

CYGENUS METALS

Financial Report

For the half-year ended
30 June 2024

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ABN 80 609 094 653

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The Directors of Cygnus Metals Limited ("Cygnus" or the "Company") (ASX: CY5) and its controlled entities (collectively, "the Group") present their financial report of the Group for the half year ended 30 June 2024.

BOARD OF DIRECTORS

The Directors of the Group during the half year and to the date of this report are as follows:

1. David Southam Executive Chair
2. Kevin Tomlinson Lead Independent Non-Executive Director
3. Raymond Shorrocks Non-Executive Director
4. Michael Naylor Non-Executive Director
5. Michael Bohm Non-Executive Director

PRINCIPAL ACTIVITIES

Cygnus is an exploration company focused on lithium exploration in the world-class James Bay lithium region of Quebec, Canada and rare earth and base metals exploration in the southwest Yilgarn region of Western Australia.

There have been no significant changes in the nature of these activities during the period.

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REVIEW OF OPERATIONS

EXPLORATION - CANADA

Cygnus Metals Limited is exploring for lithium in the world-class James Bay lithium region of Quebec. The Company has an extensive package of prospective greenstone belts for a total of 823km², making it one of the largest landholders in the region. Cygnus is focused on generating shareholder value by exploring and advancing the:

- Pontax Lithium Project (maiden Mineral Resource Estimate published 14 August 2023)
- Auclair Lithium Project (new lithium discoveries from surface mapping and drilling)
- Sakami Project (an early-stage lithium exploration project in the La Grande greenstone belt which hosts the substantial Corvette Deposit¹)

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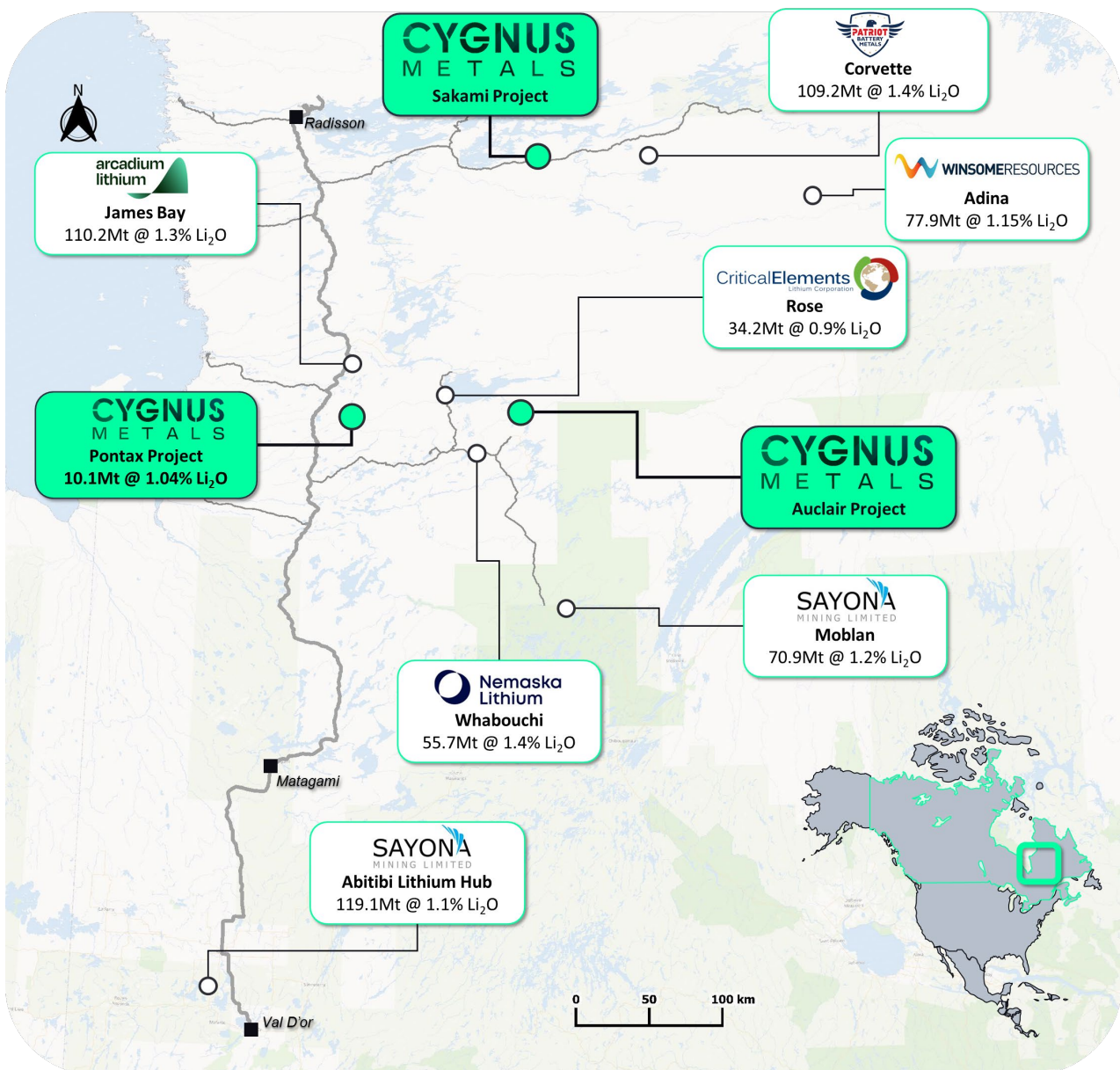


Figure 1 - Location of the Pontax, Auclair and Sakami Lithium Projects in relation to other significant lithium deposits in the James Bay Area and major access routes through the region.¹

REVIEW OF OPERATIONS (CONTINUED)

AUCLAIR LITHIUM PROJECT

In February 2024, the Company announced drilling results from the Pegasus discovery at its Auclair Lithium Project in James Bay. This drilling returned a highlight intersection of 43.7m (true width) with 10-12% visual spodumene which was later assayed at 43.7m (true width) @ 1.15% Li₂O from 46.4m, including 4m @ 3.0% Li₂O which includes 1m @ 5.9% Li₂O.²

Additional drilling results from the initial Pegasus campaign confirmed lithium mineralisation in line with expectations based on visual spodumene estimates. Generally, these other intervals were associated with coarser spodumene mineralisation which has resulted in a nuggety grade distribution. While there is some initial variability and potential zonation of the pegmatite, the initial drilling identified a definite trend of increased spodumene mineralisation and fractionation moving further along strike north-east from the Pegasus outcrop. Significant intersections from drilling of the Pegasus pegmatite include:³

- **1557-24-041: 43.7m @ 1.15% Li₂O from 46.4m, incl. 4.0m @ 3.0% Li₂O (which includes 1m @ 5.9% Li₂O);**
- 1557-24-037: 8.0m @ 0.9% Li₂O from 28.6m, incl. 6.0m @ 1.1% Li₂O;
- 1557-24-032: 7.6m @ 0.8% Li₂O from 87.4m, incl. 2.5m @ 1.2% Li₂O;
- 1557-24-028: 1.5m @ 1.24% Li₂O from 32.5m;
- 1557-24-035: 2.0m @ 1.3% Li₂O from 41.8m; and
- 1557-24-040: 13.7m @ 0.6% Li₂O from 111.2m, incl. 2.0m @ 1.3% Li₂O.

The February 2024 drill program was the first campaign of drilling in this newly identified area following the discovery of the Pegasus and Lyra outcrops late in 2023. Initial visual observations confirmed Pegasus as a large continuous pegmatite body which is up to 76.6m in width (true width). This has since been defined over 300m of strike (to date) and remains open.

Targeting work has continued on the high priority 10km high fractionation trend which includes the three known spodumene pegmatite occurrences: Auriga, Lyra and Pegasus over 6km of strike. This recent targeting includes the first-time interpretation of LiDAR and orthophotography, and a trial ground gravity survey.

Ground gravity survey data was collected at the end of May in order to test its applicability to detect pegmatites under shallow glacial cover at the Auclair Project. Initially, the survey was undertaken as a trial over the main Pegasus Discovery outcrop. The survey was then expanded across a larger area. Results highlight a distinct gravity low correlating with the known extent of the Pegasus pegmatite (drilled over 300m) further extending along strike over 1.7km.⁴ The full extent of the anomaly is only limited by the extent of the survey area. Multiple other anomalies have also been identified in the surrounding area representing additional targets.

Successful application of this technique has previously been demonstrated during the discovery of Adina by Winsome Resources (ASX:WR1), with ground gravity helping to delineate mineralisation which is almost entirely undercover.⁵ The work at Adina, and more recently Auclair, was led by NewGenGeo Pty Ltd, a Perth-based consultancy specialising in the application of geophysics to lithium pegmatite exploration.

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REVIEW OF OPERATIONS (CONTINUED)

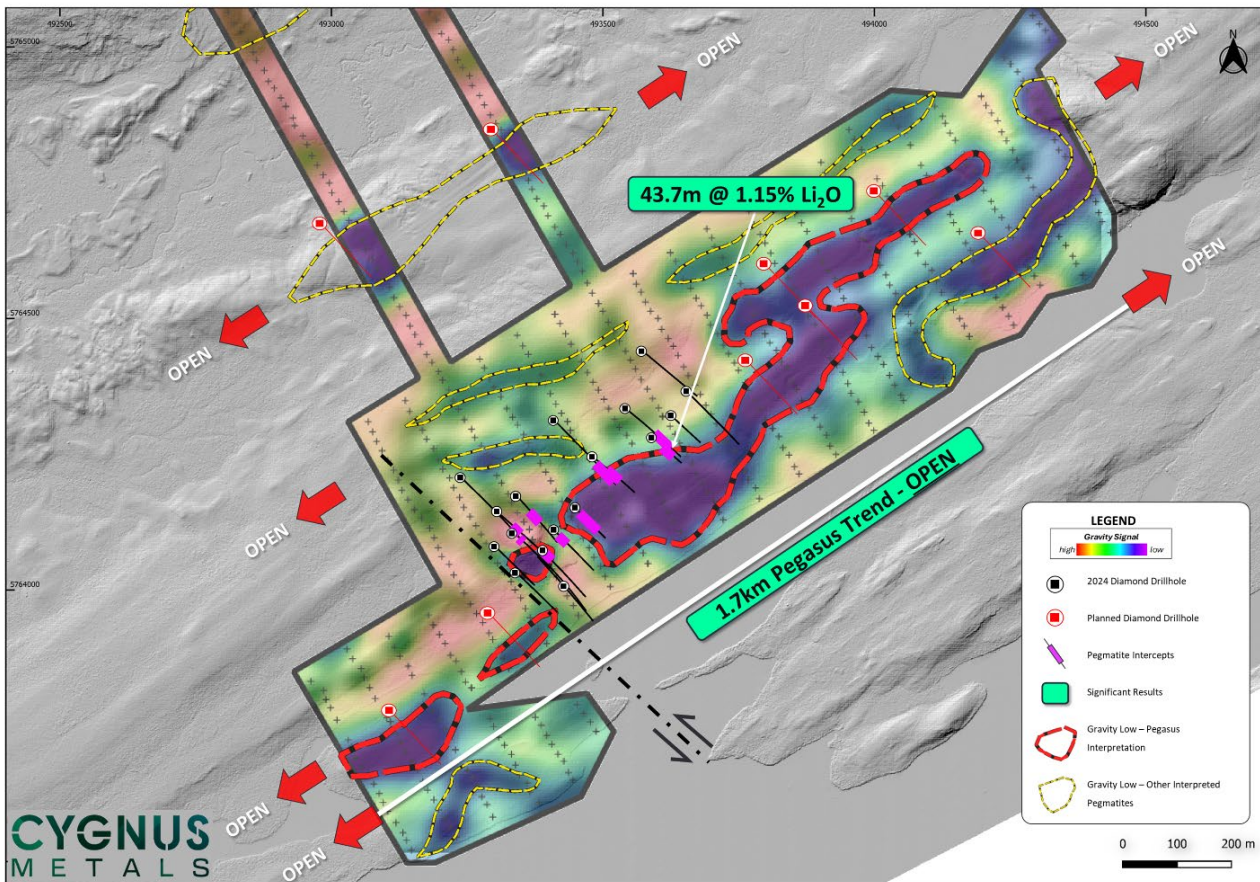


Figure 2: The potential Pegasus Pegmatite trend over 1.7km, identified in recent gravity and corresponding with recent drilling intersections. This remains open in all directions. Refer to ASX releases dated 8 April and 26 February 2024 for previous drill results and visual estimates.

In May 2024, the Company announced results from 257 till samples collected across the priority lithium trend at Auclair. These results have revealed numerous new anomalies outside existing known spodumene-bearing pegmatite discoveries of Auriga, Lyra and Pegasus.⁶

The new anomalies are thought to represent potential multiple spodumene-bearing pegmatites beneath glacial cover, indicative of a large and unexplored lithium system. Shallow glacial cover is widespread across the Auclair Project and with minimal outcrop, till geochemistry and mineralogy may be effective exploration tools to detect spodumene pegmatite sources beneath glacial overburden.

The newly-generated till anomalies were from samples collected in Q4 2023 which have undergone both geochemical and mineralogical analysis. The anomalies demonstrate strong coincident elevations across multiple geochemical pathfinder elements as well as anomalous mineralogy. Known spodumene-bearing pegmatites of Auriga, Lyra and Pegasus provide an excellent reference point for up and down ice dispersion and associated pathfinder elements. This proof of concept and signature of elements has recently been applied to other anomalies across the project which have now been prioritised for next stage exploration such as detailed prospection and gravity surveys.

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REVIEW OF OPERATIONS (CONTINUED)

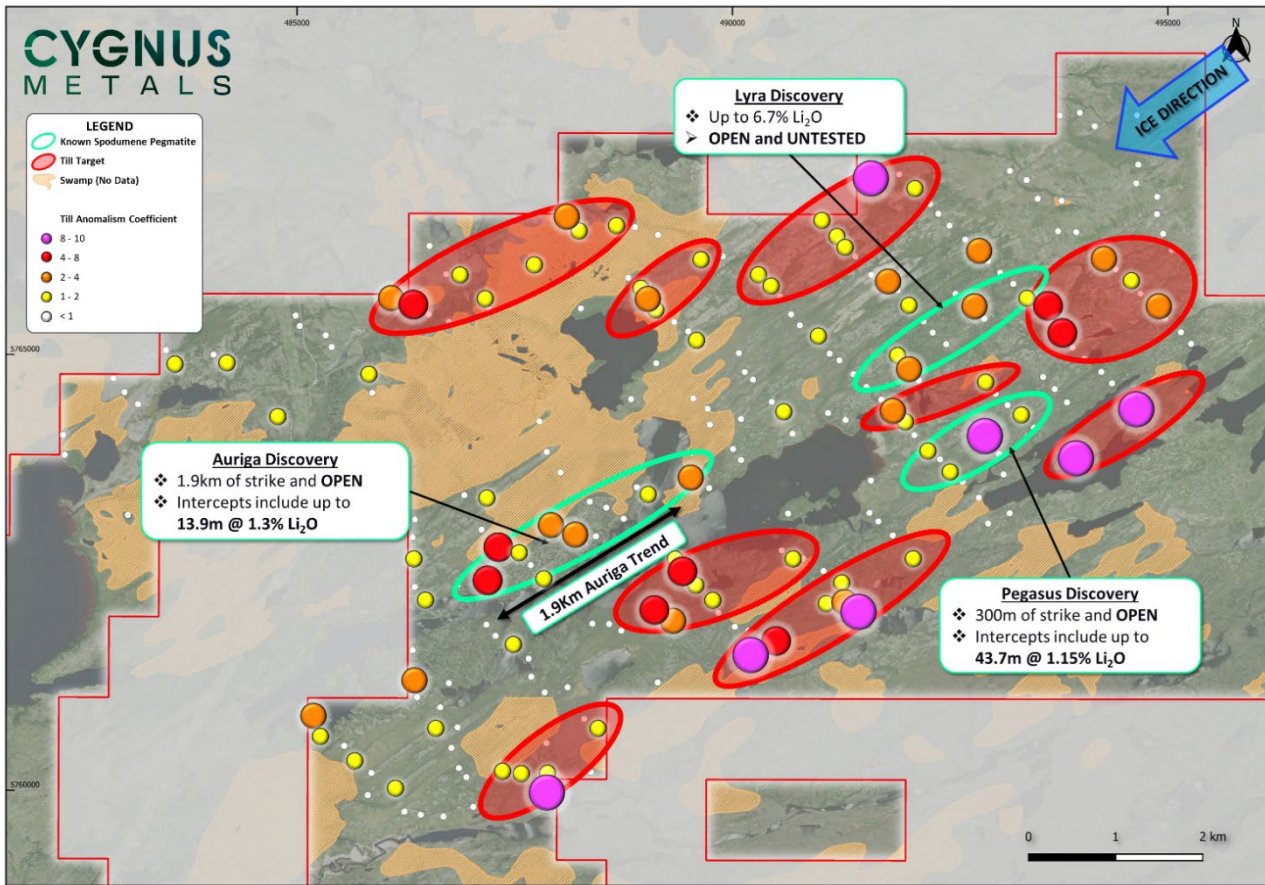


Figure 3: Till analysis has identified numerous potential sources of lithium mineralisation undercover within the project outside of existing discoveries at Auriga, Lyra and Pegasus. Scale and number of anomalies indicate potential for a large fertile lithium system. Refer to ASX releases dated 28 November 2023, 10 January 2024, 26 February 2024, 8 April 2024 and 17 May 2024 for previous results.

Planned Exploration

The Company is well advanced in the 2024 Summer exploration season with geophysics completed at Auclair and ongoing prospecting. Drilling will focus initially on Pegasus, targeting extensions to the known pegmatite, which has only been drill tested over 300m of strike to date. Wide spaced drilling will seek to expand the known strike extent of the Pegasus pegmatite system and build upon the standout intersection of 43.7m @ 1.15% Li_2O .² In addition, the Company will complete first drilling at Lyra, which returned rock chip results of up to 6.7% Li_2O .⁷

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REVIEW OF OPERATIONS (CONTINUED)

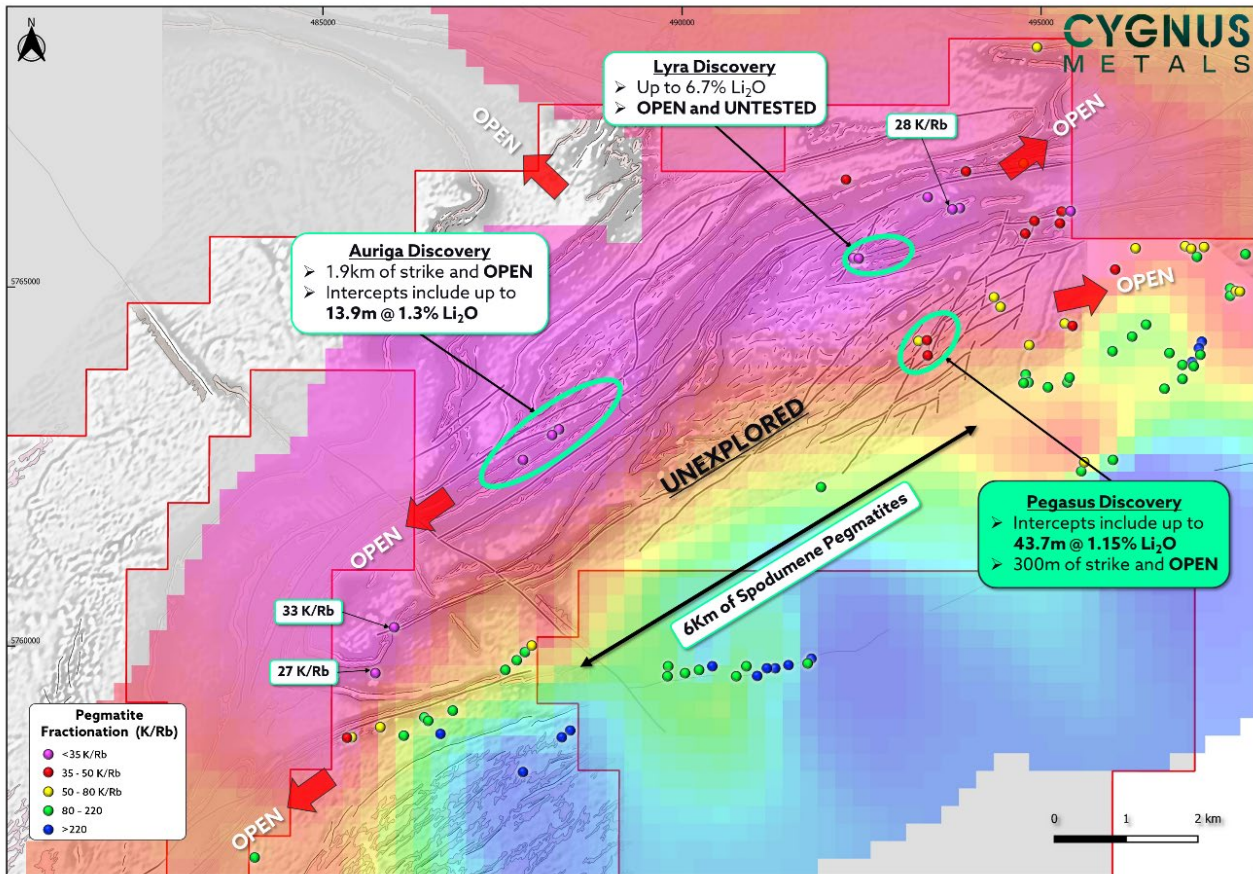


Figure 4: Significant potential over 10km of strike surrounding Pegasus, Lyra and Auriga. Refer to ASX releases dated 28 November 2023, 10 January 2024 and 8 April 2024.

Location and Infrastructure

The Auclair property is ideally located just 80km northeast of the Nemiscau airport and 50km northeast of Whabouchi (55.7Mt @ 1.4% Li₂O), which is owned and operated by Nemaska Lithium.¹ The property can be accessed all-year round by all-weather roads and has Hydro Quebec high-voltage transmission lines running north-south through the project area.

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REVIEW OF OPERATIONS (CONTINUED)

SAKAMI LITHIUM PROJECT

During the six months to 30 June 2024, the Company received promising exploration results, including strong geochemical indicators for LCT (lithium-caesium-tantalum) pegmatites, at its Sakami Lithium Project in James Bay, Quebec.

During the Company's first exploration program at Sakami, 85 pegmatite rock chip samples were collected over 10 days on wide spaced regional traverses. Results from this work have identified highly fractionated pegmatites forming a coherent trend over 4km of strike which remains open in all directions. This includes anomalous LCT pegmatite pathfinder results of up to 130ppm Ta, 154ppm Sn and 261ppm Cs alongside favourable K/Rb fractionation ratios as low as 22.⁸

These results are similar to fractionation results from the Auclair Project which form a 10km fractionation trend, hosting three separate spodumene-bearing outcrops. Follow up exploration on the fractionation trend at Auclair later in the season led to the subsequent discovery of the Lyra and Pegasus spodumene-bearing pegmatite outcrops, demonstrating this application of fractionation geochemistry to be a positive targeting vector for prospecting.

Planned Exploration

The Company has a detailed prospecting program scheduled for early in Q3 CY2024 and aims to follow up on these encouraging fractionation results while also exploring priority targets from recently acquired magnetic and LiDAR surveys. Significantly, much of the project remains unexplored with only a very brief exploration program conducted by Cygnus in 2023, due to the extreme wildfire season and then early snowfall which restricted access to the property. Results to date provide exciting follow up exploration targets for this season and include large portions of the project which will be explored for lithium for the first time.

The Company has an active exploration schedule for James Bay in 2024 but sees follow-up prospecting at the Sakami Project as one of the priority programs due to both recent results and unexplored potential of the well-known fertile greenstone belt.

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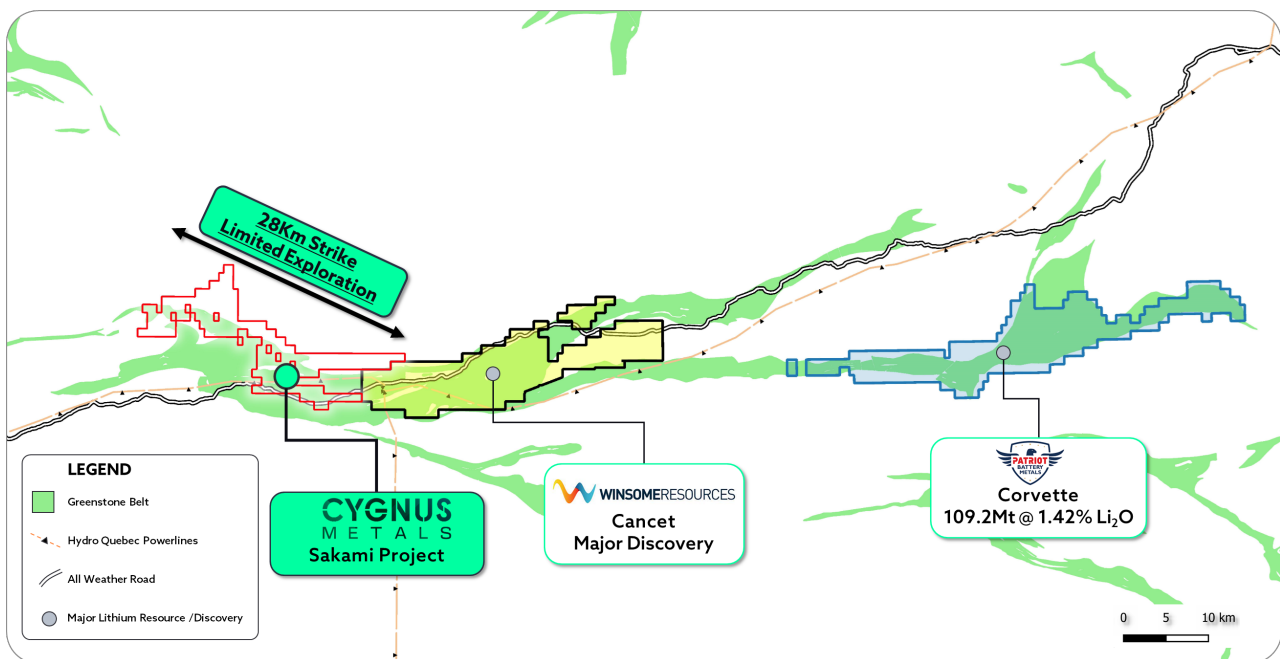


Figure 5: The Sakami Project is situated in the La Grande Greenstone belt, just 44km west of Patriot Battery Metals' Corvette Project.¹

REVIEW OF OPERATIONS (CONTINUED)

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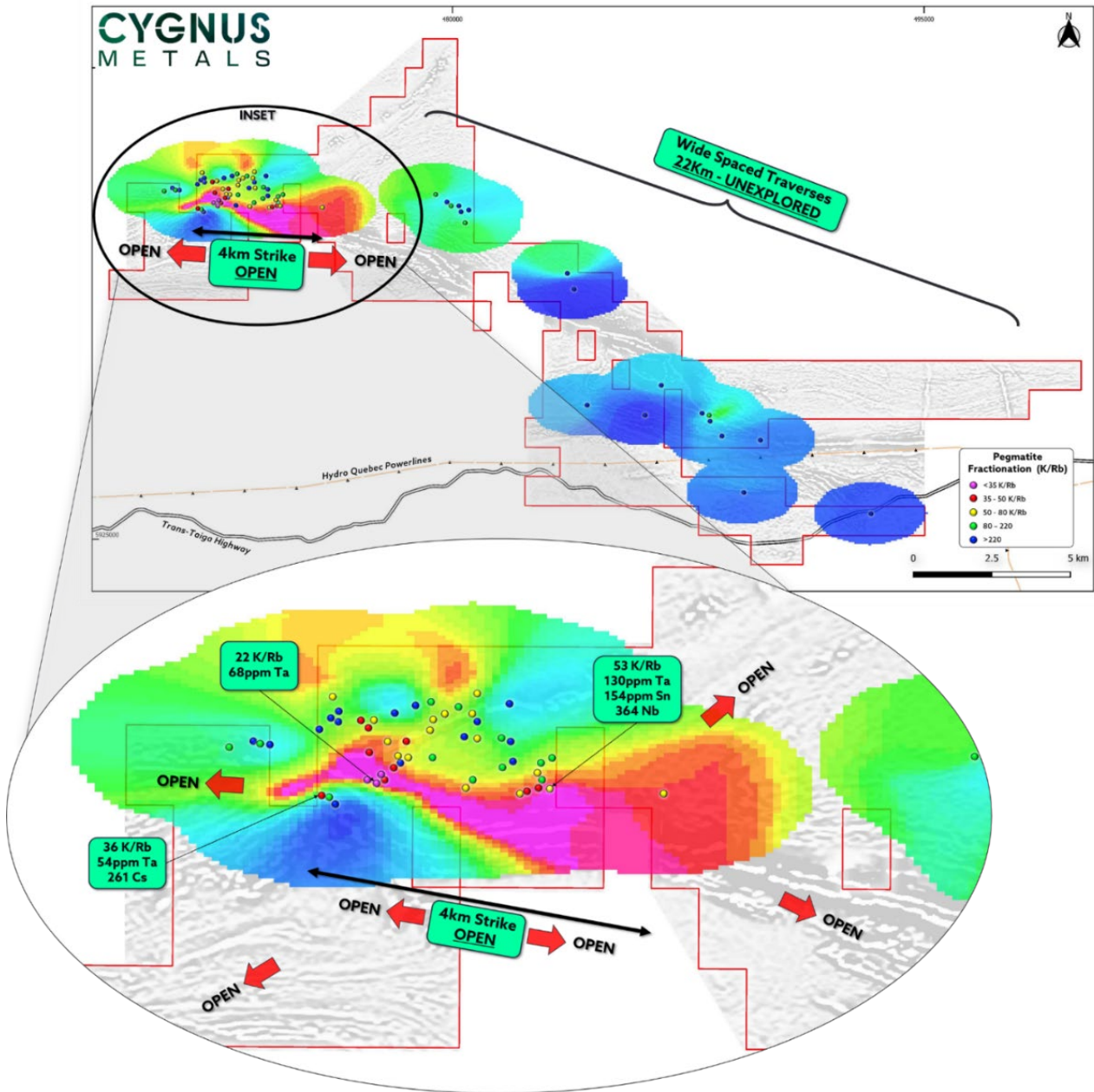


Figure 6: Top – Overview of the Sakami Project; much of the project remains unexplored. Bottom – Inset of 4km fractionation trend with highly anomalous LCT pegmatite indicator geochemistry and low fractionation ratios.⁸

Background Information

The Sakami project is located in the La Grande greenstone belt, which is one of the most prolific lithium districts in the world. Sakami is just 44km west of Patriot Battery Metals' 109.2Mt Corvette deposit and adjacent to Winsome Resources' Cancet project.¹ The project also has excellent infrastructure with both Hydro Quebec powerlines and the Tran-Taiga highway running through the project area.

The only drilling previously undertaken on the property was for gold and base metals in 1976 and comprised five diamond drill holes (refer to ASX release dated 28 March 2023). The lack of targeted lithium exploration in this highly prospective greenstone belt presents Cygnus with an exceptional opportunity to make the next significant discovery in the region.

REVIEW OF OPERATIONS (CONTINUED)

EXPLORATION - AUSTRALIA

The Company's Australian exploration activities are focussed on the Southwest Terrane, an underexplored region of highly prospective geology within the prolific Yilgarn Craton of Western Australia. The Company has approximately 1,310km² of 100% Cygnus-owned, granted tenements covering interpreted and known greenstone belts where previous explorers identified numerous prospects with widespread high grade, near surface gold and/or base metals mineralisation.

During the six months to 30 June 2024, Cygnus underwent a review of current Australian tenure and strategically reduced its land holding with the voluntary surrender of several tenements considered non-prospective.

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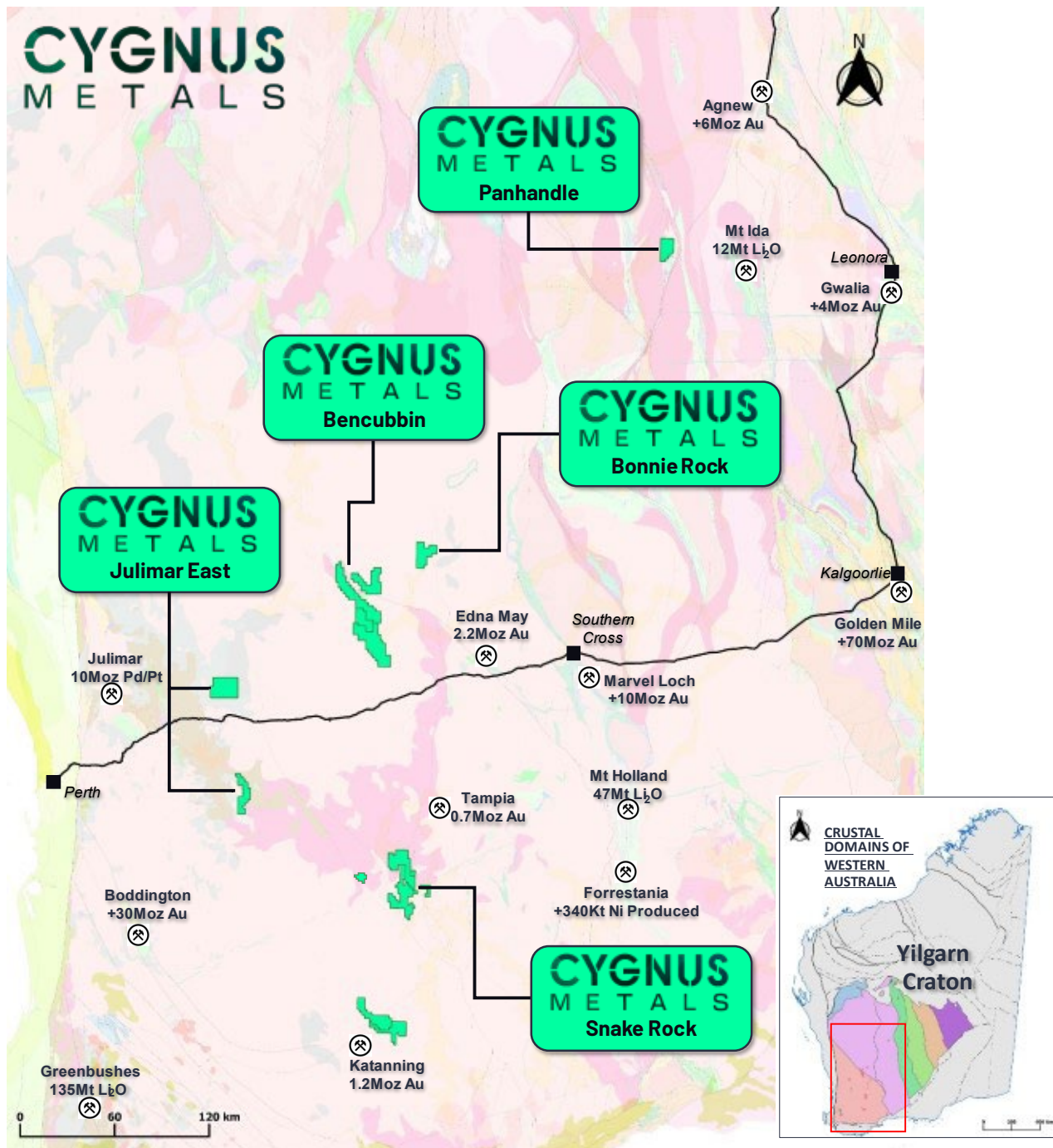


Figure 7: Cygnus' Australian tenure with background geology from GSWA mapped regional geology (1:500,000).

REVIEW OF OPERATIONS (CONTINUED)

SNAKE ROCK PROJECT

In early 2024, the Company was successful in its application for EIS Funding, with \$115,000 awarded for the drilling of a significant copper-gold target identified at the Snake Rock Project, in the Central Yilgarn. The proposed drilling will follow-up on the initial anomalous drillhole which returned 75m @ 0.15g/t Au & 0.1% Cu (including 6.2m @ 0.7g/t Au & 0.3% Cu and 3m @ 1.1g/t Au & 0.4% Cu) in a previously unknown ultramafic terrain.⁹ Samples from this drilling have been petrographically analysed and undergone geophysical testing including downhole EM. The Cygnus team has completed ground magnetics and gravity over the region to assist in target refining. Drill testing is expected to commence in the 2024 Australian summer, after harvest.

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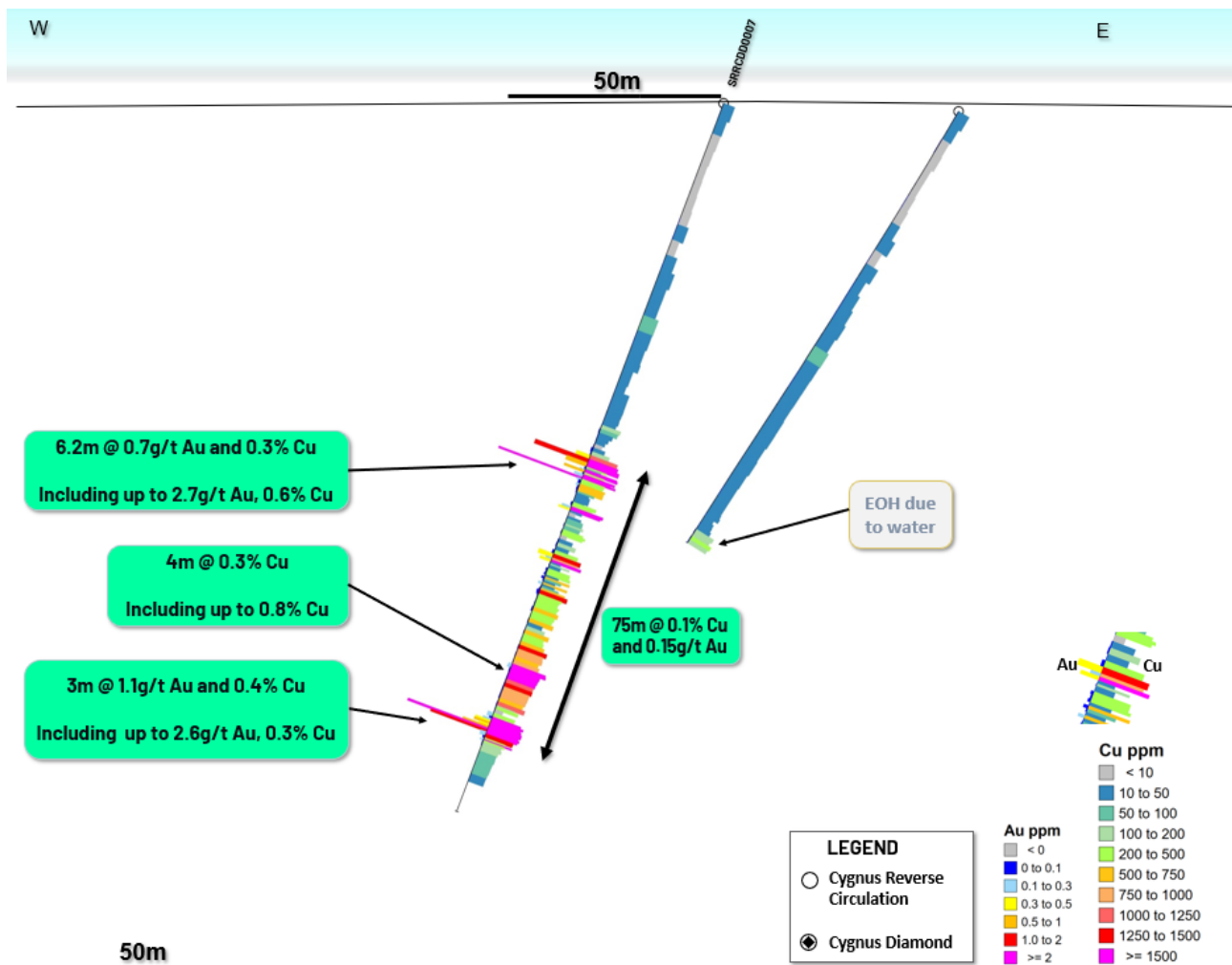


Figure 8: Initial diamond hole SRRCCDD007 displaying the downhole copper and gold results.⁹

REVIEW OF OPERATIONS (CONTINUED)

BENCUBBIN REE PROJECT

In Q2 2024, the Company received REE results for metallurgical testwork for samples submitted for analysis with industry leading laboratory ANSTO Minerals (Australian Nuclear Science and Technology Organisation).³

A diagnostic desorption test was completed on all pulverised samples under the following conditions, 0.5M (NH₄)₂SO₄ as lixiviant, pH4, 0.5hrs, ambient temperature and 4 wt% solids density. Diagnostic leach tests were conducted on two samples (pulverised) with 25 g/L H₂SO₄ (0.26M) and 50 g/L H₂SO₄ (0.52M) under the following standard test conditions, 25 g/L or 50 g/L H₂SO₄, 80 g pulverised ore, 6hrs, ambient temperature and 4 wt% slurry.

Analysis of the results show improved recoveries in both total rare earth oxide ("TREO") and magnetic rare earth oxides ("MREO") using higher acidity levels, longer residence times and higher temperatures. At this stage, Cygnus will assess how best to monetise this prospect, however for the time being no further drilling nor material test work is scheduled for this project.

Cygnus Metals has been invited to participate in the Accelerating Development of Australia's Rare Earth Resources ("ADARER") Research Project, currently in development by ANSTO, CSIRO and Geoscience Australia. Further work on the Bencubbin REE project would be directed towards understanding the extraction of REE metals and completed in conjunction with these three leading academic bodies.

END NOTES

1. For: James Bay (110.2Mt @ 1.3% Li₂O), refer to Allkem Ltd's ASX Announcement dated 11 August 2023; Corvette (109.2Mt @ 1.42% Li₂O), refer to Patriot Battery Metals Inc's ASX Announcement dated 31 July 2023; Adina (77.9Mt @ 1.15% Li₂O), refer Winsome Resources Ltd's ASX Announcement dated 28 May 2024; Whabouchi (55.7Mt @ 1.4% Li₂O), refer to Nemaska Lithium Inc's NI 43-101 dated 31 May 2019; Rose (34.2Mt @ 0.9% Li₂O), refer to Critical Elements Lithium Corp's TSX-V Announcement dated 13 June 2022; Abitibi Lithium Hub (119.1Mt @ 1.1% Li₂O) operated by Sayona Mining Limited/Piedmont Lithium Inc, refer to Sayona Mining Limited's Annual Report ASX release dated 13 October 2022; and Moblan (70.9Mt @ 1.2% Li₂O) operated by Sayona Mining Limited/SOQUEM Inc, refer to Sayona Mining Limited's ASX Presentation dated 17 April 2023.
2. Refer to CY5's ASX announcement dated 8 April 2024.
3. Refer to CY5's ASX announcement dated 19 July 2024.
4. Refer to CY5's ASX announcement dated 2 July 2024.
5. Refer to Winsome Resources' ASX announcement dated 11 April 2024.
6. Refer to CY5's ASX announcement dated 17 May 2024.
7. Refer to CY5's ASX announcement dated 28 November 2023.
8. Refer to CY5's ASX announcement dated 21 March 2024.
9. Refer to CY5's ASX announcement dated 31 January 2023.

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CORPORATE

Financial Information

The loss of the Consolidated Group for the six months ended 30 June 2024 after providing for income tax amounted to \$2,346,623 (30 June 2023: \$7,963,601). The net assets of the Company are \$25,896,779 as at 30 June 2024 (31 December 2023: \$26,977,396).

At 30 June 2024 the Consolidated Group had \$3,139,208 in cash and cash equivalents (31 December 2023: \$9,316,782).

Board and Executive Team Restructure

On 27 March 2024, the Company announced that it had made changes to the Board and management team structure and remuneration effective 1 April 2024 to reflect current market conditions and its ongoing commitment to maximise the funds available for exploration at its Canadian lithium projects.

The changes included:

- Managing Director David Southam transitioned to Executive Chair. Mr Southam volunteered to reduce his remuneration pro rata to three days per week, one-third of which will be paid in CY5 equity;
- Existing Independent Non-Executive Chairman Kevin Tomlinson transitioned to Lead Independent Non-Executive Director. Mr Tomlinson's remuneration to be paid 50% in cash and 50% in CY5 equity;
- All other Non-Executive Directors director fees to be paid 50% in cash and 50% in CY5 equity; and
- Other members of the management team also elected to receive a portion of their cash remuneration in CY5 equity.

Shareholders approved the issue of equity in lieu of directors' fees at the annual general meeting on 16 May 2024.

Change of Auditor

On 25 June 2024, the Company announced that BDO Audit Pty Ltd ("BDO") had been appointed as auditor of the Company. This appointment follows the resignation of Ernst & Young ("EY") and the subsequent consent from ASIC, in accordance with section 329(5) of the *Corporations Act 2001* (Cth).

In accordance with section 327C of the *Corporations Act 2001* (Cth), a resolution to confirm the appointment of BDO as the Company's external auditor will be put to shareholders at the Company's next Annual General Meeting.

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EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

On 9 July 2024, the Company issued 1,387,434 Share Rights expiring on 31 July 2029 in lieu of a portion of director and management salaries and fees for the quarter ended 30 June 2024. On 22 July 2024, 325,750 fully paid ordinary shares ("Shares") were issued upon the exercise of 325,750 Share Rights.

Following receipt of shareholder approval at a General Meeting held on 16 May 2024, on 9 July 2024, the Company issued 1,333,334 Share Rights to David Southam, as a short-term incentive bonus for the financial year ended 31 December 2023 following achievement of key short-term strategic milestones.

On 15 July 2024, the Company announced that it had received firm commitments for a \$3 million placement (before costs) to institutional and sophisticated investors through the issue of approximately 85.6 million Shares at an issue price of A\$0.035 per Share ("Placement"). A total of 72,685,715 Shares were issued on 19 July 2024, with a further 12,914,286 Shares to be issued to the Directors of the Company (or their nominees) and other investors following the receipt of shareholder approval at a General Meeting of shareholders held on 6 September 2024. Proceeds of the Placement will be utilised for exploration activities across the Company's existing project portfolio, general working capital (including transaction costs), corporate costs and due diligence costs associated with potential acquisitions. Cygnus intends to assess a number of opportunities in the battery metals space, including copper.

On 16 August 2024, the Company issued 500,000 fully paid ordinary shares to Noranda Royalties Inc. per the terms of the Sale and Purchase Agreement for the Auclair Extension property signed in July 2023.

There were no other matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group is committed to:

- exploration activities on the Pontax Lithium Project, Auclair Lithium Project, Sakami Project;
- exploration of the Group's key assets in the Wheatbelt region of Western Australia which includes continuing to negotiate further access with private landholders in relation to these areas of interest identified; and
- assessing complimentary project opportunities in the battery metals space, including copper.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) is included on page 15 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.



David Southam
Executive Chair

Perth, Western Australia, 10 September 2024

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FORWARD LOOKING STATEMENTS

This report may contain certain forward-looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of Cygnus Metals Limited. The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Cygnus Metals Limited does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward-looking statements/projections based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither Cygnus Metals Limited or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of Cygnus Metals Limited, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this report.

COMPLIANCE STATEMENTS

The information in this report that relates to previously reported Exploration Results, Mineral Resources and Ore Reserves has been previously released in ASX Announcements as noted in the text and in the End Notes above. Cygnus Metals is not aware of any new information or data that materially affects the information in the said announcements, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

DISCLAIMER

This report has been prepared by Cygnus Metals Limited based on information from its own and third-party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this release, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this release. Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this release including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this release, its accuracy, completeness, currency or reliability. This release is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares or recommendation for subscription, purchase or sale in any jurisdiction. This release does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any shares in the Company.

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF CYGNUS METALS LIMITED

As lead auditor for the review of Cygnus Metals Limited for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cygnus Metals Limited and the entities it controlled during the period.

Phillip Murdoch
Director

BDO Audit Pty Ltd
Perth
10 September 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2024

	Notes	30 June 2024 \$	30 June 2023 \$
Income			
Other Income	5	1,338,320	1,230,595
		1,338,320	1,230,595
Expenses			
Administration costs		(172,523)	(268,626)
Audit and accounting		(76,356)	(112,540)
Consultants and contractors		(228,599)	(250,820)
Depreciation and amortisation		(22,022)	(28,277)
Employee benefits		(342,274)	(557,705)
Exploration – operating		(322,782)	(144,972)
Exploration expenditure written-off	7	(348,197)	-
Interest expense		(51,580)	-
Listing and compliance costs		(19,715)	(38,930)
Occupancy and outgoings		(72,520)	(81,545)
Payroll tax		(91,297)	-
Share based payments	6	(1,336,193)	(6,622,741)
Travel and accommodation		(72,474)	(193,456)
Foreign exchange gains		51,630	104,585
		(3,104,902)	(8,195,027)
		(1,766,582)	(6,964,432)
Operating Loss			
Finance income		131,914	32,593
		(1,634,668)	(6,931,839)
Loss before income tax			
Income tax expense		-	-
Deferred tax expense	9	(711,955)	(1,031,762)
		(2,346,623)	(7,963,601)
Loss after income tax for the period attributable to equity holders of the Company			
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(111,218)	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in fair value of financial assets		(93,091)	15,298
		(2,550,932)	(7,948,303)
Total comprehensive loss for the period, net of tax attributable to equity holders of the Company			
Loss per share attributable to equity holders of the Company			
Basic and diluted loss per share (cents per share)	11	(0.80)	(0.99)

The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

CYGNUS
METALS

As at 30 June 2024

	Notes	30 June 2024	31 December 2023
ASSETS		\$	\$
Current			
Cash and cash equivalents		3,139,208	9,316,782
Trade and other receivables		1,300,650	1,507,476
Total current assets		4,439,858	10,824,258
Non-Current			
Exploration and evaluation	7	27,244,087	23,926,379
Property, plant and equipment		118,488	132,847
Investments		108,607	201,698
Total non-current assets		27,471,182	24,260,924
Total assets		31,911,040	35,085,182
LIABILITIES			
Current			
Trade and other payables		2,724,405	5,528,242
Provisions		118,595	120,238
Total current liabilities		2,843,000	5,648,480
Non-current liabilities			
Deferred tax liabilities	9	3,171,261	2,459,306
Total non-current liabilities		3,171,261	2,459,306
Total liabilities		6,014,261	8,107,786
Net assets		25,896,779	26,977,396
EQUITY			
Contributed equity	8	47,741,992	47,607,870
Reserves		8,911,197	7,779,313
Accumulated losses		(30,756,410)	(28,409,787)
Total equity		25,896,779	26,977,396

The above statement should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

For the half year ended 30 June 2024

Notes	Share Capital	Share-based Payment Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2024	47,607,870	8,145,918	(253,132)	(113,473)	(28,409,787)	26,977,396
Loss after income tax	-	-	-	-	(2,346,623)	(2,346,623)
Exchange differences on foreign operations	-	-	-	(111,218)	-	(111,218)
Fair value adjustment of financial assets	-	-	(93,091)	-	-	(93,091)
Total comprehensive loss	-	-	(93,091)	(111,218)	(2,346,623)	(2,550,932)
Issue of ordinary shares – Project acquisitions	154,800	-	-	-	-	154,800
Share issue expenses	(20,678)	-	-	-	-	(20,678)
Share-based payments	-	1,336,193	-	-	-	1,336,193
Balance at 30 June 2024	47,741,992	9,482,111	(346,223)	(224,691)	(30,756,410)	25,896,779

	Share Capital	Share-based Payment Reserve	Asset Revaluation Reserve	Foreign Currency Translation	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2023	25,260,644	7,108,222	(56,934)	-	(14,907,439)	17,404,493
Loss after income tax	-	-	-	-	(7,963,601)	(7,963,601)
Fair value adjustment of financial assets	-	-	15,298	-	-	15,298
Total comprehensive loss	-	-	15,298	-	(7,963,601)	(7,948,303)
Issue of share capital – Project acquisitions	1,850,375	-	-	-	-	1,850,375
Proceeds from share option conversions	1,824,000	-	-	-	-	1,824,000
Share issue expenses	(49,980)	-	-	-	-	(49,980)
Share-based payments	-	6,622,741	-	-	-	6,622,741
Balance at 30 June 2023	28,885,038	13,730,963	(41,636)	-	(22,871,040)	19,703,326

The above statement should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows

For the half year ended 30 June 2024

	30 June 2024 \$	30 June 2023 \$
Operating activities		
Payments to suppliers and employees	(1,041,437)	(1,463,114)
Payments for operating exploration activities	(202,660)	-
Interest received	107,743	32,593
Government grants and tax incentives received	46,216	29,040
Refundable sales taxes	213,158	(695,724)
Net cash used in operating activities	(876,980)	(2,097,205)
Investing activities		
Payments for the acquisition of mining tenements	(165,240)	(339,156)
Payments for capitalised exploration and evaluation assets	(5,105,911)	(7,451,059)
Purchase of property, plant and equipment	(7,662)	(29,363)
Interest payments	(51,580)	-
Payments to establish security deposits	-	(128,950)
Net cash used in investing activities	(5,330,393)	(7,948,528)
Financing activities		
Proceeds from issue of shares	-	1,824,000
Share issue costs	(20,677)	(18,119)
Net cash (used in)/from financing activities	(20,677)	1,805,881
Net change in cash and cash equivalents	(6,228,050)	(8,239,852)
Effect of movement in exchange rates on cash held	50,476	56,532
Cash and cash equivalents at the beginning of the period	9,316,782	13,530,678
Cash and cash equivalents at the end of the period	3,139,208	5,347,358

The above statement should be read in conjunction with the accompanying notes.

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1 COMPANY INFORMATION

Cygnus Metals Limited's ("Cygnus" or "the Company" or "the Group") principal activities consist of exploration for and evaluation of lithium deposits in Quebec, Canada and rare earth and base metals deposits in Western Australia. Cygnus is a for-profit entity for the purpose of preparing its consolidated financial statements.

The address of its registered office and its principal place of business is Level 2, 8 Richardson Street, West Perth, WA 6005.

The financial report for the half year ended 30 June 2024 was approved by the Board of Directors on 10 September 2024.

2 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The consolidated financial statements for the half-year ended 30 June 2024 have been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001* (Cth).

The consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2023 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

The consolidated financial statements have been prepared on a historical cost basis and, except as otherwise stated, are rounded to the nearest dollar.

a) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current period.

b) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the reporting period ended 30 June 2024. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3 GOING CONCERN

As at 30 June 2024 the Group had current assets of \$4,439,858 (31 December 2023: \$10,824,258), including cash and cash equivalents of \$3,139,208 (31 December 2023: \$9,316,782), and current liabilities of \$2,843,000 (31 December 2023: \$5,648,480).

The Group's cashflow forecasts through to the period ended 30 September 2025 reflect that the Group will require additional working capital to enable it to continue to meet its operational activities and project earn-in commitments.

Based on the below considerations, the Directors are satisfied that there is a reasonable basis to conclude that the Group can raise additional working capital as and when required and thus it is appropriate to prepare the consolidated financial report on a going concern basis:

- i. In July 2024 the Company announced that it had received firm commitments for a Placement to institutional and sophisticated investors raising A\$3 million before costs.
- ii. The Group has potential options available to manage liquidity, including one or a combination of, a placement of shares, option conversion, entitlement offer, joint venture arrangements, sale of certain assets, relinquishment of project earn-in commitments or a change in the Company's expenditure profile.

In the event that the funding options available to the Group do not transpire or there is no change to the forecasted project earn-in commitment or spending pattern, there is a material uncertainty about whether the Group is able to continue as a going concern and, therefore, unable to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial report.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

4 ESTIMATES

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last consolidated annual financial statements for the year ended 31 December 2023.

5 OTHER INCOME

	30 June 2024	30 June 2023
	\$	\$
Recognition of Flow-Through Share tax deductions sold during the period	1,292,104	1,221,895
Other income	46,216	8,700
	1,338,320	1,230,595

6 SHARE-BASED PAYMENTS

	30 June 2024	30 June 2023
	\$	\$
Share-based payments – Performance Rights – KMP	(1,057,676)	(3,357,234)
Share-based payments – Performance Rights – Staff and consultants	(56,937)	(3,265,507)
Share-based payments – Share Rights – KMP	(201,828) ¹	-
Share-based payments – Share Rights – Staff and consultants	(19,752) ¹	-
	(1,336,193)	(6,622,741)

Note 1: Accrued share-based payment expense for 1,387,434 Share Rights issued on 9 July 2024 in lieu of a portion of director and management salaries and fees for the quarter ended 30 June 2024 and 1,333,334 Share Rights issued on 9 July 2024 to David Southam as a short-term incentive bonus for the financial year ended 31 December 2023 following achievement of key short-term strategic milestones.

There were no performance rights issued during the current period.

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7 EXPLORATION AND EVALUATION ASSETS

	6 month movement to 30 June 2024	12 month movement to 31 Dec 2023
	\$	\$
Carrying amount at the beginning of the period	23,926,379	5,538,857
Expenditure incurred during the period - Australian tenements	295,820	1,319,326
Expenditure incurred during the period - Canadian tenements	3,050,045	11,207,656
Project acquisition costs capitalised during the period	320,040	6,495,477
Exploration and evaluation assets written off during the period	(348,197)	(634,937)
Carrying amount at the end of the period	27,244,087	23,926,379

8 SHARE CAPITAL AND OTHER CONTRIBUTED EQUITY

	Shares	Total \$
1 January 2023	183,874,212	25,260,644
Shares issued	107,684,927	26,916,027
Less flow-through share premium	-	(3,858,181)
Share issue costs	-	(710,620)
31 December 2023	291,559,139	47,607,870
Shares issued – Beryl Lake Project – Stage 2 consideration	900,000	77,400
Shares issued – Sakami Project – Stage 2 consideration	900,000	77,400
Share issue costs	-	(20,678)
30 June 2024	293,359,139	47,741,992

Each share has the same right to receive dividend and the repayment of capital and represents one vote at the shareholders' meeting of Cygnus Metals Limited.

9 NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES

	30 June 2024	30 June 2023
	\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Opening balance	2,459,306	440,773
Temporary difference on relinquishment of qualifying expenditure to investors	711,955	1,031,762
Deferred tax liability	3,171,261	1,472,535

10 COMMITMENTS

Exploration and capital expenditure commitments have not changed materially since 31 December 2023.

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11 LOSS PER SHARE

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the parent entity (Cygnus Metals Limited) as the numerator (no adjustment to losses were necessary during the six months periods to 30 June 2024 and 30 June 2023).

	30 June 2024	30 June 2023
Net loss attributable to ordinary equity holders of the Company	\$2,346,623	\$7,963,601
Weighted average number of ordinary shares outstanding during the half year used in calculating basic and diluted loss per share	291,996,708	803,023,875
Basic and diluted loss per share (cents per share)	(0.80)	(0.99)

As at 30 June 2024, the Group had 14,500,000 unlisted share options exercisable (30 June 2023: 19,500,000) and 21,378,809 unlisted performance rights (30 June 2023: 48,200,000), which are not included in the diluted loss per share since the Group incurred losses for the periods presented.

12 EVENTS SUBSEQUENT TO REPORTING DATE

On 9 July 2024, the Company issued 1,387,434 Share Rights expiring on 31 July 2029 in lieu of a portion of director and management salaries and fees for the quarter ended 30 June 2024. On 22 July 2024, 325,750 fully paid ordinary shares ("Shares") were issued upon the exercise of 325,750 Share Rights.

Following receipt of shareholder approval at a General Meeting held on 16 May 2024, on 9 July 2024, the Company issued 1,333,334 Share Rights to David Southam, as a short-term incentive bonus for the financial year ended 31 December 2023 following achievement of key short-term strategic milestones.

On 15 July 2024, the Company announced that it had received firm commitments for a \$3 million placement (before costs) to institutional and sophisticated investors through the issue of approximately 85.6 million Shares at an issue price of A\$0.035 per Share ("Placement"). A total of 72,685,715 Shares were issued on 19 July 2024, with a further 12,914,286 Shares to be issued to the Directors of the Company (or their nominees) and other investors following the receipt of shareholder approval at a General Meeting of shareholders held on 6 September 2024. Proceeds of the Placement will be utilised for exploration activities across the Company's existing project portfolio, general working capital (including transaction costs), corporate costs and due diligence costs associated with potential acquisitions. Cygnus intends to assess a number of opportunities in the battery metals space (including copper).

On 16 August 2024, the Company issued 500,000 fully paid ordinary shares to Noranda Royalties Inc. per the terms of the Sale and Purchase Agreement for the Auclair Extension property signed in July 2023.

There were no other matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the affairs of the Group in future financial years.

END OF THE CONSOLIDATED FINANCIAL REPORT

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In the opinion of the Directors of Cygnus Metals Limited:

- (a) The consolidated financial statements and notes of the Group are in accordance with the *Corporations Act 2001* (Cth), including:
 - i giving a true and fair view of its financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
 - ii complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth); and
- (b) Subject to the matters set out in Note 3 to the consolidated financial statements, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



David Southam
Executive Chair

Perth, Western Australia, 10 September 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cygnus Metals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Cygnus Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO


Phillip Murdoch

Director

Perth, 10 September 2024

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