



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

For the three months ended March 31, 2025 and 2024

(Stated in Australian Dollars)

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Date of Report: May 14, 2025

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 unaudited condensed consolidated interim financial statements for the three months ended 31 March 2025 with a comparative period for the three months ended March 31, 2024, and the notes thereto. The Company's unaudited condensed consolidated interim financial statements have been prepared in accordance with accounting policies consistent 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 14 May 2025, 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 Metals Ltd is a diversified critical minerals exploration and development company with key assets located in Tier 1 mining jurisdictions, including 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 December 31, 2024. The Chibougamau Project, located in central Quebec approximately 480km due north of Montreal, has excellent infrastructure with a 900,000tpa processing plant facility. 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.

CHIBOUGAMAU PROJECT, QUEBEC

Cygnus has consolidated a large land package of over 278km² 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 2008.² 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 plant 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.

The Chibougamau Project has a high-grade NI 43-101 Mineral Resource estimate of 3.6Mt at 3.0% CuEq in the Measured and Indicated category and 7.2Mt at 3.8% CuEq in the Inferred category.¹ The resource base is

¹ The Mineral Resource estimate at the Chibougamau Project is a foreign estimate prepared in accordance with CIM Standards and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the foreign estimate as a mineral resource in accordance with the JORC Code, and it is uncertain whether further evaluation and exploration will result in an estimate reportable under the JORC Code. Refer Cygnus' ASX announcement dated October 15, 2024.

comprised of four deposits – Corner Bay (main asset), Devlin, Cedar Bay, and Joe Mann – all located within a 50km radius of the centralized processing facility.

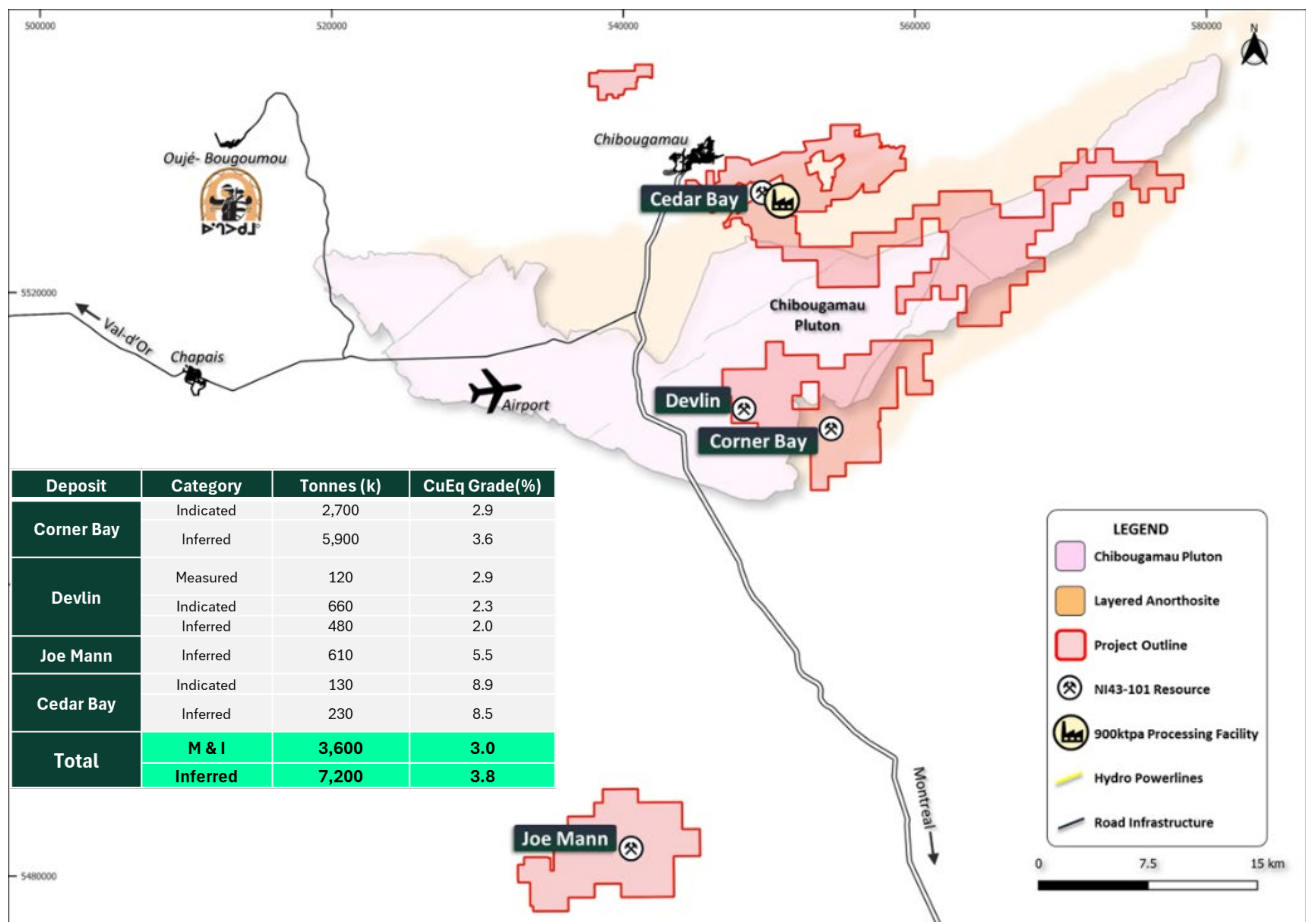


Figure 1: Chibougamau Project is comprised of the Corner Bay, Devlin, Cedar Bay and Joe Mann deposits, and the 900,000t per annum processing facility.¹

Corner Bay

Corner Bay is the key deposit (making up 79% of the Chibougamau Project resource) and is a classic intrusive related 'Chibougamau style' vein hosted copper-gold system, like many of the former producing mines in the area. While the Corner Bay deposit has never been mined, a shallow ramp, which will require minor dewatering, and three levels were established in 2008 down to 115m (vertical depth) to take bulk samples for metallurgical testing. The deposit has been defined to a vertical depth of 1,350m with excellent geotechnical characteristics and remains open in numerous directions with immediate scope for additional resource growth.

Corner Bay is one of the key targets for both resource growth and resource conversion.

Preliminary Economic Assessment ("PEA")

A PEA of the Chibougamau Project was announced by Doré on 10 May 2022 and the comprehensive technical report was filed by Doré in accordance with the requirements of NI 43-101 on 15 June 2022. The Technical Report was prepared by BBA Inc. with several consulting firms contributing to sections of the study, including SLR Consulting (Canada) Ltd., SRK Consulting (Canada) Inc. and WSP Inc. The Technical Report, effective 31 December 2024, was filed on SEDAR+ (www.sedarplus.ca) by Cygnus on 31 March 2025 in accordance with Canadian regulatory requirements.

Note: 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 696km² in the world-class James Bay lithium region of Quebec:

- **Pontax Project** – 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)³;
- **Auclair Project** – Significant drill intersection of 43.7m at 1.15% Li₂O (*refer to ASX announcement dated 8 April 2024*); and
- **Sakami Project** – Early-stage lithium exploration project in the La Grande greenstone belt which hosts the substantial Shaakichiuwaanaan 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 1,024km² (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”).

HIGHLIGHTS

The Company’s key events and highlights during the three months ended 31 March 2025 and up to 14 May 2025 include:

CORPORATE

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 (*refer to above for additional details*).

TSXV 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.

Ground Consolidation

On 9 January 2025, Cygnus announced that it had expanded its land holding at 50 per cent at the Chibougamau Project. In total, 174 claims were staked for 97km², taking the combined Chibougamau Project area to 282km².

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 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.

OTCQB Listing

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.

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 (“Pontax”). 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 are subject to voluntary escrow for a period of 4 months from issue.

EXPLORATION

In the first quarter of 2025, the Company completed 25 drill holes totalling 9,690 meters at the Chibougamau Project. The geology team continued its data compilation and generative exploration activities to develop new targets at the Chibougamau Project. A description of the exploration activities carried out by Cygnus in the first quarter is summarized below.

Corner Bay Exploration and Infill Drilling (Corner Bay-Devlin Property)

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 4,689 meters to test the immediate areas around the Corner Bay deposit, looking for both additional structures and extensions to the current Mineral Resource.

The first drill hole from this program (CB-24-100) returned an intersection of 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) from a potential new lode approximately 250 meters east of the existing Mineral Resource in the footwall of the Corner Bay deposit (*refer to TSXV/ASX announcements dated 23 and 28 January 2025*). Follow up downhole electromagnetics have since defined a significant off hole electromagnetic anomaly (530m x 460m) to the north and down dip of the intersection.

In this program, a number of infill drill holes targeted the southern extent of the upper Main Vein at Corner Bay. Significant results from this drilling included (*refer to TSXV/ASX announcement dated 18 March 2025*):

- 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);
- 3.7m @ 2.7% CuEq (2.5% Cu, 0.2g/t Au and 8.5g/t Ag) from 390.4m, including 1.8m @ 3.3% CuEq (CB-24-105); and
- 2.5m @ 3.2% CuEq (3.0% Cu, 0.1g/t Au and 10.9g/t Ag) from 572.5m, including 1.2m @ 5.0% CuEq (CB-24-103).

Overall, the results received to date have reconciled positively against the block model as well as improving an area of lower grade. These results and ongoing drilling highlight the potential to update the resource classification

alongside increasing the global resource through exploration drilling. In line with the Company's resource growth and conversion strategy, drilling is ongoing at Corner Bay with one drill rig.

In the first quarter of 2025, Cygnus completed 10 holes totalling 4,840 meters at Corner Bay. Assays are pending for the remaining drill holes of the 2024 drill program and for the 2025 drill program.

Colline Exploration Drilling (Copper Rand Property)

Colline (previously known as Shaft 3), located 4 kilometres 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. Historical significant drill intersections (*refer to TSXV/ASX announcements dated 15 October 2024 and 18 March 2025*) included:

- 14.9m @ 2.9% CuEq from 157.3m (DQ-35);
- 9.1m @ 3.5% CuEq from 56.4m (S-19);
- 11.1m @ 4.4% CuEq from 109.0m (S-13); and
- 6.1m @ 3.2% CuEq from 95.4m (S3-84-2).

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 2,896 meters to confirm and extend at depth the mineralization identified from historic drilling while also providing a platform for follow up DHEM. Results received to date from this program include the following significant intersections (*refer to TSXV/ASX announcement dated 17 April 2025*):

- 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)
- 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)

These results confirm mineralization to a depth of 250 meters below surface, remaining open, with assays pending for the remaining holes of the program. DHEM will now be applied to confirm further potential extensions at depth and provide follow up drill targets.

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. Historical significant drill intersections (*refer to TSXV/ASX announcements dated 15 October 2024 and 25 March 2025*) included:

- 5.9m @ 34.1g/t AuEq (32.2g/t Au, 1.2% Cu & 27.3g/t Ag) (RD-11);
- 4.5m @ 21.6g/t AuEq (14.9g/t Au, 4.7% Cu & 54g/t Ag) (RD-28);
- 8.4m @ 12.7g/t AuEq (11.0g/t Au, 1.3% Cu & 15.8g/t Ag) (RD-20);
- 7.5m @ 22.1g/t AuEq (16.0g/t Au & 4.7% Cu) (S1-87-1); and
- 10.4m @ 12.2 g/t AuEq (7.3g/t Au, 3.5% Cu & 31.8g/t Ag) (S3-86-4).

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 of 2025, Cygnus completed six (6) drill holes for a total of 1,954 meters, aimed to confirm historic drilling results and extend mineralization at depth. The first assays received confirmed the high-grade tenor of the shallow mineralization with an intersection of 3.3m @ 6.6g/t Au from 131.7m, including 2.3m @ 9.1g/t Au (LDR-25-05) (*refer to TSXV/ASX announcement dated 17 April 2025*).

The drilling also extended mineralization down dip to 400 meters below the surface, where hole LDR-25-08 intersected two intervals from parallel mineralized zones: 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) and 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 Ag) (visible gold) (refer to TSXV/ASX announcement dated 8 May 2025).

The recent results highlight not only the potential to establish a high-grade mineral resource at Golden Eye but also that mineralization remains open at depth, with the vast majority of all drilling at less than ~400m from surface. Assays are pending for the remaining four (4) holes of the program.

Cygnus plans to incorporate all the recently completed drilling data (once all received) with the historic drill data totalling 77 holes for 21,371m (both surface and underground drilling) to complete an initial Mineral Resource estimate for Golden Eye.

Database Consolidation and Target Generation (Copper Rand Property)

The Company is in the process of compiling and digitising +100,000 scanned hard copy documents (including drill logs), some of which have not been looked at in over 30 years and never before in a modern 3D software. This data sits within a district with a massive production history, with over 945,000 tonnes of copper and 3.5 million ounces of gold produced,² but has had a history of fractured ownership and a lack of consolidation.

Now that the majority of the camp has been consolidated under Cygnus, there is a significant opportunity to explore on a district-scale, pulling all the historic and fractured drill data into one database. The results of this ongoing review and consolidation have highlighted the exceptional quality of some of the past-producing assets within the district and the true potential for exploration.

Copper Rand was one of the most prolific mines in the district having produced 14.9 million tonnes @ 3.9% CuEq for 268,000 tonnes of copper and 1.3 million ounces of gold.² This mine, which sits right at the Chibougamau Processing Facility, demonstrated thick high-grade copper-gold intersections. Some standout mined intersections included: 47.4m @ 7.2% CuEq from 0.0m (1.9% Cu, 6.7g/t Au) (hole 27R104); 34.1m @ 9.1% CuEq from 0.0m (2.1% Cu, 9.0g/t Au) (hole 25R41), and 51.7m @ 5.5% CuEq from 89.3m (3.0% Cu, 3.2g/t Au) (hole 25R56); and 18.3m @ 12.2% CuEq from 57.0m (5.1% Cu, 9.0g/t Au, 25.1g/t Ag) (hole 22R447) (refer to TSXV/ASX announcement dated 25 March 2025).

These intersections highlight the quality of the ore bodies within the Chibougamau district, which has significant brownfield exploration upside around the historic mines. Cygnus is continuing to compile the data across the camp and deliver additional drill targets as the Company looks to execute its strategy of value creation through resource growth and conversion drilling. This low-cost, low-risk approach includes both surface and downhole electromagnetics (EM) to generate brownfield targets around known high-quality ore bodies.

METALLURGICAL TEST WORK

The 40-week humidity cell testing started in the first quarter of 2024 by Doré for the mineralized material and waste samples compiled from the 2023 Corner Bay metallurgical testing program. The purpose of this work is to understand and quantify the environmental characteristics of future water drainage from Corner Bay waste rock and tailings. This test work was completed in the fourth quarter of 2024. The results will be analyzed and used during the feasibility study.

ENVIRONMENTAL AND SOCIAL ASSESSMENT

As part of the project directives for the environmental and social impact assessment ("ESIA"), the Company has 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 met regulated ranges and limits. Hydrological studies and modeling related to the water flow of the mining openings of Corner Bay and Copper Rand were completed in the fourth quarter of 2024. This work is part of the project directives for the ESIA.

Geotechnical, soil and rock characterization sampling and drilling is planned for the second quarter of 2025 to further support the ESIA at Devlin and Corner Bay sites.

HEALTH AND SAFETY

There were no reportable safety incidents during the quarter.

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 throughout the year to test priority targets which a focus on resource growth opportunities. 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 early 2025 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 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. The Company plans to complete this infill program in 2025 and 2026 while continuing to drill test a number of priority targets on its large prospective land package and advancing the environmental studies required for the ESIA.

OVERALL PERFORMANCE

Total comprehensive loss of the Group for the three months ended 31 March 2025, after providing for income tax, amounted to \$1,181,615 (2024: \$483,060). At 31 March 2025, net assets of the Company were \$70,394,583 (31 December 2024: \$71,467,357).

At 31 March 2025, the Group had \$10,326,102 in cash and cash equivalents (31 December 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 reporting year ended 31 December 2024 and the comparative reporting year ended 31 December 2023.

Quarterly financial data had not previously been prepared for the reporting years ended 31 December 2024 and 2023 as Cygnus only became a reporting entity on the TSXV on 31 December 2024, before which quarterly financial data was not compiled in the format required for the purposes of MD&A disclosures. Unaudited quarterly financial data for the comparative three months ended 31 March 2024 has been compiled for the purposes of providing reporting comparatives for the Company's first full quarter in operation as a reporting issuer.

The following table sets out the equivalent interim financial data for half-year periods for the current and comparative reporting years and the most recent quarters ended 31 March 2025 and 31 December 2024:

	2025 Q1 \$	2024 Q4 \$	2024 HY2 \$	2024 HY1 \$	2024 Q1 \$	2023 HY2 \$	2023 HY1 \$
Total finance and other income	692,758	648,505	1,294,485	1,470,234	694,373	1,730,636	1,263,187
Total operating expenses	(2,028,100)	(1,045,106)	(2,083,500)	(3,104,902)	(1,046,763)	(6,280,560)	(8,195,027)
Loss for the year after income tax	(1,335,342)	(396,601)	(1,425,946)	(2,346,623)	(708,367)	(5,536,695)	(7,963,601)
Total comprehensive loss for the year	(1,010,183)	(502,313)	(1,214,522)	(2,550,932)	(483,060)	(5,861,665)	(7,948,303)
Basic and diluted loss per share (cents per share)	(0.16)	(0.09)	(0.28)	(0.80)	(0.24)	(4.85)	(0.99)
Distributions or cash dividends declared per share	-	-	-	-	-	-	-

There were no unusual operating activities during the first quarter of 2025 aside from the payment of some one-off expenses recorded in 2024 in relation to the asset acquisition of Doré, which was completed on 31 December 2024.

There were no unusual investing or financing activities during the first quarter of 2025. During the first quarter of 2025, proceeds from the \$11,000,000 placement announced on 15 October 2024 in connection with the Doré acquisition were applied to accelerating resource growth, both brownfields and greenfields exploration, defining a pathway to development and production at the Chibougamau Project (including continuing permitting and studies), advancing the lithium exploration pipeline in James Bay and general working capital, including costs of the Doré acquisition transaction and associated share placement.

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 March		
	2025 \$	2024 \$	Direction of change
<u>Operations</u>			
Total finance and other income	692,758	694,373	-
Total operating expenses	(2,028,100)	(1,046,763)	Increase
Including the following expense categories:			
Consultants and contractors	(384,404)	(67,270)	Increase
Corporate costs	(328,404)	(70,747)	Increase
Employee benefits expense	(464,151)	(144,474)	Increase
Share-based payments	(163,273)	(668,097)	Decrease
Site administration expense	(147,086)	-	Increase
Loss for the year after income tax	(1,335,342)	(708,367)	Increase
Total comprehensive loss for the year	(1,010,183)	(483,060)	Increase
Basic and diluted loss per share (cents per share)	(0.16)	(0.24)	Decrease
Distributions or cash dividends declared per share	-	-	-
<u>Balance Sheet</u>			
Excess of current assets over current liabilities	8,826,314	3,547,912	Increase
Total assets	77,135,056	34,067,518	Increase
Total liabilities	(6,569,043)	(6,905,084)	Decrease
<u>Cash Flows</u>			
Net cash flows used in operating activities	(1,506,242)	(385,402)	Increase
Net cash flows used in investing activities	(2,986,166)	(2,805,870)	Increase
Net cash flows provided by financing activities	(54,433)	-	Increase
Net change in cash and cash equivalents	(4,546,841)	(3,191,272)	Increase
Cash and cash equivalents at the beginning of the period	14,869,835	9,338,947	
Effect of movements in exchange rates on cash held	3,108	74,110	
Cash and cash equivalents at the end of the period	10,326,102	6,221,785	Increase

RESULTS OF OPERATIONS

Operations

Finance income comprises interest income which was consistent between periods. Other income relates to flow through share premiums which are consistent between periods. The current period amount relates to the completion of the outstanding Doré flow through expenditure commitment. Further other income of this nature is not expected until such time that a further flow through share placement is completed by Cygnus.

Total operating expenses have increased in the current period due to a ramp up in operational activity following the completion of the acquisition of Doré on 31 December 2024. The current reporting period saw a number of Doré employees and consultants transition across to Cygnus as a result of the acquisition to cater for Canadian operations extending from James Bay to now include the Chibougamau Project in Quebec.

Upon completion of the acquisition, in addition to its primary ASX listing, Cygnus also became dual listed on the TSXV with a subsequent secondary listing on the OTCQB Venture Market. Both of which resulted in Cygnus incurring additional legal, consultant and compliance costs that were not required in the comparative period.

Share-based payments have decreased compared to the comparative period which included the vesting expense of a number of Performance Rights that were valued based on the Company's historical share price which exceeds that of the Company's average share price during the current reporting period.

Site administration expenses relate to certain operating expenditures at the Chibougamau copper gold project in Quebec which was acquired on 31 December 2024. These costs are not eligible to be capitalised to the Consolidated Statement of Financial Position and were not incurred in the comparative reporting period.

Basic and diluted loss per share has decreased in the current reporting period due to their being significantly more Cygnus shares on issue than the comparative reporting period. Approximately 468 million Cygnus shares were issued in connection with the Doré asset acquisition and associated share placement in late 2024 bringing the total shares on issue to approximately 849 million at 31 March 2025 compared to 291 million at 31 March 2024.

Balance Sheet

- The excess of current assets over current liabilities has increased at the current reporting date due to both a \$1.4 million reduction in trade and other payables and a \$4.1 million increase in cash and cash equivalents compared to the comparative reporting date.
- Total assets have increased at the end of the current reporting year compared to the end of the comparative reporting period due largely to the acquisition of Doré on 31 December 2024 which included an inflow of cash and cash equivalents of approximately \$2.5 million and the recognition of approximately \$31 million in capitalised exploration assets including approximately \$1.3 million in capitalised transaction costs.

Cash Flows

- Net cash flows used in operating activities have increased in the current reporting period due to due to a ramp up in operational activity following the completion of the acquisition of Doré Copper Mining Corp on 31 December 2024. The current reporting period saw a number of Doré employees and consultants transition across to Cygnus as a result of the acquisition to cater for Canadian operations extending from James Bay to now include the Chibougamau copper-gold project in Quebec. Upon completion of the acquisition, in addition to its Primary ASX listing, Cygnus also became dual listed on the TSXV with a subsequent secondary listing on the OTCQB Venture Market. Both of which resulted in Cygnus incurring additional legal, consultant and compliance costs that were not required in the comparative period.
- Net cash flows used in investing activities has increased compared to the comparative reporting period due to the payment of transaction costs in relation to the Doré asset acquisition that completed on 31 December 2024.

Exploration and Evaluation Assets

The following table outlines 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 three months ended 31 March:

	2025 \$	2024 \$
Opening balance – 1 January	61,309,265	23,926,379
Expenditure incurred during the year – Australian tenements	207,355	165,874
Expenditure incurred during the year – Canadian tenements	3,261,923	2,011,836
Government grants received	(817,177)	-
Closing balance – 31 March	63,961,366	26,104,089

Expenditure on Canadian tenements increased in the current reporting period due to accelerated resource growth and brownfields drilling plus downhole electromagnetics to deliver additional drill targets at the newly acquired Chibougamau Project. During the current reporting period the Company also received Government grants and tax credit refunds in relation to work undertaken in Australia during the current reporting period and in Canada during 2023.

The following table includes a breakdown of exploration and evaluation assets by project area as at the current and comparative reporting dates:

	31 March 2025 \$	31 March 2024 \$
Australian gold and rare earth projects	2,816,759	3,038,079
James Bay (Canada) lithium projects	26,888,216	23,066,010
Chibougamau (Canada) copper-gold project	34,256,391	-
Totals	63,961,366	26,104,089

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2025 the Group had current assets of \$11,587,165 (31 December 2024: \$16,125,095), including cash and cash equivalents of \$10,326,102 (31 December 2024: \$14,869,835), and current liabilities of \$2,760,851 (31 December 2024: \$3,599,903).

The Group's cashflow forecast through to 15 May 2026 reflects that the Group will 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.

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

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

RESTRICTED CASH

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

CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

Promissory Notes

In 2019, 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 Company 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 bears 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. Interest accrued to 1 October 2024 totalled 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 at 31 March 2025, no adjustments had been made.

Rehabilitation Liability

As at the reporting date, the Company does not have a present obligation to incur rehabilitation costs related to its mining operations. However, the Company will be required to recognise a rehabilitation liability in the future upon the submission and approval of a mine closure plan. Until such a plan is submitted and approval is obtained, any obligation for rehabilitation costs remains contingent. Once the mine closure plan is submitted and approved, the Company will become legally obligated to undertake the rehabilitation activities associated with its mining operations. The timing and amount of the rehabilitation liability are dependent on the scope and approval of the mine closure plan and any associated regulatory requirements.

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. The Company has recognised a net fair value gain on revaluation of the Stria Lithium Inc. common shares of \$169,979 for the current reporting period as a result of an increase in the share price of Stria Lithium Inc.

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.

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

	Three months ended 31 March	
	2025 \$	2024 \$
Short-term employee benefits	294,790	234,112
Post-employment benefits	8,914	13,712
Share-based payments	161,157	528,838
Totals	464,861	776,662

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 of which David Southam and Ray Shorrocks are directors, recharged shared office costs to the Company during the three months ended 31 March 2025 totalling \$6,188 (twelve months ended 31 December 2024: \$25,112). \$6,065 was owing to Andean Silver Limited by the Company at 31 March 2025 (31 December 2024: Nil).

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.

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.

OUTSTANDING SHARE DATA

The Company's share capital consists of ordinary shares without par value. As at 31 May 2025, there were 849,531,671 ordinary shares issued and outstanding. In addition, there were 20,610,141 share options, 21,278,809 performance rights and 3,343,006 share rights on issue under the Company's incentive plan.

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:

	Notes	Date	Shares	Issue Price \$	Total \$
Opening balance at 31 December 2023			291,559,139		47,607,870
No movements			-		-
Closing balance at 31 March 2024			291,559,139		47,607,870
Opening balance at 31 December 2024			848,319,650		92,739,029
Exercise of Share Rights	1	6/02/2025	912,021	0.120	109,443
Less share issue costs			-	-	(54,434)
Closing balance at 31 March 2025			849,231,671		97,794,038
Issue of Shares	2	9/04/2025	300,000	0.105	31,500
			849,531,671		97,825,538

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 are subject to voluntary escrow for a period of 4 months from issue.

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.

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 2025	Issued as remuneration	Converted	Closing balance 31 Mar 2025	Vested and convertible at end of the period	Value of rights expensed during the period \$
9/07/24	31/07/29	2,395,018	-	(279,720)	2,115,298	2,155,298	-
30/10/24	31/07/29	1,118,422	-	(291,739)	826,683	826,683	-
10/01/25	31/07/29	-	741,587	(340,562)	401,025	401,025	-
		3,513,440	741,587	(912,021)	3,343,006	3,343,006	-

Issue Date	Expiry date	Opening balance 1 Jan 2024	Issued as remuneration	Converted	Closing balance 31 Dec 2024	Vested and convertible at end of the period	Value of rights expensed during the period \$
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 and comparative reporting periods, is set out below.

Grant Date	Expiry date	Exercise price	Opening balance 1 Jan 2025	Issued	Exercised	Lapsed	Closing balance 31 Mar 2025	Vested and exercisable at end of the period
23/12/21	21/01/2025	\$0.1600	3,500,000	-	-	(3,500,000)	-	-
21/10/22	21/10/2025	\$0.2500	1,500,000	-	-	-	1,500,000	1,500,000
21/10/22	21/10/2025	\$0.5000	1,500,000	-	-	-	1,500,000	1,500,000
21/10/22	21/10/2025	\$0.7500	1,500,000	-	-	-	1,500,000	1,500,000
21/10/22	21/10/2025	\$1.0000	1,500,000	-	-	-	1,500,000	1,500,000
31/12/24	30/04/2025	\$0.4046 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
			27,710,210	-	-	(3,500,000)	22,210,210	22,210,210
Weighted average exercise price:			\$0.14	-	-	\$0.16	\$0.33	\$0.33
Weighted average remaining contractual life:								1.26 years

Note:

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

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.

Share options (continued)

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 cancelled and outstanding at the end of the current and comparative reporting periods, is set out below.

Tranche	Grant Date	Vesting date	Expiry date	Opening balance 1 Jan 2025	Exercised	Closing balance 31 Mar 2025	Vested and exercisable at end of the period	Value of rights expensed during the period \$
A	15/08/22	29/08/23	21/10/27	1,500,000	-	1,500,000	1,500,000	-
B	15/08/22	29/08/23	21/10/27	1,500,000	-	1,500,000	1,500,000	-
H	16/11/22	15/06/24	30/07/25	250,000	-	250,000	250,000	-
M	31/01/23	01/11/24	13/02/28	5,000,000*	-	5,000,000	5,000,000	-
P	31/01/23	13/02/28	13/02/28	4,000,000*	-	4,000,000	-	-
Q	31/01/23	13/02/28	13/02/28	2,500,000*	-	2,500,000	-	58,855
R	31/01/23	13/02/28	13/02/28	2,500,000*	-	2,500,000	-	57,368
V	26/03/23	13/02/28	13/02/28	400,000	-	400,000	-	3,494
W	26/03/23	05/04/25	03/04/28	300,000	-	300,000	-	4,153
X	02/03/23	24/02/24	04/05/28	50,000	-	50,000	50,000	-
Y	02/03/23	24/02/25	04/05/28	50,000	-	50,000	50,000	664
Z	02/03/23	24/02/26	04/05/28	50,000	-	50,000	-	1,453
A4	28/08/23	31/12/25	05/09/28	1,059,603*	-	1,059,603	-	17,878
A5	28/08/23	31/12/25	05/09/28	1,059,603*	-	1,059,603	-	-
A6	28/08/23	31/12/25	05/09/28	1,059,603*	-	1,059,603	-	19,408
				21,278,809	-	21,278,809	8,350,000	163,273

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

Tranche	Grant Date	Vesting date	Expiry date	Opening balance 1 Jan 2024	Exercised	Closing balance 31 Dec 2024	Vested and exercisable at end of the period	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	05/04/25	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

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

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 5 million tonnes ("Mt") 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.

CRITICAL ACCOUNTING ESTIMATES

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.

Exploration and Evaluation Assets – 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.

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.

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 March 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 Managing Director and President, 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 March 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 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 unaudited interim financial statements and disclosure contained in this MD&A as at 14 May 2025.

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 MD&A has been reviewed and approved by Mr. Louis Beaupre, the Quebec Exploration Manager of Cygnus, a "qualified person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

The Company first announced the foreign estimate of mineralization for the Chibougamau Project on October 15, 2024. The Company confirms that the supporting information included in the announcement of October 15, 2024 continues to apply and has not materially changed, notwithstanding the clarification announcement released by Cygnus on January 28, 2025 ("Clarification"). Cygnus confirms that (notwithstanding the Clarification) it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. Cygnus confirms that it is not in possession of any new information or data relating to the foreign estimate that materially impacts on the reliability of the estimates or Cygnus' ability to verify the foreign estimates as mineral resources in accordance with the JORC Code. The Company confirms that the supporting information provided in the original market announcement continues to apply and has not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

Metal equivalents for the foreign estimate of mineralization have been calculated at a copper price of US\$8,750/t, gold price of US\$2,350/oz, with copper equivalents calculated based on the formula $CuEq(\%) = Cu(\%) + (Au(g/t) \times 0.77258)$. Individual grades for the metals included in the metal equivalents calculation for the exploration results are in the original market announcements. 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 $CuEq(\%) = Cu(\%) + (Au(g/t) \times 0.77258) + (Ag(g/t) \times 0.00822)$. Gold equivalents are calculated based on the formula $AuEq(g/t) = Au(g/t) + (Cu(\%) \times 1.29436) + (Ag(g/t) \times 0.01064)$. Metallurgical recovery factors have been applied to the metal 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 January 28, 2025. It is the Company's view that all elements in the metal equivalents calculations in respect of the foreign estimate and exploration results have a reasonable potential to be recovered and sold.

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

END NOTES

1. The Mineral Resource estimate at the Chibougamau Project is a foreign estimate prepared in accordance with CIM Standards and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the foreign estimate as a mineral resource in accordance with the JORC Code, and it is uncertain whether further evaluation and exploration will result in an estimate reportable under the JORC Code. Refer ASX announcement dated October 15, 2024.
2. 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.
3. Refer to Cygnus' ASX announcement entitled 'Maiden Resource at Pontax Project' released to the ASX on 14 August 2023 regarding the Inferred Mineral Resource Estimate of 10.1Mt at 1.04% Li₂O at Pontax Central.