

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



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%.

In October 2017, Gold Road entered into an earn-in joint venture with Cygnus Gold Ltd.



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 south-west 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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