

CYGNUS

M E T A L S

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the Years Ended December 31, 2025 and 2024

(Stated in Australian Dollars)

ABN: 80 609 094 653

Management's Discussion & Analysis of Financial Condition and Results of Operations For the year ended December 31, 2025

Date of Report: 30 March 2026

GENERAL

The following Management's Discussion and Analysis ("MD&A") of Cygnus Metals Limited ("Cygnus" or the "Company") and its subsidiaries (the "Group") should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2025 and the notes thereto. The Company's audited consolidated financial statements have been prepared in accordance 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"). Unless otherwise stated, all amounts discussed herein are denominated in Australian dollars. This MD&A was prepared as of 30 March 2026 and all information is current as of such date. Readers are encouraged to read the Company's public information filings on SEDAR+ at www.sedarplus.ca.

This discussion provides management's analysis of the Company's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

CORPORATE OVERVIEW

Cygnus is a diversified critical minerals exploration and development company with key assets located in Tier 1 mining jurisdictions of Quebec, Canada and Western Australia. Cygnus acquired the Chibougamau copper-gold project ("Chibougamau Project") as part of its merger with Doré Copper Mining Corp. ("Doré") completed on 31 December 2024. The Chibougamau Project, located in central Quebec approximately 480km due north of Montreal, has excellent infrastructure with a 900,000tpa processing plant facility (Figure 1). The Company's primary focus is to advance the Chibougamau Project with an aggressive exploration program to drive resource growth and develop a hub-and-spoke operation model with its centralised processing facility. In addition, Cygnus has quality lithium assets with significant exploration upside in the world-class James Bay district in Quebec, and rare earth element ("REE") and base metal projects in Western Australia.

Cygnus was incorporated under the laws of Australia. The Company is listed on the Australian Securities Exchange ("ASX") under the symbol "CY5", on the Toronto Stock Venture Exchange ("TSXV") under the symbol "CYG", and on the OTCQB Venture Marketplace in the U.S. under the symbol "CYGGF". The Company's office is located at Level 2, 8 Richardson Street, West Perth WA 6005.

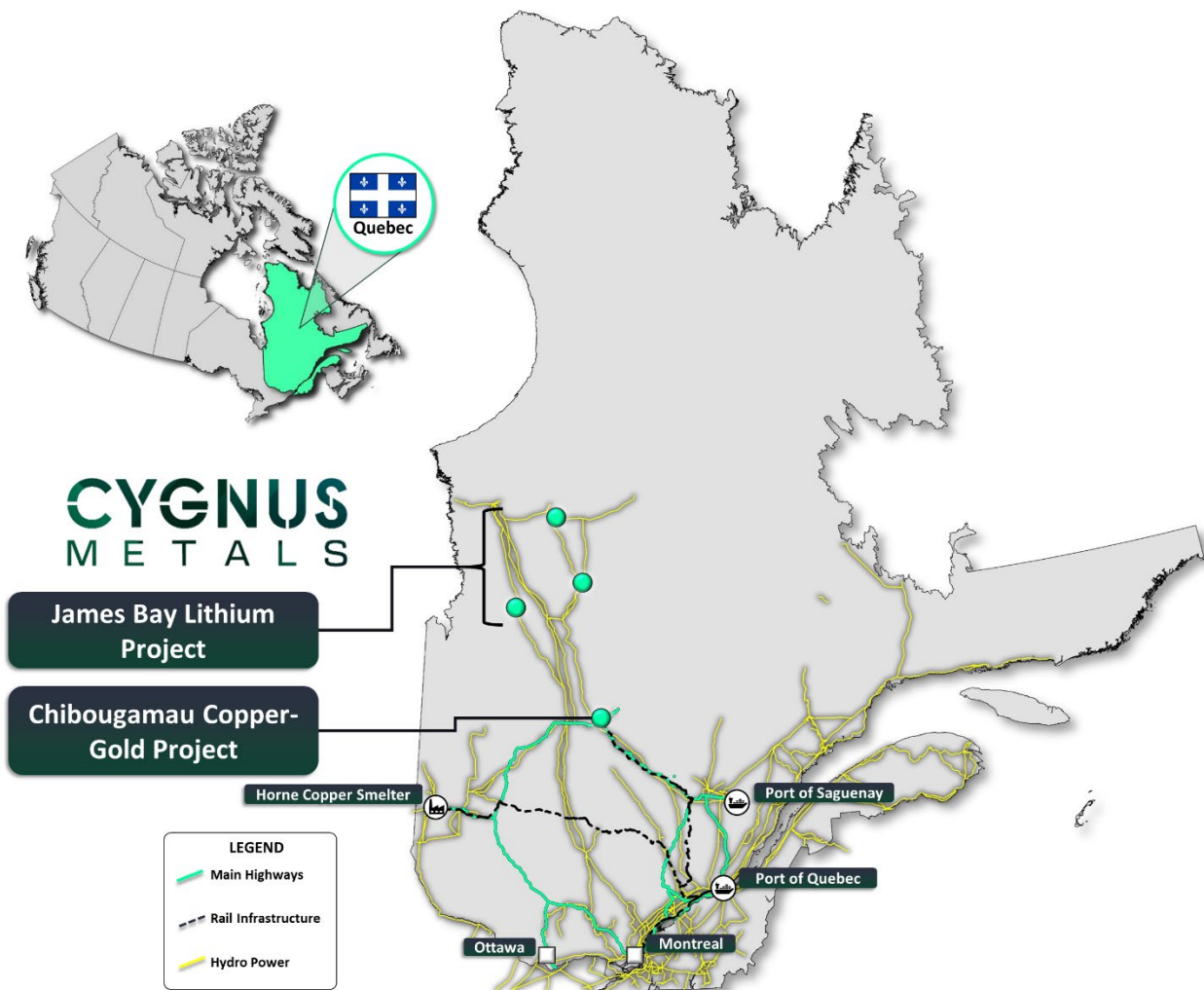


Figure 1: Assets located in Quebec close to major hydropower and rail infrastructure.

CHIBOUGAMAU PROJECT, QUEBEC

Cygnus has consolidated a large land package of over 281km² in the prolific Chibougamau mining district that has produced over 945,000t of copper and 3.5Moz of gold from 16 former producing mines between the early 1900s and 2008.¹

The Chibougamau Project has excellent infrastructure with a local mining town, sealed highway, airport, regional rail infrastructure and access to hydro power via installed powerlines. The infrastructure includes a processing facility of 900,000tpa consisting of a conventional circuit that produced a high-quality clean concentrate. The processing facility is located 10km from the town of Chibougamau and was last operated in 2008. It is the only remaining processing plant within the Chibougamau district and the only base metal processing facility within a 250km radius that hosts a number of other advanced copper and gold projects.

Chibougamau Project Resources

The Chibougamau Project has a high-grade Mineral Resource Estimate (“MRE”) of 6.4Mt at 3.0% CuEq for 193kt CuEq in the Measured and Indicated category and 8.5Mt at 3.5% CuEq for 295kt CuEq in the Inferred category, reported in accordance with the JORC Code 2012 and the CIM Definition Standards (CIM, 2014).

The resource base is comprised of five deposits – Corner Bay (main asset), Devlin, Cedar Bay, Golden Eye and Joe Mann – all located within a 60km radius of the centralized processing facility (Figure 2).

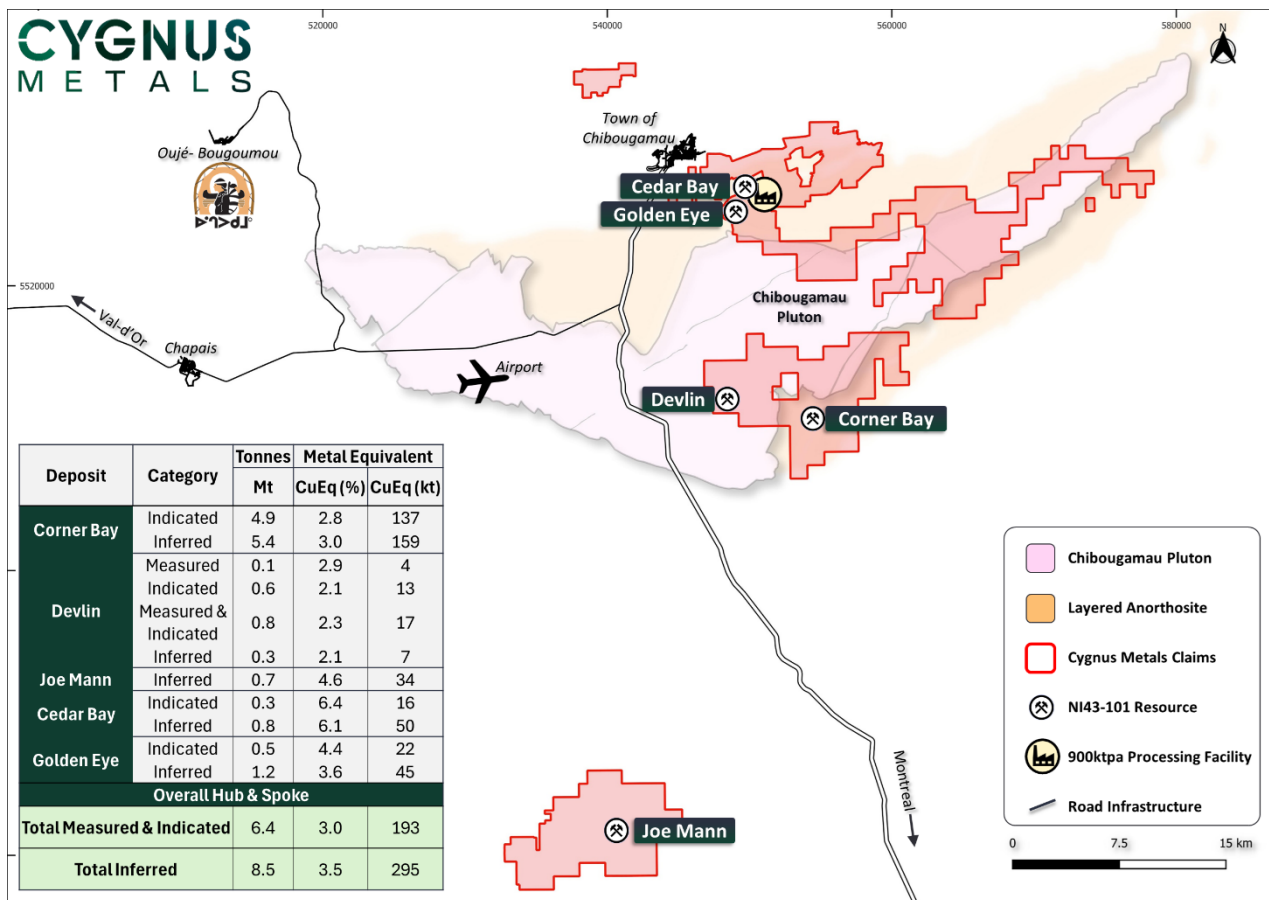


Figure 2: Chibougamau Project is comprised of the Corner Bay, Devlin, Cedar Bay, Golden Eye and Joe Mann deposits, and the 900,000t per annum processing facility.²

Scoping Study / Preliminary Economic Assessment (“PEA”)

With the MRE update resulting in a 78% increase in the Measured and Indicated Mineral Resources since acquisition by Cygnus, the Company also sees significant value in continuing to advance the Chibougamau Project with an updated Scoping Study / PEA (Doré had previously completed a PEA in 2022)* as there is significant opportunity to enhance the economics of the Chibougamau Project by using an updated MRE with updated costs (particularly treatment and refining charges), the inclusion of silver, exchange rates and metal prices to reflect the current commodity price environment. The Company looks forward to providing an updated study during 2026.

*Cygnus cautions that the PEA is a preliminary technical, conceptual and economic study undertaken by Doré of the initial evaluation and potential development of the Chibougamau Project. It is at scoping study level only, which is based on a lower level of technical assessment that is not sufficient to support the estimation of Ore Reserves and is inherently uncertain. The production targets and forecast financial information disclosed in the PEA are underpinned by Measured Mineral Resources (approximately 1.17%), Indicated Mineral Resources (approximately 32.10%) and Inferred Mineral Resources (approximately 66.73%). However, Cygnus is not able to disclose the outcomes of the PEA as the significant proportion of Inferred Resources included in the Life of Mine means that pursuant to ASX and ASIC guidance there is not considered to be sufficiently reasonable grounds for the production targets and forecast financial information disclosed in the PEA. Accordingly, Cygnus is not disclosing the production targets and forecast financial information reported in the PEA and cautions investors against making investment decisions based on such targets and forecasts.

JAMES BAY LITHIUM PROJECTS, QUEBEC

Cygnus has three key lithium projects for a total of 390km² in the world-class James Bay lithium region of Quebec:

- **Pontax Project** (51% interest) – JORC-compliant Inferred Mineral Resource of 10.1Mt at 1.04% Li₂O (NI 43-101 compliant Inferred Mineral Resource of 8.27Mt at 1.02% Li₂O) (100% basis);⁴³
- **Auclair Project** – Significant drill intersection of 43.7m at 1.15% Li₂O; and
- **Sakami Project** – Early-stage lithium exploration project in the La Grande greenstone belt which hosts the substantial Shaakichiuwaanaan lithium deposit.

The James Bay region is one of the most endowed lithium terranes in the world with significant discoveries and exploration activity over the last couple of years.

EXPLORATION PROJECTS, AUSTRALIA

Cygnus has approximately 1,011km² (100% Cygnus) of granted tenements in the Southwest Terrane, an underexplored region of highly prospective geology, within the prolific Yilgarn Craton in Western Australia. The projects cover interpreted and known greenstone belts where previous explorers identified numerous prospects with widespread high grade, near surface gold and/or base metals mineralisation. Cygnus is exploring key prospective tenure for lithium as well as REEs, nickel, copper, gold and platinum group elements (“PGEs”).

2025 HIGHLIGHTS AND SUBSEQUENT EVENTS

The Company’s key events and highlights during 2025 and up to 30 March 2026 include:

EXPLORATION

Mineral Resource Update

On 16 September 2025, the Company announced an updated MRE for the Chibougamau Project (refer to Table 1). This updated MRE is comprised of:

- **6.4 Mt at 3.0% CuEq** (2.3% Cu, 0.8 g/t Au, 7.6 g/t Ag) for **193 kt CuEq** (149 kt Cu, 167 koz Au, and 1.6 Moz Ag) or **4.3 g/t AuEq** for **884 koz AuEq** in the Measured and Indicated categories; and
- **8.5 Mt at 3.5% CuEq** (2.1% Cu, 1.7 g/t Au, 7.9 g/t Ag) for **295 kt CuEq** (182 kt Cu, 454 koz Au, and 2.2 Moz Ag) or **4.8 g/t AuEq** for **1.3 Moz AuEq** in the Inferred category.

Overall, this resulted in a significant increase in the total resource base for the hub-and-spoke project.

The MRE update for the Chibougamau Project included the Corner Bay, Cedar Bay, Joe Mann, and Devlin deposits and the new Golden Eye deposit, all located within a 60km radius from Cygnus’ 100%-owned existing processing facility. The increase in the MRE was the result of drilling programs completed by Doré in 2022 and 2024 at Corner Bay, and Cygnus in 2025 at Corner Bay and Golden Eye.

A major part of the increased MRE was due to a successful exploration drilling campaign at Golden Eye which was a focus of early target generation and exploration work by the Cygnus exploration team. The initial Mineral Resource at Golden Eye has 0.5Mt at 5.6 g/t AuEq for 91 koz in the Indicated category and 1.2Mt at 4.6 g/t AuEq for 182 koz in the Inferred category. The Company sees further opportunity to grow this resource, which remains open at depth below 400m and in multiple directions.

The increase in the global MRE in a short timeframe proves that significant growth opportunities exist at the Chibougamau Project. Diamond drill rigs are continuing to turn while the Company continues to execute its in-house AI driven solution for the compilation of historic drill logs and maps, some of which have never been viewed in modern 3D software. This background work has successfully assisted Cygnus in targeting Golden Eye and resulted in the delivery of an initial MRE, as well as identifying new drill targets at Cedar Bay (currently being drilled; see below), and will be fundamental to generating additional drill targets within the camp.

Significant exploration potential is centred around the high-grade Chibougamau mineral system, which has a production history of 945,000t of copper and 3.5Moz of gold.¹ This endowment, combined with a fractured ownership history and premature mine closure, provides Cygnus with the first opportunity to conduct modern systematic exploration in over 20 years.

The MRE update provides the foundation for advancing the economic studies of the Chibougamau Project. Well-established infrastructure provides a significant head start along the pathway to production with a 900,000tpa processing facility, local mining town, sealed highway, airport, regional rail infrastructure, and 25kV hydro power to the processing site. Significantly, the Chibougamau processing facility is the only base metal processing facility within a 250km radius. There are a number of other advanced copper and gold projects within this reach.

The technical report titled "NI 43-101 Technical Report Chibougamau Hub and Spoke Complex, Québec, Canada", prepared by SLR Consulting (Canada) Ltd. with the participation of Ausenco Pty Limited in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the 2012 Edition of the Joint Ore Reserves Committee Code ("JORC Code") was filed on 31 October 2025. A copy of the technical report is available on the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at <https://www.cygnusmetals.com>.

Table 1: Mineral Resource Estimate ("MRE") for the Chibougamau Copper-Gold Project (effective date 30 August 2025).

Cu Project	Classification	COG CuEq	Tonnage	Average Grade					Contained Metal				
				Cu	Au	Ag	CuEq	AuEq	Cu	Au	Ag	CuEq	AuEq
		%	Mt	%	g/t	g/t	%	g/t	kt	koz	koz	kt	koz
Corner Bay	Indicated	1.2	4.9	2.5	0.3	8.4	2.8	4.1	124	43	1,316	137	638
	Inferred		5.4	2.7	0.2	8.9	3.0	4.3	146	41	1,543	159	744
Devlin	Measured	1.5	0.1	2.7	0.3	0.5	2.9	4.7	4	1	2	4	19
	Indicated		0.6	2.0	0.2	0.2	2.1	3.4	13	4	5	13	69
	M&I		0.8	2.1	0.2	0.3	2.3	3.6	16	5	7	17	88
	Inferred		0.3	2.0	0.2	0.3	2.1	3.4	7	2	3	7	36
Total	Measured	1.2-1.5	0.1	2.7	0.3	0.5	2.9	4.7	4	1	2	4	19
	Indicated		5.5	2.5	0.3	7.5	2.7	4.0	137	47	1,321	150	707
	M&I		5.6	2.5	0.3	7.3	2.7	4.0	140	48	1,323	154	726
	Inferred		5.7	2.7	0.2	8.4	2.9	4.2	153	43	1,546	166	780
Au Project	Classification	COG AuEq	Tonnage	Average Grade					Contained Metal				
				Cu	Au	Ag	CuEq	AuEq	Cu	Au	Ag	CuEq	AuEq
		g/t	Mt	%	g/t	g/t	%	g/t	kt	koz	koz	kt	koz
Joe Mann	Inferred	2.0	0.7	0.2	6.0	-	4.6	6.3	2	143	-	34	151
Cedar Bay	Indicated	1.8	0.3	1.6	6.0	9.9	6.4	8.1	4	50	82	16	67
	Inferred		0.8	2.0	5.1	11.8	6.1	7.8	17	134	309	50	205
Golden Eye	Indicated	1.8	0.5	1.0	4.3	9.9	4.4	5.6	5	69	161	22	91
	Inferred		1.2	0.9	3.4	7.9	3.6	4.6	11	134	313	45	182
Total	Indicated	1.8-2.0	0.8	1.2	4.9	9.9	5.1	6.5	9	119	243	39	158
	Inferred		2.8	1.0	4.6	6.9	4.6	6.0	29	411	622	129	538
Project	Classification	Tonnage	Average Grade					Contained Metal					
			Cu	Au	Ag	CuEq	AuEq	Cu	Au	Ag	CuEq	AuEq	
		Mt	%	g/t	g/t	%	g/t	kt	koz	koz	kt	koz	
Hub and Spoke	Measured	0.1	2.7	0.3	0.5	2.9	4.7	4	1	2	4	19	
	Indicated	6.3	2.3	0.8	7.8	3.0	4.3	146	166	1,563	189	865	
	M&I	6.4	2.3	0.8	7.6	3.0	4.3	149	167	1,565	193	884	
	Inferred	8.5	2.1	1.7	7.9	3.5	4.8	182	454	2,168	295	1,318	

Notes:

1. *Cygnus' Mineral Resource Estimate for the Chibougamau Copper-Gold project, incorporating the Corner Bay, Devlin, Joe Mann, Cedar Bay, and Golden Eye deposits, is reported in accordance with the JORC Code and the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") (2014) definitions in NI 43-101.*
2. *Mineral Resources are estimated using a long-term copper price of US\$9,370/t, gold price of US\$2,400/oz, and silver price of US\$30/oz, and a US\$/C\$ exchange rate of 1:1.35.*
3. *Mineral Resources are estimated at a CuEq cut-off grade of 1.2% for Corner Bay and 1.5% CuEq for Devlin. A cut-off grade of 1.8 g/t AuEq was used for Cedar Bay and Golden Eye; and 2.0 g/t AuEq for Joe Mann.*
4. *Corner Bay bulk density varies from 2.85 tonnes per cubic metre (t/m³) to 3.02t/m³ for the estimation domains and 2.0 t/m³ for the overburden. At Devlin, bulk density varies from 2.85 t/m³ to 2.90 t/m³. Cedar Bay, Golden Eye, and Joe Mann use a bulk density of 2.90 t/m³ for the estimation domains.*
5. *Assumed metallurgical recoveries are as follows: Corner Bay copper is 93%, gold is 78%, and silver is 80%; Devlin copper is 96%, gold is 73%, and silver is 80%; Joe Mann copper is 95%, gold is 84%, and silver is 80%; and Cedar Bay and Golden Eye copper is 91%, gold is 87%, and silver is 80%.*
6. *Assumptions for CuEq and AuEq calculations (set out below) are as follows: Individual metal grades are set out in the table. Commodity prices used: copper price of US\$9,370/t, gold price of US\$2,400/oz and silver price of US\$30/oz. Assumed metallurgical recovery factors: set out above. It is the Company's view that all elements in the metal equivalent calculations have a reasonable potential to be recovered and sold.*
7. *CuEq Calculations are as follows:*
 - a. *Corner Bay = grade Cu (%) + 0.68919 * grade Au (g/t) + 0.00884 * grade Ag (g/t).*
 - b. *Devlin = grade Cu (%) + 0.62517 * grade Au (g/t) + 0.00862 * grade Ag (g/t).*
 - c. *Joe Mann = grade Cu (%) + 0.72774* grade Au (g/t).*
 - d. *Golden Eye and Cedar Bay = grade Cu (%) + 0.78730* grade Au (g/t) + 0.00905 * grade Ag (g/t).*
8. *AuEq Calculations are as follows:*
 - a. *Corner Bay = grade Au (g/t) + 1.45097* grade Cu(%) + 0.01282* grade Ag (g/t).*
 - b. *Devlin = grade Au (g/t) + 1.59957* grade Cu(%) + 0.01379* grade Ag (g/t).*
 - c. *Joe Mann = grade Au (g/t) + 1.37411* grade Cu (%).*
 - d. *Cedar Bay and Golden Eye = grade Au (g/t) + 1.27016 * grade Cu (%) + 0.01149 * grade Ag (g/t).*
9. *Wireframes were built using an approximate minimum thickness of 2 m at Corner Bay, 1.8 m at Devlin, 1.2 m at Joe Mann, and 1.5 m at Cedar Bay and Golden Eye.*
10. *Mineral Resources are constrained by underground reporting shapes.*
11. *Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*
12. *Totals may vary due to rounding.*

2025 Exploration Program

In 2025, the Company completed 68 drill holes totalling 33,927 meters at the Chibougamau Project. The geology team continued its data compilation and generative exploration activities to develop new targets. The exploration activities carried out by Cygnus during 2025 at the Chibougamau Project are summarized below.

No substantive exploration activities were conducted at Cygnus' three key lithium projects in the James Bay region of Quebec and Cygnus' tenements in Western Australia.

Corner Bay Infill Drilling (Corner Bay-Devlin Property)

Corner Bay is Cygnus' flagship deposit within the Chibougamau Project and as a result, it is one of the Company's key targets for both resource growth and resource conversion. The Corner Bay deposit has never been mined; only a shallow ramp to a vertical depth of 115m with 2km of development over three levels was developed in 2008 to take a bulk sample for metallurgical testing. The deposit has been defined to a vertical depth of 1,350m and remains open in several directions.

In the fourth quarter of 2024, prior to the merger of Cygnus and Doré closing, both teams executed a targeted exploration program of eight (8) drill holes totalling 4,689m to test the immediate areas around the Corner Bay deposit, looking for both additional structures and extensions to the resources.

Cygnus completed 33 drill holes totalling 17,133m at Corner Bay during 2025 with the objective of increasing the mineral resources and convert Inferred resources to Indicated resources (Figure 3). All assay results received up to 12 August 2025 were included in the MRE update (refer to above section).

Significant intersections from the Q4 2024 and 2025 program included:

- 7.3m @ 4.6% CuEq (4.2% Cu, 0.3g/t Au & 16.6g/t Ag), including 2.5m @ 9.7% CuEq (9.1% Cu, 0.5g/t Au & 31.4g/t Ag) (CB-24-100);
- 7.3m @ 3.1% CuEq (2.7% Cu, 0.5g/t Au and 9.7g/t Ag) from 492.2m, including 3.3m @ 5.6% CuEq (CB-24-104);
- 9.1m @ 4.4% CuEq (4.1% Cu, 0.3g/t Au & 14.4g/t Ag), including 3.4m @ 7.6% CuEq (7.0% Cu, 0.4g/t Au & 24.9g/t Ag) (CB-25-118);
- 5.8m @ 5.3% CuEq (4.4% Cu, 0.8g/t Au & 28.1g/t Ag) (CB-25-122); and
- 3.5 m at 4.8% CuEq (4.2% Cu, 0.5 g/t Au & 27.3 g/t Ag) (**CB-25-123**).

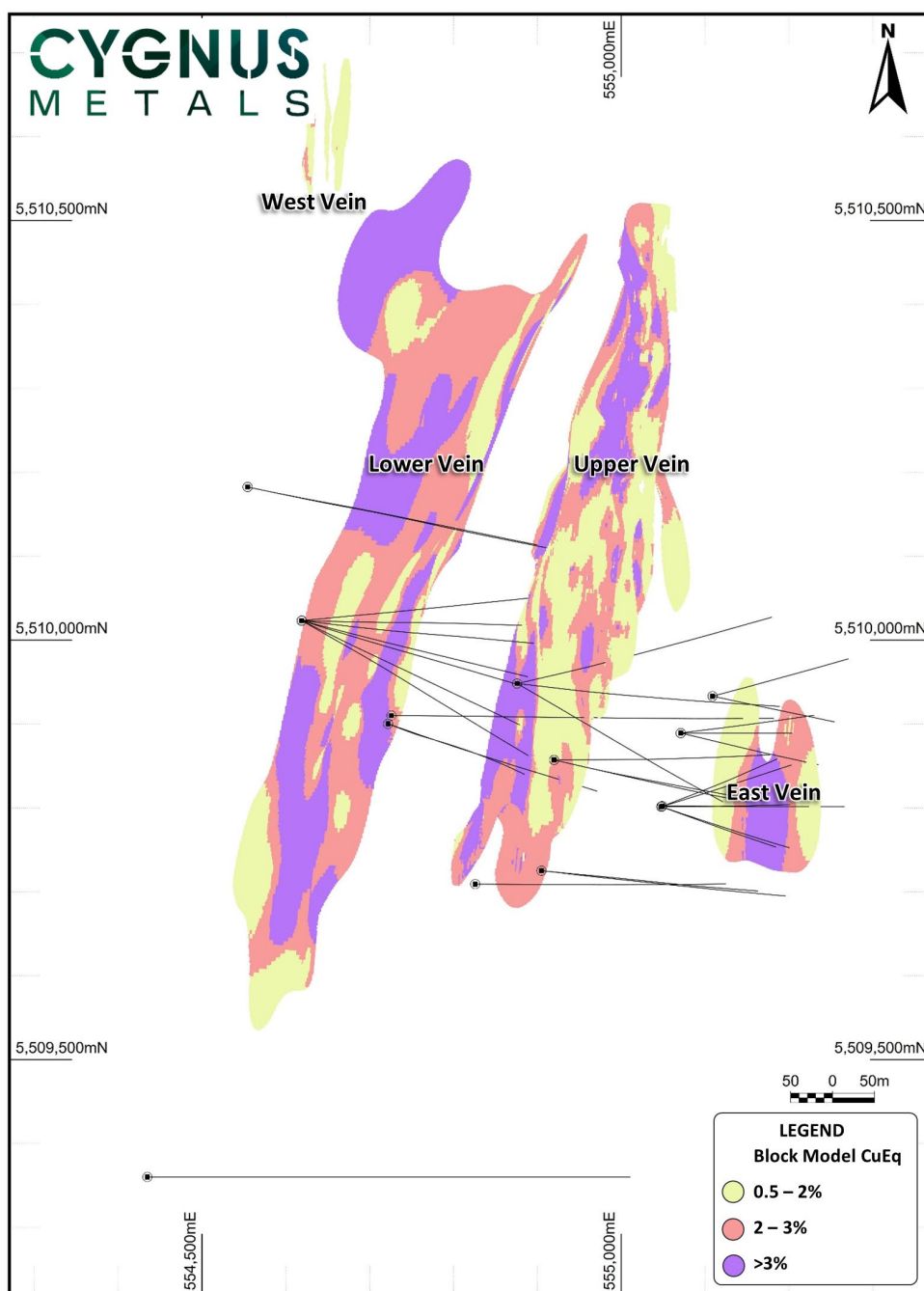


Figure 3: Exploration and infill drilling completed during 2025 at the Corner Bay Deposit with the 2025 MRE block model.

Golden Eye Exploration Drilling (Copper Rand Property)

Golden Eye (previously known as Dore Ramp), located 3km south of the 100%-owned Chibougamau Processing Facility, was identified as a priority drilling target at the Chibougamau Project with shallow high-grade gold mineralization highlighted during the ongoing review of historic hardcopy drill logs, with the most recent drilling conducted in the early 1990s when gold price was less than US\$350/oz. In 1992, a double access ramp was developed to access the mineralization and to provide a better platform for drilling; however, low metal prices and a change of ownership shifted the focus to already established operating mines within the camp.

From February to early April 2025, Cygnus completed six (6) drill holes totalling 1,954m, aimed at confirming historic drilling results and extending mineralization at depth. Significant results from this program included:

- 3.3m @ 6.6g/t Au from 131.7m, including 2.3m @ 9.1g/t Au (LDR-25-05);
- 7.4m @ 5.7g/t AuEq (4.6g/t Au, 0.9% Cu & 5.6g/t Ag) from 405.6m, including 3.1m @ 9.6g/t AuEq (7.4 g/t Au, 1.6% Cu & 10.0g/t Ag) (LDR-25-08);
- 2.9m @ 10.2g/t AuEq (8.3g/t Au, 1.4% Cu and 3.3g/t Ag) from 463.8m, including 0.4m @ 60.8g/t AuEq (51.3g/t Au, 7.2%Cu & 18.0g/t Au) (visible gold) (LDR-25-08);
- 3.3m @ 12.7g/t AuEq from 209.6m (8.4g/t Au, 3.1% Cu & 30.2g/t Ag), including 1.9m @ 21.1g/t AuEq (14.2g/t Au, 4.9% Cu & 47.5g/t Ag) (LDR-25-09);
- 2.5m @ 7.3g/t AuEq from 226.5m (5.9g/t Au, 0.9% Cu & 14.9g/t Ag) (LDR-25-09); and
- 4.3m @ 9.8g/t AuEq from 157.8m (7.5g/t Au, 1.6% Cu & 23.9g/t Ag), including 2.0m @ 18.8g/t AuEq (14.6g/t Au, 2.8% Cu & 43.5g/t Ag) (LDR-25-10).

The drilling confirmed the high-grade tenor of the shallow mineralization and also extended mineralization down dip to 400m below the surface (Figure 4). The mineralization remains open at depth.

Cygnus incorporated the results of this drilling program with the historic drill data (77 holes for 21,371m - both surface and underground drilling) to complete the initial MRE for Golden Eye (see above section on Mineral Resources).

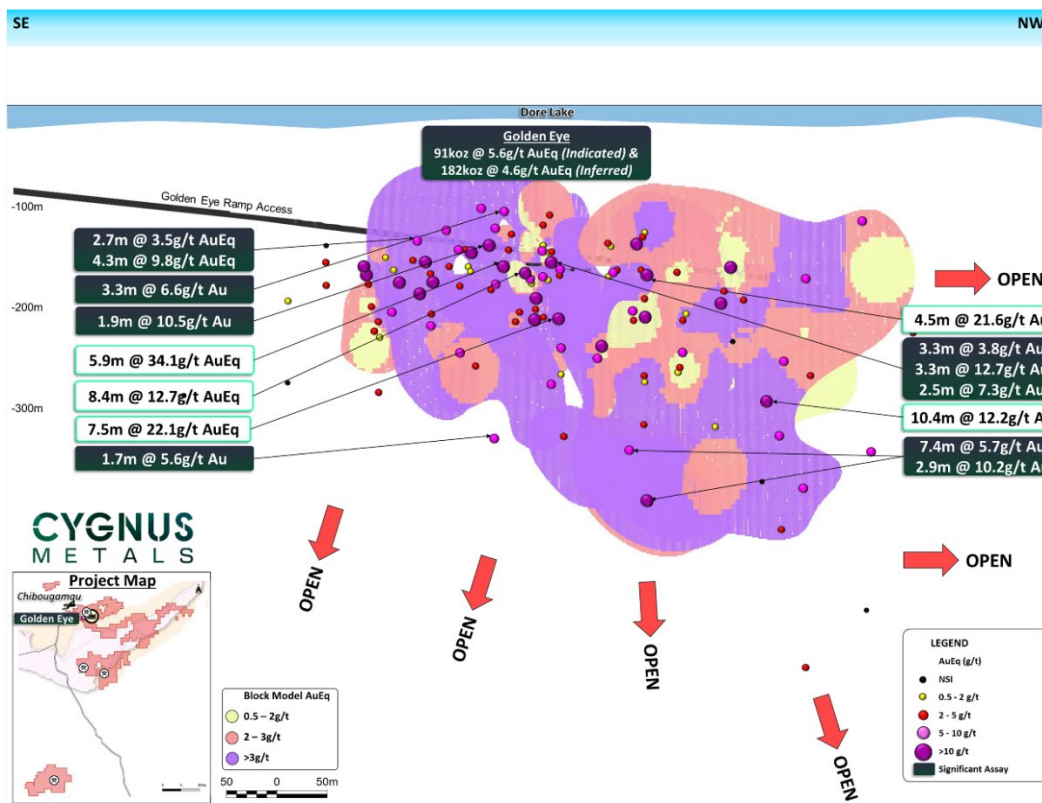


Figure 4: Long Section of Golden Eye showing 2025 MRE block model and holes drilled in 2025 highlighted in green.

Cedar Bay Drilling (Copper Rand Property)

The Cedar Bay mine, located 4km northwest of the 100%-owned Chibougamau Processing Facility, closed in 1990 and was historically one of the highest grade deposits in the camp producing 3.9Mt @ 4.1% CuEq or 5.3g/t AuEq (1.6% Cu and 3.2g/t Au) for 61kt Cu and 402koz Au.¹ Various factors contributed to its premature closure, including low metal prices and a shift in focus of the operating company at the time.

The recently updated MRE for Cedar Bay (see above section on Mineral Resources) highlights that a significant resource remains beneath historic workings and the deposit remains open in numerous directions, providing the opportunity to significantly grow the resource through systematic exploration drilling.

Cygnus commenced a drilling program in August 2025 targeting both mineralisation along strike and down dip of the known lodes, utilising the recently compiled data and improved geological understanding of the deposit. At year-end 2025, 20 holes totalling 11,947m had been completed at Cedar Bay (Figure 5). The first hole of this program targeting extensions of the current Mineral Resource intersected a wide gold-rich zone of mineralisation:

- 10.6m @ 4.1g/t AuEq (3.6g/t Au, 0.3% Cu & 2.8g/t Ag), including 2.9m @ 6.7g/t AuEq (6.2g/t Au, 0.3% Cu & 6.3g/t Ag) and including 0.4m @ 29.1g/t AuEq and 2.9m @ 6.7g/t AuEq (6.2g/t Au, 0.3% Cu & 6.3g/t Ag) (*CDR-25-11W1*).

Additional gold-copper mineralisation was intersected in subsequent drill holes:

- 2.7m @ 5.7g/t AuEq (3.2g/t Au, 1.8% Cu & 10.6g/t Ag) (*CDR-25-12W2*); and
- 1.3m @ 9.3g/t AuEq (2.6g/t Au, 4.8% Cu & 13.9g/t Ag) (*CDR-25-15*).

A new wide mineralised zone was intersected just 200m from surface while targeting the down dip extension of the Cedar Bay deposit:

- 28.9m @ 2.5g/t AuEq (1.0g/t Au, 1.0% Cu & 12.0g/t Ag) (*CDR-25-16*).

This new mineralised zone sits between the Cedar Bay and Copper Cliff historic mines in an area which has seen little exploration and may represent an underexplored parallel lode. Follow up drilling of this target is in progress.

Results are pending for the remaining holes.

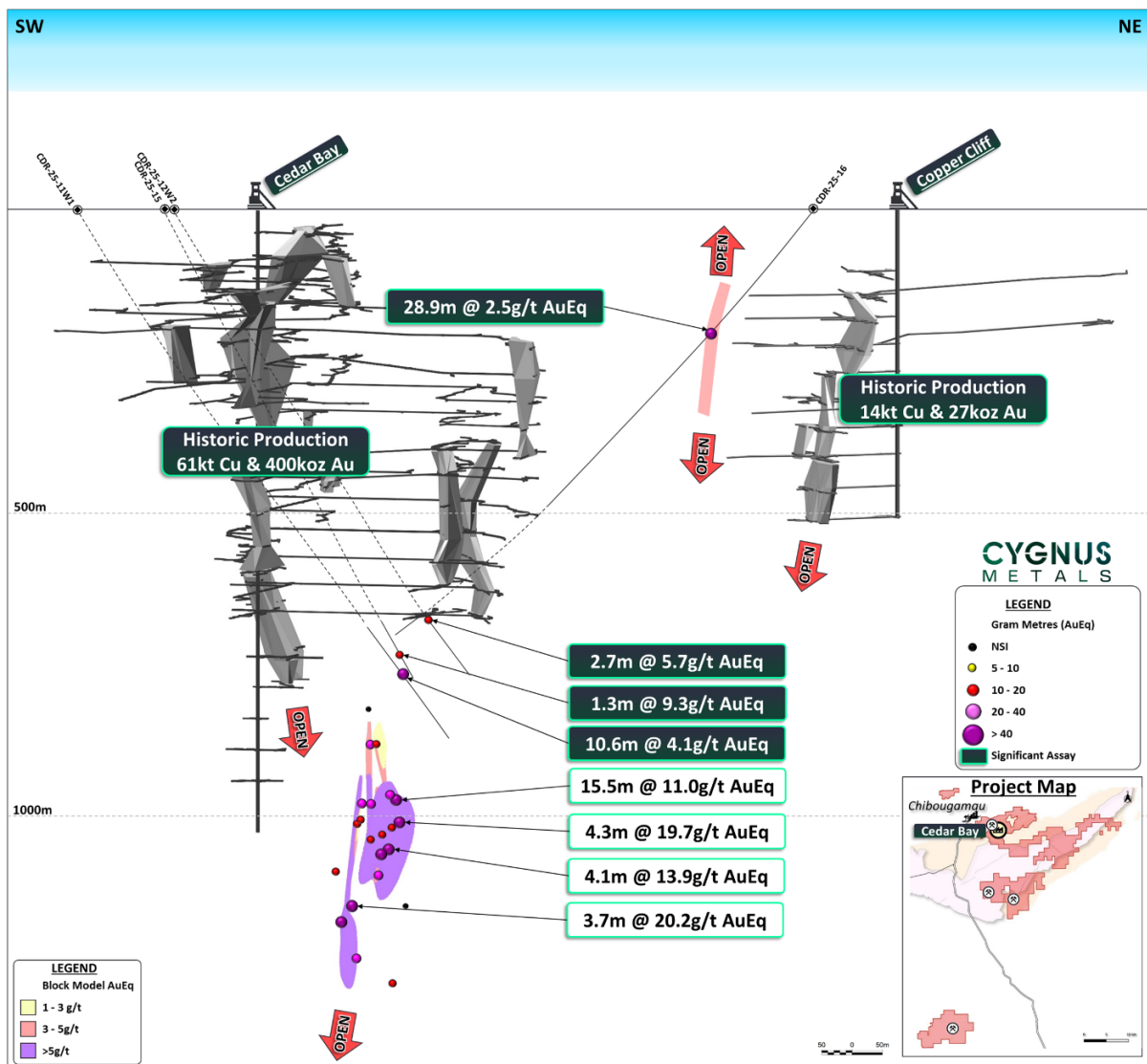


Figure 5: Cedar Bay potential new zone of mineralisation, returning 28.9m @ 2.5g/t AuEq. Drilling from 2025 is highlighted in green.

Colline Exploration Drilling (Copper Rand Property)

Colline (previously known as Shaft 3), located 4km south of the 100%-owned Chibougamau Processing Facility, was identified as a priority target at the Chibougamau Project with near-surface mineralization identified during the ongoing review of historic hardcopy drill logs going back as far as the 1950s. The last time the area was drilled was in 1987, when copper prices were substantially less than today. The Colline area has never been mined and is outside the current Mineral Resources, presenting an opportunity for potential near-surface resource growth.

In the first quarter of 2025, Cygnus completed nine (9) drill holes totalling 2,893 meters to confirm and extend at depth the mineralization identified from historic drilling while also providing a platform for follow up DHEM. Significant intersections from this drilling program included:

- 8.6m @ 2.3% CuEq (1.9% Cu, 0.3g/t Au & 19.0g/t Ag) from 95m, including 2.6m @ 4.4% CuEq & 2.2m @ 3.7% CuEq (S3-25-002); and
- 7.2m @ 1.5% CuEq (1.3% Cu, 0.2g/t Au & 6.7g/t Ag) from 269.4m, including 2.0m @ 2.6% CuEq (S3-25-005).

Results from the drilling program confirmed mineralization to a depth of 250 meters below surface, remaining open at depth.

ENVIRONMENTAL AND SOCIAL ASSESSMENT

As part of the Project directives for the ESIA, the Company completed the Flora and Fauna inventory reports for the Corner Bay and Devlin projects and their connecting roads. Cygnus continues to sample the effluent from the Copper Rand tailings facility on a weekly basis. All water parameters are meeting regulated ranges and limits.

Geotechnical, soil and rock characterization sampling and drilling field work was completed from the second quarter to the third quarter of 2025. The analysis of the sampled materials and collected information was in progress during the fourth quarter of 2025. These activities are required to further support the Provincial ESIA at Devlin and Corner Bay sites.

HEALTH AND SAFETY

There was one lost time injury related to a member of the exploration team tripping while walking in the field in 2025.

CORPORATE

CEO Appointment

On 27 October 2025, Cygnus announced that Chief Operating Officer (“COO”) Nick Kwong would be promoted to President/Chief Executive Officer (“CEO”) of the Company following the transition of Ernest Mast from Managing Director and President to Non-Executive Director on 12 December 2025.

General Meeting and Annual General Meeting

Cygnus held a General Meeting of shareholders on 20 August 2025 in West Perth, Western Australia. All resolutions put to shareholders were passed on a poll:

- Resolution 1(a) – Ratification of issue of Tranche 1 Placement Shares under Listing Rule 7.1
- Resolution 1(b) – Ratification of issue of Tranche 1 Placement Shares under Listing Rule 7.1A
- Resolution 2 – Approval to issue Director Placement Shares

Cygnus’ Annual General Meeting was held on 14 May 2025 in West Perth, Western Australia. All resolutions put to shareholders were passed on a poll, other than special resolutions 11 and 12 regarding proposed changes to the constitution which did not pass:

- Resolution 1 – Remuneration Report
- Resolution 2 – Re-election of Director – David Southam
- Resolution 3 – Election of Director – Mario Stifano
- Resolution 4 – Election of Director – Brent Omland
- Resolution 5 – Approval of 10% Placement Facility
- Resolution 6 – Ratification of agreement to issue Stage 3 Beryl Consideration Shares
- Resolution 7 – Ratification of agreement to issue Stage 3 Sakami Consideration Shares
- Resolution 8 – Approval of New Plan
- Resolution 9 – Approval of potential termination benefits under the New Plan
- Resolutions 10a-f – Approval to issue Director Performance Rights to all Directors
- Resolution 11 – Amendment to Rule 2.1 of the Constitution
- Resolution 12 – Amendment to Rule 6.1 of the Constitution
- Resolution 13 – Appointment of Auditor

Performance Rights

On 11 July 2025, Cygnus issued 67,050,000 performance rights to directors, key employees and consultants under the Company's incentive plan. The performance rights expire on 31 May 2030 and were issued on the same terms and conditions as the director performance rights set out in the notice of annual general meeting released to ASX on 14 April 2025. 250,000 of these performance rights subsequently lapsed on 31 July 2025.

On 27 November 2025, Cygnus issued a further 202,500 performance rights expiring on 31 May 2030 to key employees.

On 15 December 2025, the Company issued a further 3,000,000 performance rights expiring on 31 May 2030 to Nick Kwong in connection with his appointment as CEO. On the same day the Company also cancelled 6,000,000 performance rights issued to Ernest Mast on 11 July 2025 in connection with his transition from Managing Director and President to Non-Executive Director.

Project Acquisitions – Stage 3 Milestones

On 19 May 2025, the Company issued 1,600,000 fully paid ordinary shares at its election as part consideration for the acquisition of the Sakami Project (stage 3) and Beryl property which forms part of the Auclair Project (stage 3), as announced on 28 March 2023 and following shareholder approvals at the Annual General Meeting held on 14 May 2025. The Company also paid CAD\$150,000 in cash to the project vendors as part consideration.

Funding from the Critical Minerals Infrastructure Fund

On 7 February 2025, Cygnus announced that its wholly owned subsidiary, CBay Minerals Inc., had received conditional approval from the Critical Minerals Infrastructure Fund ("CMIF") for up to a CAD\$1.3 million investment contributing towards feasibility work for key infrastructure between the proposed mines and the Chibougamau Processing Facility. The funding final due diligence process and the execution of a definitive contribution agreement with Natural Resources Canada were completed in the first quarter. Small funding receipts have been received in relation to relevant field work of the Environmental Social Impact Assessment ("ESIA").

Placements

On 20 June 2025, Cygnus announced a two-tranche share placement to institutional and sophisticated investors totalling A\$18.3m before costs priced at A\$0.086 per share. Placement funds are being used for accelerating resource growth and conversion, advancing studies at the Chibougamau Project (including permitting process and studies), both brownfields and greenfields exploration, advancing the lithium exploration pipeline in James Bay, and general working capital, including costs of the share placement. On 27 June 2025, Cygnus issued the first tranche of 211,627,907 shares under the share placement. The Company issued the second tranche of 1,162,790 shares to Non-Executive Director Raymond Shorrocks (or his nominee) on 27 August 2025 following receipt of shareholder approval at a general meeting held on 20 August 2025.

Post the end of the financial year, on 13 March 2026, Cygnus announced the successful completion of a single tranche share placement to institutional and sophisticated investors totalling A\$25m before costs, priced at A\$0.16 per share. Placement funds will be used for Resource growth and conversion, exploration of multiple prospects including Joe Mann and Gwillam, ongoing permitting work, study completion, some early works at the milling infrastructure and working capital, including costs of the placement. On 20 March 2026, Cygnus issued 156,250,000 shares under the share placement. The placement was very well supported, particularly by the Company's second largest shareholder (prior to placement) Ocean Partners. Refer to the ASX announcement on 13 March 2026 for further information.

Pontax Joint Venture

On 2 April 2025, Cygnus announced a two-year extension to its two-stage earn-in with Stria Lithium Inc. ("Stria") for the Pontax lithium project in James Bay, Quebec. Cygnus has earned a 51% interest in Pontax under the first stage of the earn-in. The extension means that Cygnus has until October 2027 to expend an additional CAD\$2 million on exploration at Pontax and make a cash payment to Stria of CAD\$3 million to earn an additional 19% interest in the Pontax, bringing its total interest to 70%.

As consideration for the extension, Cygnus issued 300,000 shares to Stria on 9 April 2025 utilizing the Company's available Listing Rule 7.1 capacity at a deemed price of A\$0.105 per share (based on the ASX closing price on 1 April 2025). The Shares were subject to voluntary escrow for a period of 4 months from issue.

TSXV and OTCQB Listing

Cygnus commenced trading on the TSX Venture Exchange ("TSXV") under the ticker symbol "CYG" on 3 January 2025 following completion of the merger with Doré, ensuring strong market access for investors in both Australia and North America.

Cygnus commenced trading on the OTCQB® Venture Market, a U.S. marketplace operated by OTC Markets Group Inc, under the ticker symbol "CYGGF" on 14 February 2025. Trading of Cygnus shares on the OTC imposes no additional compliance or regulatory standards over and above the Company's existing compliance requirements as an Australian incorporated entity listed on the ASX and TSXV.

Merger Completion

On 2 January 2025, Cygnus announced the successful completion of the merger with Doré on 31 December 2024 by way of a Canadian statutory plan of arrangement, with Cygnus acquiring 100% of the issued and outstanding common shares of Doré. The merger establishes Cygnus as a leading player in the critical minerals sector with a strategic focus on high-grade copper and lithium assets in Quebec, Canada.

OUTLOOK

The Company has a clear strategy to focus on its Chibougamau Project to:

- Rapidly grow the current resource base through brownfield exploration and investment in drilling; and
- Advance the Project towards development through study work and utilising existing infrastructure.

Cygnus sees a substantial opportunity to create shareholder value via an established high-grade resource with significant growth potential, excellent infrastructure, 900,000tpa processing facility and clear pathway to production, all within a quality endowed mineral terrane that has seen minimal modern exploration.

Exploration drilling will continue in 2026 to test priority targets which a focus on resource growth opportunities and resource conversion. In parallel with the drilling, the Company will be conducting geophysics and data compilation to continue to build the pipeline of targets. The data compilation work is key to unlocking this historic district presenting low-risk brownfield exploration and resource growth opportunities.

With the copper and gold price gains seen in 2025 and thus far in 2026 and the increasing copper demand from sectors related to the clean energy transition, the Company anticipates accelerating the development of its proposed hub-and spoke model operation. The Scoping Study/PEA is expected to be completed this year and will be followed by a Feasibility Study. The completion of a Feasibility Study will require a substantial infill drilling program of over 30,000 meters at its flagship Corner Bay and Devlin projects. At the same time as completing the infill program, the Company plans to complete all the required work to complete the Quebec government Environmental Social Impact Assessment ("ESIA").

OVERALL PERFORMANCE

Total loss of the Group for the year ended 31 December 2025 amounted to \$7,538,882 (2024: \$3,772,569). At 31 December 2025, net assets of the Company were \$84,035,916 (2024: \$71,467,357).

At 31 December 2025, the Group had \$13,351,264 in cash and cash equivalents (2024: \$14,869,835).

The following tables provide selected financial information that should be read in conjunction with the Company's audited financial statements for the current reporting year ended 31 December 2025 and the comparative reporting year ended 31 December 2024.

The following table sets out the equivalent interim financial data for the most recent and comparative quarters:

	2025 Q4 \$	2025 Q3 \$	2025 Q2 \$	2025 Q1 \$	2024 Q4 \$	2024 Q3 \$	2024 Q2 \$	2024 Q1 \$
Total finance and other income	122,826	158,646	68,045	692,758	647,505	646,980	775,861	694,373
Total operating expenses	(2,995,255)	(1,831,455)	(1,726,347)	(2,028,100)	(1,042,106)	(1,041,394)	(2,058,139)	(1,046,763)
Loss for the period after income tax	(2,872,429)	(1,672,809)	(1,658,302)	(1,335,342)	(696,601)	(729,345)	(1,638,256)	(708,367)
Total comprehensive loss for the period	(2,668,894)	(1,955,770)	(1,627,213)	(1,010,183)	(602,313)	(612,206)	(2,067,872)	(483,060)
Basic and diluted loss per share (cents per share)	(0.27)	(0.16)	(0.19)	(0.16)	(0.08)	(0.20)	(0.56)	(0.24)
Distributions or cash dividends declared per share	-	-	-	-	-	-	-	-

Operating expenses were higher in the December 2025 quarter than in the December 2024 quarter due largely to the recognition of approximately \$1,300,000 in share-based payment expenses in relation to 70,252,500 performance rights issued in the second half of 2025 and approximately \$660,000 in relation to accelerated share based payment expense for vesting conditions that were met during the year in connection with performance rights that were issued in 2023.

On 19 May 2025, the Company issued 1,600,000 fully paid ordinary shares as part consideration for the acquisition of the Sakami Project (stage 3) and Beryl property (stage 3), as announced on 28 March 2023, at the Company's election. The Company also paid CAD\$150,000 in cash to the project vendors as part consideration.

On 20 June 2025, the Company announced a two-tranche share placement totalling A\$18,300,000 before costs priced at A\$0.086 per share to institutional and sophisticated investors. Tranche 1 of the placement proceeds of A\$18,300,000 before costs were received before the end of the June quarter. The Company issued the second tranche of 1,162,790 shares to Non-Executive Director Raymond Shorrocks (or his nominees) on 27 August 2025 following receipt of shareholder approval at a general meeting held on 20 August 2025.

Placement funds are being used for accelerating resource growth and conversion, advancing studies at the Chibougamau Project (including permitting process and studies), both brownfields and greenfields exploration, advancing the lithium exploration pipeline in James Bay, and general working capital, including costs of the share placement.

There were no other unusual financing or investing activities during 2025.

SELECTED FINANCIAL INFORMATION

The following selected financial information has been extracted from the Company's general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and the *Corporations Act 2001* (Cth).

The financial statements of Cygnus Metals Limited also comply with International Financial Reporting Standards ("IFRS") including International Accounting Standard 34 Interim Financial Reporting and international Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively, "IFRS Accounting Standards").

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

The functional currency of each entity within the group is measured using the currency of the primary economic environment in which that entity operates, being Australian dollars for group entities domiciled in Australia and Canadian dollars for group entities domiciled in Canada. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

	Three month period ending 31 December			Twelve month period ending 31 December		
	2025 \$	2024 \$	Direction of change	2025 \$	2024 \$	Direction of change
Operations						
Total finance and other income	122,826	647,505	Decrease	1,042,275	2,764,719	Decrease
Total operating expenses	(2,995,255)	(1,042,106)	Increase	(8,276,000)	(5,188,402)	Increase
Including the following expense categories:						
Consultants and contractors	(428,134)	(126,159)	Increase	(1,397,673)	(480,916)	Increase
Corporate costs	(165,649)	(98,316)	Increase	(972,286)	(369,154)	Increase
Employee benefits expense	(322,021)	(197,542)	Increase	(1,236,862)	(828,655)	Increase
Share-based payments	(1,527,437)	(340,270)	Increase	(2,496,733)	(2,016,732)	Increase
Loss for the year after income tax	(2,872,429)	(696,601)	Increase	(7,538,882)	(3,772,569)	Increase
Total comprehensive loss for the year	(2,668,894)	(602,313)	Increase	(7,262,061)	(3,765,451)	Increase
Basic and diluted loss per share (cents per share)	(0.27)	(0.08)	Increase	(0.79)	(1.08)	Decrease
Cash dividends declared per share	-	-		-	-	
Cash Flows						
Net cash flows used in operating activities	(1,881,051)	(90,513)	Increase	(5,680,745)	(1,882,712)	Increase
Net cash flows (used in)/from investing activities	(3,023,238)	947,409	Increase	(13,010,891)	(5,915,044)	Increase
Net cash flows from financing activities	-	10,501,343	Decrease	17,188,788	13,322,224	Increase
Net change in cash and cash equivalents	(4,904,289)	11,358,239		(1,502,848)	5,524,468	
Cash and cash equivalents at the beginning of the period	18,272,580	3,527,559		14,869,835	9,316,782	
Effect of movements in exchange rates on cash held	(17,027)	15,963		(15,723)	28,585	
Cash and cash equivalents at the end of the period	13,351,264	14,869,835		13,351,264	14,869,835	

	31 Dec 2025 \$	31 Dec 2024 \$	Direction of change
Balance Sheet			
Excess of current assets over current liabilities	11,983,527	12,525,192	Decrease
Total assets	90,803,017	78,875,452	Increase
Total liabilities	(6,767,101)	(7,408,095)	Decrease

RESULTS OF OPERATIONS

Operations

- Income comprises interest income which has increased in the current year due to larger average cash balances held in conjunction with higher average interest rates. Income also includes flow through share premiums which has reduced in the current year due to flow through share expenditure commitments being substantially satisfied in the comparative year.
- Operating expenses increased in 2025 due to approximately \$1,200,000 in care and maintenance and site administration expenses incurred at the Chibougamau Cooper-Gold Project in 2025 following the completion of the asset acquisition on 31 December 2024.
- Although losses from operations have increased in 2025, basic and diluted loss per share decreased in the current year due to the issue of an additional 216 million fully paid ordinary shares during 2025 upon the completion of a share placement and various conversions of vested share and performance rights.

Cash Flows

- Net cash flows used in operating and investing activities have increased in 2025 due to the acquisition of the Chibougamau Copper-Gold Project on 31 December 2024, the integration of related staff and contractors and the increase in drilling and other exploration activities on the project throughout the year.
- Net cash flows provided by financing activities have increased in 2025 due to completing \$18,300,000 in share placements versus \$14,000,000 in 2024.

The table below, as at 31 December 2025, outlines how the Company has utilised the funds received from the \$18,300,000 share placement completed in 2025, any deviations from the anticipated use of funds, and the allocation of proceeds from previous financings during the year ended 2025.

Financings	Anticipated use of proceeds allocated	Allocated proceeds \$	Actual use of proceeds (as at 31 Dec 2025) \$	Variation from anticipated use of proceeds	Explanation and impact
Share Placement for proceeds of \$18,300,000 (20 June 2025)	Exploration and feasibility expenditure across Canadian and Australian licenses. General corporate purposes.	\$18,300,000	\$9,729,230	The Company has not yet spent all of the proceeds of the financing.	N/A

Balance Sheet

- Total assets have increased at the end of 2025 compared to the end of 2024 due to approximately \$12,500,000 in capitalised exploration expenditure incurred during the year with a focus on the Chibougamau Copper-Gold Project that was acquired on 31 December 2024. The value of listed investments also increased by \$688,539 during the year.
- The excess of current assets over current liabilities remained consistent between 2024 and 2025.
- Closing cash on hand decreased by \$1,518,571 between 2024 and 2025.

Exploration and Evaluation Assets

Movements in exploration and evaluation assets with respect to the Company's interest in mineral properties owned, leased or under option consists of the following for the years ended 31 December:

	2025 \$	2024 \$
Opening balance	61,309,265	23,926,379
Expenditure incurred – Australian tenements	638,123	495,731
Expenditure incurred – Canadian tenements	12,922,236	6,039,180
Project acquisition costs capitalised during the period	156,819	198,574
Project acquisition costs capitalised during the period – Non-cash	156,820	238,464
Chibougamau Copper-Gold Project acquisition	-	109,325
Chibougamau Copper-Gold Project acquisition – Non-cash	-	31,000,202
Exploration expenditure written-off	(267,603)	(630,056)
Government grants received	(1,087,391)	(68,534)
Closing balance	73,828,269	61,309,265

There has been a significant reduction in project acquisition costs incurred in the current reporting period compared to the comparative which included a significant number of shares issued to project vendors as consideration under various option acquisition agreements. Approximately \$31,000,000 in additional capitalised exploration assets was also recognised on the balance sheet in relation to the acquisition of the Chibougamau Project on 31 December 2024.

Breakdown of exploration and evaluation assets by project area for the years ended 31 December:

	2025 \$	2024 \$
Australian gold and rare earth project areas	2,962,614	2,675,470
<u>Canadian Projects:</u>		
Pontax Central and Extension lithium project areas	13,664,930	13,612,228
Sirios lithium project area	2,028,551	2,054,437
Auclair and Beryl Lake lithium project areas	9,600,729	9,361,574
Sakami lithium project area	1,862,980	1,750,073
Noranda lithium project area	727,449	745,955
Chibougamau copper-gold project area	43,740,109	31,109,528
Mining Tax credits	(759,093)	-
Totals	73,828,269	61,309,265

The majority of exploration activities in 2025 occurred on the Chibougamau Copper Project areas. The market sentiment for lithium remained depressed throughout 2025 resulting in somewhat restrained expenditure on these project areas.

PROPOSED TRANSACTIONS

From time to time, in the normal course of business, the Company considers potential acquisitions, joint ventures, and other opportunities. The Company will disclose such an opportunity if and when required under applicable securities rules. Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2025, the Group had current assets of \$14,942,436 (2024: \$16,125,095), including cash and cash equivalents of \$13,351,264 (2024: \$14,869,835), and current liabilities of \$2,958,909 (2024: \$3,599,903).

The Group's cashflow forecast through to the end of March 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.

RESTRICTED CASH

The Company did not have any restricted cash balances at 31 December 2025 or 31 December 2024.

FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise cash and short-term deposits, other receivables, investments and trade and other payables. There has been no significant change in the nature of the Company's financial instruments during the current reporting period.

The Company holds 1,650,000 shares in TSXV-listed Stria Lithium Inc ("Stria"). The Company has recognised a net fair value gain on revaluation of the Stria common shares of \$688,539 for the year ended 31 December 2025 as a result of an increase in the share price of Stria (2024: loss of \$123,183).

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial performance.

CONTINGENT 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.

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 AASB 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 December 2025, no adjustments were necessary.

RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel ("KMP") and entities over which they have control or significant influence as described below.

KMP remuneration

	2025 \$	2024 \$
Short-term employee benefits	1,403,270	682,890
Post-employment benefits	36,728	46,789
Share-based payments	2,091,429	2,134,096
Totals	3,531,427	2,863,775

No KMP has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at the end of the current period.

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 year ended 31 December 2025 totalling \$27,663 (2024: \$25,112). \$4,431 was owing to Andean Silver Limited by the Company at 31 December 2025 (2024: Nil).

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 year ended 31 December 2025 totalling \$113,473 (2024: \$151,318). \$31,243 was owing to Firefly Metals Limited by the Company at 31 December 2025 (2024: \$14,635).

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 is considered minor and the transactions save Cygnus 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.

OUTSTANDING SHARE DATA

The Company's share capital consists of ordinary shares without par value. As at 30 March 2026, there were 1,220,913,340 ordinary shares issued and outstanding. In addition, there were 12,973,881 share options, 83,871,706 performance rights and 3,146,535 share rights on issue.

Ordinary Shares

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.

Details of movements in issued capital in the current and comparative reporting years:

	Notes	Date	Shares	Issue Price \$	Total \$
Opening balance at 1 January 2024			291,559,139		47,607,870
Shares issued – Beryl Lake Project		17/05/2024	900,000	0.086	77,400
Shares issued – Sakami Project		17/05/2024	900,000	0.086	77,400
Share placement – Tranche 1		19/07/2024	72,685,715	0.035	2,544,000
Exercise of Share Rights		22/07/2024	325,750	-	38,209
Shares issued – Auclair Project		16/08/2024	500,000	0.052	28,500
Share placement – Tranche 2		11/09/2024	12,914,286	0.035	452,000
Share placement – Tranche 1		23/10/2024	94,864,785	0.0720	6,830,264
Share issue – Project acquisition Instalment		18/11/2024	486,600	0.1150	55,959
Share issue – Share right conversion		22/11/2024	340,731	-	17,085
Share issue – Performance right conversion		05/12/2024	100,000	-	48,500
Share issue – Placement T2		20/12/2024	57,912,993	0.0720	4,169,736
Issue of shares to Doré shareholders		31/12/2024	310,662,984	0.1000	31,066,298
Share issue – Merger assistance fee		31/12/2024	4,166,667	0.1000	416,668
Share issue costs			-	-	(673,776)
Closing balance at 31 December 2024			848,319,650		92,739,029
Exercise of Share Rights	1	6/02/2025	912,021	-	75,426
Issue of Shares	2	9/04/2025	300,000	0.105	31,500
Shares issued – Beryl Lake Project	3	19/05/2025	1,000,000	0.071	71,000
Shares issued – Sakami Project	3	19/05/2025	600,000	0.071	42,600
Exercise of performance rights		26/06/2025	306,129	-	140,895
Exercise of share rights	1	26/06/2025	196,471	-	12,443
Share placement – Tranche 1		27/06/2025	211,627,907	0.086	18,200,000
Share placement – Tranche 2		27/08/2025	1,162,790	0.086	100,000
Less share issue costs			-	-	(1,111,212)
Closing balance at 31 December 2025			1,064,424,968		110,301,681

Notes:

- Shares issued to directors and employees upon the exercise of vested Share Rights issued as remuneration in relation to 2024.
- Shares issued to Stria Lithium Inc. ("Stria") in exchange for a two-year extension to the Company's two-stage earn-in with Stria for the Pontax Lithium Project in James Bay, Quebec. These Shares were subject to voluntary escrow for a period of 4 months from issue.
- 1,600,000 shares issued to project vendors as part consideration for the acquisition of the Sakami Project (stage 3) and Beryl property (stage 3), as announced on 28 March 2023, at the Company's election. The Company also paid CAD\$150,000 in cash to the project vendors as part consideration.

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

Share rights

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

Issue Date	Expiry date	Opening balance 1-Jan-25	Granted as remuneration	Converted	Closing balance 31-Dec-25	Vested and convertible 31-Dec-25	Value of rights expensed during the year \$
9/07/24	31/07/29	2,395,018	-	(375,890)	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	(1,108,492)	3,146,535	3,146,535	-

Issue Date	Expiry date	Opening balance 1-Jan-24	Granted as remuneration	Converted	Closing Balance 31-Dec-24	Vested and convertible 31-Dec-24	Value of rights expensed during the year \$
9/07/24	31/07/29	-	2,720,768	(325,750)	2,395,018	2,395,018	95,083
30/10/24	31/07/29	-	1,459,153	(340,731)	1,118,422	1,118,422	83,409
		-	4,179,921	(666,481)	3,513,440	3,513,440	178,492

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 the current and comparative financial year and outstanding at the end of the current reporting period is set out below.

Grant Date	Expiry date	Exercise price	Opening Balance	Exercised	Lapsed	Closing Balance	Vested and exercisable at end of year
2025							
23/12/2021	20/01/2025	\$0.1600	3,500,000	-	(3,500,000)	-	-
21/10/2022	21/10/2025	\$0.2500	1,500,000	-	(1,500,000)	-	-
21/10/2022	21/10/2025	\$0.5000	1,500,000	-	(1,500,000)	-	-
21/10/2022	21/10/2025	\$0.7500	1,500,000	-	(1,500,000)	-	-
21/10/2022	21/10/2025	\$1.0000	1,500,000	-	(1,500,000)	-	-
31/12/2024	30/04/2025	\$0.40461	1,257,001	-	(1,257,001)	-	-
31/12/2024	5/06/2025	\$0.11501	43,912	-	(43,912)	-	-
31/12/2024	6/06/2025	\$0.11501	123,504	-	(123,504)	-	-
31/12/2024	1/09/2025	\$0.58851	54,891	-	(54,891)	-	-
31/12/2024	16/02/2026	\$0.17481	365,940	-	-	365,940	365,940
31/12/2024	22/04/2026	\$0.67431	1,920,264	-	(123,504)	1,796,760	1,796,760
31/12/2024	19/08/2026	\$0.48431	82,336	-	-	82,336	82,336
31/12/2024	26/09/2026	\$0.06441	43,912	-	-	43,912	43,912
31/12/2024	17/01/2027	\$0.42911	123,504	-	(123,504)	-	-
31/12/2024	12/05/2027	\$0.36171	1,225,898	-	(201,267)	1,024,631	1,024,631
31/12/2024	13/06/2027	\$0.33721	109,782	-	-	109,782	109,782
31/12/2024	19/08/2027	\$0.25141	1,829,700	-	-	1,829,700	1,829,700
31/12/2024	12/05/2028	\$0.12261	1,482,056	-	(201,267)	1,280,789	1,280,789
31/12/2024	19/04/2029	\$0.06141	7,410,283	-	(503,167)	6,907,116	6,907,116
31/12/2024	16/09/2029	\$0.06441	137,227	-	-	137,227	137,227
			25,710,210	-	(12,132,017)	13,578,193	13,578,193
Weighted average exercise price:			\$0.3077	-	\$0.4232	\$0.2068	\$0.2064
Weighted average remaining contractual life:							2.31 years

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

Share options (continued)

3,500,000 Share Options exercisable at \$0.16 held by a Company controlled by director Ray Shorrocks expired and were cancelled on 20 January 2025. These Share Options were granted to Mr Shorrocks in 2021 as part of his remuneration package.

Various other Share Options were cancelled during the current reporting period due to either expiry or cessation of employment of the option holder.

Movements in Share Options in the comparative period:

Grant Date	Expiry date	Exercise price	Opening balance 1 Jan 2024	Issued	Exercised	Lapsed	Closing balance 31 Dec 2024	Vested and exercisable at end of the period
07/11/21	15/11/2024	\$0.1600	5,000,000	-	-	(5,000,000)	-	-
23/12/21	21/01/2025	\$0.1600	3,500,000	-	-	-	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	1,257,001
31/12/24	5/06/2025	\$0.1150 ¹	-	43,912	-	-	43,912	43,912
31/12/24	6/06/2025	\$0.1150 ¹	-	123,504	-	-	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	123,504
31/12/24	15/05/2027	\$0.3617 ¹	-	1,225,898	-	-	1,225,898	1,225,898
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	-	-	1,482,056	1,482,056
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
			14,500,000	16,210,210	-	(5,000,000)	25,710,210	25,710,210
Weighted average exercise price:			\$0.30	\$0.22	-	\$0.16	\$0.14	\$0.14
Weighted average remaining contractual life:								1.64 years

Note:

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

5,000,000 Share Options exercisable at \$0.16 held by former KMP and consultants of the Company expired and were cancelled on 15 November 2024.

16,210,210 Share Options were issued to replace Doré Share Options in connection with the Doré asset acquisition that completed on 31 December 2024.

Performance rights

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

Tranche	Grant Date	Vesting date	Expiry date	Opening Balance 1-Jan-25	Granted	Exercised	Cancelled	Closing Balance 31-Dec-25	Vested and exercisable 31-Dec-25	Value of rights expensed during the year \$
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	2,500,000	740,724
R	31/01/23	13/02/28	13/02/28	2,500,000	-	-	-	2,500,000	-	231,373
V	26/03/23	13/02/28	13/02/28	400,000	-	-	-	400,000	400,000	43,978
W	26/03/23	03/04/25	03/04/28	300,000	-	-	-	300,000	300,000	8,306
X	02/03/23	24/02/24	04/05/28	50,000	-	(50,000)	-	-	-	-
Y	02/03/23	24/02/25	04/05/28	50,000	-	(50,000)	-	-	-	1,328
Z	02/03/23	24/02/26	04/05/28	50,000	-	-	-	50,000	-	6,743
A4	28/08/23	31/12/25	05/09/28	1,059,603	-	-	-	1,059,603	1,059,603	72,104
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	78,202
A7	14/05/25	11/07/28	31/05/30	-	12,666,666	-	-	12,666,666	-	192,700
A8	14/05/25	11/07/28	31/05/30	-	12,666,667	-	(3,000,000)	9,666,667	-	375,060
A9	14/05/25	11/07/28	31/05/30	-	12,666,667	-	(3,000,000)	9,666,667	-	306,958
A10	29/05/25	11/07/28	31/05/30	-	9,683,327	-	(83,333)	9,599,994	-	132,900
A11	29/05/25	11/07/28	31/05/30	-	9,683,332	-	(83,333)	9,599,999	-	132,900
A12	29/05/25	11/07/28	31/05/30	-	9,683,341	-	(83,334)	9,600,007	-	108,322
A13	07/11/25	11/07/28	31/05/30	-	101,250	-	-	101,250	-	728
A14	07/11/25	11/07/28	31/05/30	-	101,250	-	-	101,250	-	565
A15	04/11/25	11/07/28	31/05/30	-	1,500,000	-	-	1,500,000	-	33,148
A16	04/11/25	11/07/28	31/05/30	-	1,500,000	-	-	1,500,000	-	30,614
				21,278,809	70,252,500	(350,000)	(6,250,000)	84,931,309	13,319,206	2,496,733

Cancellation of Performance Rights

On 15 December 2025, the Company cancelled 6,000,000 Performance Rights granted to the Managing Director and President, Ernest Mast. Under AASB 2, when an equity-settled share-based payment is cancelled, the amount that would otherwise have been recognised over the remaining vesting period is recognised immediately. Accordingly, the Company recognised an accelerated share-based payment expense of \$311,609 in profit or loss for the period. The grant-date fair value of the cancelled rights was \$414,600, of which \$102,991 had been recognised prior to cancellation. No replacement awards were granted. The balance previously recognised in the share-based payment reserve remains in equity, consistent with AASB 2.

Tranche	Grant Date	Vesting date	Expiry date	Opening Balance 1-Jan-24	Granted	Exercised	Cancelled	Closing Balance 31-Dec-24	Vested and exercisable 31-Dec-24	Value of rights expensed during the year \$
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	35,094
I	16/11/22	30/11/24	30/11/26	100,000	-	(100,000)	-	-	-	21,809
M	31/01/23	01/11/24	13/02/28	5,000,000*	-	-	-	5,000,000	5,000,000	1,220,096
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	-	238,020
R	31/01/23	13/02/28	13/02/28	2,500,000*	-	-	-	2,500,000	-	232,007
V	26/03/23	13/02/28	13/02/28	400,000	-	-	-	400,000	-	14,131
W	26/03/23	03/04/25	03/04/28	300,000	-	-	-	300,000	-	32,687
X	02/03/23	24/02/24	04/05/28	50,000	-	-	-	50,000	50,000	2,681
Y	02/03/23	24/02/25	04/05/28	50,000	-	-	-	50,000	-	8,834
Z	02/03/23	24/02/26	04/05/28	50,000	-	-	-	50,000	-	5,876
A4	28/08/23	31/12/25	05/09/28	1,059,603*	-	-	-	1,059,603	-	72,302
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	-	78,496
				21,378,809	-	(100,000)	-	21,278,809	8,300,000	1,962,033

Performance rights (continued)

Valuation of Performance Rights issued

The following table illustrates the inputs used to calculate the fair value of performance rights issued during the current year:

Tranche	A7 & A8	A9	A10 & A11	A12
Grant date	14/05/2025	14/05/2025	29/05/2025	29/05/2025
Expiry date	31/05/2030	31/05/2030	31/05/2030	31/05/2030
Expected term	1,154	1,154	1,139	1,139
Number issued	25,333,333	12,666,667	19,366,659	9,683,341
Volatility	-	100%	-	100%
Risk-free interest rate	-	3.613%	-	3.448%
Share price at grant date	\$0.0760	\$0.0760	\$0.0730	\$0.0730
Valuation per right	\$0.0760	\$0.0622	\$0.0730	\$0.0595
Valuation per class of rights	\$1,925,333	\$787,867	\$1,413,766	\$576,159
Method of settlement	Shares	Shares	Shares	Shares

Tranche	A13	A14	A15	A16
Grant date	7/11/2025	7/11/2025	4/11/2025	4/11/2025
Expiry date	31/05/2030	31/05/2030	31/05/2030	31/05/2030
Expected term	978	978	982	982
Number issued	101,250	101,250	1,500,000	1,500,000
Volatility	-	95%	-	95%
Risk-free interest rate	-	3.726%	-	3.661%
Share price at grant date	\$0.1300	\$0.1300	\$0.1400	\$0.1400
Valuation per right	\$0.1300	\$0.1010	\$0.1400	\$0.1293
Valuation per class of rights	\$13,163	\$10,226	\$210,000	\$193,950
Method of settlement	Shares	Shares	Shares	Shares

Performance rights (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.
H	Remaining an officeholder, employee or consultant of the Company (or a wholly owned subsidiary) at all times up to and including 15 June 2024.
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).
X	Remaining an officeholder, employee or consultant of the Company (or a wholly owned subsidiary) at all times up to and including 24 February 2024.
Y	Remaining an officeholder, employee or consultant of the Company (or a wholly owned subsidiary) at all times up to and including 24 February 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. The proportion to vest will be calculated as: <ul style="list-style-type: none"> - If TSR >50th percentile – 100% vesting - If TSR between 25th and 50th percentile – 50% vesting - If TSR <25th 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 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 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 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 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).

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's critical accounting estimates are included in its unaudited interim financial statements and are summarised below, along with details of changes in estimates (if any) during the period.

Exploration and Evaluation Assets – Recognition

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.

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.

Promissory Notes

The Group carries Promissory Notes 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 31 December 2025.

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.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management has evaluated the design of the Company's disclosure controls and procedures. Based on the results of that evaluation, management have concluded that, as of 31 December 2025, the Company's disclosure controls and procedures framework provides reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarised and reported, within the appropriate time periods and is accumulated and communicated to management as appropriate, to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

The Executive Chair and Chief Financial Officer are responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with AASB and IAS.

There have been no material changes in the Company's internal controls over financial reporting during the three months ended 31 December 2025.

All internal control systems have inherent limitations and may become ineffective because of changes in conditions. Therefore, even those systems that are determined to be effective can provide only reasonable, not absolute, assurance with respect to the preparation and presentation of the financial statements.

Approval

The Board oversees management's responsibility for financial reporting and internal control systems through the Audit Committee. The Audit Committee meets with the Company's independent auditors half-yearly to review the scope and results of the annual audits and half-yearly reviews and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board and released. The Board has approved the audited annual financial statements and disclosure contained in this MD&A as at 30 March 2026.

FORWARD LOOKING STATEMENTS

This release may contain certain forward-looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond Cygnus' control. Cygnus makes no representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward-looking statements/projections based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this release has been prepared in good faith, neither Cygnus or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this release. Accordingly, to the maximum extent permitted by law, none of Cygnus, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of the accuracy or completeness of the information or for any of the opinions contained in this release or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this release.

CAUTIONARY STATEMENT REGARDING RISKS

Mining operations generally involve a high degree of inherent risk. Certain factors could materially affect the Company's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Company. See the paragraph regarding Forward Looking Statements above in this MD&A. The Company's business, financial condition or results of operations could be affected materially and adversely by certain risks. The reader should carefully consider these risks as disclosed in the Company's most recent annual report, as well as other publicly filed disclosure regarding the Company, which are available on the Company's website at <https://www.cygnusmetals.com/investors/> and on SEDAR+ (www.sedarplus.ca).

COMPETENT PERSON AND COMPLIANCE STATEMENTS

The scientific and technical information in this report has been reviewed and approved by Mr Duncan Grieve, the Vice President of Exploration and Corporate Development of Cygnus, a "qualified person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

SLR Consulting (Canada) Ltd. ("SLR") prepared a technical report in accordance with NI 43-101 and the JORC Code entitled "NI 43-101 Technical Report – Chibougamau Hub and Spoke Complex, Québec, Canada" dated as at October 31, 2025 with an effective date of August 30, 2025 (the "Chibougamau Technical Report"). All scientific and technical information in the annual report regarding the Mineral Resource Estimates for the Chibougamau Project has been extracted from the Chibougamau Technical Report, which was prepared by Marie-Christine Gosselin, P.Geo., géo. of SLR with the contribution of Renée Barrette, ing. of Ausenco Engineering Canada ULC, each of whom is a Qualified Person under NI 43-101. A copy of the technical report is available on the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.cygnusmetals.com.

The information in this report that relates to the Mineral Resource Estimates for the Chibougamau Project and the Pontax Project, and the Exploration Results for the Company's Canadian projects, is based on and fairly represent information and supporting documentation compiled by Mr Grieve. Mr Grieve is an employee of the Company and holds performance rights and shares in Cygnus. Mr Grieve is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Grieve consents to the inclusion in this release of the matters based on the information in the form and context in which they appear.

Individual grades for the metals included in the metal equivalents calculations for the Mineral Resource Estimate at the Chibougamau Project, as well as the price assumptions, metallurgical recoveries and metal equivalent calculations themselves, are contained in the Notes to Table 1 of the MD&A on page 7. Metal equivalents for exploration results have been calculated at a copper price of US\$8,750/t, gold price of US\$2,350/oz and silver price of US\$25/oz, with copper equivalents calculated based on the formula $CuEq(\%) = Cu(\%) + (Au(g/t) \times 0.77258) + (Ag(g/t) \times 0.00822)$. Individual grades for the metals included in the metal equivalents calculations for the exploration results in this report are contained in the Company's ASX releases as noted in the text. Metallurgical recovery factors have been applied to the copper equivalents calculations, with copper metallurgical recovery assumed at 95% and precious metal (gold and silver) metallurgical recovery assumed at 85% based upon historical production at the Chibougamau Processing Facility, and the metallurgical results contained in Cygnus' announcement dated 28 January 2025. It is the Company's view that all elements in the copper equivalent calculations in respect of the exploration results have a reasonable potential to be recovered and sold.

END NOTES

1. Historic production statistics for the Chibougamau area are recorded in Leclerc, F, Harris, L. B, Bedard, J. H, Van Breeman, O and Goulet, N. 2012, Structural and Stratigraphic Controls on Magmatic, Volcanogenic, and Shear Zone-Hosted Mineralization in the Chapais-Chibougamau Mining Camp, Northeastern Abitibi, Canada. Society of Economic Geologists, Inc. Economic Geology, v. 107, pp. 963–989.
2. The information in this release that relates to the Mineral Resource Estimate for the Chibougamau Project reported in accordance with the JORC Code 2012 and NI 43-101 was released by Cygnus in an announcement titled 'Major Resource Update' released to the ASX on 17 September 2025 and the TSXV on 16 September 2025. Details of the Mineral Resource Estimate are included in Table 1 of this MD&A. The information in this release that relates to the Mineral Resource Estimate at the Pontax Project reported in accordance with the JORC Code 2012 has been previously released by Cygnus in an ASX announcement dated 14 August 2023 and titled "Maiden Resource of 10.1Mt at 1.04% Li₂O with mineralisation open in all directions". The Mineral Resource Estimate for the Pontax Project reported in accordance with the CIM Standards (2019) was prepared by QP Todd McCracken, P.Geo., of BBA Inc and was previously released by Cygnus in an ASX announcement dated 22 November 2024.