



HAYASA METALS INC.

**Hayasa Metals Inc.**

(formerly Fremont Gold Ltd.)

An Exploration Stage Company

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Company were prepared by management in accordance with International Financial Reporting Standards, and within the framework of the significant accounting policies in the notes to these financial statements. Management is responsible for the preparation and presentation of the consolidated financial statements and Management Discussion and Analysis ("MD&A").

A system of accounting and control is maintained in order to provide reasonable assurance that the assets are safeguarded and that transactions are properly recorded and executed in accordance with management's authorization. The system includes established policies and procedures, the selection and training of qualified persons, and the appropriate delegation of authority and segregation of responsibilities for a corporation of the size of Hayasa Metals Inc.

The Board of Directors, based on recommendations from its Audit Committee, reviews and approves the consolidated financial statements and MD&A. The Audit Committee meets with management and the Company's independent auditors to ensure that management is fulfilling its responsibility to maintain financial controls and systems and to make recommendations to the Board of Directors for approval of all financial information released to the public. The Audit Committee also meets with the independent auditors to discuss the scope and the results of the audit and the audit report prior to submitting the consolidated financial statements to the Board of Directors for approval.

The consolidated financial statements for the year ended March 31, 2025 have been audited on behalf of the shareholders by the Company's independent auditors, DeVisser Gray LLP, in accordance with Canadian generally accepted auditing standards. The auditor's report outlines the scope of their audit and their opinion on these consolidated financial statements.

*"Joel Sutherland"*

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Joel Sutherland  
Chief Executive Officer

*"Paul Hansed"*

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Paul Hansed  
Chief Financial Officer

July 18, 2025

## INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Hayasa Metals Inc. (formerly Fremont Gold Ltd.)**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Hayasa Metals Inc. (formerly Fremont Gold Ltd.) (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and 2024 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of the material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has no source of revenue and is considered to be in the exploration stage. As stated in Note 1, 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. These matters, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of Mineral properties assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 2(b) – Critical accounting judgements, note 2(d) – Accounting policy for Mineral properties and exploration expenditures and note 7 Mineral properties</i>	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

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Management assesses at each reporting period whether there is an indication that the carrying value of mineral property assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the mineral properties asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.

- Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.
  - Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.
  - Confirmed that the Company's right to explore the properties had not expired.
  - Obtained management's written representations regarding the Company's future plans for the mineral properties.
  - Assessed the reasonability of the Company's financial statement disclosure regarding their mineral property assets.
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## **Other Information**

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James Roxburgh.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants**

Vancouver, BC, Canada  
July 18, 2025

# Hayasa Metals Inc.

## Consolidated statements of financial position

(Expressed in Canadian Dollars)

	Notes	March 31, 2025	March 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 1,074,738	\$ 298,594
Marketable securities	4	-	32,000
Accounts receivable		122,906	254,161
Prepaid expenses		48,566	80,532
<b>Total Current assets</b>		<b>1,246,210</b>	<b>665,287</b>
<b>Non-current assets</b>			
Mineral properties	7	628,509	218,658
Long-term receivable	6	-	67,750
Fixed assets		4,766	4,013
Reclamation bonds	8	30,107	12,782
<b>Total Assets</b>		<b>\$ 1,909,592</b>	<b>\$ 968,490</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 101,109	\$ 125,873
Due to related parties	13	303,424	623,743
<b>Total Current liabilities</b>		<b>404,533</b>	<b>749,616</b>
<b>Long-term liabilities</b>		<b>31,309</b>	<b>13,816</b>
		<b>435,842</b>	<b>763,432</b>
<b>Shareholders' equity</b>			
Share capital	9(a)	21,213,260	18,952,598
Warrant reserve	9(b)	315,263	291,763
Stock option reserve	9(c)	1,943,484	1,790,445
PSU reserve	9(d)	10,667	-
Accumulated other comprehensive income		229,988	178,682
Accumulated deficit		(22,238,912)	(21,008,430)
<b>Total Shareholders' equity</b>		<b>1,473,750</b>	<b>205,058</b>
<b>Total Liabilities and Shareholders' equity</b>		<b>\$ 1,909,592</b>	<b>\$ 968,490</b>
<b>Nature of operations and going concern (Note 1)</b>			
<b>Subsequent event (Note 18)</b>			

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.****Consolidated statements of loss and comprehensive loss**

(Expressed in Canadian Dollars except number of shares)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
<b>Expenses</b>			
Exploration and evaluation	10	\$ 1,512,202	\$ 746,103
Management	13	358,677	212,467
Marketing		220,936	55,242
Stock-based compensation	9(c)	163,706	128,847
Professional fees		131,734	176,676
Travel		70,418	25,602
General and administration		45,985	101,342
Listing and transfer agent		42,413	40,247
Project development	11	19,775	54,564
Reclamation (net)		16,058	3,372
Depreciation		1,540	4,546
		<u>2,583,444</u>	<u>1,549,008</u>
<b>Other income and expenses</b>			
Net proceeds on sale of NSR	7(b)	(1,353,257)	-
Interest income		(18,879)	(7,761)
Foreign exchange loss		17,579	3,301
Loss on marketable securities	4	1,595	34,500
Write-off of mineral properties	7	-	1,739,674
Loss on sale of Intermont	6	-	682,752
Gain on sale of Lithaur	5	-	(58,164)
		<u>-</u>	<u>(58,164)</u>
<b>Net loss for the year</b>		<u><b>\$ 1,230,482</b></u>	<u><b>\$ 3,943,310</b></u>
<b>Other comprehensive loss (income)</b>			
Unrealised foreign currency translation items		(51,306)	488
		<u>(51,306)</u>	<u>488</u>
<b>Total comprehensive loss for the year</b>		<u><b>\$ 1,179,176</b></u>	<u><b>\$ 3,943,798</b></u>
Loss per share, Basic and diluted		\$ 0.02	\$ 0.13
Weighted average shares outstanding, Basic and diluted		52,324,545	30,958,627

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

## Hayasa Metals Inc.

### Consolidated statements of changes in shareholders' equity

(Expressed in Canadian Dollars)

	Issued common shares	Share capital	Reserves, Warrants	Reserves, Stock options	Reserves, PSUs	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
<b>Balance at March 31, 2023</b>	<b>25,869,097</b>	<b>\$ 17,788,002</b>	<b>\$ 291,763</b>	<b>\$ 1,661,598</b>	<b>\$ -</b>	<b>\$ 179,170</b>	<b>(\$ 17,065,120)</b>	<b>\$ 2,855,413</b>
Shares issued for cash:								
Private placement	11,553,000	1,155,300	-	-	-	-	-	<b>1,155,300</b>
Shares issued for mineral property	500,000	35,000	-	-	-	-	-	<b>35,000</b>
Share issuance costs	-	(25,704)	-	-	-	-	-	<b>(25,704)</b>
Stock-based compensation	-	-	-	128,847	-	-	-	<b>128,847</b>
Comprehensive loss	-	-	-	-	-	(488)	(3,943,310)	<b>(3,943,798)</b>
<b>Balance at March 31, 2024</b>	<b>37,922,097</b>	<b>\$ 18,952,598</b>	<b>\$ 291,763</b>	<b>\$ 1,790,445</b>	<b>\$ -</b>	<b>\$ 178,682</b>	<b>(\$ 21,008,430)</b>	<b>\$ 205,058</b>
Shares issued for cash:								
Private placement	20,150,000	2,015,000	-	-	-	-	-	<b>2,015,000</b>
Shares issued for mineral property	700,000	70,000	-	-	-	-	-	<b>70,000</b>
Shares issued to CEO	232,000	20,880	-	-	-	-	-	<b>20,880</b>
Shares issued for management debt	2,097,760	209,776	-	-	-	-	-	<b>209,776</b>
Share issuance costs	-	(54,994)	-	-	-	-	-	<b>(54,994)</b>
Warrants issued (NSR)	-	-	23,500	-	-	-	-	<b>23,500</b>
Stock-based compensation	-	-	-	153,039	10,667	-	-	<b>163,706</b>
Comprehensive loss	-	-	-	-	-	51,306	(1,230,482)	<b>(1,179,176)</b>
<b>Balance at March 31, 2025</b>	<b>61,101,857</b>	<b>\$ 21,213,260</b>	<b>\$ 315,263</b>	<b>\$ 1,943,484</b>	<b>\$ 10,667</b>	<b>\$ 229,988</b>	<b>(\$ 22,238,912)</b>	<b>\$ 1,473,750</b>

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



# Hayasa Metals Inc.

## Consolidated statements of cash flows

(Expressed in Canadian Dollars)

	Year ended March 31, 2025	Year ended March 31, 2024
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(\$ 1,230,482)	(\$ 3,943,310)
Adjustments for items not involving cash:		
Stock-based compensation	163,706	128,847
Warrant issuance (NSR)	23,500	-
Shares issued to CEO	20,880	-
Increase in reclamation provision (net)	16,058	-
Loss on sale of marketable securities	1,595	6,500
Depreciation	1,540	4,546
Unrealised foreign exchange items	(6,646)	139
Write-off of mineral properties	-	1,739,674
Loss on sale of Intermont	-	682,752
Unrealised loss on marketable securities	-	28,000
Gain on sale of Lithaur	-	(58,164)
	<b>(1,009,849)</b>	<b>(1,411,016)</b>
Net changes in non-cash working capital:		
Accounts receivable	211,979	81
Prepaid expenses	31,966	(72,000)
Accounts payable and accrued liabilities	(24,764)	69,812
Due to related parties	(117,301)	342,834
<b>Cash used in operating activities</b>	<b>(907,969)</b>	<b>(1,070,289)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on sale of marketable securities	30,405	23,500
Additions to mineral properties	(317,006)	(535,415)
Reclamation bond purchase	(15,963)	(3,678)
Additions to fixed assets	(2,117)	(11,590)
Proceeds on sale on Lithaur (net)	-	135,539
Proceeds on sale on Intermont (net)	-	106,741
<b>Cash used in investing activities</b>	<b>(304,681)</b>	<b>(284,903)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of share capital (net)	1,960,006	1,129,596
<b>Cash provided by financing activities</b>	<b>1,960,006</b>	<b>1,129,596</b>
<b>Effect of change in exchange rate on cash</b>	<b>28,788</b>	<b>242</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>776,144</b>	<b>(225,354)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>298,594</b>	<b>523,948</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,074,738</b>	<b>\$ 298,594</b>

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

# Hayasa Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

YEARS ENDED MARCH 31, 2025 AND MARCH 31, 2024

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### 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 IFRS Accounting 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 year ended March 31, 2025, the Company reported a net loss of \$1,230,482 (year ended March 31, 2024: \$3,943,310) and as at that date, had a net working capital balance of \$841,677 (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. There is no assurance that the Company will be successful in this regard.

In January 2025, the Company sold a 1.25% net smelter return (“**NSR**”) royalty covering all minerals produced from the Urasar copper-gold project for US\$ 1,000,000 cash (see Note 7(b)).

In January 2025, the Company received TSXV approval to proceed with the execution of previously-announced debt settlement agreements relating to amounts owing to two current and one former member of its management team totalling \$499,333. The settlements involve the issuance of common shares, immediate cash payments, deferred cash payments and the forgiveness of part of the debt (see Note 13).

In February 2025, the Company received \$194,825 in connection with the March 2024 sale of Intermont Exploration, Corp. (“**Intermont**”; see Note (6)).

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,

# Hayasa Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

YEARS ENDED MARCH 31, 2025 AND MARCH 31, 2024

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.

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of July 18, 2025, the effective date the Board of Directors approved these financial statements. Any subsequent changes to IFRS after this date could result in changes to the consolidated financial statements as at and for the year ended March 31, 2025.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Basis of consolidation

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

	Location	Ownership	Functional currency
Hayasa Resources Corp. ("HRC")	Armenia	100%	AMD

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 (see Note 11).

The Company's interest in Lithaur Inc. ("Lithaur") was sold in November 2023 (see Note 5).

The Company's interest in Intermont was sold in March 2024 (see Note 6).

Subsidiaries are all entities over which Hayasa Metals Inc. has control. The Company controls an entity when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is obtained by Hayasa Metals Inc. and are deconsolidated from the date that control ceases.

## **Hayasa Metals Inc.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

YEARS ENDED MARCH 31, 2025 AND MARCH 31, 2024

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All intercompany transactions, balances, revenues and expenses have been eliminated.

#### **(b) Critical accounting judgments**

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The following are critical judgments that management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements.

#### ***Going concern evaluation***

As discussed in Note 1, these consolidated financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used and such adjustments could be material.

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

#### ***Impairment of mineral properties***

Mineral properties are considered for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assessment of impairment indicators involves the application of a number of significant judgments over internal and external factors including reserve and resource estimation, future precious metal prices, estimated costs of future production, changes in government legislation and regulations, estimated deferred income taxes, the availability of financing and various other operational factors. If any such indication exists, an estimate of the recoverable amount is undertaken. If the asset's carrying amount exceeds its recoverable amount, an impairment loss is recognised in the statement of loss.

#### ***Title to mineral properties***

Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not fully guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title could be affected by undetected defects.

# Hayasa Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

YEARS ENDED MARCH 31, 2025 AND MARCH 31, 2024

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### *Estimation of reclamation provision*

The Company estimates the cost of required reclamation activities on a quarterly basis based on the then present state of exploration activity. Estimating the reclamation provision for each of the Company's mineral properties involves estimating future cash flows and assessing the uncertainty of such cash flows among other factors.

### *Valuation of Performance Share Units*

The Company's omnibus equity compensation plan provides for the issuance of various share based compensation including performance share units ("PSUs"). The valuation of granted PSUs is based in part on assumptions concerning the grantees meeting the specified performance criteria within the required time period. In assessing the value of PSUs issued as at March 31, 2025, management has assumed that all performance criteria will be met within the stipulated time periods.

## **(c) Foreign currency translation**

### *Functional currency*

Items included in the financial statements of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

### *Transactions and balances*

Foreign currency transactions are translated into the relevant functional currency using the exchange rate prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of loss.

### *Subsidiaries*

The results and financial position of the Company's subsidiaries that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date
- Income and expenses are translated at average exchange rates for the period
- Equity is translated using historical rates
- All resulting exchange differences are recognised in other comprehensive income as cumulative translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to the foreign currency translation reserve (a component of other comprehensive income/loss). When a foreign operation is sold, such exchange differences are recognised in the statement of loss as part of the gain or loss on sale.

## Hayasa Metals Inc.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

YEARS ENDED MARCH 31, 2025 AND MARCH 31, 2024

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#### (d) Mineral properties and exploration expenditures

Costs relating to the acquisition and claim maintenance of mineral properties (including option payments and annual fees to maintain the property in good standing) are capitalised and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production.

The Company expenses all exploration and evaluation expenditures until management concludes that a future economic benefit is more likely than not to be realised. In evaluating if expenditures meet this criterion to be capitalised, management considers the following:

- The extent to which reserves or resources, as defined in National Instrument 43-101, have been identified in relation to the property in question
- The conclusions of National Instrument 43-101 compliant preliminary economic assessment studies, preliminary feasibility studies and/or feasibility studies regarding the property in question
- The status of environmental permits, and
- The status of mining leases or permits.

Once the Company considers that a future economic benefit is more likely than not to be realised, all subsequent costs directly relating to the advancement of the related area of interest are capitalised.

Capitalised mineral property costs are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator is identified, the asset's recoverable amount is calculated and compared to the carrying amount. For the purpose of measuring recoverable amounts, assets are grouped into cash-generating units ("CGUs"). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The net proceeds realised on the sale of royalties relating to the Company's mineral properties are recognised as an other income item with gross proceeds being offset by direct expenses relating to the sale of the royalties.

#### (e) Fixed assets

Fixed assets are recorded at cost. Depreciation of all depreciable fixed assets is provided on a straight-line basis over four years.

Fixed assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator is identified, the asset's recoverable amount is calculated and compared to the carrying amount. For the purpose of measuring recoverable amounts, assets are grouped into CGUs. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

# **Hayasa Metals Inc.**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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### **(f) Restoration and environmental obligations**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The estimated value of future restoration cost estimates is charged to profit or loss and a corresponding increase in the restoration provision is established in the period incurred.

The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates (if applicable), effects of inflation and changes in estimates.

The estimated value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production is charged to profit or loss in the period incurred. The costs of restoration projects included in the provision are recorded against the provision as incurred.

### **(g) Income taxes**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity.

Current income tax is the expected income tax payable on the taxable income for the year, using income tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred income tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred income tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **(h) Share capital**

The proceeds from the issuance of units are allocated between common shares and share purchase warrants based on the residual value method; under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time of issuance of the units and any

# Hayasa Metals Inc.

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residual value is allocated to the share purchase warrant reserve. Common shares issued for non-monetary consideration are valued based on the fair value of the common shares at the time of issuance.

Proceeds from the exercise of stock options and share purchase warrants are recorded as share capital in the amount for which the stock option or share purchase warrant enabled the holder to purchase a common share in the Company.

Costs directly attributable to the issuance of common shares, stock options and share purchase warrants are recognised as a deduction from equity, net of any related income tax effects.

### (i) Stock-based compensation

The Company grants stock options to certain of its employees, directors and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognised over the tranche's vesting period based on the number of awards expected to vest. This number is reviewed annually, with any change in estimate recognised immediately in compensation expense with a corresponding adjustment to reserves.

Upon exercise of a stock option, consideration paid together with the stock-based compensation amount previously recognised in reserves is recorded as an increase to share capital.

The Company grants PSUs to certain of its employees, directors and consultants. The fair value of PSUs is measured based on the closing price of the Company's common shares on the date of grant. The fair value of each tranche of PSUs is recognised as expense on a straight-line basis over its vesting period. The fair value of PSUs is charged to profit or loss with a corresponding increase in applicable reserves within equity. The amount recognized as an expense is based on the estimate of the number of awards expected to vest which is revised if subsequent information indicates that actual vested awards are likely to differ from the estimate. Upon vesting of equity settled PSUs, the related reserve associated with the PSU is reclassified into share capital.

### (j) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method pursuant to which the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

### (k) Financial instruments

Management has assessed the classification and measurement of financial assets and financial liabilities under IFRS 9 as follows:



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IFRS 9	
Financial assets:	
Cash and cash equivalents	Amortised cost
Marketable securities	FVTPL
Accounts receivable	Amortised cost
Long-term receivable	Amortised cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortised cost
Amounts due to related parties	Amortised cost

The classification of financial assets is based on how the entity manages its financial instruments and contractual cash flow characteristics of the financial asset. Transactions costs with respect to financial instruments classified as fair value through profit or loss (“FVTPL”) are recognised in the statements of loss and comprehensive loss.

Regular purchases and sales of financial assets are recognized on the trade-date, being the date on which the Company commits to purchase the asset.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
- Level 3: Inputs that are not based on observable market data.

The fair value of marketable securities is measured using Level 1 inputs.

#### *Impairment of financial assets*

At each reporting date, the Company assesses whether there is objective evidence that a financial asset has been impaired. In the case of financial instruments measured at amortised cost, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

### 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.

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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.

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

#### 5. LITHAUR INC.

Lithaur is a company incorporated under the laws of the State of Nevada which was established by a member of management for the purpose of holding lithium claims in Nevada. Lithaur was formally acquired by Hayasa Metals Inc. for nominal consideration in July 2023.

As at the date of formal acquisition:

- Lithaur held 133 registered lithium claims and a further 210 staked lithium claims
- Lithaur had total liabilities of US\$ 142,870 owing to Tectonex LLC ("**Tectonex**"), a company owned by the Company's former VP Exploration, relating to the registration and staking of the claims (all such expenditures were charged by Tectonex to Lithaur without margin or discount at the actual cost incurred by Tectonex).

Additional lode claims were staked at various locations subsequent to the formal date of acquisition.

In November 2023, the Company completed the sale of Lithaur to a private Australian-based group. The terms of the transaction are as follows:

- A one-time payment to Hayasa of US\$ 100,000 (received)
- A 2.0% royalty granted in favour of Hayasa on each of four projects with a right for the purchaser to buy one half of each royalty (1.0%) for US\$ 2,000,000 (for each project)
- Buyer's assumption of up to US\$ 125,000 of debt owed by Lithaur and assumption of all ongoing Nevada-based lithium costs effective September 1, 2023
- A 'best efforts' commitment to take the Lithaur assets public via an initial public offering or reverse take over transaction or similar transaction on an Australian or Canadian stock market by October 31, 2024, with the possibility to extend to April 30, 2025 for a payment of US\$ 100,000
- Hayasa to receive 30% of the new company post listing and the right to appoint one director to Lithaur's (or surviving listed entity's) board of directors upon completion of such listing, and
- In the case of a sale of Lithaur or its assets being sold to a third party in lieu of a go-public transaction, 30% of the net proceeds of such sale will be paid to Hayasa.

Net proceeds received on the sale totalled \$135,539 and net assets of Lithaur as at the date of sale totalled \$77,375 resulting in a gain on sale of \$58,164.

## Hayasa Metals Inc.

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Subsequent to the closing of the transaction, the Company was informed by the buyer that the staked lithium claims had not been restaked or registered. Further, the 133 registered claims were not renewed in August 2024. Accordingly, the royalty on these claims will not be enforceable unless and until the claims are restaked and registered by the buyer.

The buyer was unsuccessful in taking the Lithaur assets public via an initial public offering or reverse take over. The buyer did not extend the applicable deadline to April 30, 2025 by paying US\$ 100,000.

#### 6. 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 (dropped in November 2023). The purchase price totals US\$ 300,000 to be paid over two years as follows:

- On closing: US\$ 100,000 (received)
- May 29, 2024: US\$ 50,000 (US\$ 37,270 received in February 2025)
- August 29, 2024: US\$ 50,000 (received in February 2025)
- February 28, 2025: US\$ 50,000 (received in February 2025)
- February 28, 2026: US\$ 50,000.

The remaining receivable balance owing following the February 2025 payment was US\$ 50,000 (\$71,880).

Certain debts of Intermont owing to Hayasa's former Vice President of Exploration were transferred to Hayasa. Otherwise, the Buyer has assumed 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 7(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.

# Hayasa Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 7. MINERAL PROPERTIES

Year ended March 31, 2025	Mar. 31, 2024	Incurred during period	Foreign exchange	Mar. 31 2025
Vardenis	\$ 202,554	\$ 320,632	\$ 19,637	\$ 542,823
Urasar	16,104	66,374	3,208	85,686
	<b>\$ 218,658</b>	<b>\$ 387,006</b>	<b>\$ 22,845</b>	<b>\$ 628,509</b>

Year ended March 31, 2024	Mar. 31, 2023	Incurred during period	Sold during period	Dropped during period	Foreign exchange	Mar. 31 2024
Vardenis	\$ -	\$ 200,157	\$ -	\$ -	\$ 2,397	\$ 202,554
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)	-
	<b>\$2,545,572</b>	<b>\$ 649,428</b>	<b>(\$1,234,395)</b>	<b>(\$1,739,674)</b>	<b>(\$ 2,273)</b>	<b>\$ 218,658</b>

(1) Cobb Creek was sold via the sale of Intermont (see Note 6)

(2) The Lithium assets were sold via the sale of Lithaur (see Note 5)

The capitalised costs of mineral properties relate to the claim maintenance and acquisition costs associated with exploration and evaluation assets.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee their titles. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

It is possible that economically recoverable reserves may not be discovered and accordingly a material portion of the carrying value of mineral properties could be written off in the future.

#### (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.

## Hayasa Metals Inc.

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On closing, the Company paid US\$ 100,000 in cash and 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 each of September 25, 2024 and March 26, 2025. 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)
  - October 2025: complete specified exploration work (including 2,500 m of diamond drilling of which 770 m have been completed)
- A further 29% stake (total 80% equity ownership) in Mendia:
  - December 2024: US\$ 75,000 in cash (paid) and 700,000 Hayasa common shares (issued)
  - March 2025: US\$ 75,000 in cash (paid)
  - October 2025: complete total of 3,500 m of diamond drilling since June 2023, the inception of the option (of which 770 m have been completed)
  - October 2026: complete specified exploration work (including total of 5,000 m of diamond drilling since June 2023, the inception of the option, of which 770 m have been completed)
- A further 10% stake (total 90% equity ownership) in Mendia:
  - December 2027: US\$ 100,000 in cash and 1,000,000 Hayasa common shares
- Upon earning a 90% equity interest, Hayasa has the option to acquire the remaining 10% interest for US\$ 3,500,000 in cash, common shares of Hayasa or a combination thereof (at Hayasa's option). If Hayasa elects not to acquire the remaining 10% interest, the Optionor has the right to contribute to the funding of Mendia's expenditures on a pro-rata to retain its 10% interest. If the Optionor elects not to contribute, its interest in Mendia is diluted accordingly. 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).

#### *Vardenis, data acquisition*

The Vardenis copper-gold property was formerly held by Dundee Precious Metals Inc. ("DPMC") between 2015 and 2018. In June 2023, the Company entered into an agreement with DPMC to purchase its historic exploration data relating to Vardenis. The Company paid \$30,000 to DPMC and will issue \$20,000 worth of common shares if the Company elects to continue the Mendia option agreement.

#### **(b) Urasar**

In October 2023, the Company was granted an exploration permit by the Armenian government comprising 33.8 km<sup>2</sup> over the Urasar mineral district in northern Armenia.

## Hayasa Metals Inc.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### *Sale of 1.25% NSR over Urasar Mineral District*

In January 2025, the Company sold a 1.25% NSR royalty covering all minerals produced from the Urasar copper-gold project to Franco-Nevada Corporation (“**Franco-Nevada**”) and EMX Royalty Corporation (“**EMX**”) for total cash proceeds of US\$ 1,000,000.

Each of Franco-Nevada and EMX will retain a 0.625% NSR royalty interest.

In addition, each of Franco-Nevada and EMX were issued 250,000 share purchase warrants, which may be exercised on a one-for-one basis for common shares of the Company within 18 months following issuance at an exercise price of \$0.22.

As part of the transaction, Franco-Nevada and EMX will have a right of first refusal in respect of any future royalty, stream or similar interest on Urasar.

#### (c) **Hurricane**

1027344 B.C. 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 follows 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.

#### (d) **Cobb Creek**

In September 2019, the Company entered into an option agreement with Clover Nevada II, LLC (“**Clover**”), a wholly owned subsidiary of Contact Gold Corp., to acquire a 100% interest in Cobb Creek. The option agreement was subject to subsequent amendments.

The Company effectively disposed of Cobb Creek when it sold Intermont in late February 2024 (see Note 6).

## Hayasa Metals Inc.

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#### (e) Griffon

In December 2019, the Company entered into an option agreement with Pilot Gold (USA) Inc. (“Pilot”), a wholly owned subsidiary of Liberty Gold Corp., to acquire a 100% interest in the Griffon property based in White Pine County, Nevada.

In November 2023, the Company terminated the option agreement and returned the Griffon project to Pilot. The termination of the option agreement with Pilot follows from the Company’s decision to shift focus to its copper-gold projects in the central Tethyan belt of Armenia.

A loss on disposal of the Griffon property totalling \$860,171 was recognised in the second and third quarters of fiscal 2024.

#### 8. RECLAMATION BONDS

Reclamation bonds provided to the Armenian state in connection with exploration work undertaken at Vardenis and Urasar amounted to \$17,003 and \$13,104, respectively, as at March 31, 2025 (March 31, 2024: total of \$12,782).

#### 9. SHAREHOLDERS’ EQUITY

##### (a) Share capital

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

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

##### *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**”; issued)
- 116,000 common shares on the six-month anniversary of the Initial Issuance (issued)
- 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.

## **Hayasa Metals Inc.**

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#### ***Shares issued for mineral property***

In December 2023 and December 2024, the Company issued 500,000 common shares and 700,000 common shares, respectively, in connection with the option to acquire the Vardenis copper-gold project in central Armenia (see Note 7(a)).

#### ***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 600,000 common shares for gross proceeds of \$60,000.

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

#### ***October 2023 non-brokered private placement***

On October 27, 2023, the Company closed a non-brokered private placement financing pursuant to which a total of 11,553,000 units were issued at a price of \$0.10 per common share for gross proceeds of \$1,155,300.

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 24 months following closing of the private placement.

Certain directors and officers of the Company participated in the private placement subscribing for an aggregate of 1,100,000 common shares for proceeds of \$110,000.

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

#### **(b) Share purchase warrants**

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



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	Expiry date	Number of warrants	Weighted average exercise price
<b>March 31, 2023</b>		<b>6,206,403</b>	<b>0.83</b>
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
<b>March 31, 2024</b>		<b>5,776,500</b>	<b>0.17</b>
Issuance			
Warrants (July 2024 private placement)	January 23, 2026	10,075,000	0.17
Warrants (January 2025 sale of NSR)	July 21, 2026	500,000	0.22
<b>March 31, 2025</b>		<b>16,351,500</b>	<b>0.17</b>

The Company had the following share purchase warrants outstanding as at March 31, 2025:

	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
Warrants (January 2025 sale of NSR)	July 21, 2026	0.22	500,000
		<b>0.17</b>	<b>16,351,500</b>

The weighted average remaining life of outstanding share purchase warrants as at March 31, 2025 was nine months (March 31, 2024: 19 months).

### (c) Stock options

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

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	<b>Number of options</b>	<b>Weighted average exercise price</b>
<b>March 31, 2023</b>	<b>350,000</b>	<b>0.90</b>
Issued	3,050,000	0.09
<b>March 31, 2024</b>	<b>3,400,000</b>	<b>0.17</b>
Issued	1,350,000	0.12
Forfeited	(40,000)	0.09
<b>March 31, 2025</b>	<b>4,710,000</b>	<b>0.16</b>

The Company had the following stock options outstanding as at March 31, 2025:

<b>Expiry date</b>	<b>Number of options</b>	<b>Exercise price</b>
April 15, 2025	175,000	1.00
November 5, 2026	25,000	0.80
November 5, 2026	160,000	0.09
January 18, 2026	150,000	0.80
April 23, 2028	1,750,000	0.09
December 20, 2028	1,100,000	0.09
July 5, 2029	150,000	0.10
August 21, 2029	600,000	0.095
November 8, 2029	600,000	0.15
	<b>4,710,000</b>	<b>0.16</b>

The weighted average remaining life of outstanding stock options as at March 31, 2025 was 40 months (March 31, 2024: 48 months).

Stock-based compensation relating to stock options totalled \$153,039 in the year ended March 31, 2025 (year ended March 31, 2024: \$128,847).

3,068,000 of the stock options outstanding as at March 31, 2025, 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.

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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.

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

The fair values of the stock options granted in the year ended March 31, 2025, were estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

	<b>Nov. 8, 2024</b> <b>(\$0.150)</b>	<b>Aug. 21, 2024</b> <b>(\$0.095)</b>	<b>July 5, 2024</b> <b>(\$0.10)</b>
Dividends	-	-	-
Expected volatility (average)	144%	122%	124%
Risk-free interest rate	3.0%	2.9%	3.4%
Expected life (months)	60	60	60
Expected rate of forfeiture	5.0%	5.0%	5.0%

A total of 750,000 stock options were granted in June 2025 (see Note 18).

A total of 1,950,000 stock options were granted in April 2023. The stock options have an exercise price of \$0.09 and are exercisable through April 23, 2028. 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 1,100,000 stock options were granted in January 2024. The stock options have an exercise price of \$0.09 and are exercisable through December 20, 2028. 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.

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

	<b>Jan. 2, 2024</b> <b>(\$0.09)</b>	<b>April 27, 2023</b> <b>(\$0.09)</b>
Dividends	-	-
Expected volatility (average)	126%	122%
Risk-free interest rate	5.2%	4.0%
Expected life (months)	60	60
Expected rate of forfeiture	5.0%	5.0%

## Hayasa Metals Inc.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### (d) Performance share units

The Company's omnibus equity compensation plan (the "**Omnibus Plan**") was approved by the Company's shareholders at its 2024 annual general meeting in October 2024. The Omnibus Plan includes the ability to issue stock options, restricted share units ("**RSUs**"), PSUs, and deferred share units ("**DSUs**", and together with stock options, RSUs and PSUs, the "**Awards**"). The aggregate number of common shares reserved for issuance in respect of stock options may not exceed 10% of the total number of issued common shares (calculated on a non-diluted basis) at the time a stock option is granted. The aggregate number of common shares issuable in respect of RSUs, PSUs and DSUs may not exceed 5,818,809 common shares. The Omnibus Plan replaced the Company's previous 10% rolling stock option plan with any stock options issued and outstanding pursuant to the Company's previous stock option plan continuing to be exercisable but governed by the Omnibus Plan.

In January 2025, the Company granted a total of 4,800,000 PSUs pursuant to the Omnibus Plan to certain directors, officers, and employees. The PSUs will expire if certain performance criteria have not been met within three years following the grant date. If the performance conditions are met, each vested PSU entitles the holder to receive one common share of the Company or, at the discretion of the board of directors of the Company, the obligation may be settled in cash.

Stock-based compensation relating to PSUs totalled \$10,667 in the year ended March 31, 2025 (year ended March 31, 2024: \$nil).

#### 10. EXPLORATION AND EVALUATION EXPENDITURES

Year ended March 31, 2025				
	Vardenis	Urasar	Logistical support	Total
Drilling	(\$ 24,977)	\$ 545,275	\$ -	\$ 520,298
Third party services	153,759	189,663	-	343,422
Labour	82,038	77,980	-	160,018
Local community	79,963	39,804	-	119,767
Assay	1,575	101,960	-	103,535
Field activity	36,941	59,884	-	96,825
Travel	17,944	57,361	468	75,773
Road construction and maintenance	-	11,964	-	11,964
Reclamation	-	1,686	-	1,686
Armenia country manager	12,962	47,950	18,002	78,914
	<b>\$ 360,205</b>	<b>\$1,133,527</b>	<b>\$ 18,470</b>	<b>\$1,512,202</b>

## Hayasa Metals Inc.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

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Year ended March 31, 2024						
	Vardenis	Urasar	Armenia	NV lithium	NV gold	Total
Drilling	\$ 213,267	\$ -	\$ -	\$ -	\$ -	\$ 213,267
Labour	96,046	32,757	-	-	-	128,803
Third party services	89,653	-	-	-	27,634	117,287
Field activity	54,450	6,645	-	6,603	3,158	70,856
Assay	56,930	-	-	13,408	-	70,338
Local community	27,627	37,086	-	-	-	64,713
Travel	11,656	7,474	-	4,239	242	23,611
Reclamation	13,816	-	-	-	-	13,816
VP Exploration	-	-	-	14,495	5,814	20,309
Armenia country manager	8,038	4,698	10,367	-	-	23,103
	<u>\$ 571,483</u>	<u>\$ 88,660</u>	<u>\$ 10,367</u>	<u>\$ 38,745</u>	<u>\$ 36,848</u>	<u>\$ 746,103</u>

## 11. PROJECT DEVELOPMENT

All project development costs incurred in fiscal 2024 and 2025 relate to expenditures incurred in connection with the search for and preliminary evaluation of mineral properties in the Tethyan Mineral Belt in Armenia.

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

In June 2023, the Company executed a definitive option agreement to acquire up to a 100% interest in Mendia which holds the exploration license over the Vardenis copper-gold project in central Armenia (see Note 7(a)). In October 2023, the Company was granted an exploration permit comprising 33.8 km<sup>2</sup> over the Urasar mineral district in northern Armenia (see Note 7(b)).

The Company is pursuing other exploration opportunities in the Tethyan Mineral Belt in Armenia and Georgia.

## 12. INCOME TAXES

A reconciliation of income taxes at the statutory rate is as follows:

## Hayasa Metals Inc.

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	Year ended March 31, 2025	Year ended March 31, 2024
Net loss before income taxes	(\$ 1,230,482)	(\$ 3,943,310)
Statutory tax rate	28.95%	25.13%
Expected income tax recovery	(356,276)	(990,838)
Effect of non-deductible items for income tax purposes	36,162	1,033,704
Unrecognised benefit of non-capital losses	320,114	687,348
Effect of lost tax pools on disposition of subsidiaries	-	(730,214)
<b>Deferred income tax expense</b>	<b>-</b>	<b>-</b>

The Company's deductible temporary differences and unused tax losses consist of the following amounts:

	Year ended March 31, 2025	Year ended March 31, 2024
Non-capital losses	\$ 10,194,521	\$ 7,699,167
Capital losses	3,061,869	3,061,869
Fixed assets	2,351	985
Share issue costs	69,126	52,546
Prepaid NSR proceeds	(1,416,796)	0
	<b>\$ 11,911,071</b>	<b>\$ 10,814,567</b>

The Company has non-capital losses of approximately \$8,930,000 in its Canadian operations for income tax purposes which are available to reduce future taxable income.

The Company has non-capital losses of approximately \$1,250,000 in its Armenian operations for income tax purposes which are available to reduce future taxable income. Such losses are available to be carried forward for a maximum of five years.

### 13. RELATED PARTY TRANSACTIONS

#### *Related party transactions*

The Company incurred the following expenses resulting from transactions with related parties including officers and directors or entities that are controlled by officers and directors of the Company:

## Hayasa Metals Inc.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

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	Year ended March 31, 2025	Year ended March 31, 2024
Remuneration of officers of the Company (1)	\$ 357,605	\$ 290,589
Recharge of exploration, claim and local administrative expenditures (2)	-	139,384
Stock-based compensation relating to stock options and PSUs issued to officers and directors of the Company (3)	124,763	89,871
	<b>\$ 482,368</b>	<b>\$ 519,844</b>

- (1) Comprises remuneration of the Company's President, Chief Executive Officer, Chief Financial Officer and the former Vice President Exploration and includes fees charged by companies controlled by officers of the Company. Includes the value of 116,000 common shares issued to the CEO in each of September 2024 and March 2025 pursuant to the terms of his compensation package (see Note 9(a))
- (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 year ended March 31, 2025 (year ended March 31, 2024: US\$ 103,355 (\$139,384)). All such expenditures were recharged to the Company without margin or discount at the actual cost incurred by Tectonex
- (3) Stock-based compensation relates to both stock options and PSUs (see Notes 9(c) and 9(d))

Certain directors and officers of the Company participated in the July 2024 private placement subscribing for an aggregate of 600,000 common shares for proceeds of \$60,000.

Certain directors and officers of the Company participated in the October 2023 private placement subscribing for an aggregate of 1,100,000 common shares for proceeds of \$110,000.

In July 2023, the Company acquired Lithaur Inc. from a member of management for nominal consideration (see Note 5).

#### ***Management debt settlement***

In October 2024, the Company agreed to settle outstanding debts owing to two current and one former member of its management team totalling \$499,333. The debt settlement agreements were subject to TSXV approval and provided for the following:

- Issuance by the Company to the debtors of a total of 2,097,760 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 agreed to forgive a total of \$79,780 in debt (being 20% of the total amount owing to each).

In January 2025, the Company received TSXV approval to proceed with the execution of the debt settlement agreements at which time the 2,097,760 common shares were issued and the balance of the immediate payment of \$100,000 was made.

## Hayasa Metals Inc.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The common shares issued were subject to a four-month hold period in accordance with applicable securities laws.

As at March 31, 2025, \$189,557 of the debt settlement amount - being the deferred payment amount of \$109,777 and the amount to be forgiven of \$79,780 - was outstanding. The latter balance will be recognised upon payment of the former balance.

#### *Related party balances*

The Company owed the following amounts to related parties including officers and directors or companies that are controlled by officers and directors of the Company:

	March 31, 2025	March 31, 2024
Amounts owing to directors and officers relating to deferred remuneration and the reimbursement of expenses	\$ 203,424	\$ 378,278
Advance provided by the President and CEO	100,000	100,000
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures	-	145,465
	<u>\$ 303,424</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 March 31, 2025 (including the advance from the President and CEO) are unsecured and non-interest bearing. Amounts due to related parties totalling \$209,777 as at March 31, 2025 are expected to be repaid with proceeds of the next equity financing.

#### 14. 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:

	Canada	United States	Armenia	Total
<b>Non-current assets:</b>				
March 31, 2025	\$ 74,225	\$ -	\$ 661,037	\$ 735,262
March 31, 2024	68,737	-	234,466	303,203
<b>Net loss</b>				
Year ended March 31, 2025	984,974	13,017	232,491	1,230,482
Year ended March 31, 2024	\$ 603,813	\$ 2,544,685	\$ 794,812	\$ 3,943,310



## **Hayasa Metals Inc.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

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#### **15. 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 year ended March 31, 2025.

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

#### **16. 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.

##### ***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. The Company's exploration activity is situated entirely in Armenia and it is therefore exposed to foreign exchange risk arising from transactions and monetary balances denominated in United States dollars and Armenian drams. The Company has no program in place for hedging foreign currency risk.

## Hayasa Metals Inc.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### *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 \$22,000 and balances due to related parties (see Note 13), all accounts payable and accrued liabilities are due within 90 days of March 31, 2025. Amounts due to related parties as at March 31, 2025 were unsecured and non-interest bearing; such amounts totalling \$209,777 are expected to be repaid with proceeds of the next equity financing.

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

## 17. SUPPLEMENTARY CASH FLOW INFORMATION

The consolidated statements of cash flows exclude the following items that do not require the use of cash:

	Year ended March 31, 2025	Year ended March 31, 2024
Non-cash additions to mineral properties	\$ 70,000	\$ 35,000

## 18. SUBSEQUENT EVENT

#### *Stock options*

In June 2025, the Company granted a total of 750,000 stock options pursuant to the Company's 2024 omnibus equity incentive plan. The stock options were issued to the Company's three independent directors, the Company's country manager in Armenia and an independent geological adviser. The stock options have a term of five years and will vest over a 24-month period.