

# CYGNUS METALS

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended  
31 March 2026 and 2025

(Unaudited)

(Stated in Australian Dollars)

ABN: 80 609 094 653

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To the Shareholders of Cygnus Metals Limited.  
For the three months ended 31 March 2026 and 2025:

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying unaudited consolidated interim financial statements of Cygnus Metals Limited (the "Company") and its subsidiaries (together, the "Group") were prepared by management in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001* (Cth).

The unaudited consolidated interim 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 2025 and any public announcements made by the Group during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

The accounting policies adopted in the preparation of the unaudited consolidated interim financial statements are consistent with those applied in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

Only changes in accounting policies have been disclosed in these unaudited consolidated interim financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited consolidated interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Group's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited consolidated interim financial statements and (ii) the unaudited consolidated interim financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Group, as of the date of and for the periods presented by the unaudited consolidated interim financial statements.

The Board of Directors are responsible for reviewing and approving the unaudited consolidated interim financial statements together with other financial information of the Group and for ensuring that management fulfils its financial reporting responsibilities.

An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited consolidated interim financial statements together with other financial information of the Group. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited consolidated interim financial statements together with other financial information of the Group for issuance to the shareholders.

Management recognizes its responsibility for conducting the Group's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

These unaudited consolidated interim financial statements are authorised for issue by the Board of Directors on 15 May 2026.

They are signed on the Group's behalf by:

(signed) "David Southam"

**David Southam**  
Executive Chair

# Consolidated Statement of Profit or Loss & Other Comprehensive Income

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For the three months ended 31 March 2026 and 2025

	Notes	2026 \$	2025 \$
<b>OTHER INCOME</b>	4	28,000	586,539
		<b>28,000</b>	<b>586,539</b>
<b>EXPENSES</b>			
Audit and accounting		(11,225)	(35,124)
Compliance expenses		(96,410)	(75,317)
Consultants and contractors		(292,793)	(384,404)
Corporate costs		(190,606)	(328,595)
Depreciation – Property, plant and equipment		(30,409)	(33,466)
Employee benefits expense		(248,373)	(464,151)
Exploration expensed		(124,102)	(150,378)
Interest expense		-	(7,609)
Office rent & outgoings		(14,149)	(22,960)
Share-based payments	12(d)	(1,437,186)	(163,273)
Site admin and maintenance expense		(264,027)	(230,150)
Travel and accommodation		(90,047)	(98,323)
Foreign exchange loss		(4,941)	(1,895)
		<b>(2,804,268)</b>	<b>(2,028,100)</b>
<b>Results from operating activities</b>		<b>(2,776,268)</b>	<b>(1,441,561)</b>
Finance income		103,335	106,219
<b>Loss before income tax</b>		<b>(2,672,933)</b>	<b>(1,335,342)</b>
Income tax expense		-	-
<b>Loss after income tax for the year attributable to equity holders of the Company</b>		<b>(2,672,933)</b>	<b>(1,335,342)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		2,326,742	155,180
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in fair value of financial assets		683,705	169,979
<b>Total comprehensive income/(loss) for the year, net of tax attributable to equity holders of the Company</b>		<b>337,514</b>	<b>(1,010,183)</b>
<b>Loss per share attributable to equity holders of the Company</b>			
Basic and diluted loss per share (cents per share)	13	(0.25)	(0.16)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Loss should be read in conjunction with the Notes to the Consolidated Financial Statements.

# Consolidated Statement of Financial Position

As at 31 March 2026 and 31 December 2025

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	Notes	31 Mar 2026 \$	31 Dec 2025 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	31,873,761	13,351,264
Other receivables	6	2,019,596	1,591,172
<b>Total current assets</b>		<b>33,893,357</b>	<b>14,942,436</b>
<b>Non-current assets</b>			
Exploration and evaluation	8	79,173,561	73,828,269
Property, plant and equipment	9	1,183,992	1,265,258
Investments		1,450,759	767,054
<b>Total non-current assets</b>		<b>81,808,312</b>	<b>75,860,581</b>
<b>TOTAL ASSETS</b>		<b>115,701,669</b>	<b>90,803,017</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7	2,217,555	2,696,913
Provisions		224,670	261,996
<b>Total current liabilities</b>		<b>2,442,225</b>	<b>2,958,909</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		3,808,192	3,808,192
<b>Total non-current liabilities</b>		<b>3,808,192</b>	<b>3,808,192</b>
<b>TOTAL LIABILITIES</b>		<b>6,250,417</b>	<b>6,767,101</b>
<b>NET ASSETS</b>		<b>109,451,252</b>	<b>84,035,916</b>
<b>EQUITY</b>			
Contributed equity	10	133,945,986	110,301,681
Reserves	11	17,424,495	12,980,531
Accumulated losses		(41,919,229)	(39,246,296)
<b>TOTAL EQUITY</b>		<b>109,451,252</b>	<b>84,035,916</b>

*The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.*

# Consolidated Statement of Changes in Equity

For the three months ended 31 March 2026 and 2025

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	Notes	Share Capital \$	Share-based Payment Reserve \$	Investment Revaluation Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 31 December 2025</b>	10	<b>110,301,681</b>	<b>13,063,198</b>	<b>312,224</b>	<b>(394,890)</b>	<b>(39,246,296)</b>	<b>84,035,916</b>
Loss for the year		-	-	-	-	(2,672,933)	(2,672,933)
<b>Other comprehensive loss:</b>							
Exchange differences on foreign operations		-	-	-	2,326,742	-	2,326,742
Fair value adjustment of financial assets		-	-	683,705	-	-	683,705
<b>Total comprehensive loss</b>		<b>-</b>	<b>-</b>	<b>683,705</b>	<b>2,326,742</b>	<b>(2,672,933)</b>	<b>337,514</b>
<b>Transactions with owners:</b>							
Issue of shares - Placement		25,000,000	-	-	-	-	25,000,000
Issue of shares - Exercise of share options		20,656	(3,669)	-	-	-	16,987
Share issue costs		(1,376,351)	-	-	-	-	(1,376,351)
Share-based payments		-	1,437,186	-	-	-	1,437,186
<b>Balance at 31 March 2026</b>	10	<b>133,945,986</b>	<b>14,496,715</b>	<b>995,929</b>	<b>1,931,851</b>	<b>(41,919,229)</b>	<b>109,451,252</b>

	Notes	Share Capital \$	Share-based Payment Reserve \$	Investment Revaluation Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 31 December 2024</b>	10	<b>92,739,029</b>	<b>10,795,229</b>	<b>(376,315)</b>	<b>16,828</b>	<b>(31,707,414)</b>	<b>71,467,357</b>
Loss for the year		-	-	-	-	(1,335,342)	(1,335,342)
<b>Other comprehensive loss:</b>							
Exchange differences on foreign operations		-	-	-	155,180	-	155,180
Fair value adjustment of financial assets		-	-	169,979	-	-	169,979
<b>Total comprehensive loss</b>		<b>-</b>	<b>-</b>	<b>169,979</b>	<b>155,180</b>	<b>(1,335,342)</b>	<b>(1,010,183)</b>
<b>Transactions with owners:</b>							
Issue of shares - Exercise of share rights		109,443	(109,443)	-	-	-	-
Share issue costs		(54,434)	-	-	-	-	(54,434)
Share-based payments		-	163,273	-	-	-	163,273
<b>Balance at 31 March 2025</b>	10	<b>92,794,038</b>	<b>10,849,059</b>	<b>(206,336)</b>	<b>172,008</b>	<b>(33,042,756)</b>	<b>70,566,013</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

# Consolidated Statement of Cash Flows

For the three months ended 31 March 2026 and 2025

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	Notes	2026 \$	2025 \$
<b>Operating activities</b>			
Payments to suppliers and employees		(1,672,504)	(1,577,759)
Payments for exploration expenditure		(136,901)	(97,497)
Interest received		103,335	106,219
Net refundable sales tax payments made		(246,545)	70,404
<b>Net cash used in operating activities</b>		<b>(1,952,615)</b>	<b>(1,498,633)</b>
<b>Investing activities</b>			
Payments for capitalised acquisition costs		-	(800,637)
Payments for capitalised exploration expenditure		(3,278,974)	(2,981,472)
Payments for the purchase of property plant and equipment		-	(16,000)
Proceeds from the sale of property, plant and equipment		28,000	500
Government incentives received		92,718	811,443
Interest payments		-	(7,609)
<b>Net cash used in investing activities</b>		<b>(3,158,255)</b>	<b>(2,993,775)</b>
<b>Financing activities</b>			
Proceeds from shares issued	10	25,000,000	-
Proceeds from exercise of share options		16,987	
Share issue costs		(1,376,351)	(54,433)
<b>Net cash provided by financing activities</b>		<b>23,640,636</b>	<b>(54,433)</b>
Net change in cash and cash equivalents		18,529,766	(4,546,841)
Effect of movement in exchange rates on cash held		(7,269)	(3,108)
Cash and cash equivalents, beginning of period		13,351,264	14,869,835
<b>Cash and cash equivalents, end of year</b>	5	<b>31,873,761</b>	<b>10,326,102</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

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# Notes to the Consolidated Financial Statements

For the three months ended 31 March 2026 and 2025

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## 1. Nature of Business

Cygnus Metals Limited (the "Company" or "Cygnus"), was incorporated under the laws of Australia on 3 November 2015. Through its 100% owned subsidiary, CBay Minerals Inc. ("CBay") Cygnus owns an interest in mineral properties located in Chibougamau, Quebec, for the purposes of exploration and evaluation. Directly and through its 100% owned subsidiary, Avenir Metals (Canada) Limited ("Avenir") Cygnus owns an interest in mineral properties located in James Bay, Quebec, for the purposes of exploration and evaluation. Through its Australian subsidiaries, Cygnus also indirectly owns an interest in mineral properties located in Western Australia, for the purposes of exploration and evaluation.

The Company's head office is located at Level 2, 8 Richardson Street, West Perth, Western Australia 6005.

The Company's ordinary shares are dual-listed on the Australian Securities Exchange ("ASX") and the TSX Venture Exchange ("TSXV"), trading under the symbols "CY5" and "CYG" respectively. The Company also commenced trading on the OTCQB® Venture Market, a U.S. marketplace operated by OTC Markets Group Inc, under the ticker code "CYGGF" on 14 February 2025.

## 2. Summary of Material Accounting Policies

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the financial years presented, unless otherwise stated. These financial statements cover Cygnus Metals Limited as a consolidated, for-profit entity consisting of Cygnus Metals Limited and its subsidiaries ("the consolidated entity" or "the Group").

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and the Corporations Act.

#### (i) Compliance with IFRS

The financial statements of Cygnus Metals Limited also comply with International Financial Reporting Standards ("IFRS") and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively, "IFRS Accounting Standards").

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention except for investments held at fair value through other comprehensive income.

#### (iii) Going Concern

As at 31 March 2026 the Group had current assets of \$33,893,357 (31 December 2025: \$14,942,436), including cash and cash equivalents of \$31,873,761 (31 December 2025: \$13,351,264), and current liabilities of \$2,442,225 (31 December 2025: \$2,958,909).

The Group's cashflow forecast through to the end of June 2027 reflects that the Group will not be required to raise additional capital during this period to enable it to continue to meet its operational and planned exploration activities.

The Directors are satisfied that there is a reasonable basis to conclude that the Group can raise additional capital as and when required and thus it is appropriate to prepare the consolidated financial report on a going concern basis as the Group has potential options available to manage liquidity, including one or a combination of, a placement of shares, option conversion, entitlement offer or a change in the Company's expenditure profile.

### Directors' Declaration

This report is made in accordance with a resolution of the directors on 15 May 2026.

### Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in note 15. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

## 2. Summary of Material Accounting Policies (continued)

### (b) Other income

#### Settlement of *Flow-Through Share Liability*

The issue of Flow-Through Shares ("FTS") includes an issue of ordinary shares and the sale of tax deductions. At the time the FTS are issued, the sale of tax deductions is deferred and presented as current liabilities in the statement of financial position because the Company has not yet fulfilled its obligations to pass on the tax deductions to the investor. When the Company fulfills its obligation the sale of tax deductions is recognised in the income statement as other income.

### (c) Equity and reserves

Share capital represents the fair value of consideration received for 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.

Retained earnings include all current and prior period retained profits.

Refer to Note 1(g) for the Group's accounting policy on Flow-Through Shares.

The Group maintains a share base payments reserve which accumulates the value recognised as a result of share-based awards issued to employees or contractors for services rendered. Where amounts have accumulated in the reserve and the underlying instruments expire, amounts are transferred from the reserve to retained earnings. Where amounts have accumulated in the reserve and the underlying instruments have vested or been exercised, amounts are transferred from the reserve to share capital. In the event that awards are forfeited, balances that have accumulated in the reserve are reversed through the profit or loss.

### (d) Exploration and evaluation 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.

## 2. Summary of Material Accounting Policies (continued)

### (e) Share-based payments

The Group operates equity-settled share-based remuneration plans for its employees.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees have been rewarded using share-based payments, the fair values have been determined indirectly by reference to the fair value of the equity instruments granted. Where consultants have been rewarded using share-based payments, the Group determines the fair value with direct reference to the fair value of the service unless this cannot be determined at which point the fair value is determined indirectly by reference to the fair value of the equity instrument granted. In the circumstances for this financial report, for consultants, the fair value of the services could not be readily determined with reference to a service contract and the contracts have no defined period of service to which the award pertains. Therefore, the fair value has been determined indirectly by reference to the fair value of the equity instrument granted. Fair value with reference to the equity instrument is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to the share-based payment reserve. Where vesting periods exist, the total expense is recognised straight-line over the vesting period. Where vesting conditions are non-market based, the expense is based on the best available estimate of the number of instruments expected to vest. Where the vesting conditions are market based, the Group uses a pricing model to determine the fair value of each instrument.

The fair value of share-based payments to asset vendors is determined with reference to the fair value of the equity instruments issued as consideration for the assets acquired per the terms of the relevant asset purchase agreement. If the fair value of the transactions cannot be estimated with direct reference to the fair value of the asset received given limited fair value information over the asset available at the time of the transaction, the fair value of each instrument is estimated using the latest trading price of the shares relative to the date of completion of the sale.

### (f) Property, plant and equipment

#### *Recognition and Measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset.

#### *Subsequent Costs*

Subsequent expenditure is only capitalised when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Ongoing repairs and maintenance are expensed as incurred.

#### *Depreciation*

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The expected useful lives in the current and comparative period are as follows:

IT equipment	2 – 3 years
Plant and equipment	2 – 5 years
Motor vehicles	5 years
Leasehold improvements	5 years

The estimated useful lives, depreciation methods and residual values are reviewed at the end of each reporting period.

## 2. Summary of Material Accounting Policies (continued)

### (g) Flow-Through Shares

Flow-through shares may be issued to finance a portion of an exploration program. A flow-through share agreement transfers the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company divides the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognised as a liability, and ii) issued capital. Share capital for shares issued is recognised at fair value with the residual value, or flow-through share premium, recognised as current liabilities.

The Company has elected to apply the renunciation process prospectively and has relied upon the “look-back” rule which allows the Company to renounce eligible expenditures incurred up to an entire calendar year (i.e. 2024) following the last day of the calendar year in which the FTS are issued (i.e. 2023)

At initial recognition the sale of tax deductions is deferred and presented as other liabilities in the balance sheet as the entity has not yet fulfilled its obligations to pass on the tax deductions to the investor.

Upon expenses being incurred, the Company derecognises the liability and the premium is recognised as other income. The exploration spend also gives rise to a deferred tax liability which is recognised as the difference between the carrying value and tax base of the qualifying expenditure for the amount of the tax reduction renounced to the investors.

### (h) Asset Acquisitions

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. Estimates and judgements are required by the group, taking into consideration all available information at the acquisition date, to assess the fair values of assets acquired and liabilities assumed.

### (i) New and amended accounting standards and interpretations issued but not yet effective

Certain new and amended accounting standards and interpretations have been published that are not mandatory for 31 March 2026 reporting periods and have not been early adopted by the Company.

IFRS 18 *Presentation and Disclosure in Financial Statements* was issued in April 2024 and is effective for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted this standard. The Group is currently assessing the impact of IFRS 18 on its consolidated financial statements.

## 3. Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this Annual Financial Report, the significant judgements and estimates made by management in applying the Entity’s accounting policies and the key sources of estimation uncertainty are detailed below.

### Critical Estimates

Changes in these estimates and assumptions as new information about the presence or recoverability of a mineral reserve becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the statement profit or loss and other comprehensive income.

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### 3. Critical Accounting Estimates and Judgements (continued)

#### Share-Based Payments

Share-based compensation benefits are provided to employees via the Cygnus Employee Securities Incentive Plan.

Performance rights are issued for nil consideration and the term of the performance rights is determined by the Board in its absolute discretion but will ordinarily have a three-year term up to a maximum of five years. Performance rights are subject to lapsing if performance conditions are not met by the relevant measurement date or expiry date (if no other measurement date is specified) or if employment is terminated. The fair value of performance rights has been calculated at the grant date and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of fair value of the rights allocated to this reporting period.

The valuation models used to fair value options and performance rights take into account the exercise price (where applicable), the term to expiry, the vesting period, the impact of dilution, the non-tradeable nature of the options or performance rights, the share price at grant date and assumptions on the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the options and performance rights. Expected share price volatility was determined with reference to actual share price volatility over the historic term of the Company's share price at grant date commensurate with the length of the related option or performance right's future vesting period.

Additionally, assumptions are made about the number of options and performance rights that are expected to vest, which could change from period to period. A change in any, or a combination, of these assumptions used in the valuation model could have a material impact on the total valuation of the options and performance rights.

#### **Critical Judgments**

##### Exploration and Evaluation Expenditure

The entity carries exploration and evaluation expenditure as assets for expenditure accumulated on areas of interest where it is considered likely to be recoverable. The Group judges this to be the case where the Group has right of tenure over an area of interest, has substantive expenditure budgeted for the area of interest and the exploration activities have not yet resulted in sufficient information that would indicate the amounts are not recoverable up to the asset carrying value.

##### Exploration and Evaluation Expenditure – Impairment

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Group's accounting policy requires estimates and assumptions as to future events and circumstances. In particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. Critical to this assessment is estimates and assumptions as to the presence of mineral reserves, timing of expected cash flows, exchange rates, commodity prices and future capital requirements.

##### Promissory Notes

The Group carries Promissory Notes (refer Note 18) at nil value. As at the reporting date, the Group judges that as there is no certainty as to whether, or when, commercial production will be achieved, given the current stage of development of the related Project and the significant technical, operational, permitting and funding milestones that remain outstanding.

Accordingly, based on management's assessment of the probability-weighted expected future cash flows, the timing of any potential settlement, and the substantial uncertainty surrounding the achievement of commercial production, the promissory notes are assessed to have nil fair value as at 31 March 2026.

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# Notes to the Consolidated Financial Statements

For the three months ended 31 March 2026 and 2025

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## 4. Other income

	Three months ended 31 March	
	2026	2025
	\$	\$
Sale of property, plant and equipment	28,000	500
Settlement of 2024 flow-through share liability	-	586,039
<b>Other income</b>	<b>28,000</b>	<b>586,539</b>

## 5. Cash and cash equivalents

	31 Mar 2026	31 Dec 2025
	\$	\$
Cash at bank and on hand	31,873,761	13,351,264
<b>Cash and cash equivalents</b>	<b>31,873,761</b>	<b>13,351,264</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made and have original maturities of less than 3 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

## 6. Other receivables

	31 Mar 2026	31 Dec 2025
	\$	\$
Other receivables <sup>1</sup>	1,268,979	1,030,749
Security deposits	200,271	203,569
Prepayments	550,346	356,854
<b>Other receivables</b>	<b>2,019,596</b>	<b>1,591,172</b>

**Note:**

1 - Relates to GST/QST receivables and amounts owing from the recharged of shared administration costs.

All amounts are short-term. The carrying values of trade and other receivables are considered to be a reasonable approximation of fair value (refer Note 16).

## 7. Trade and other payables

	31 Mar 2026	31 Dec 2025
	\$	\$
Trade payables	2,187,135	2,435,016
Other payables	30,420	261,897
<b>Trade and other payables</b>	<b>2,217,555</b>	<b>2,696,913</b>

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

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# Notes to the Consolidated Financial Statements

For the three months ended 31 March 2026 and 2025

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## 8. Exploration and evaluation assets

	2026 \$	2025 \$
<b>Opening balance – 1 January</b>	<b>73,828,269</b>	<b>61,309,265</b>
Expenditure incurred – Australian tenements	54,149	207,355
Expenditure incurred – Canadian tenements	5,383,861	3,261,923
Government grants received	(92,718)	(817,177)
<b>Closing balance – 31 March</b>	<b>79,173,561</b>	<b>63,961,366</b>

### Project earn-in and acquisition milestones

The following outlines the remaining terms of existing project option earn-in or acquisition agreements that the Group was a party to prior to the commencement of the current reporting period.

#### Pontax Lithium Project (CY5 51%)

On 9 April 2025, the Company issued 300,000 fully paid ordinary shares to Stria Lithium Inc (“Stria”) as consideration for a 2-year extension to the two-stage earn-in for the Pontax Lithium Project in James Bay, Quebec. The shares were subject to a four-month voluntary escrow period. The extension to the second stage of the earn-in means that Cygnus has until October 2027 to spend an additional C\$2,000,000 on exploration at the project and make a cash payment to Stria of C\$3,000,000, enhancing the likelihood of successful exploration outcomes at Pontax. Cygnus currently has a 51% interest in the project and will earn an additional 19% upon completion of the second stage of the earn-in, bringing its total interest to 70%.

#### Pontax Extension Lithium Project (Canadian Mining House)

In order to complete the acquisition of the project claims, the Company must incur total expenditure of C\$1,000,000 (C\$250,000 on or before 18 November 2023 (completed in 2022), and a further C\$750,000 on or before 6 January 2028).

#### Beryl Lake Lithium Project

On 28 March 2023, Cygnus entered into an Option Agreement with Canadian Mining House, Anna Rosa Giglio and Steve Labranche. On 18 May 2024, Cygnus issued 900,000 shares to satisfy Stage 2 consideration. On 19 May 2025, Cygnus issued a further 1,000,000 shares to satisfy Stage 3 consideration. The final stage of consideration requires Cygnus to issue a further 600,000 shares and pay C\$120,000 in cash by 18 May 2026. Cygnus was also required to incur total expenditure on the project of C\$1,000,000 by 18 May 2026, which has already been satisfied.

#### Sakami Lithium Project

On 28 March 2023, Cygnus entered into an Option Agreement with Canadian Mining House, Anna Rosa Giglio and Steve Labranche. On 18 May 2024, Cygnus issued 900,000 shares and paid C\$75,000 in cash to satisfy stage 2 consideration. On 19 May 2025, Cygnus issued 600,000 shares and paid C\$75,000 cash to satisfy Stage 3 consideration. The final stage of consideration requires Cygnus to issue an additional 450,000 shares and to pay a further C\$75,000 in cash by 18 May 2026. Cygnus must also incur total expenditure on the project of C\$1,000,000 by 18 November 2026 to meet the remaining earn-in requirements, which may be settled through cash payment in the event that the Company does not meet this condition.

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## 8. Exploration and evaluation assets (continued)

### Fair Value of Share-Based Payments

The fair value of share-based payments to asset vendors, which includes the shares issued as described and valued above, have been determined with reference to the fair value of the equity instruments. For shares granted, the fair value of each instrument has been estimated using the latest trading price of the shares relative to the date of completion of the sale. The fair value of the transactions could not be estimated with direct reference to the fair value of the asset received given limited fair value information over the asset available at the time of the transaction.

### Capitalised expenditure written off

Impairment of specific exploration and evaluation assets during the year have occurred where Directors have concluded that capitalised expenditure is unlikely to be recovered by sale or future exploitation.

During the year indicators of impairment were identified on certain exploration and evaluation assets in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*. As a result of this review, there were no write-offs recognised in the current or comparative reporting periods in relation to areas of interest where the directors have concluded that capitalised expenditure is unlikely to be recovered by sale or future exploitation.

## 9. Property, plant and equipment

	31 Mar 2026 \$	31 Dec 2025 \$
Assets at cost	1,929,154	1,929,154
Foreign currency revaluations	(293,841)	(242,986)
Accumulated depreciation	(451,321)	(420,912)
<b>Carrying value</b>	<b>1,183,992</b>	<b>1,265,256</b>

Movement in the carrying amounts for each class of property, plant and equipment during the current reporting period, is as follows:

	IT equipment \$	Plant and equipment \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Balance at 31 December 2025	19,911	1,183,485	-	61,860	1,265,256
Foreign currency revaluations	-	(50,855)	-	-	(50,855)
Depreciation expense	(2,007)	(20,881)	-	(7,521)	(30,409)
<b>Balance at 31 March 2026</b>	<b>17,904</b>	<b>1,111,748</b>	<b>-</b>	<b>54,339</b>	<b>1,183,992</b>

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## 10. Share capital and other contributed equity

The share capital of Cygnus consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholder meetings of the Company.

	Date	Shares	Issue Price \$	Total \$
<b>Balance at 1 January 2025</b>		<b>848,319,650</b>		<b>92,739,029</b>
Share issue – Share right conversion	06/02/2025	912,021	-	75,426
Less share issue costs				(54,434)
<b>Balance at 31 March 2025</b>		<b>849,231,671</b>		<b>97,794,038</b>
<b>Balance at 1 January 2026</b>				
Share issue – Share option exercise	6/01/2026	9,660	0.070	677
Share issue – Share option exercise	6/01/2026	45,742	0.072	3,273
Share issue – Share option exercise	6/01/2026	182,970	0.091	16,706
Share issue - Placement	20/03/2026	156,250,000	0.160	25,000,000
Less share issue costs				(1,376,351)
<b>Balance at 31 March 2026</b>		<b>1,220,913,340</b>		<b>133,945,986</b>

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.

## 11. Reserves

	31 Mar 2026	31 Dec 2025
	\$	\$
Share-based payment reserve	14,496,715	13,063,198
Investment revaluation reserve	995,929	312,224
Foreign currency translation reserve	(1,931,851)	(394,890)
<b>Total reserves</b>	<b>17,424,495</b>	<b>12,980,531</b>

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# Notes to the Consolidated Financial Statements

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## 12. Share-based payments

### (a) Share options

The share-based payment reserve records items recognised on valuation of director, employee and contractor share options and performance rights. Information relating to options issued, exercised and lapsed during and outstanding at the end of the current and comparative reporting periods, is set out below.

Grant Date	Expiry date	Exercise price	Opening Balance 1 Jan 2026	Exercised	Lapsed	Closing Balance 31 Mar 2026	Vested and exercisable at end of the period
31/12/2024	16/02/2026	\$0.1748 <sup>1</sup>	365,940	-	(365,940)	-	-
31/12/2024	22/04/2026	\$0.6743 <sup>1</sup>	1,796,760	-	-	1,796,760	1,796,760
31/12/2024	19/08/2026	\$0.4843 <sup>1</sup>	82,336	-	-	82,336	82,336
31/12/2024	26/09/2026	\$0.0644 <sup>1</sup>	43,912	(9,660)	-	34,252	34,252
31/12/2024	12/05/2027	\$0.3617 <sup>1</sup>	1,024,631	-	-	1,024,631	1,024,631
31/12/2024	13/06/2027	\$0.3372 <sup>1</sup>	109,782	-	-	109,782	109,782
31/12/2024	19/08/2027	\$0.2514 <sup>1</sup>	1,829,700	-	-	1,829,700	1,829,700
31/12/2024	12/05/2028	\$0.1226 <sup>1</sup>	1,280,789	(45,742)	-	1,235,047	1,235,047
31/12/2024	19/04/2029	\$0.0614 <sup>1</sup>	6,907,116	(182,970)	-	6,724,146	6,724,146
31/12/2024	16/09/2029	\$0.0644 <sup>1</sup>	137,227	-	-	137,227	137,227
			13,578,193	(238,372)	(365,940)	12,973,881	12,973,881
Weighted average exercise price:			\$0.2068	\$0.0733	\$0.1748	\$0.2077	\$0.2077
Weighted average remaining contractual life:							2.13 years

Note: <sup>1</sup> Converted from a Canadian Dollar exercise price at the closing rate on 31 December 2024 of CAD:AUD = 0.891533

Movements in share options in the comparative period:

Grant Date	Expiry date	Exercise price	Opening balance 1 Jan 2025	Issued	Exercised	Lapsed	Closing balance 31 Mar 2025	Vested and exercisable at end of the period
23/12/21	21/01/2025	\$0.1600	3,500,000	-	-	(3,500,000)	-	-
21/10/22	21/10/2025	\$0.2500	1,500,000	-	-	-	1,500,000	1,500,000
21/10/22	21/10/2025	\$0.5000	1,500,000	-	-	-	1,500,000	1,500,000
21/10/22	21/10/2025	\$0.7500	1,500,000	-	-	-	1,500,000	1,500,000
21/10/22	21/10/2025	\$1.0000	1,500,000	-	-	-	1,500,000	1,500,000
31/12/24	30/04/2025	\$0.4046 <sup>1</sup>	1,257,001	-	-	-	1,257,001	1,257,001
31/12/24	5/06/2025	\$0.1150 <sup>1</sup>	43,912	-	-	-	43,912	43,912
31/12/24	6/06/2025	\$0.1150 <sup>1</sup>	123,504	-	-	-	123,504	123,504
31/12/24	1/09/2025	\$0.5885 <sup>1</sup>	54,891	-	-	-	54,891	54,891
31/12/24	16/02/2026	\$0.1748 <sup>1</sup>	365,940	-	-	-	365,940	365,940
31/12/24	22/04/2026	\$0.6743 <sup>1</sup>	1,920,264	-	-	-	1,920,264	1,920,264
31/12/24	19/08/2026	\$0.4843 <sup>1</sup>	82,336	-	-	-	82,336	82,336
31/12/24	26/09/2026	\$0.0644 <sup>1</sup>	43,912	-	-	-	43,912	43,912
31/12/24	17/01/2027	\$0.4291 <sup>1</sup>	123,504	-	-	-	123,504	123,504
31/12/24	15/05/2027	\$0.3617 <sup>1</sup>	1,225,898	-	-	-	1,225,898	1,225,898
31/12/24	13/06/2027	\$0.3372 <sup>1</sup>	109,782	-	-	-	109,782	109,782
31/12/24	19/08/2027	\$0.2514 <sup>1</sup>	1,829,700	-	-	-	1,829,700	1,829,700
31/12/24	12/05/2028	\$0.1226 <sup>1</sup>	1,482,056	-	-	-	1,482,056	1,482,056
31/12/24	19/04/2029	\$0.0614 <sup>1</sup>	7,410,283	-	-	-	7,410,283	7,410,283
31/12/24	16/09/2029	\$0.0644 <sup>1</sup>	137,227	-	-	-	137,227	137,227
			27,710,210	-	-	(3,500,000)	22,210,210	22,210,210
Weighted average exercise price:			\$0.14	-	-	\$0.16	\$0.33	\$0.33
Weighted average remaining contractual life:								1.26 years

Note: <sup>1</sup> Converted from a Canadian Dollar exercise price at the closing rate on 31 December 2024 of CAD:AUD = 0.891533

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## 12. Share-based payments (continued)

### (b) Share rights

Information relating to share rights issued and converted during and outstanding at the end of the current and comparative reporting periods, is set out below.

Issue Date	Expiry date	Opening balance 1-Jan-26	Granted as remuneration	Converted	Closing balance 31-Mar-26	Vested and convertible 31-Mar-26	Value of rights expensed during the year \$
<b>2026</b>							
9/07/24	31/07/29	2,019,128	-	-	2,019,128	2,019,128	-
30/10/24	31/07/29	726,382	-	-	726,382	726,382	-
10/01/25	31/07/29	401,025	-	-	401,025	401,025	-
		<b>3,146,535</b>	-	-	<b>3,146,535</b>	<b>3,146,535</b>	-

Issue Date	Expiry date	Opening balance 1-Jan-25	Granted as remuneration	Converted	Closing balance 31-Mar-25	Vested and convertible 31-Mar-25	Value of rights expensed during the year \$
<b>2025</b>							
9/07/24	31/07/29	2,395,018	-	(279,720)	2,115,298	2,115,298	-
30/10/24	31/07/29	1,118,422	-	(291,739)	826,683	826,683	-
10/01/25	31/07/29	-	741,587	(340,562)	401,025	401,025	-
		<b>3,513,440</b>	<b>741,587</b>	(912,021)	<b>3,343,006</b>	<b>3,343,006</b>	-

In the 2024 reporting period, one component of a range of cost saving measures included directors and certain employees agreeing to a formal salary sacrifice arrangement whereby they were issued with unlisted share rights in lieu of cash on 10 January 2025. The fair value of the share rights issued was measured at the fair value of the services rendered.

### (c) Performance rights

Information relating to performance rights issued and lapsed during and outstanding at the end of the current reporting period, is set out below.

Tranche	Grant Date	Vesting date	Expiry date	Opening Balance 1-Jan-26	Granted	Exercised	Cancelled	Closing Balance 31-Mar-26	Vested and exercisable 31-Mar-26	Value of rights expensed during the period \$
<b>2026</b>										
A	15/08/22	29/08/23	21/10/27	1,500,000	-	-	-	1,500,000	1,500,000	-
B	15/08/22	29/08/23	21/10/27	1,500,000	-	-	-	1,500,000	1,500,000	-
M	31/01/23	01/11/24	13/02/28	5,000,000	-	-	-	5,000,000	5,000,000	-
P	31/01/23	13/02/28	13/02/28	4,000,000	-	-	-	4,000,000	-	-
Q	31/01/23	13/02/28	13/02/28	2,500,000	-	-	-	2,500,000	2,500,000	-
R	31/01/23	13/02/28	13/02/28	2,500,000	-	-	-	2,500,000	-	57,368
V	26/03/23	13/02/28	13/02/28	400,000	-	-	-	400,000	400,000	-
W	26/03/23	03/04/25	03/04/28	300,000	-	-	-	300,000	300,000	-
Z	02/03/23	24/02/26	04/05/28	50,000	-	-	-	50,000	50,000	-
A4	28/08/23	31/12/25	05/09/28	1,059,603	-	-	-	1,059,603	1,059,603	-
A5	28/08/23	31/12/25	05/09/28	1,059,603	-	-	(1,059,603)	-	-	-
A6	28/08/23	31/12/25	05/09/28	1,059,603	-	-	-	1,059,603	1,059,603	-
A7	14/05/25	11/07/28	31/05/30	12,666,666	-	-	-	12,666,666	-	75,495
A8	14/05/25	11/07/28	31/05/30	9,666,667	-	-	-	9,666,667	-	57,615
A9	14/05/25	11/07/28	31/05/30	9,666,667	-	-	-	9,666,667	-	480,909
A10	29/05/25	11/07/28	31/05/30	9,599,994	-	-	-	9,599,994	-	55,682
A11	29/05/25	11/07/28	31/05/30	9,599,999	-	-	-	9,599,999	-	55,683
A12	29/05/25	11/07/28	31/05/30	9,600,007	-	-	-	9,600,007	-	462,878
A13	07/11/25	11/07/28	31/05/30	101,250	-	-	-	101,250	-	1,219
A14	07/11/25	11/07/28	31/05/30	101,250	-	-	-	101,250	-	9,661
A15	04/11/25	11/07/28	31/05/30	1,500,000	-	-	-	1,500,000	-	17,340
A16	04/11/25	11/07/28	31/05/30	1,500,000	-	-	-	1,500,000	-	163,336
				<b>84,931,309</b>	-	-	(1,059,603)	<b>84,931,309</b>	<b>13,369,206</b>	<b>1,437,186</b>

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## 12. Share-based payments (continued)

### Valuation inputs of Performance Rights issued

There were no performance rights issued during the current reporting period.

Information relating to performance rights issued and lapsed during and outstanding at the end of the comparative reporting period, is set out below.

Tranche	Grant date	Vesting date	Expiry date	Opening balance 1 Jan 2025	No Movements	Closing balance 31 Mar 2025	Vested and exercisable at end of the period	Value of rights expensed during the period \$
A	15/08/22	29/08/23	21/10/27	1,500,000	-	1,500,000	1,500,000	-
B	15/08/22	29/08/23	21/10/27	1,500,000	-	1,500,000	1,500,000	-
H	16/11/22	15/06/24	30/07/25	250,000	-	250,000	250,000	-
M	31/01/23	01/11/24	13/02/28	5,000,000*	-	5,000,000	5,000,000	-
P	31/01/23	13/02/28	13/02/28	4,000,000*	-	4,000,000	-	-
Q	31/01/23	13/02/28	13/02/28	2,500,000*	-	2,500,000	-	58,855
R	31/01/23	13/02/28	13/02/28	2,500,000*	-	2,500,000	-	57,368
V	26/03/23	13/02/28	13/02/28	400,000	-	400,000	-	3,494
W	26/03/23	05/04/25	03/04/28	300,000	-	300,000	-	4,153
X	02/03/23	24/02/24	04/05/28	50,000	-	50,000	50,000	-
Y	02/03/23	24/02/25	04/05/28	50,000	-	50,000	50,000	664
Z	02/03/23	24/02/26	04/05/28	50,000	-	50,000	-	1,453
A4	28/08/23	31/12/25	05/09/28	1,059,603*	-	1,059,603	-	17,878
A5	28/08/23	31/12/25	05/09/28	1,059,603*	-	1,059,603	-	-
A6	28/08/23	31/12/25	05/09/28	1,059,603*	-	1,059,603	-	19,408
				<b>21,278,809</b>	-	<b>21,278,809</b>	<b>8,350,000</b>	<b>163,273</b>

Note: \* Approval for the issue of these securities was obtained under Listing Rule 10.14.

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## 12. Share-based payments (continued)

The terms of performance rights on issue during the current reporting period include:

Tranche	Vesting conditions
A	The Company reporting a JORC compliant Inferred Mineral Resource of 5MT at a minimum grade of 0.8% Li <sub>2</sub> O on or before 21 October 2026.
B	The Company reporting a JORC compliant Inferred Mineral Resource of 10MT at a minimum grade of 0.8% Li <sub>2</sub> O on or before 21 October 2026.
M	2 years' continuous employment with the Company from the date of appointment (ie. up to and including 1 November 2024).
P	The Company reporting a JORC compliant Inferred Mineral Resource of 20MT at a minimum grade of 0.8% Li <sub>2</sub> O on or before 13 February 2028.
Q,V	The Company achieving a market capitalisation of at least \$150,000,000 over a period of not less than 10 consecutive trading days on which trades in the Company's shares actually occur.
R	The Company's share price having a 10-day VWAP of at least \$1.00 or a market capitalisation of at least \$250,000,000 over a period of not less than 10 consecutive trading days on which trades in the Company's shares actually occur.
W	Remaining engaged by the Company as a Director for a continuous period of 24 months from the date of appointment (ie. up to and including 3 April 2025).
Z	Remaining an officeholder, employee or consultant of the Company (or a wholly owned subsidiary) at all times up to and including 24 February 2026.
A4	The Company's TSR exceeds the median TSR of the Peer Group for the Performance Period (1/07/23 – 31/12/25). The proportion to vest will be calculated as: <ul style="list-style-type: none"> <li>- If TSR &gt;50<sup>th</sup> percentile – 100% vesting</li> <li>- If TSR between 25<sup>th</sup> and 50<sup>th</sup> percentile – 50% vesting</li> <li>- If TSR &lt;25% percentile – 0% vesting</li> </ul>
A5	The Company reporting the discovery or acquisition of a JORC compliant Inferred Mineral Resource of 5MT on any project (excluding the Pontax Project) at a minimum grade of 0.8% Li <sub>2</sub> O on or before 31 December 2025.
A6	Continuous employment with the Company up to and including 31 December 2025.
A7,A10	The Company announces drilling results (excluding infill drilling) for the Chibougamau Project (including any additional tenure after the date of acquisition or application) with three intercepts which each have a copper or CuEq average grade equal to or greater than 3% over 5 metres or is otherwise capable of being expressed at an average grade of equal to or over 1% over a 15-metre period. The three intercepts must be at least 50m apart.
A8,A11, A13,A15	-50% of the Class B Performance Rights will vest upon the Company announcing that 50% of the Chibougamau Inferred MRE has been converted to a Mineral Resource with an Indicated (or higher) classification. -75% of the Class B Performance Rights will vest upon the Company announcing that 55% of the Chibougamau Inferred MRE has been converted to a Mineral Resource with an Indicated (or higher) classification. -100% of the Class B Performance Rights will vest upon the Company announcing that 60% of the Chibougamau Inferred MRE has been converted to a Mineral Resource with an Indicated (or higher) classification. -The Class B Performance Rights will vest on a pro-rata basis for conversion rates between the stated thresholds.
A9,A12, A14,A16	The 20-Day VWAP is A\$0.1815 or more per Share (representing a 50% or greater premium to the 10-Day VWAP following the completion of the merger between the Company and Doré, which was A\$0.121).

### (d) Share-based payment expense

The following table includes a breakdown of share-based payment expense for the current and comparative reporting periods:

	Three months ended 31 March	
	2026 \$	2025 \$
Performance rights	1,437,186	163,274
	<b>1,437,186</b>	<b>163,274</b>

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## 13. Loss per share

Basic and diluted loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

As at 31 March 2026, the Group had on issue 12,973,881 unlisted share options (31 December 2025: 13,578,193), 83,871,706 performance rights (31 December 2025: 13,319,206) and 3,146,535 share rights (31 December 2025: 3,146,535). In accordance with IAS 33 Earnings Per Share these options performance rights have been excluded from the calculation of diluted loss per share due to their antidilutive effect, and as such, diluted loss per share is equal to basic loss per share.

	Three months ended 31 March	
	2026	2025
Net loss attributable to ordinary equity holders of the Company	(\$2,672,933)	(\$1,335,342)
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted loss per share	1,083,961,746	848,862,764
<b>Basic and diluted loss per share (cents per share)</b>	<b>(0.25)</b>	<b>(0.16)</b>

## 14. Related party transactions

### *KMP remuneration*

	Three months ended 31 March	
	2026 \$	2025 \$
Short-term employee benefits	335,097	294,790
Post-employment benefits	9,450	8,914
Share-based payments	996,620	161,157
<b>Total</b>	<b>1,341,167</b>	<b>464,861</b>

### 14.1 Other related party transactions and arrangements

The following transactions and arrangements with Director related parties occurred during the current and comparative reporting periods:

Andean Silver Limited, a company that David Southam and Ray Shorrocks are directors of, recharged shared office and travel costs to the Company during the three months ended 31 March 2026 totalling \$6,647 (2025: \$6,188). \$4,431 was owing to Andean Silver Limited by the Company at 31 March 2026 (2025: \$5,514).

Firefly Metals Limited, a company of which Kevin Tomlinson is a director, recharged shared administrative and head office occupancy costs to the Company during the three months ended 31 March 2026 totalling \$22,672 (2025: \$25,216). \$12,488 was owing to Firefly Metals Limited by the Company at 31 March 2026 (2025: \$15,180).

#### Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The value of these related party transactions are considered minor and save Cygnus Metals significant costs should these services had been sourced directly. Outstanding balances at year-end are unsecured and interest-free and settlement occurs in cash and are presented as part of trade payables. There have been no bank guarantees provided for any related party payables. Amounts shown are net of GST paid or payable.

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# Notes to the Consolidated Financial Statements

For the three months ended 31 March 2026 and 2025

**CYGNUS**  
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## 15. Subsidiaries

Name of Entity	Country of Incorporation	2026 % equity interest	2025 % equity interest
<b>Parent Entity</b>			
Cygnus Metals Limited	Australia	100	100
<b>Subsidiaries</b>			
Deneb Resources Pty Ltd	Australia	100	100
Cygnus Gold (Projects) Pty Ltd	Australia	100	100
Cygnus (JV Projects) Pty Ltd	Australia	100	100
Avenir Metals (Australia) Pty Ltd	Australia	100	100
Avenir Metals (Canada) Limited	Canada	100	100
Cygnus Copper Limited	Canada	100	100
CBay Minerals Inc.	Canada	100	100

## 16. Financial risk management

### Credit risk

The carrying amount of the Group's financial assets represents the Group's maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	31 Mar 2026 \$	31 Dec 2025 \$
Cash and cash equivalents	31,873,761	13,351,264
Other receivables	2,019,596	1,591,172

The Group's cash and cash equivalents and term deposits at call are held with bank and financial institution counterparties, which are rated at least AA-, based on rating agency S&P Global Ratings.

For other receivables, the Group applies a simplified approach in calculating Expected Credit Losses ("ECLs"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

As at 31 March 2026, no receivables were more than 30 days past due (31 December 2025: Nil). No receivables are considered to have a material credit risk.

### Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by monitoring forecast cash flows, only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Group in managing its cash flows. Financial liabilities are expected to be settled on the following basis:

	31 Mar 2026 \$	31 Dec 2025 \$
Not later than 45 days	2,217,555	2,566,313
Greater than 45 days and less than 12 months	-	-
Total	2,217,555	2,566,313

# Notes to the Consolidated Financial Statements

For the three months ended 31 March 2026 and 2025

**CYGNUS**  
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## 16. Financial risk management (continued)

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Foreign exchange rate risk

The Group is exposed to foreign exchange rate risk arising from equity investments listed on the TSX Venture Exchange (TSX-V), although given the size of these investments the directors do not anticipate that significant fluctuations in related foreign currencies would result in a material change to the valuation of these assets at the end of the current reporting period.

The Group is also exposed to foreign exchange rate risk arising from cash and deposits held in Canadian dollars. At the reporting date the sensitivity for the Group's foreign exchange exposures was:

	Carrying Amount 31 March 2026 \$	Carrying Amount 31 December 2025 \$
Cash on deposit – CAD\$2,338,793 (2025: CAD\$1,074,503)	2,448,069	1,175,331
Listed investments – CAD\$1,386,000 (2025: CAD\$701,250)	1,450,759	767,053
<b>Totals</b>	<b>3,898,828</b>	<b>1,942,384</b>

A change of 10% in CAD:AUD foreign exchange rates at the end of the reporting period would have increased/(decreased) profit and loss and equity by the amounts shown below.

The analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2025:

10% increase	389,883	194,238
10% decrease	(389,883)	(194,238)

### Capital management policies and procedures

The Board policy is to maintain a capital base to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares and retained earnings (or accumulated losses). The Board of Directors manages the capital of the Group to ensure that the Group can fund its operations and continue as a going concern.

There are no externally imposed capital requirements.

## 17. Contingent assets and liabilities

### Rehabilitation Liability

As at the reporting date, the Company has not identified a present legal or constructive obligation to rehabilitate its exploration areas that would require recognition of a rehabilitation provision. This assessment is based on the Company's activities to date and the absence of any material disturbance or other past event giving rise to an unavoidable obligation to restore the site.

Rehabilitation obligations may arise in the future as exploration and development activities progress and as regulatory approvals and site disturbance occur. At that time, the Company will recognise a provision for the best estimate of the expenditure required to settle the present obligation. The timing and amount of any future obligation will depend on the nature and extent of disturbance, the rehabilitation requirements attached to relevant approvals/tenements, and the scope of any approved closure/rehabilitation plans.

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## 18. Financial Liabilities

### Promissory Notes

In 2019, Doré Copper Mining Corp. (“Doré”) issued promissory notes to Ocean Partners Investments Limited (“OPIL”), a related party, in the aggregate amount of CAD\$7,500,000, plus accrued interest. These promissory notes are considered a financial liability under IFRS 9 and were initially measured at fair value with subsequent measurement at amortized cost. The obligations of the Corporation under the promissory notes are guaranteed by Doré’s wholly owned subsidiary CBay Minerals Inc. (“CBay”) with such guarantee secured against the property and assets of CBay. Each of the promissory notes bear interest at a rate of 6% per annum, with CAD\$1,000,000 maturing on the commencement of commercial production, CAD\$2,000,000 maturing on the first anniversary of the commencement of commercial production, CAD\$2,000,000 maturing on the second anniversary of the commencement of commercial production, and CAD\$2,500,000 maturing on the third anniversary of the commencement of commercial production. The settlement of the obligation, both principal and interest, is contingent upon the timing of commencement of commercial production. Given the lack of certainty at this time as to whether Cygnus will reach the operational and economic milestones needed to achieve commercial production, and the estimated timeline to do so, the notes currently have nominal or no fair value.

On 10 October 2024, Cygnus and OPIL executed a Limited Waiver waiving the accrual of interest on the promissory notes for the period commencing on 1 October 2024 and ending on 31 December 2026.

The accrued interest as at 31 December 2024 would have been valued at CAD\$2,456,875. Cygnus will reassess the amount, timing and probability of future cash flows at each reporting date to determine any required adjustments to the amortized cost balance of \$Nil. As commercial production remains unlikely at 31 March 2026, no adjustments were necessary.

## 19. Post reporting date events

There have not been any events that have arisen between 31 March 2026 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

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