Projects must incur a minimum of $900,000 on Wadderin Minimum Expenditure within 18 months of the Wadderin Commencement Date (**Wadderin Minimum Expenditure**). Gold Road Projects may withdraw at any time after it has met the Wadderin Minimum Expenditure in accordance with the terms of the Wadderin Earn-In Agreement; (b) Gold Road Projects may earn a 51% interest in the Wadderin Tenements by sole funding $1,600,000 (including the Wadderin Minimum Expenditure) on exploration expenditure and a 15% service fee within 30 months of the Wadderin Commencement Date; and (c) if Gold Road Projects gives a notice to Cygnus that it wishes to enter into a joint venture with the Company, the parties will then form an unincorporated joint venture. If Gold Road Projects elects to do so, it may earn a further 24% in the Wadderin Tenements by sole funding a further $900,000 within 18 months after the formation of the joint venture (**Sole Funding Period**), if Gold Road Projects elects to do so. **Management and Funding** Cygnus will be the Manager during the earn-in period and will administer the Wadderin Tenements and prepare and carry out programmes and budgets agreed by Gold Road Projects. Gold Road Projects will sole fund these programmes.
Joint Venture Terms	The following terms are the same in both the Lake Grace Earn-In Agreement and the Wadderin Earn-In Agreement: **Formation of joint venture** If Gold Road Projects gives notice that it wishes to enter into a joint venture (**JV**), then from the date of the notice (**JV Commencement Date**) Gold Road Projects and the Company will form an unincorporated JV for the purposes of exploration of the relevant tenements (**JV Tenements**). **Manager** The manager of the JV (**Manager**) must be the Company or Gold Road Projects (each a **Participant**) or a related body corporate of a Participant. The Company will be the Manager during the Sole Funding Period (if applicable) unless Gold Road Projects gives 30 days' notice that it elects itself or Gold Road Resources to take over management. If there is no Sole Funding Period or following the end of the Sole Funding Period, Gold Road Resources will be the Manager. From the JV Commencement Date, a **Management Committee** will be formed and which will: (a) consist of 2 members appointed by each Participant; (b) include one representative from the Manager; and (c) meet at least quarterly.

Voting power

The voting power of each Participant on the Management Committee will be equal to that Participant's percentage interest in the JV (**Participating Interest**).

Unanimous Decisions

All decisions of the Management Committee will be made by approval of a simple majority resolution, except for certain decisions that require an unanimous vote, such as:

(a) a decision to mine;

(b) approval of the terms and conditions of contracts between the Manager and the Manager's related bodies corporate;

(c) disposal, surrender or withdrawal of any JV Tenement or JV assets;

(d) closure, termination or abandonment of any material part of JV activities; and

(e) any approved programmes and budgets relating to the first 2 years following the later of the JV Commencement Date and the end of the Sole Funding Period where the budget exceeds $5,000,000 a year.

If the Participants do not unanimously agree to a decision to mine, the Participant that did not vote in favour of that decision will be deemed to have offered to sell its Participating Interest in the proposed mine area for a fair price agreed by the parties or a value determined by an independent expert.

Duties of Manager

The Manager:

(a) must prepare annual programmes and budgets for approval by the Management Committee;

(b) must undertake expenditure in accordance with the approved programme and budget, but cannot exceed it by more than 10% without the Management Committee's approval (unless emergency expenditure); and

(c) is entitled to a 15% service fee.

Contributions

During the Sole Funding Period, Gold Road Projects must solely fund the JV.

Except during the Sole Funding Period (if applicable) the Company and Gold Road Projects must contribute to the costs of the JV in proportion to their Participating Interests.

If the Participants vote in favour of a decision to mine the Company will be given a reasonable period (no more than 3 months) to raise the funding it requires for mine development and Gold Road Projects must use its best endeavours to assist the Company with financing.

Dilution and conversion to a royalty

Except during the Sole Funding Period (if applicable), a Participant may elect not to contribute to a programme and budget, in which case its Participating Interest will dilute in accordance with a dilution formula set out

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	in the agreements. A Participant is deemed to have withdrawn from the JV if its Participating Interest dilutes to 10% or less and upon withdrawal the Participant is entitled to a 1% net smelter royalty. **Default** A Participant will be in default if it fails to pay a cash call within 7 days of being given notice. A non-defaulting Participant may elect to pay the outstanding cash call and may recover those monies as a debt with interest or dilute the defaulting Participant's participating interest. A Defaulting Participant may not vote on the Management Committee. **Indemnity** The Participants must indemnify the Manager for any cost, loss or liabilities incurred by the Manager unless it results directly from the Manager's gross negligence or wilful misconduct. The Manager must indemnify the Participants for any damage, loss or liability in respect of the JV to the extent that it is caused by the gross negligence or wilful misconduct of the Manager. The Manager is not liable for direct or consequential loss. **Withdrawal** A Participant may withdraw from the JV if it has met its accrued obligations and with effect from the expiration of the current programme and budget. **Assignment and dealings** The agreements contain the restrictions on assigning and granting security interests over Participating Interests, including pre-emptive rights. **Area of Interest** If a Participant is offered or applies for an interest in any property within 10 kilometres of the external boundary of the relevant Tenements, the opportunity must be presented to the other Participant. **Parent guarantee** Gold Road Resources guarantees the punctual performance by Gold Road Projects of all of Gold Road Projects' obligations under the agreements until the later of the JV Commencement Date and the end of the Sole Funding Period (if applicable).

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10.7 Co-Funding Agreement

The Company has entered into a funding agreement (**Co-Funding Agreement**) with the State of Western Australia (acting through the Department of Mines, Industry Regulation and Safety) (**Department**) dated 27 September 2017 in relation to a provision of funding by the State to the Company under the Co-funded Government-Industry Drilling Program part of the Exploration Incentive Scheme (**EIS**). The key terms of this agreement are summarised below:

Co-Funding terms and conditions	**Co-Funded Project** The Department has agreed to fund the **Funding Amount** (described below) as a co-contribution towards the proposed diamond drill program of 1,600 metres in 13 holes at the Company's Bottleneck and Bottlerack prospects (**Co-Funded Project**), subject to the conditions of this agreement. If the Company determines that modifications are required to the Co-Funded Project the Funding Amount will remain payable if the objectives of the Company's original proposal are not altered and the modifications are approved in writing by the Department. **Funding Amount** The Funding Amount will be determined as follows: (a) where the actual direct drilling costs are less than $300,000, the funding amount will be the amount which is the lesser of $150,000 and the amount which is 50% of the actual direct drilling costs; or (b) where the actual direct drilling costs are more than $300,000, the funding amount will be $150,000.
Company's obligations	**Completion of Co-Funded Project** The Company is responsible for the management of the Co-Funded Project. The Company must use its best endeavours to complete the drilling as soon as possible after the date of the Co-Funding Agreement and must manage the Co-Funded Project so that drilling is completed by 30 June 2018. **Reporting and Intellectual Property** The Company must provide to the Department for its approval an interim report no later than 2 weeks after the drilling is completed and a final report no later than 3 months after the submission of the interim report. These reports must be approved before the Department will pay the Funding Amount. The Company grants to the Department an irrevocable, free and non-exclusive licence to use, copy, reproduce and communicate the copyright in the reports for any purpose associated with the activities of the Department. **Notification** The Company must immediately notify the Department of any change in circumstances which may impact adversely on the capacity to complete the Co-Funded Project or affect the Company's eligibility to recover the Funding Amount. **Indemnity** The Company indemnifies the Department against all damages, losses and expenses arising in the course of executing the Co-Funded Project.

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Termination	The Department may immediately terminate this agreement if: (a) the Company beaches any condition of the agreement and fails to rectify the breach within 2 weeks of receipt of notice to do so; (b) the Company breaches any condition of the agreement which cannot be rectified; (c) the Department is satisfied that any statement in the proposal provided by the Company for the request of the Funding Amount and in any other supporting documents is incorrect or incomplete, false or misleading in a way which would have materially and adversely affected the original decision to enter into this agreement or any decision to approve payment of the Funding Amount; (d) the Department is satisfied that the Company no longer meets the eligibility requirement to receive the Funding Amount; (e) the Company withdraws from the Co-Funded Project; or (f) the Company suffers from an insolvency event.

10.8 Executive Services Agreement – James Merrillees

Parties	The Company and Mr James Merrillees
Position	Managing Director
Commencement Date	17 November 2017
Remuneration	$200,000 per annum (including superannuation). Mr Merrillees will also receive a $20,000 bonus if the Company lists on ASX. In addition, Mr Merrillees will be entitled to participate in the Cygnus Gold Employee Equity Incentive Plan as determined by the Board.
Expenses	The Company will reimburse Mr Merrillees for reasonable expenses incurred by him in the performance of his duties, including mobile phone and parking expenses.
Termination by the Company	The Company may terminate the agreement at any time by giving Mr Merrillees 3 months' written notice. If Mr Merrillees is unable by reason of illness or incapacitation (mental or physical) to perform his duties under the agreement for 60 days or more (whether or not consecutive) in the preceding 12 months, the Company may terminate the agreement by providing Mr Merrillees with 1 month's written notice. The Company may terminate the agreement at any time by summary notice if Mr Merrillees: **(a)** after reasonable warning, unreasonably refuses to or persistently and without sufficient cause neglects to perform his duties or to comply with any reasonable and proper direction by the Company; **(b)** engages in conduct that in the reasonable opinion of the Board has the effect of bringing the Company into disrepute; **(c)** becomes bankrupt; or

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	(d) refuses to accept terms of employment that are no less favourable to him from a new employer in circumstance where the new employer has acquired or agreed to acquire substantially the whole of the undertaking or the assets of the Company or not less than 90% of the equity share capital of the Company.
Termination by Mr Merrillees	Mr Merrillees may terminate the agreement at any time by giving the Company 4 weeks' written notice.
Restraints	Mr Merrillees must not: **(a)** during and after termination of the agreement divulge or use (directly or indirectly) any trade secrets or other confidential information which he may receive whilst an employee of the Company (except to the extent that such information has come into the public domain without the breach by Mr Merrillees); **(b)** during his employment under the agreement, except as a representative of the Company or with the consent of the Board, be directly or indirectly involved in any other business competing in a material respect with the business of the Company (however this will not preclude Mr Merrillees from having an interest by way of a bonafide portfolio investment in stocks, shares, units or other securities of any other entity if that investment is undertaken in compliance with the Company's investment guidelines and policies (if any)); and **(c)** for a period of 12 months after termination of the agreement, employ, engage, solicit, interfere with or endeavour to entice away from the Company or its related bodies corporate any employee.
Termination benefits under the agreement	None.

10.9 Executive Services Agreement – Blue Leaf Corporate Pty Ltd

Parties	The Company and Blue Leaf Corporate Pty Ltd (**Blue Leaf**), an entity associated with Mr Michael Naylor.
Position	Blue Leaf will provide Company secretarial and financial management services to the Company pursuant to which Mr Naylor will act as Company Secretary of the Company and the day to day financial management services will be provided by Michael Naylor and Melanie Li.
Commencement Date	The services under the agreement will commence when the Company lists on the ASX.
Remuneration	$7,500 per month (excluding GST) from the date the Company is listed on ASX. A fee of $5,000 per month will be invoiced until the Company is admitted to the Official List of ASX. will Blue Leaf is also entitled to be paid for reasonable incidental expenses (including disbursements and travel expenses) incurred in providing its services.
Termination payments for material diminution	None.
Termination by the Company	The Company may terminate the agreement at any time by giving 90 days' written notice to Blue Leaf.
Termination by Blue Leaf	Blue Leaf may terminate the agreement at any time by giving 90 days' written notice to the Company, or if the Company does not pay fees and charges to Blue Leaf when they fall due.

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Post-employment restraints	None.
Termination benefits under the agreement	None.
Insurance and Indemnity	The Company will put in place an insurance policy that indemnifies the Company Secretary against all losses or liabilities incurred as a result of that individual acting as an officer of the Company to the extent permitted by the Corporations Act for the duration of the engagement and for 7 years following termination. The Company agrees to indemnify and hold harmless Blue Leaf against any and all losses, claims, costs, expenses, actions demands, damages liabilities or any other proceedings; (a) arising out of reliance by Blue Leaf on false, misleading or incomplete information provided by the Company or its representatives to Blue Leaf; (b) incurred by Blue Leaf in respect of any third party claim in connection with the Company's breach of its obligations under the agreement.

10.10 Non-Executive Director Appointment Letters

(a) Michael Bohm

On 17 November 2017, Michael Bohm executed a letter of appointment to confirm his appointment as a non-executive Director and Chairman of the Company.

Mr Bohm's service commenced on 30 September 2016 and will cease when he resigns from the office by notice in writing, is removed from office by resolution of the Company, is not re-elected to office, ceases to be a Director under any provision of the Corporations Act or becomes prohibited from being a Director by reason of any order made under the Corporations Act, becomes bankrupt or makes any arrangement or composition with his creditors generally or becomes of unsound of mind or is a person whose affairs are liable to being dealt with under a law relating to mental health.

Mr Bohm's service will also cease in any other circumstances as specified in the Constitution.

Mr Bohm will be paid a fee of $50,000 per annum (plus statutory superannuation) for his role as non-executive Director and Chairman of the Company. This fee will start accruing on 1 December 2017.

The Company will reimburse Mr Bohm for all out of pocket expenses incurred in performing his duties.

(b) Simon Jackson

On 17 November 2017, Simon Jackson executed a letter of appointment to be appointed as a non-executive Director of the Company.

Mr Jackson's service commenced on 17 November 2017 and will cease when he resigns from the office by notice in writing, is removed from office by resolution of the Company, is not re-elected to office, ceases to be a Director under any provision of the Corporations Act or becomes prohibited from being a Director by reason of any order made under the Corporations Act, becomes bankrupt or makes any arrangement or composition with his creditors generally or becomes of unsound of mind or is a person whose affairs are liable to being dealt with under a law relating to mental health.

Mr Jackson's service will also cease in any other circumstances as specified in the Constitution.

Mr Jackson will be paid a fee of $40,000 per annum (plus statutory superannuation) for his role as non-executive Director of the Company. This fee will start accruing on 1 December 2017.

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The Company will reimburse Mr Jackson for all out of pocket expenses incurred in performing his duties.

(c) Amanda Buckingham

On 17 November 2017, Amanda Buckingham executed a letter of appointment to confirm her ongoing appointment as a non-executive Director of the Company.

Dr Buckingham's service commenced on 21 April 2016 and will cease when she resigns from the office by notice in writing, is removed from office by resolution of the Company, is not re-elected to office, ceases to be a Director under any provision of the Corporations Act or becomes prohibited from being a Director by reason of any order made under the Corporations Act, becomes bankrupt or makes any arrangement or composition with his creditors generally or becomes of unsound of mind or is a person whose affairs are liable to being dealt with under a law relating to mental health.

Dr Buckingham's service will also cease in any other circumstances as specified in the Constitution.

Dr Buckingham will be paid a fee of $40,000 per annum (plus statutory superannuation) for her role as non-executive Director of the Company. This fee will start accruing on 1 December 2017.

The Company will reimburse Dr Buckingham for all out of pocket expenses incurred in performing her duties.

(d) Oliver Kreuzer

On 17 November 2017, Oliver Kreuzer executed a letter of appointment to confirm his ongoing appointment as a non-executive Director of the Company.

Dr Kreuzer service commenced on 21 April 2016 and will cease when he resigns from the office by notice in writing, is removed from office by resolution of the Company, is not re-elected to office, ceases to be a Director under any provision of the Corporations Act or becomes prohibited from being a Director by reason of any order made under the Corporations Act, becomes bankrupt or makes any arrangement or composition with his creditors generally or becomes of unsound of mind or is a person whose affairs are liable to being dealt with under a law relating to mental health.

Dr Kreuzer's service will also cease in any other circumstances as specified in the Constitution.

Dr Kreuzer will be paid a fee of $40,000 (plus statutory superannuation) for his role as non-executive Director of the Company. This fee will start accruing on 1 December 2017.

The Company will reimburse Dr Kreuzer for all out of pocket expenses incurred in performing his duties.

10.11 Cygnus Employee Equity Incentive Plan

The Company has established the Cygnus Gold Limited Employee Equity Incentive Plan (**Plan**). A summary of the terms of the Plan is set out below. No awards have been offered under the Plan as at the date of this Prospectus. The Directors are entitled to participate in the Plan.

Awards	Shares, options and/or performance rights issued at a price, and subject to any grant or vesting conditions, determined by the Board in its sole and absolute discretion.
Eligible Employees	A full time or part time employee (including an executive director) or non-executive director of the Company or an associated body corporate, an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position, or an individual or company with whom there is a contract for the provision of services under which the individual or a director or their spouse performs work where the work is or might reasonably be expected to be the number of hours that are the pro

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	rata equivalent of 40% or more of a comparable full time position (or their nominee).
Limits	Where an offer is made under the Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or the total number of Shares which would be issued if the securities were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
Entitlements	Notice of meeting, potentially dividends on unvested Shares (subject to Board determination), bonus and rights issue participation in respect of award Shares, capital reconstruction (subject to Board determination), bonus and pro rata issue adjustments and potentially early exercise in a voluntary winding up (subject to Board determination).
Dealing	Dealing restrictions exist other than; (a) for award Shares, if the dealing is compliant with the terms of the Share offer and any vesting conditions; (b) for award performance rights and options, if the dealing has been approved by the Board or by force of law upon the death of the participant to his/her legal representative.
Vesting and Exercise	Awards only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Shares, options and/or performance rights by the Company. Vested options and performance rights can only be exercised during the exercise period specified in the invitation to participate in the Plan. The exercise price per Share in respect of an option or performance right granted pursuant to the Plan will be determined by the Board.
Lapse	Subject to the Board's discretion, if a participant resigns (other than in circumstances of redundancy, mental illness, total and permanent disability, terminal illness or death), is dismissed from office for cause or poor performance, or in another circumstance determined by the Board, unvested Shares will be forfeited, unvested options and performance rights will lapse and vested options and performance rights that have not been exercised will lapse on the date of cessation of employment or office. Similar provisions apply to breach, fraud or misconduct. Forfeiture provisions also apply to unvested Shares.
Change of control	On the occurrence of a change of control event, the Board may in its sole and absolute discretion and subject to the Listing Rules, determine how unvested Shares, options and performance rights will be treated, including but not limited to: (a) determining that all or a portion of unvested Shares, options and performance rights will vest regardless of whether or not the employment, engagement or office of the participant is terminated or ceases in connection with the change of control event; and/or (b) reducing or waiving vesting conditions.
Clawback	The Board may clawback vested Shares, options and performance rights if the Board becomes aware of a material mistatement in the Company's financial statements which means the vesting conditions were not or should not have been determined to have been satisfied.

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11 Additional Information

11.1 Disclosure of interests

The Company's Constitution provides that the remuneration of non-executive Directors in total in any year will be not more than the aggregate fixed sum determined by a general meeting. The current limit approved by Shareholders via a circular resolution of members on 17 October 2016 is, in addition to any other securities approved by Shareholders in the future, $300,000 per annum.

The remuneration of any executive director that may be appointed by the Board will be fixed by the Board. Directors are not required to hold any Shares.

Details of the Directors' relevant interests in the Securities of the Company at the date of this Prospectus are set out in the table below.

Director's relevant interests at date of Prospectus

Director	Michael Bohm[1]	James Merrillees[2]	Simon Jackson[3]	Amanda Buckingham[4]	Oliver Kreuzer
Shares	3,000,001	100,000	133,334	2,333,334	1,833,334
% of Shares / voting Power	9.78%	0.33%	0.43%	7.60%	5.98%

1 *Shares are held by Mr Bohm's spouse, Ms Charmaine Lobo.*
2 *Shares are held by JSM Resources Pty Ltd atf The Merrillees Family Trust, a Company which Mr Merrillees is a shareholder and director.*
3 *Shares are held by Bigjac Investments Pty Ltd atf Bigjac Investment Trust. Mr Jackson is a director of Bigjac Investments Pty Ltd and a beneficiary of Bigjac Investment Trust.*
4 *1,666,667 Shares are held indirectly by Fathom Geophysics Australia Pty Ltd, a company which Dr Buckingham is a Director and Shareholder and 666,667 are held by Dr Buckingham's spouse, Dr Robert Stuart.*

As at completion of the Offer and assuming allocations of Shares are made to the Directors (or applicable entities) in accordance with their intended participation as stated in Section 1.1 above, the Directors will hold the following Securities:

Director's relevant interests following completion of the Offer

Director	Michael Bohm[1]	James Merrillees[2]	Simon Jackson[3]	Amanda Buckingham[4]	Oliver Kreuzer
Shares	3,250,001	150,000	383,334	2,333,334	1,883,334
% of Shares / voting Power (Minimum subscription)	5.84%	0.27%	0.69%	4.19%	3.38%
% of Shares / voting Power (Maximum subscription)	5.36%	0.25%	0.63%	3.85%	3.10%

1 *Shares are held by Mr Bohm's spouse, Ms Charmaine Lobo.*
2 *Shares are held by JSM Resources Pty Ltd atf The Merrillees Family Trust, a Company which Mr Merrillees is a shareholder and director.*
3 *Shares are held by Bigjac Investments Pty Ltd atf Bigjac Investment Trust. Mr Jackson is a director of Bigjac Investments Pty Ltd and a beneficiary of Bigjac Investment Trust.*
4 *1,666,667 Shares are held indirectly by Fathom Geophysics Australia Pty Ltd, a company which Dr Buckingham is a Director and Shareholder and 666,667 are held by Dr Buckingham's spouse, Drr Robert Stuart.*

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The Directors' remuneration for the period from the Company's registration on 3 November 2015 and ended 31 December 2016 and for the period 1 January 2017 to the date of this Prospectus is set out below.

Director	Michael Bohm	James Merrillees	Simon Jackson	Amanda Buckingham	Oliver Kreuzer
Fees/Salary[1] from 3 November 2015 to 31 December 2016	$15,000	Nil	Nil	$16,500	$16,500
Fees/Salary[1] from 1 January 2017 to the date of this prospectus	$69,750	$104,838	Nil	$57,487	$104,500

1. Remuneration represents annual fixed salary and includes statutory superannuation.

With effect from 1 December 2017, the Directors' annual remuneration is as follows:

Director	Michael Bohm	James Merrillees[2]	Simon Jackson	Amanda Buckingham	Oliver Kreuzer
Fees/Salary[1]	$54,750	$200,000	$43,800	$43,800	$43,800
Bonus	Nil	$20,000	Nil	Nil	Nil

1. Remuneration represents annual fixed salary and includes statutory superannuation.
2. Mr Merrillees will receive a $20,000 bonus if the Company lists on the ASX.

11.2 Related Party Transactions

(a) Executive Service Agreements

The Company has entered into Executive Services Agreements with senior management members, which are summarised in Section 10.8 and 10.9.

(b) Deed of Access, Indemnity and Insurance

Parties	The Company has entered into deeds of access, indemnity and insurance (**Indemnity Deed**) with each of the Directors and officers (each an **Officeholder**).
Indemnity	Under the Indemnity Deeds, the Company agrees to indemnify each Officeholder to the extent permitted by law against any liability arising as a result of the Officeholder acting as a director or officer of the Company and all legal expenses incurred by the Officeholder as a director or officer of the Company, to the extent and in the amount that the Officeholder is not covered by other indemnities (including but not limited to any insurance policy).
Insurance	The Company will use its best endeavours to procure insurance which insures each Officeholder on terms, conditions, exclusions and additional cover commonly included in a policy of this nature, , so far as such insurance is reasonably available at reasonable cost to the Company. The policy must be maintained during the period that the Officeholder is a director or officer of the Company to the date that is 7 years after the Officeholder ceases to be a director or officer of the Company or, if run-off insurance cannot be procured at reasonable premiums for the full period, the last date on which run-off insurance can be procured.

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Access to Company records	During the period that the Officeholder is a director or officer of the Company to the date that is 7 years after the Director ceases to be a director or officer of the Company, the Officeholder is entitled to have access, during office hours, to and to make copies of company records relevant to the Officeholder's holding of office as a director or officer, or any claim against the Officeholder arising from, or in connection with, their position as a director or officer of the Company.

Related party transactions may be proposed from time to time. Any such transactions occur in the normal course of business, and the terms and conditions of the transactions are no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with unrelated entities on an arms' length basis.

11.3 Interests of Directors

Other than as set out elsewhere in this Prospectus, no Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons:

(a) as an inducement to become, or to qualify as, a Director; or

(b) for services rendered in connection with the formation or promotion of the Company or the Offer.

11.4 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, or in the past two years has held, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer;

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(a) the formation or promotion of the Company; or

(b) the Offer.

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During the 24 months preceding lodgement of this Prospectus with ASIC the Company or its wholly owned subsidiaries have paid the following fees to experts and advisors named in this Prospectus:

Interests of experts and advisors

	Approximate fees (including disbursements) paid from incorporation to date for other services provided (including GST) $	Estimated fees of the Offer (excluding GST) $ Minimum Subscription	Estimated fees of the Offer (excluding GST) $ Maximum Subscription
Lead Manager	Nil	225,000	285,000
Grant Thornton Corporate Finance Pty Ltd	Nil	10,000	10,000
Grant Thornton Audit Pty Ltd	18,013	Nil	Nil
Independent Geologist	40,522	12,000	12,000
Gilbert + Tobin	46,735	85,000	85,000
Computershare	Nil	2,000	2,000

11.5 Consents

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;

(c) has given and has not, before the date of lodgement of this Prospectus with ASIC, withdrawn its written consent:

(i) to be named in this Prospectus in the form and context which it is named; and

(ii) to the inclusion in this Prospectus of the statement(s) and / or report(s) (if any) by that person in the form and context in which they appear in this Prospectus

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Consents

Name	Role	Statement / Report
Morgans Corporate Limited	Lead Manager	Not applicable
Grant Thornton Corporate Finance Pty Ltd	Investigating Accountant	Independent Limited Assurance Report in Section 7 and any other references to its contents in this Prospectus
Grant Thornton Audit Pty Ltd	Auditor	Extracts from the historical statements of profit or loss and other comprehensive income, and historical statements of cash flow, for the period from 3 November 2015 to 31 December 2016 and 6 months ended 30 June 2017 and 6 months ended 30 June 2016, and historical statements of financial position for the period as at 31 December 2016, 30 June 2016 and 30 June 2017 in Section 6 and any other references to those in this Prospectus
CSA Global Pty Ltd	Independent Geologist	Independent Technical Assessment Report in Section 8 and any other references to its contents in this Prospectus
Gilbert + Tobin	Australian Lawyers	Solicitor's Report on Tenements in Section 9 and any other references to its contents in this Prospectus

None of the consenting parties has authorised or caused the issue of this Prospectus and does not make any offer of Shares.

In addition, each of Michael Bohm, James Merrillees, Simon Jackson and Oliver Kreuzer consent to the inclusion in Section 1.1, of the statements relating to their respective intention to participate in the Offer and to any other references to those statements in this Prospectus in the form and context in which they appear.

11.6 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately $417,487 if $5,000,000 is raised and $478,487 if $6,000,000 is raised under this Offer:

Expenses of the Offer

Item of expenditure	$ estimate Minimum Subscription	$ estimate Maximum Subscription
ASIC fees	2,350	2,350
ASX fees	71,137	72,137
Lead Manager fees	225,000	285,000
Australian legal fees	85,000	85,000
Investigating Accountant's fees	10,000	10,000
Independent Geologist's fees	12,000	12,000
Share registry fee	2,000	2,000
Printing, design, other	10,000	10,000
Total	**417,487**	**478,487**

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11.7 Litigation

So far as the Directors are aware, other than as described below or elsewhere in this Prospectus, there is no current or threatened civil litigation, arbitration, proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned or which is likely to have a material adverse impact on the business or financial position of the Company.

11.8 Dividend Policy

The Board anticipates that significant expenditure will be incurred in the exploration and evaluation of the Company's Projects. These activities are expected to dominate at least the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and financial performance and position of the Company.

At the date of issue of this Prospectus the Directors do not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of the distributable earnings, operational results and financial position of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Directors.

11.9 Documents Available for Inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

(a) this Prospectus;

(b) the Constitution; and

(c) the consents referred to in Section 11.5.

11.10 Continuous Disclosure Obligations

The Company will be a "disclosing entity" after Listing (as defined in section 111AC of the Corporation Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities, subject to certain exceptions.

Price sensitive information will be publically released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

11.11 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. ASX Settlement Pty Ltd , a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry operates an electronic issuer sponsored sub-register and

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an electronic CHESS sub-register. The two sub-registers will together make up the Company's principal register of securities.

Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASX will send a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Company's Registry and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holdings in the Company during the preceding month.

11.12 Privacy Act

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that the Company or the Registry holds about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

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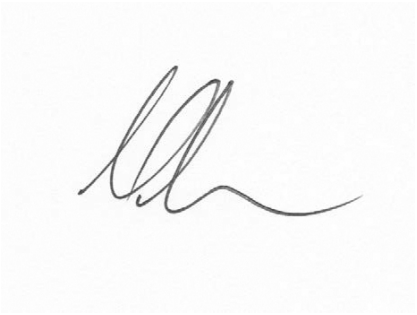
12 Directors' Consent

This Prospectus is issued by Cygnus Gold Limited and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with ASIC.



Michael Bohm
Chairman
FOR AND ON BEHALF OF CYGNUS GOLD LIMITED

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13 Glossary

Term	Meaning
Accounting Standards	accounting standards, principles and practices applying by law or otherwise generally accepted and consistently applied in Australia.
Applicant	an investor that applies for Shares using an Application Form pursuant to this Prospectus, and **Application** has a corresponding meaning.
Application Form	an application form to subscribe for Shares under the Offer accompanying this Prospectus.
Application Monies	the amount accompanying an Application Form submitted by an investor.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.
ASX Listing Rules	the listing rules of ASX.
ASX Recommendations	the Corporate Governance Principles and Recommendations for Australian listed entities developed and released by the ASX Corporate Governance Council in order to promote investor confidence and to assist companies in meeting stakeholder expectations.
ASX Settlement	ASX Settlement Pty Ltd (ABN 49 008 504 532).
ASX Settlement Operating Rules	the operating rules of the settlement facility provided by ASX Settlement as amended from time to time.
A$, AUD$, Dollar or $	Australian dollars unless otherwise stated.
AWST	Australian Western Standard Time.
Cygnus	Cygnus Gold Limited ACN 609 094 653 or it and its subsidiaries as the context requires.
Bencubbin Project	the Bencubbin Project described in Section 3.3.4 and in further detail in the Independent Technical Assessment Report in Section 8.
Board	the board of Directors.
Borden Project	the Borden Project described in Section 3.3.4 and in further detail in the Independent Technical Assessment Report in Section 8.
Bullock North Project	the Bullock North Project described in Section 3.3.4 and in further detail in the Independent Technical Assessment Report in Section 8.
Burracoppin North Project	the Burracoppin North Project described in Section 3.3.4 and in further detail in the Independent Technical Assessment Report in Section 8.
Burracoppin Project	the Burracoppin Project described in Section 3.3.4 and in further detail in the Independent Technical Assessment Report in Section 8.
Business Day	a day on which trading takes place on the stock market of ASX.

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Term	Meaning
CHESS	the ASX Clearing House Electronic Sub-register System.
Chairman or Chair	Michael Bohm.
Closing Date	the closing date for receipt of Application Forms under this Prospectus being 20 December 2017 (unless extended or closed early by the Company in its absolute discretion).
Company or Cygnus	Cygnus Gold Limited ACN 609 094 653 or it and its subsidiaries as the context requires.
Constitution	the Company's Constitution as at the date of this Prospectus.
Corporations Act	the *Corporations Act 2001* (Cth).
CRC LEME	the Cooperative Research Centre for Landscape Environments and Mineral Exploration.
Department or **DMIRS**	the Department of Mines, Industry Regulation and Safety
Directors	directors of the Company.
EFT	electronic funds transfer.
EIS	the WA Government's Exploration Initiative Scheme.
Expiry Date	the date that is 13 months after the date of the Prospectus.
Exploration Licences	Exploration Licences granted under the Mining Act.
Exploration Licence Applications	Exploration Licence Applications made under the Mining Act .
Exposure Period	the period of 7 days from the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of up to 7 days.
Exploration Results	has the meaning provided by the JORC Code.
Exploration Target	has the meaning provided by the JORC Code.
Financial Information	the financial information set out in Section 6.
Frankland Project	the Frankland Project described in Section 3.3.4 and in further detail in the Independent Technical Assessment Report in Section 8.
Gold Road	Gold Road Resources Limited ACN 109 289 527, a company listed on the ASX (ASX:GOR).
Gold Road Projects	Gold Road (Projects) Pty Ltd ACN 621 279 525, a wholly owned subsidiary of Gold Road.

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Term	Meaning
Gold Road Subscription Agreement	the subscription agreement between the Company and Gold Road Projects dated 9 October 2017 summarised in Section 10.3.
Indemnity Deed	deed of access, indemnity and insurance entered into by the Company and each of its directors and officers as described in Section 11.2(b).
Independent or Independent Director	a non-executive Director that the Board considers to be independent in accordance with Section 4.2 and for the purpose of the ASX Recommendations.
Independent Geologist	CSA Global Pty Ltd.
Independent Limited Assurance Report	the Report in Section 7.
Independent Technical Assessment Report	the report contained in Section 8.
Independent Solicitor's Report	the report contained in Section 9.
JORC Code	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
Kulin Project	the Kulin Project described in Section 3.3.4 and in further detail in the Independent Technical Assessment Report in Section 8.
Lake Grace Earn-In Agreement	the agreement between Cygnus, Gold Road Projects and Gold Road in relation to the Lake Grace Project summarised in Section 1.1.
Lake Grace Project	the Lake Grace Project described in the Independent Technical Assessment Report in Section 8.
Land Access Agreements	the agreements the Company has entered into with certain private land owners and occupiers over some of the **Stanley Project** summarised in Section 10.5.
Lead Manager	Morgans Corporate Limited AFS Licence No. 235 407
Lead Manager Mandate	the agreement between the Company and the Lead Manager dated 20 October 2017 and summarised in Section 10.1.
Listing	the commencement of trading in Shares on the Official List of the ASX.
Listing Rules	the listing rules of ASX.
Minimum Subscription	$5,000,000 equating to the issue of 25,000,000 Shares at the Offer Price.
Maximum Subscription	$6,000,000 equating to the issue of 30,000,000 Shares at the Offer Price.
Mineral Assets	has the meaning provided by the VALMIN Code.
Mineral Resources	has the meaning provided by the JORC Code.

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Term	Meaning
Mining Act	the Mining Act 1978 (WA).
Offer or IPO	the offer under this Prospectus of up to 30,000,000 Shares by the Company at the Offer Price.
Offer Price	$0.20 per Share.
Official List	the official list of ASX.
Official Quotation	quotation on the official list of ASX.
Opening Date	the opening date for receipt of Application Forms under this Prospectus being 30 November 2017.
Option	an option to acquire a Share.
Ore Reserve	has the meaning provided by the JORC Code.
Plan	the Cygnus Gold Limited Employee Equity Incentive Plan summarised in Section 10.11.
Privacy Act	*Privacy Act 1988* (Cth).
Projects	the Company's projects **described** in Section 8, comprising the **Stanley Project**, the **Borden Project**, the **Bullock North Project**, the **Burracoppin Project**, the **Frankland Project**, the **Kulin Project**, the **Bencubbin Project**, the **Burracoppin North Project**, the **Lake Grace Project** and the **Wadderin Project**.
Prospectus	this Prospectus.
Recommendations	has the meaning given in Section 4.4 of the Prospectus.
Resource Capital Fund VI L.P.	Resource Capital Fund VI L.P., a private equity fund.
Resource Capital Fund Subscription Agreement	the subscription agreement between the Company and Resource Capital Fund VI L.P. dated 17 November 2017 described in Section 10.4.
Restricted Securities	securities expected to be the subject of Restriction Agreements under Appendix 9 of the ASX Listing Rules.
Section	a section of this Prospectus.
Security	a Share, Option or other securities.
Share	a fully paid ordinary share in the capital of the Company and, where the context permits, means the Shares the subject of the Offer.
Share Registry or Registry	Computershare Investor Services Pty Limited.

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Term	Meaning
Shareholders	the holders of Shares.
Southern Cross Capital	Southern Cross Capital Pty Limited ACN 610 572 640.
Southern Cross Capital Subscription Agreement	the subscription agreement between the Company and Southern Cross Capital dated 12 April 2017 described in Section 10.2.
Stanley Project	means the Stanley Project described in Section 3.3.3 and in further detail in the Independent Technical Assessment Report in Section 8.
SWT or Southwest Terrane	the Southwest Terrane of the Yilgarn Craton, Western Australia.
Technical Assessment	has the meaning provided by the VALMIN Code.
Tenements	the Exploration Licences and the Exploration Licence Applications listed in the Schedule to the Solicitor's Report on Tenements in Section 9.
VALMIN Code	Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.
WA	Western Australia.
Wadderin Earn-In Agreement	the agreement between Cygnus, Gold Road Projects and Gold Road in relation to the **Wadderin Project** summarised in Section 1.1.
Wadderin Project	the Wadderin Project described in the Independent Technical Assessment Report in Section 8.

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14 Annexure A – Rights Attaching to Shares

The following summary reflects the rights attaching to Shares.

(a) General

The rights attaching to ownership of the Shares are detailed in the Constitution of the Company and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law. A copy of the Company's constitution may be inspected during normal business hours at the registered office of the Company.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to the Company's Shares upon listing on ASX. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

All Shares issued pursuant to this Prospectus will, from the time that they are issued, rank equally with the Company's existing issued Shares.

(b) Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each fully paid Share held. On a poll, partly paid Shares confer a fraction of a vote pro-rata to the amount paid up on the Share.

A poll may be demanded before a vote for a show of hands is taken, or before or immediately after the declaration of the result of the show of hands by the chair of the meeting, by at least five Shareholders present and entitled to vote on the resolution or by any one or more Shareholders representing at least 5% of the votes that may be cast on the resolution on a poll.

(c) Dividends

Subject to the Corporations Act, the ASX Listing Rules, and the Constitution, the Directors may pay interim, special or final dividends as, in their judgment, the financial position of the Company justifies.

Subject to any special terms and conditions of issue, the amount which the Directors from time to time determine to distribute by way of dividend are divisible among the members in proportion to the amounts paid up on the Shares held by them. Interest is not payable by the Company in respect of any dividend.

(d) Issue of shares

Subject to the Constitution, the ASX Listing Rules and the ASX Settlement Operating Rules, the Directors have the right to issue shares or grant options over unissued shares to any person and they may do so at such times as they think fit and on the conditions they think fit. Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise as the Directors think fit.

(e) Variation of class rights

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

(i) with the written consent of the holders of 75% of the shares of the class; or

(ii) by a special resolution passed at a separate meeting of the holders of shares of the class.

(f) Transfer of shares

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, holders of Shares may transfer them by a proper transfer effected in accordance with the ASX Settlement Operating Rules or an instrument in writing in any usual form or in any other form that the Directors approve.

The Directors may ask ASX Settlement to apply a holding lock, or decline to register a transfer of Shares for reasons including where the transfer is not in registrable form or where the refusal to register the transfer is permitted under the ASX Listing Rules or the ASX Settlement Operating Rules. If the Directors request a holding lock or, decline to register a transfer, the Company must give the holder of the shares (in circumstances of a holding lock request), or the party lodging the transfer (in circumstances of a refusal to register), written notice of the refusal and the reason for refusal. The Directors decision to decline to register the transfer or to apply for a holding lock is not invalidated if that notice is not given.

(g) Small holdings

The Directors may sell the Shares of a Shareholder if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed. A non-marketable parcel of Shares is defined in the ASX Listing Rules and is, generally, a holding of shares with a market value of less than $500.

(h) Restricted Securities

In the event of a breach of the ASX Listing Rules or a breach of a restriction agreement entered into by the Company under the ASX Listing Rules relating to Restricted Securities (as defined in the ASX Listing Rules), the Shareholder holding the Restricted Securities in question shall cease to be entitled to any dividends, distribution or any voting rights in respect of those Restricted Securities during the period of such breach.

(i) General meetings and notices

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act. Shareholders may requisition meetings in accordance with the Corporations Act and the Constitution.

(j) Winding up

Subject to any special or preferential rights attaching to any class or classes of shares, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the shares held by them, less any amounts which remain unpaid on these shares at the time of distribution. Any amount unpaid on a share is the property of the Company and may be required to be contributed to the Company in the event of a winding up.

(k) Directors – appointment and removal

The minimum number of Directors is three and the maximum is nine or such lower number as the Directors are authorised to determine. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that one third of the Directors and any Director who has held office for three or more years or three or more annual general meetings (excluding the managing director or, if there is more than one managing director, the first of them to be appointed) retires at each annual general meeting of the Company. The

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Directors may also appoint a Director to fill a casual vacancy on the Board in addition to the existing Directors who will then hold office until the next annual general meeting of the Company.

(l) Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the Chair has a second or casting vote. Where only two directors are present or qualified to vote at a meeting of directors and there is a tied vote, the Chair does not have a second or casting vote.

(m) Directors' remuneration

Each Director is entitled to remuneration out of the funds of the Company as the Directors determine, but the remuneration of non-executive Directors may not exceed in any year the amount fixed in general meeting. The Constitution also makes provision for the Company to pay all expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or special exertions. The total aggregate fixed sum per annum to be paid to Directors (excluding salaries of executive Directors) shall initially be no more than $300,000 and may be varied by the Company in a general meeting.

(n) Reduction of share capital

Subject to the ASX Listing Rules, the Constitution and the Corporations Act, the Company may reduce its share capital including by way of an in specie distribution of the assets of the Company.

(o) Preference shares

The Company may issue preference shares including preference shares which are liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Constitution.

(p) Variation of the Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members present and entitled to vote at a general meeting of the Company. The Company must give at least 28 days' written notice of its intention to propose the special resolution.

(q) Share buy-backs

The Company may buy back shares in accordance with the provisions of the Corporations Act.

(r) Dividend plan

The Constitution contains a provision allowing Directors to implement a dividend reinvestment plan and a dividend selection plan.

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(s) ASX Listing Rules

The Constitution provides that notwithstanding anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the ASX Listing Rules require to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the ASX Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

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Corporate Directory

DIRECTORS	Michael Bohm James Merrillees Simon Jackson Amanda Buckingham Oliver Kreuzer
COMPANY SECRETARY	Michael Naylor
REGISTERED AND PRINCIPAL OFFICE	Level 3, 20 Parkland Rd OSBORNE PARK WA, 6017 Telephone: +61 8 9489 2680 Email: admin@cygnusgold.com
PROPOSED ASX CODE	CY5
SHARE REGISTRY*	Computershare Investor Services Pty Limited
AUDITOR	Grant Thornton Audit Pty Ltd
AUSTRALIAN LEGAL ADVISORS	Gilbert + Tobin Level 16, Brookfield Place Tower 2 123 St Georges Terrace PERTH WA 6000
INVESTIGATING ACCOUNTANT	Grant Thornton Corporate Finance Pty Ltd
LEAD MANAGER	Morgans Corporate Limited

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Their name is included for information purposes only.

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