Gold Road ceases to be a substantial shareholder of Cygnus Gold due to dilution

GOLD

Gold Road Resources (ASX: GOR)

Has ceased to be a major shareholder in Cygnus Gold (ASX: CY5), after the recent placement of 18 million shares in CY5 diluted GOR's holding to below 5%.

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Comment

I have advocated for a long time that mid tier gold producers should partner with junior explorers to assist them with new projects, putting themselves in the driving seat if a major discovery is made.

The partnership here is a perfect example of a gold producer partnering with an exploration company, and given Gold Road's treasury, I have to admit to being disappointed they have been diluted down instead of participating to maintain their position.

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In October 2017, Gold Road entered into an earn-in joint venture with Cygnus Gold Ltd. to initiate greenfields exploration in a new region of Western Australia. The Lake Grace JV and Yandina JV exploration projects, covering an area of approximately 3,400 km², area in the underexplored southwest Yilgarn of Western Australia.

Cygnus South West Yilgarn Projects

Underexplored Greenstone belt
High-grade metamorphic terranes are yielding +Moz discoveries globally
Targeting crustal scale shear zones

2020 Activity

 Commenced 20,000m aircore drilling program Gold Road to become operator in April 2020 Target Hammerhead Geochemical anomaly Continue regional exploration

Lake Grace JV (51%)

A\$3M to earn 75% (3 years)

Disclosure: I am long GOR

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