



HAYASA METALS INC.

Hayasa Metals Inc.

(formerly Fremont Gold Ltd.)

An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

(Unaudited)

SIX MONTHS ENDED SEPTEMBER 30, 2024

NOTICE

These unaudited interim consolidated financial statements have been prepared by management and have not been the subject of a review by the Company's independent auditor.

Hayasa Metals Inc.

Condensed interim statements of financial position

(Expressed in Canadian Dollars)

	Notes	Sept. 30, 2024	March 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		\$ 1,109,675	\$ 298,594
Accounts receivable		143,667	254,161
Prepaid expenses		120,250	80,532
Marketable securities	4	-	32,000
Total Current assets		1,373,592	665,287
Non-current assets			
Mineral properties	6	284,314	218,658
Long-term receivable	5	33,748	67,750
Fixed assets		3,419	4,013
Reclamation bonds	7	12,931	12,782
Total Assets		\$ 1,708,004	\$ 968,490
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 170,173	\$ 125,873
Due to related parties	10	559,089	623,743
Total Current liabilities		729,262	749,616
Long-term liabilities		13,978	13,816
Shareholders' equity		743,240	763,432
Share capital	8(a)	20,925,929	18,952,598
Warrant reserve	8(b)	291,763	291,763
Stock option reserve	8(c)	1,849,120	1,790,445
Accumulated other comprehensive income		181,454	178,682
Accumulated deficit		(22,283,502)	(21,008,430)
Total Shareholders' equity		964,764	205,058
Total Liabilities and Shareholders' equity		\$ 1,708,004	\$ 968,490
Nature of operations and going concern (Note 1)			
Subsequent events (Note 14)			

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors

"Randall Chatwin"
Randall Chatwin, Director

"Joel Sutherland"
Joel Sutherland, Director

Hayasa Metals Inc.

Condensed interim consolidated statements of loss and comprehensive loss

(Expressed in Canadian Dollars except number of shares)

	Notes	3 months ended Sept. 30, 2024	3 months ended Sept. 30, 2023	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Expenses					
Exploration and evaluation	9	\$ 469,973	\$ 228,937	\$ 652,007	\$ 239,452
Management	10	89,105	56,730	142,298	108,629
Marketing		47,930	19,287	118,905	21,524
Professional fees		43,989	69,081	61,231	101,736
Stock-based compensation	7(c)	34,978	26,003	58,675	68,916
Travel		22,892	1,286	31,769	2,440
General and administration		10,744	30,286	18,391	53,002
Project development		13,466	4,188	16,131	44,970
Listing and transfer agent		3,404	2,291	5,201	8,774
Depreciation		317	1,766	633	3,458
Reclamation (net)		-	-	-	958
		<u>736,798</u>	<u>439,855</u>	<u>1,105,241</u>	<u>653,859</u>
Other income and expenses					
Provision on Intermont receivable	5	126,388	-	126,388	-
Foreign exchange loss (gain)		47,877	(5,476)	50,539	1,571
Loss on marketable securities		1,595	6,500	1,595	24,500
Write-off of mineral property	5	-	853,688	-	853,688
Interest income		(7,954)	(892)	(8,691)	(2,082)
		<u>167,906</u>	<u>844,820</u>	<u>170,232</u>	<u>877,087</u>
Net loss for the period		\$ 904,704	\$ 1,293,675	\$ 1,275,072	\$ 1,531,536
Other comprehensive income and loss					
Unrealised foreign currency translation items		2,997	81,824	(2,772)	7,194
		<u>2,997</u>	<u>81,824</u>	<u>(2,772)</u>	<u>7,194</u>
Total comprehensive loss for the period		\$ 907,701	\$ 1,375,499	\$ 1,272,300	\$ 1,538,730
Loss per share, Basic and diluted		\$ 0.02	\$ 0.05	\$ 0.03	\$ 0.06
Weighted average shares outstanding, Basic and diluted		53,066,119	25,869,097	45,535,485	25,869,097

The accompanying notes are an integral part of these consolidated financial statements.

Hayasa Metals Inc.

Condensed interim consolidated statements of changes in shareholders' equity

(Expressed in Canadian Dollars)

	Issued common shares	Share capital	Subscription receipts	Reserves, Warrants	Reserves, Stock options	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
Balance at March, 31, 2023	25,869,097	\$ 17,788,002	\$ -	\$ 291,763	\$ 1,661,598	\$ 179,170	(\$ 17,065,120)	\$ 2,855,413
Share issuance costs	-	(7,695)	537,767	-	-	-	-	530,072
Stock-based compensation	-	-	-	-	68,916	-	-	68,916
Comprehensive loss	-	-	-	-	-	(7,194)	(1,531,536)	(1,538,730)
Balance at Sept. 30, 2023	25,869,097	\$ 17,780,307	\$ 537,767	\$ 291,763	\$ 1,730,514	\$ 171,976	(\$ 18,596,656)	\$ 1,915,671
Balance at March, 31, 2024	37,922,097	\$ 18,952,598	\$ -	\$ 291,763	\$ 1,790,445	\$ 178,682	(\$ 21,008,430)	\$ 205,058
Shares issued for cash:								
Private placement	20,150,000	2,015,000	-	-	-	-	-	2,015,000
Shares issued to new CEO	116,000	12,760	-	-	-	-	-	12,760
Share issuance costs	-	(54,429)	-	-	-	-	-	(54,429)
Stock-based compensation	-	-	-	-	58,675	-	-	58,675
Comprehensive loss	-	-	-	-	-	2,772	(1,275,072)	(1,272,300)
Balance at Sept. 30, 2024	58,188,097	\$ 20,925,929	\$ -	\$ 291,763	\$ 1,849,120	\$ 181,454	(\$ 22,283,502)	\$ 964,764

The accompanying notes are an integral part of these consolidated financial statements.

Hayasa Metals Inc.

Condensed interim consolidated statements of cash flows

(Expressed in Canadian Dollars)

	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
OPERATING ACTIVITIES		
Net loss for the period	(\$ 1,275,072)	(\$ 1,531,536)
Adjustments for items not involving cash:		
Provision on Intermont receivable	126,388	-
Stock-based compensation	58,675	68,916
Shares issued to CEO	12,760	-
Unrealised foreign exchange items	2,714	(2,426)
Realised loss on sale of marketable securities	1,595	6,500
Depreciation	633	3,458
Write-off of mineral properties	-	853,688
Unrealised loss on marketable securities	-	18,000
	(1,072,307)	(583,400)
Net changes in non-cash working capital items:		
Accounts receivable and prepaid expenses	(22,565)	(6,948)
Accounts payable and accrued liabilities	44,300	170,672
Due to related parties	(64,709)	534,594
Cash used in operating activities	(1,115,281)	114,918
INVESTING ACTIVITIES		
Proceeds on sale of marketable securities	30,405	23,500
Additions to mineral properties	(63,601)	(600,240)
Additions to fixed assets	-	(13,153)
Proceeds on bond refund	-	9,058
Cash used in investing activities	(33,196)	(580,835)
FINANCING ACTIVITIES		
Issuance of share capital	2,015,000	-
Subscription receipts	-	537,767
Share issuance costs	(54,429)	(7,695)
Cash provided by (used in) financing activities	1,960,571	(7,695)
Effect of change in exchange rate on cash	(1,013)	(301)
Net increase in cash and cash equivalents	811,081	63,854
Cash and cash equivalents, beginning of period	298,594	523,948
Cash and cash equivalents, end of period	\$ 1,109,675	\$ 587,802

The accompanying notes are an integral part of these consolidated financial statements.

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2024

1. NATURE OF OPERATIONS AND GOING CONCERN

In November 2024, the Company announced that it had changed its name from Fremont Gold Ltd. to Hayasa Metals Inc.

Hayasa Metals Inc. (“**Hayasa**” or the “**Company**”) was incorporated under the laws of British Columbia, Canada, on June 6, 2007. The principal business activity of the Company is the acquisition and exploration of mineral properties located in the Tethyan belt of Armenia. The Company is listed on the TSX Venture Exchange (“**TSXV**”) under the trading symbol ‘HAY’ and on the OTCQB Venture Market under the trading symbol ‘HAYAF’. The head office and records office of the Company are located at Suite 1500 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. The Company’s registered office is located at 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8.

Going concern

The nature of the Company’s operations results in significant expenditures for the acquisition and exploration of mineral properties. To date, the Company has not generated any revenue from mining or other operations and it is considered to be in the exploration stage.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) applicable to a going concern, which assumes the Company will be able to realise its assets and settle its liabilities in the normal course of business. For the six months ended September 30, 2024, the Company reported a net loss of \$1,275,072 (six months ended September 30, 2023: \$1,531,536) and as at that date had a net working capital balance of \$644,330 (March 31, 2024: net working capital deficit of \$84,329).

The Company’s ability to continue as a going concern is dependent upon its ability to obtain additional funding from equity financings provided by the Company’s existing shareholders and/or new shareholders or through other arrangements. In July 2024, the Company closed a non-brokered private placement raising gross proceeds of \$2,015,000 (see Note 8(a)). There is no assurance that the Company will continue to be successful in this regard.

The recoverability of the carrying value of mineral properties and deferred expenditures is dependent upon a number of factors including the existence and discovery of economically recoverable reserves, and the ability of the Company to obtain financing to maintain properties in good standing and continue exploration.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

In the event the Company is unable to arrange appropriate financing, the carrying value of its assets and liabilities could be subject to material adjustment and the Company may not be able to meet its obligations as they become due in the normal course of business. Furthermore, these conditions indicate the existence of a material uncertainty that raises significant doubt as to the Company’s ability to continue as a going concern.

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2024

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, 'Interim Financial Reporting'. The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements for the year ended March 31, 2024.

These condensed interim consolidated financial statements include the accounts of Hayasa Metals Inc. and its wholly owned subsidiaries as follows:

	Location	Ownership	Functional currency
"Hayasa Resources Corp." LLC (" HRC ")	Armenia	100%	AMD
Intermont Exploration, Corp. (" Intermont ")	USA	0%	US\$
Lithaur Inc. (" Lithaur ")	USA	0%	US\$

HRC is a wholly owned subsidiary of Hayasa Metals Inc. incorporated under the laws of the Republic of Armenia. The subsidiary was established to facilitate the operations of the Company in Armenia.

The Company's interest in Lithaur was sold in November 2023.

The Company's interest in Intermont was sold in March 2024 (see Note 5).

The condensed interim consolidated financial statements do not contain all disclosures required under IFRS and should be read in conjunction with Company's annual consolidated financial statements and the notes thereto for the year ended March 31, 2024.

3. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2025, and have not been applied in preparing these consolidated financial statements.

The Company has determined that these new accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or will not have a significant impact on the Company's consolidated financial statements.

4. MARKETABLE SECURITIES

In January 2023, the Company sold its interest in the Coyote and Rossi claim blocks to Westward Gold Inc. ("**Westward**") for consideration which included 600,000 common shares of which 200,000 shares were subject to a statutory hold period that ended on May 18, 2023 and the remaining 400,000 shares were subject to a voluntary hold period of eight months that ended on September 17, 2023.

In August 2023, the Company sold 200,000 common shares of Westward for net proceeds of \$23,500.

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SIX MONTHS ENDED SEPTEMBER 30, 2024

The remaining 400,000 Westward shares were sold in July 2024 for net proceeds of \$30,405.

5. INTERMONT EXPLORATION, CORP.

With the exception of its interest in the Hurricane property, the Company's interest in all of its Nevada properties were held by its wholly owned subsidiary, Intermont, a company incorporated under the laws of Nevada. The Company's interest in the Hurricane property was held by Hayasa Metals Inc. directly.

In March 2024, the Company entered into an agreement to sell Intermont to an individual representing an Australian consortium (the "**Buyer**"). Intermont holds the Cobb Creek asset in Elko County Nevada and previously held the Griffon asset in White Pine County, Nevada (divested in November 2023). The purchase price totaled US\$ 300,000 to be paid over two years as follows:

- On closing: US\$ 100,000 (received)
- May 29, 2024: US\$ 50,000 (US\$ 12,730 received)
- August 29, 2024: US\$ 50,000
- February 28, 2025: US\$ 50,000
- February 28, 2026: US\$ 50,000.

As at September 30, 2024 and November 27, 2024, the Buyer had paid US\$ 12,730 of the US\$ 100,000 that was owing as at the former date. As at September 30, 2024, management recognised a provision of \$126,388 equivalent to 50% of the total outstanding balance (including both overdue and current components) due from the Buyer.

Certain debts of Intermont owing to Hayasa's former Vice President of Exploration were transferred to Hayasa pursuant to the terms of the agreement. The Buyer will assume all ongoing costs of Intermont including option and BLM payments post closing.

Other than Hurricane (which was written off in full in late fiscal 2024 and divested in early fiscal 2025; see note 6(c)), Cobb Creek was the last remaining Nevada gold asset held by Intermont.

Net proceeds received on the sale totalled \$407,100 and net assets of Intermont as at the date of sale totalled \$1,089,852 resulting in a loss on sale of \$682,752 in fiscal 2024.

6. MINERAL PROPERTIES

6 months ended					
Sept. 30, 2024	Mar. 31, 2024	Incurred during period	Foreign exchange	Sept. 30, 2024	
Vardenis	\$ 202,552	\$ 21,425	\$ 2,240	\$ 226,217	
Urasar	16,104	42,176	(183)	58,097	
	\$ 218,656	\$ 63,601	\$ 2,057	\$ 284,314	

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2024

Year ended		Incurred	Sold during	Dropped	Foreign	
March 31, 2024	Mar. 31, 2023	during period	period	during period	exchange	Mar. 31 2024
Vardenis	\$ -	\$ 200,157	\$ -	\$ -	\$ 2,395	\$ 202,552
Urasar	-	16,112	-	-	(8)	16,104
Hurricane	872,854	5,527	-	(879,503)	1,122	-
Cobb Creek (1)	861,499	130,898	(994,086)	-	1,689	-
Lithium assets (2)	-	245,055	(240,309)	-	(4,746)	-
Griffon	811,219	51,679	-	(860,171)	(2,727)	-
	\$2,545,572	\$ 649,428	(\$1,234,395)	(\$1,739,674)	(\$ 2,275)	\$ 218,656

(1) Cobb Creek was sold via the sale of InterMont in March 2024 (see Note 5)

(2) The Lithium assets were sold via the sale of Lithaur in November 2023

(a) Vardenis

Vardenis, option to acquire Mendia

In June 2023, the Company executed a definitive option agreement to acquire up to a 100% interest in Mendia Resources Corp. (“**Mendia**”), an Armenian corporation, with Mendia’s sole shareholder (the “**Optionor**”). Mendia holds the exploration license over the Vardenis copper-gold project in central Armenia. The agreement provides the Company with the exclusive option to acquire up to 100% of Mendia via staged option payments over 4.5 years.

On closing, the Company paid US\$ 100,000 in cash, issued 500,000 common shares to the Optionor and initiated specified exploration work on the Vardenis property.

An amendment to the original agreement was entered into on September 25, 2024. The amended option terms are as follows:

- 51% equity ownership interest in Mendia Resources LLC (owner of the Vardenis permit):
 - June 2023: US\$ 100,000 in cash (paid) and 500,000 Hayasa common shares (issued)
 - July 2025: complete specified exploration work (including 2,500m of diamond drilling)
- A further 29% stake (total 80% equity ownership) in Mendia:
 - December 2024: US\$ 75,000 in cash and 700,000 Hayasa common shares
 - March 2025 (not later than): US\$ 75,000 in cash
 - October 2025: complete total of 3,500m of diamond drilling since June 2023, the inception of the option
 - June 2026: complete specified exploration work (including total of 5,000m of diamond drilling since June 2023, the inception of the option)
- A further 10% stake (total 90% equity ownership) in Mendia:
 - June 2026: US\$ 100,000 in cash and 1,000,000 Hayasa common shares
 - December 2027: completion of a Preliminary Economic Assessment study
- Upon earning 90% equity interest: Optionor has the right to contribute pro-rata to retain 10% interest. If optionor elects not to contribute, Hayasa has the option to purchase the remaining 10%

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2024

for US\$ 3.5M, for a 100% equity ownership interest. If Hayasa declines, the remaining interest reverts to a 1% net smelter return royalty once the Optionor is diluted below a 5% ownership threshold

The option to acquire Mendia is held by Hayasa (not HRC).

(b) Urasar

In October 2023, the Company was granted an exploration permit comprising 33.8 km² over the Urasar mineral district in northern Armenia.

(c) Hurricane

1027344 B.C., a former subsidiary of Hayasa Metals Inc., entered into an agreement dated February 13, 2015 with Nevada Eagle, LLC (“**Nevada Eagle**”), a third party, pursuant to which 1027344 B.C. leased six unpatented mining claims in Nevada collectively known as Hurricane. Subject to various conditions, the lease agreement provided 1027344 B.C. with the exclusive right to prospect, explore and mine on the property for a period of twenty years with a right to renew thereafter.

1027344 B.C.’s rights and responsibilities associated with the agreement were subsequently transferred to Hayasa Metals Inc.

Nevada Eagle’s rights and responsibilities associated with the lease agreement were assigned to Nevada Select Royalty, Inc. (“**Nevada Select**”) pursuant to an assignment and assumption agreement dated May 4, 2016.

In May 2024, the Company notified Nevada Select that it was terminating the lease agreement and returning the Hurricane project to them. The termination of the lease agreement with Nevada Select followed from the Company’s decision to shift focus to its copper-gold projects in the central Tethyan belt of Armenia.

The Company recognised a provision in the amount of \$879,503 writing off the carrying value of Hurricane in full in the fourth quarter of fiscal 2024.

7. RECLAMATION BONDS

Reclamation bonds provided to the Armenian state in connection with exploration work undertaken at Vardenis and Urasar amounted to \$9,681 and \$3,250, respectively, as at September 30, 2024 (March 31, 2024: total of \$12,782).

8. SHAREHOLDERS’ EQUITY

(a) Share capital

The Company has authorized capital of an unlimited number of common voting shares without nominal or par value.

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2024

The Company has authorized capital of an unlimited number of preferred voting shares without nominal or par value.

July 2024 non-brokered private placement

On July 23, 2024, the Company closed a non-brokered private placement financing pursuant to which a total of 20,150,000 units were issued at a price of \$0.10 per common share for gross proceeds of \$2,015,000.

Each unit was comprised of one common share of the Company and one half of a share purchase warrant. Each full warrant entitles the holder to acquire one common share at a purchase price of \$0.17 for a period of 18 months following closing of the private placement.

Current directors and officers of the Company participated in the private placement subscribing for an aggregate of 3,525,000 common shares for gross proceeds of \$352,500.

All securities issued in connection with the private placement are subject to a statutory hold period of four months plus one day following issuance.

Common shares issued to new CEO

The Company appointed a new Chief Executive Officer in late August 2024. As part of his compensation package, the new CEO will receive an aggregate of 580,000 common shares of the Company to be issued as follows:

- 116,000 common shares upon TSXV approval (the “**Initial Issuance**”)
- 116,000 common shares on the six-month anniversary of the Initial Issuance
- 116,000 common shares on the 12-month anniversary of the Initial Issuance
- 116,000 common shares on the 18-month anniversary of the Initial Issuance, and
- 116,000 common shares on the 24-month anniversary of the Initial Issuance.

The common shares will be issued at a deemed price equal to the market price of the Company’s shares on the day preceding each issuance.

The common shares associated with the Initial Issuance were issued on September 5, 2024.

(b) Share purchase warrants

A continuity schedule of the Company’s share purchase warrants is as follows:

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2024

	Expiry date	Number of warrants	Weighted average exercise price
March 31, 2023		6,206,403	0.83
Issuance			
Warrants (October 2023 private placement)	October 27, 2025	5,776,500	0.17
Expiration			
Warrants (July 2021 private placement)	July 27, 2023	(2,073,283)	0.50
Finder warrants (July 2021 private placement)	July 27, 2023	(28,000)	0.50
Warrants (November 2020 private placement)	Nov. 2, 2023	(4,000,000)	1.00
Finder warrants (November 2020 private placement)	Nov. 2, 2023	(105,120)	1.00
March 31, 2024		5,776,500	0.17
Issuance			
Warrants (July 2024 private placement)	January 23, 2026	10,075,000	0.17
Sept. 30, 2024		15,851,500	0.17

The Company had the following share purchase warrants outstanding as at September 30, 2024:

	Expiry date	Exercise price	Number of warrants
Warrants (October 2023 private placement)	October 27, 2025	0.17	5,776,500
Warrants (July 2024 private placement)	January 23, 2026	0.17	10,075,000
		0.17	15,851,500

The weighted average remaining life of outstanding share purchase warrants as at September 30, 2024 was 15 months (March 31, 2024: 19 months).

(c) Stock options

A continuity schedule of the Company's stock options is as follows:

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2024

	Number of options	Weighted average exercise price
March 31, 2023	350,000	0.90
Issued	3,050,000	0.09
March 31, 2024	3,400,000	0.17
Issued	750,000	0.10
June 30, 2024	4,150,000	0.16

The Company had the following stock options outstanding as at September 30, 2024:

Expiry date	Number of options	Exercise price
April 15, 2025	175,000	1.00
January 18, 2026	175,000	0.80
April 23, 2028	1,950,000	0.09
December 20, 2028	1,100,000	0.09
July 5, 2029	150,000	0.10
August 21, 2029	600,000	0.095
	4,150,000	0.16

The weighted average remaining life of outstanding stock options as at September 30, 2024 was 45 months (March 31, 2024: 48 months).

Stock-based compensation totalled \$58,675 in the six months ended September 30, 2024 (six months ended September 30, 2023: \$68,916).

2,110,000 of the stock options outstanding as at September 30, 2024, were exercisable as at this date.

A total of 150,000 stock options were granted in July 2024. The stock options have an exercise price of \$0.10 and are exercisable through July 5, 2029. All of the stock options will vest in five equal tranches over 24 months including an initial tranche vesting on the date of issuance of the stock options.

A total of 600,000 stock options were granted in August 2024. The stock options have an exercise price of \$0.095 and are exercisable through August 21, 2029. All of the stock options will vest in five equal tranches over 24 months including an initial tranche vesting on the date of issuance of the stock options.

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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SIX MONTHS ENDED SEPTEMBER 30, 2024

The fair values of the stock options granted in the six months ended September 30, 2024 were estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

	Aug. 21, 2024 (\$0.095)	July 5, 2023 (\$0.10)
Dividends	-	-
Expected volatility (average)	122%	124%
Risk-free interest rate	2.9%	3.4%
Expected life (months)	60	60
Expected rate of forfeiture	5.0%	5.0%

A total of 600,000 stock options having an exercise price of \$0.15 were issued subsequent to September 30, 2024 through November 27, 2024. The issued stock options are exercisable through November 8, 2029. One third of the issued stock options vested on the date of issue; the remaining stock options will vest in four equal parts equivalent to one sixth of the total grant every six months thereafter.

No stock options were exercised subsequent to September 30, 2024 through November 27, 2024.

9. EXPLORATION AND EVALUATION

6 months ended Sept. 30, 2024				
	Urasar	Vardenis	Logistical support	Total
Third party services	\$ 135,211	\$ 125,021	\$ -	\$ 260,232
Labour	44,820	50,970	-	95,790
Local community	26,979	58,095	-	85,074
Field activity and supplies	26,507	29,996	-	56,503
Travel and freight	39,382	14,889	-	54,271
Assay	49,040	1,575	-	50,615
Road construction and maintenance	11,769	-	-	11,769
Country manager	18,991	10,377	8,385	37,753
	<u>\$ 352,699</u>	<u>\$ 290,923</u>	<u>\$ 8,385</u>	<u>\$ 652,007</u>

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2024

9 months ended September 30, 2023					
	Vardenis	Urasar	NV lithium	NV gold	Total
Third party services	\$ 57,590	\$ -	\$ -	\$ 10,089	\$ 67,679
Field activity	51,369	-	6,432	4,577	62,378
Labour	50,700	3,872	-	-	54,572
Assay	12,826	-	13,408	-	26,234
Travel	9,855	-	4,239	-	14,094
VP Exploration	-	-	14,495	-	14,495
	\$ 182,340	\$ 3,872	\$ 38,574	\$ 14,666	\$ 239,452

10. RELATED PARTY TRANSACTIONS

The Company incurred the following expenses resulting from transactions with related parties including officers and directors, a former officer and companies that are controlled by a current and former officer of the Company:

	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Remuneration of officers of the Company (1)	\$ 142,298	\$ 177,393
Stock-based compensation relating to stock options issued to officers and directors of the Company	37,743	53,012
Recharge of exploration, claim and local administrative expenditures (2)	-	105,134
	\$ 180,041	\$ 335,539

- (1) Comprises remuneration of the Company's President, Chief Executive Officer, Chief Financial Officer and the former Vice President Exploration (in respect of fiscal 2024 only) and includes fees charged by companies controlled by an officer and a former officer of the Company
- (2) Certain exploration, local administrative and claim acquisition expenditures were charged to Intermont by Tectonex LLC, a company owned by the Company's former VP Exploration. Such charges totalled \$nil in the six months ended September 30, 2024 (six months ended September 30, 2023: US\$ 78,333 (\$105,134)). All such expenditures were recharged to the Company without margin or discount at the actual cost incurred by Tectonex

The Company owed the following amounts to related parties including officers and directors, a former officer and companies that are controlled by a current and former officer of the Company:

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2024

	Sept. 30, 2024	March 31, 2024
Amounts owing to directors and officers relating to deferred remuneration and the reimbursement of expenses	\$ 409,562	\$ 378,278
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures	49,527	145,465
Advance provided by the President and CEO	100,000	100,000
	<u>\$ 559,089</u>	<u>\$ 623,743</u>

In August 2023, the President and CEO loaned \$200,000 to the Company of which \$100,000 was repaid with the proceeds of the October 2023 private placement.

Amounts due to related parties as at September 30, 2024 (including the advance from the President and CEO) were unsecured and non-interest bearing.

Debt settlement agreement

The Company has tentatively agreed to settle outstanding debts owed to two current and one former member of its management team totalling \$499,333. The debt settlement agreements provide for the following:

- Issuance by the Company to the debtors of a total of 2,097,762 common shares at a deemed price of \$0.10 per share (being the unit price of the non-brokered private placement that closed in July 2024) having a total deemed value of \$209,776
- Immediate payment of a total of \$100,000
- Deferred payment of a total of \$109,777 to take place following the closing of the Company's next equity financing, and
- The two current members of the management team have agreed to forgive a total of \$79,780 in debt (being 20% of the total amount owing to each).

As at November 27, 2024, the Company was awaiting approval from the TSXV to proceed with the execution of the debt settlement agreements.

11. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of mineral properties. The Company's assets are located in Canada and Armenia as follows:

Hayasa Metals Inc.

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SIX MONTHS ENDED SEPTEMBER 30, 2024

	Canada	Armenia	United States	Total
Non-current assets:				
Sept. 30, 2024	\$ 34,488	\$ 299,924	\$ -	\$ 334,412
March 31, 2024	68,737	234,466	-	303,203
Net loss				
6 months ended Sept. 30, 2024	557,673	708,715	8,684	1,275,072
6 months ended Sept. 30, 2023	\$ 278,164	\$ 291,890	\$ 961,482	\$ 1,531,536

12. CAPITAL MANAGEMENT

The Company manages its capital structure, which consists of working capital and share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and evaluation of mineral property assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

All of the exploration and evaluation assets in which the Company has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for ongoing general and administrative expenses, the Company will use existing working capital and expects to raise additional funds through equity private placements as required in the future. The Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relatively small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the six months ended September 30, 2024.

Additional information relating to the Company's ability to continue as a going concern is presented in Note 1.

13. RISK MANAGEMENT

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

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SIX MONTHS ENDED SEPTEMBER 30, 2024

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. Following the divestment of its Nevada assets, the Company's exploration activity is situated entirely in Armenia and the Company is therefore exposed to foreign exchange risk arising from transactions and monetary balances denominated in Armenian drams and, to a lesser extent, United States dollars. The Company has no program in place for hedging foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The risk is considered minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to assist in determining the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet ongoing business requirements, taking into account its current cash position and potential funding sources.

With the exception of accrued liabilities totalling \$16,000 and balances due to related parties (see Note 10), all accounts payable and accrued liabilities are due within 90 days of September 30, 2024. Amounts due to related parties as at September 30, 2024 were unsecured and non-interest bearing; a debt settlement arrangement has been agreed with all creditors and as at November 27, 2024, was awaiting approval from the TSXV to proceed.

Additional information relating to the Company's ability to continue as a going concern is presented in Note 1.

14. SUBSEQUENT EVENT

In November 2024, the Company announced that it had changed its name from Fremont Gold Ltd. to Hayasa Metals Inc.