

CYGNUS METALS

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**For the three and six months ended
June 30, 2026 and 2025**

(Unaudited)

(Stated in Australian Dollars)

ABN: 80 609 094 653

To the Shareholders of Cygnus Metals Limited.
For the three and six months ended June 30, 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 14 August 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

For the three and six months ended June 30, 2026 and 2025

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		For the three months ended 30 June		For the six months ended 30 June	
	Notes	2026 \$	2025 \$	2026 \$	2025 \$
OTHER INCOME		250	5,862	28,250	592,401
		250	5,862	28,250	592,401
EXPENSES					
Audit and accounting		(20,637)	(12,763)	(31,862)	(47,887)
Compliance expenses		(33,033)	(137,421)	(129,443)	(212,738)
Consultants and contractors		(833,227)	(238,347)	(1,126,020)	(622,751)
Corporate costs		(154,456)	(228,440)	(345,062)	(557,035)
Depreciation – Property, plant and equipment		(32,641)	(33,234)	(63,050)	(66,700)
Employee benefits expense		(208,008)	(194,466)	(456,381)	(691,072)
Exploration expensed		(364,110)	(37,541)	(488,212)	(187,919)
Interest expense		-	(8,221)	-	(15,830)
Office rent & outgoings		(22,790)	(22,427)	(36,939)	(45,387)
Share-based payments	8(c)	(316,361)	(272,719)	(1,753,547)	(435,992)
Site admin and maintenance expense		(220,889)	(498,133)	(484,916)	(728,283)
Travel and accommodation		(40,155)	(42,797)	(130,202)	(141,120)
Foreign exchange gains/(losses)		(6,128)	162	(11,069)	(1,733)
		(2,252,436)	(1,726,347)	(5,056,703)	(3,754,447)
Results from operating activities		(2,252,186)	(1,720,485)	(5,028,453)	(3,162,046)
Finance income		272,824	62,183	376,159	168,402
Loss before income tax		(1,979,362)	(1,658,302)	(4,652,294)	(2,993,644)
Income tax expense		-	-	-	-
Loss after income tax for the year attributable to equity holders of the Company		(1,979,362)	(1,658,302)	(4,652,294)	(2,993,644)
Other comprehensive loss					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of foreign operations		(4,168,934)	(61,771)	(1,842,192)	93,409
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Changes in fair value of financial assets		(141,463)	92,860	542,242	262,839
Total comprehensive loss for the year, net of tax attributable to equity holders of the Company		(6,289,759)	(1,627,213)	(5,952,244)	(2,637,396)
Loss per share attributable to equity holders of the Company					
Basic and diluted loss per share (cents per share)	9	(0.16)	(0.19)	(0.40)	(0.35)

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 30 June 2026 and 31 December 2025

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	Notes	30 Jun 2026 \$	31 Dec 2025 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	25,520,869	13,351,264
Other receivables		1,891,253	1,591,172
Total current assets		27,412,122	14,942,436
Non-current assets			
Exploration and evaluation	5	79,010,127	73,828,269
Property, plant and equipment		1,128,565	1,265,258
Investments		1,309,296	767,054
Total non-current assets		81,447,988	75,860,581
TOTAL ASSETS		108,860,110	90,803,017
LIABILITIES			
Current liabilities			
Trade and other payables		1,196,930	2,696,913
Provisions		240,641	261,996
Total current liabilities		1,437,571	2,958,909
Non-current liabilities			
Deferred tax liabilities		3,808,192	3,808,192
Total non-current liabilities		3,808,192	3,808,192
TOTAL LIABILITIES		5,245,763	6,767,101
NET ASSETS		103,614,347	84,035,916
EQUITY			
Contributed equity	6	134,802,478	110,301,681
Reserves	7	12,710,459	12,980,531
Accumulated losses		(43,898,590)	(39,246,296)
TOTAL EQUITY		103,614,347	84,035,916

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 \$
Balance at 31 December 2025	10	110,301,681	13,063,198	312,224	(394,890)	(39,246,296)	84,035,916
Loss for the year		-	-	-	-	(4,652,294)	(4,652,294)
Other comprehensive loss:							
Exchange differences on foreign operations		-	-	-	(1,842,192)	-	(1,842,192)
Fair value adjustment of financial assets		-	-	542,242	-	-	542,242
Total comprehensive loss		-	-	542,242	(1,842,192)	(4,652,294)	(5,952,244)
Transactions with owners:							
Share issue - Placement		25,000,000	-	-	-	-	25,000,000
Share issue - Exercise of share options		20,656	(3,669)	-	-	-	16,987
Share issue – Exercise of rights		720,000	(720,000)	-	-	-	-
Share issue – Project acquisition milestones		141,751	-	-	-	-	141,751
Share issue costs		(1,381,610)	-	-	-	-	(1,381,610)
Share-based payments		-	1,753,547	-	-	-	1,753,547
Balance at 30 June 2026	6	134,802,478	14,093,076	854,466	(2,237,083)	(43,898,590)	103,614,348

	Notes	Share Capital \$	Share-based Payment Reserve \$	Investment Revaluation Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 31 December 2024		92,739,029	10,795,229	(376,315)	16,828	(31,707,414)	71,467,357
Loss for the year		-	-	-	-	(2,993,644)	(2,993,644)
Other comprehensive loss:							
Exchange differences on foreign operations		-	-	-	93,409	-	93,409
Fair value adjustment of financial assets		-	-	262,839	-	-	262,839
Total comprehensive loss		-	-	262,839	93,409	(2,993,644)	(2,637,396)
Transactions with owners:							
Share issue - Placement		18,200,000	-	-	-	-	18,200,000
Share issue - Exercise of rights		228,764	(228,764)	-	-	-	-
Share issue – Project acquisitions		145,100	-	-	-	-	145,100
Share issue costs		(984,746)	-	-	-	-	(984,746)
Share-based payments		-	435,992	-	-	-	435,992
Balance at 30 June 2025		110,328,148	11,002,457	(113,476)	110,237	(34,701,058)	86,626,307

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 six months ended June 30, 2026 and 2025

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	Notes	2026 \$	2025 \$
Operating activities			
Payments to suppliers and employees		(3,288,436)	(2,846,844)
Payments for exploration expenditure		(487,825)	(108,280)
Interest received		376,159	168,402
Interest paid		-	(15,549)
Net refundable sales tax payments made		(154,647)	(133,636)
Net cash used in operating activities		(3,554,750)	(2,935,907)
Investing activities			
Payments for capitalised project acquisition costs		(198,378)	(167,000)
Payments for capitalised exploration expenditure		(7,811,267)	(5,773,343)
Payments for the acquisition of entities		-	(898,265)
Payments for the purchase of property plant and equipment		(9,079)	(16,000)
Proceeds from the sale of property, plant and equipment		28,250	500
Government incentives received		92,718	842,118
Net cash used in investing activities		(7,897,757)	(6,011,990)
Financing activities			
Proceeds from shares issued	6	25,000,000	18,200,000
Proceeds from exercise of share options		16,987	-
Share issue costs		(1,381,610)	(984,746)
Net cash provided by financing activities		23,635,378	17,215,254
Net change in cash and cash equivalents		12,182,871	8,267,357
Effect of movement in exchange rates on cash held		(13,268)	(56,698)
Cash and cash equivalents, beginning of period		13,351,264	14,869,835
Cash and cash equivalents, end of year	4	25,520,869	23,080,494

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

Notes to the Consolidated Financial Statements

For the periods ended June 30, 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 30 June 2026, the Group had current assets of \$27,412,122 (31 December 2025: \$14,942,436), including cash and cash equivalents of \$25,520,869 (31 December 2025: \$13,351,264), and current liabilities of \$1,437,571 (31 December 2025: \$2,958,909).

The Group's cashflow forecast through to the end of September 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. This forecast is subject to change and is based off a modest exploration and resource conversion spend.

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 14 August 2026.

2. Summary of Material Accounting Policies (continued)

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 11. 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.

(b) 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.

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.

(c) 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)

(d) 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.

(e) 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.

(f) 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 30 June 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.

Notes to the Consolidated Financial Statements

For the periods ended June 30, 2026 and 2025

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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 Interim 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.

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.

Notes to the Consolidated Financial Statements

For the periods ended June 30, 2026 and 2025

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3. Critical Accounting Estimates and Judgements (continued)

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 14) at nil value. As at the reporting date, significant judgement is applied in determining their fair value, as settlement is contingent on the commencement of commercial production. As at reporting date, management has concluded that the fair value is nil due to the absence of certainty as to whether, or when, commercial production will be achieved, having regard to the early stage of development of the underlying 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 30 June 2026. The valuation of the Promissory Notes is subject to material estimation uncertainty, and changes in assumptions regarding project development or the likelihood of achieving commercial production could result in a material change in the recognised amount in future periods.

4. Cash and cash equivalents

	30 Jun 2026 \$	31 Dec 2025 \$
Cash at bank and on hand	25,520,869	13,351,264
Cash and cash equivalents	25,520,869	13,351,264

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.

5. Exploration and evaluation assets

	2026 \$	2025 \$
Opening balance – 1 January	73,828,269	61,309,265
Expenditure incurred – Australian tenements	125,472	298,635
Expenditure incurred – Canadian tenements	6,801,474	6,150,112
Project acquisition costs capitalised during the period	340,507	313,639
Foreign currency revaluation of exploration assets	(1,923,428)	(33,982)
Government grants received	(162,167)	(776,051)
Closing balance – 30 June	79,010,127	67,261,618

5. Exploration and evaluation assets (continued)

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 cash payment of C\$120,000 and issue of 600,000 shares was completed on 15 June 2026. Cygnus was also required to incur total expenditure on the project of C\$1,000,000 by 18 May 2026, which has 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. This final consideration cash payment of C\$75,000 and issue of 450,000 shares was completed on 15 June 2026. Cygnus was also required to incur total expenditure on the project of C\$1,000,000 by 18 November 2026 to meet the remaining earn-in requirements, this condition was satisfied during the current reporting period.

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.

Notes to the Consolidated Financial Statements

For the periods ended June 30, 2026 and 2025

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6. 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 \$
Balance at 1 January 2025		848,319,650		92,739,029
Share issue – Share right conversion	06/02/2025	912,021	-	75,426
Share issue – Pontax JV earn-in extension	09/04/2025	300,000	0.1050	31,500
Share issue – Project acquisition instalment	19/05/2025	1,000,000	0.0710	71,000
Share issue – Beryl Lake acquisition instalment	19/05/2025	600,000	0.0710	42,600
Share issue – Share right conversion	26/06/2025	196,471	-	12,444
Share issue – Performance right conversion	26/06/2025	306,129	-	140,895
Share issue – Placement T1	27/06/2025	211,627,907	0.0860	18,200,000
Share issue – Placement T2	27/08/2025	1,162,790	0.0860	100,000
Less share issue costs		-	-	(1,111,212)
Balance at 31 December 2025		1,064,424,968		110,301,681
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
Share issue – Performance right conversion	15/06/2026	3,000,000	-	720,000
Share issue – Beryl Lake acquisition instalment	15/06/2026	600,000	0.1350	81,000
Share issue – Sakami acquisition instalment	15/06/2026	450,000	0.1350	60,750
Less share issue costs		-	-	(1,381,610)
Balance at 30 June 2026		1,224,963,340		134,802,478

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.

7. Reserves

	30 Jun 2026 \$	31 Dec 2025 \$
Share-based payment reserve	14,093,076	13,063,198
Investment revaluation reserve	854,466	312,224
Foreign currency translation reserve	(2,237,083)	(394,890)
Total reserves	12,710,459	12,980,531

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8. 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 30 Jun 2026	Vested and exercisable at 30 June 2026
31/12/2024	16/02/2026	\$0.1748 ¹	365,940	-	(365,940)	-	-
31/12/2024	22/04/2026	\$0.6743 ¹	1,796,760	-	(1,796,760)	-	-
31/12/2024	19/08/2026	\$0.4843 ¹	82,336	-	(82,336)	-	-
31/12/2024	26/09/2026	\$0.0644 ¹	43,912	(9,660)	-	34,252	34,252
31/12/2024	12/05/2027	\$0.3617 ¹	1,024,631	-	-	1,024,631	1,024,631
31/12/2024	13/06/2027	\$0.3372 ¹	109,782	-	-	109,782	109,782
31/12/2024	19/08/2027	\$0.2514 ¹	1,829,700	-	-	1,829,700	1,829,700
31/12/2024	12/05/2028	\$0.1226 ¹	1,280,789	(45,742)	-	1,235,047	1,235,047
31/12/2024	19/04/2029	\$0.0614 ¹	6,907,116	(182,970)	-	6,724,146	6,724,146
31/12/2024	16/09/2029	\$0.0644 ¹	137,227	-	-	137,227	137,227
			13,578,193	(238,372)	(2,245,036)	11,094,785	11,094,785
Weighted average exercise price:			\$0.2068	\$0.0733	\$0.5859	\$0.1301	\$0.1301
Weighted average remaining contractual life:							2.23 years

Note: ¹ 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	Lapsed	Closing balance 30 Jun 2025	Vested and exercisable at 30 Jun 2025
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 ¹	1,257,001	(1,257,001)		
31/12/24	5/06/2025	\$0.1150 ¹	43,912	(43,912)		
31/12/24	6/06/2025	\$0.1150 ¹	123,504	(123,504)		
31/12/24	1/09/2025	\$0.5885 ¹	54,891	-	54,891	54,891
31/12/24	16/02/2026	\$0.1748 ¹	365,940	-	365,940	365,940
31/12/24	22/04/2026	\$0.6743 ¹	1,920,264	-	1,920,264	1,920,264
31/12/24	19/08/2026	\$0.4843 ¹	82,336	-	82,336	82,336
31/12/24	26/09/2026	\$0.0644 ¹	43,912	-	43,912	43,912
31/12/24	17/01/2027	\$0.4291 ¹	123,504	(123,504)		
31/12/24	15/05/2027	\$0.3617 ¹	1,225,898	(109,782)	1,116,116	1,116,116
31/12/24	13/06/2027	\$0.3372 ¹	109,782	-	109,782	109,782
31/12/24	19/08/2027	\$0.2514 ¹	1,829,700	-	1,829,700	1,829,700
31/12/24	12/05/2028	\$0.1226 ¹	1,482,056	(109,782)	1,372,274	1,372,274
31/12/24	19/04/2029	\$0.0614 ¹	7,410,283	-	7,410,283	7,410,283
31/12/24	16/09/2029	\$0.0644 ¹	137,227	-	137,227	137,227
			25,710,210	(5,267,485)	20,442,725	20,442,725
Weighted average exercise price:			\$0.2855	\$0.2267	\$0.3011	\$0.3011
Weighted average remaining contractual life:						1.91 years

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

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8. 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 30-Jun-26	Vested and convertible 30-Jun-26	Value of rights expensed during the period \$
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	-
		3,146,535	-	-	3,146,535	3,146,535	-

Issue Date	Expiry date	Opening balance 1-Jan-25	Granted as remuneration	Converted	Closing balance 30-Jun-25	Vested and convertible 30-Jun-25	Value of rights expensed during the period \$
9/07/24	31/07/29	2,395,018	-	(183,550)	2,019,128	2,019,128	-
30/10/24	31/07/29	1,118,422	-	(392,040)	726,382	726,382	-
10/01/25	31/07/29	-	741,587	(340,562)	401,025	401,025	-
		3,513,440	741,587	(916,152)	3,146,535	3,146,535	-

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	Exercised	Lapsed	Closing Balance 30-Jun-26	Vested and exercisable 30-Jun-26	Value of rights expensed during the period \$
2026									
A	15/08/22	29/08/23	21/10/27	1,500,000	(1,500,000)	-	-	-	-
B	15/08/22	29/08/23	21/10/27	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	-	114,736
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	-	150,990
A8	14/05/25	11/07/28	31/05/30	9,666,667*	-	-	9,666,667	-	115,229
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^	-	(33,333)	9,566,661	-	110,517
A11	29/05/25	11/07/28	31/05/30	9,599,999	-	(33,333)	9,566,666	-	110,517
A12	29/05/25	11/07/28	31/05/30	9,600,007^	-	(33,334)	9,566,673	-	462,878
A13	07/11/25	11/07/28	31/05/30	101,250	-	(75,000)	26,250	-	93
A14	07/11/25	11/07/28	31/05/30	101,250 ^g	-	(75,000)	26,250	-	9,661
A15	04/11/25	11/07/28	31/05/30	1,500,000	-	-	1,500,000	-	34,681
A16	04/11/25	11/07/28	31/05/30	1,500,000 ^g	-	-	1,500,000	-	163,336
				84,931,309	(3,000,000)	(1,309,603)	80,621,706	10,369,206	1,753,547

Notes:

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

^ Vested 11 July 2026.

^g 20-Day VWAP ≥ A\$0.1815 per share vesting condition met, however performance rights not due to vest until 27 Nov – 15 Dec 2026 (being 12 months after their issue, in accordance with TSXV rules).

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8. 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	Exercised	Closing balance 30-Jun-2025	Vested and exercisable at 30-Jun-2025	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)	-	-	-
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	-	117,709
R	31/01/23	13/02/28	13/02/28	2,500,000*	-	2,500,000	-	114,736
V	26/03/23	13/02/28	13/02/28	400,000	-	400,000	-	6,989
W	26/03/23	05/04/25	03/04/28	300,000	(100,000)	200,000	200,000	8,306
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	1,328
Z	02/03/23	24/02/26	04/05/28	50,000	-	50,000	-	2,906
A4	28/08/23	31/12/25	05/09/28	1,059,603*	-	1,059,603	-	35,756
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	-	38,819
				21,278,809	(350,000)	20,928,809	8,300,000	326,549

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

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8. 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 ₂ 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 ₂ 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 ₂ 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: - If TSR >50th percentile – 100% vesting - If TSR between 25th and 50th percentile – 50% vesting - If TSR <25% percentile – 0% vesting
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 ₂ 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:

	Six months ended 30 June	
	2026 \$	2025 \$
Performance rights	1,753,547	435,992
	1,753,547	435,992

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9. 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 30 June 2026, the Group had on issue 11,094,785 unlisted share options (31 December 2025: 13,578,193), 80,621,706 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 30 June	
	2026	2025
Net loss attributable to ordinary equity holders of the Company	(\$1,979,362)	(\$1,658,302)
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted loss per share	1,221,588,340	856,538,464
Basic and diluted loss per share (cents per share)	(0.16)	(0.19)

	Six months ended 30 June	
	2026	2025
Net loss attributable to ordinary equity holders of the Company	(\$4,652,294)	(\$2,993,644)
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted loss per share	1,153,535,885	853,097,567
Basic and diluted loss per share (cents per share)	(0.40)	(0.35)

10. Related party transactions

KMP remuneration

	Three months ended 30 June		Six months ended 30 June	
	2026 \$	2025 \$	2026 \$	2025 \$
Short-term employee benefits	343,210	300,681	678,307	595,471
Post-employment benefits	9,450	8,914	18,900	17,828
Share-based payments	616,235	122,384	1,612,855	283,541
Total	968,894	431,979	2,310,062	896,840

10.1 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 six months ended 30 June 2026 totalling \$6,646 (2025: \$13,337). There were no amounts owing to Andean Silver Limited by the Company at 30 June 2026 (2025: \$4,912).

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 six months ended 30 June 2026 totalling \$68,273 (2025: \$49,145). \$24,632 was owing to FireFly Metals Limited by the Company at 30 June 2026 (2025: \$14,291).

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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11. Subsidiaries

Name of Entity	Country of Incorporation	2026 % equity interest	2025 % equity interest
Parent Entity			
Cygnus Metals Limited	Australia	100	100
Subsidiaries			
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

12. 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:

	30 Jun 2026 \$	31 Dec 2025 \$
Cash and cash equivalents	25,520,869	13,351,264
Other receivables	1,891,253	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 30 June 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:

	30 Jun 2026 \$	31 Dec 2025 \$
Not later than 45 days	1,086,424	2,566,313
Greater than 45 days and less than 12 months	-	-
Total	1,086,424	2,566,313

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12. 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 30 June 2026 \$	Carrying Amount 31 December 2025 \$
Cash on deposit – CAD\$1,099,657 (2025: CAD\$1,074,503)	1,035,927	1,175,331
Listed investments – CAD\$1,287,000 (2025: CAD\$701,250)	1,309,296	767,053
Totals	2,345,223	1,942,384

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	234,522	194,238
10% decrease	(234,522)	(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.

13. 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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14. 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 30 June 2026, no adjustments were necessary.

15. Post reporting date events

There have not been any events that have arisen between 30 June 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.