



HAYASA METALS INC.

**Hayasa Metals Inc.**

(formerly Fremont Gold Ltd.)

An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
(Unaudited)

THREE MONTHS ENDED JUNE 30, 2025

## **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	June 30, 2025	March 31, 2025
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 490,748	\$ 1,074,738
Accounts receivable		119,241	122,906
Prepaid expenses		266,656	48,566
<b>Total Current assets</b>		<b>876,645</b>	<b>1,246,210</b>
<b>Non-current assets</b>			
Mineral properties	4	616,072	628,509
Fixed assets		4,235	4,766
Reclamation bonds	5	28,804	30,107
<b>Total Assets</b>		<b>\$ 1,525,756</b>	<b>\$ 1,909,592</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 195,726	\$ 101,109
Due to related parties	8	303,818	303,424
<b>Total Current liabilities</b>		<b>499,544</b>	<b>404,533</b>
<b>Long-term liabilities</b>		<b>52,081</b>	<b>31,309</b>
<b>Shareholders' equity</b>		<b>974,131</b>	<b>1,473,750</b>
Share capital	6(a)	21,212,753	21,213,260
Warrant reserve	6(b)	315,263	315,263
Stock option reserve	6(c)	1,996,913	1,943,484
PSU reserve	6(d)	21,334	10,667
Accumulated other comprehensive income		188,104	229,988
Accumulated deficit		(22,760,236)	(22,238,912)
<b>Total Shareholders' equity</b>		<b>974,131</b>	<b>1,473,750</b>
<b>Total Liabilities and Shareholders' equity</b>		<b>\$ 1,525,756</b>	<b>\$ 1,909,592</b>
<b>Nature of operations and going concern (Note 1)</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.

### Condensed interim consolidated statements of loss and comprehensive loss

(Expressed in Canadian Dollars except number of shares)

	Notes	3 months ended June 30, 2025	3 months ended June 30, 2024
<b>Expenses</b>			
Exploration and evaluation	7	\$ 204,320	\$ 182,034
Management	8	102,813	53,193
Stock-based compensation	6(c)	64,096	23,697
Professional fees		26,822	17,242
Reclamation (net)		22,167	-
Travel		19,282	8,877
General and administration		17,795	7,647
Marketing		11,535	70,975
Listing and transfer agent		10,576	1,797
Project development		8,718	2,665
Depreciation		451	316
		<u>488,575</u>	<u>368,443</u>
<b>Other income and expenses</b>			
Interest income		(3,108)	(737)
Foreign exchange loss		35,857	2,662
		<u>32,749</u>	<u>1,925</u>
<b>Net loss for the period</b>		<b><u>\$ 521,324</u></b>	<b><u>\$ 370,368</u></b>
<b>Other comprehensive loss (income)</b>			
Unrealised foreign currency translation items		41,884	(5,769)
		<u>41,884</u>	<u>(5,769)</u>
<b>Total comprehensive loss for the period</b>		<b><u>\$ 563,208</u></b>	<b><u>\$ 364,599</u></b>
Loss per share, Basic and diluted		\$ 0.09	\$ 0.01
Weighted average shares outstanding, Basic and diluted		6,101,857	37,922,097

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	Reserves, PSUs	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
<b>Balance at March 31, 2024</b>	<b>37,922,097</b>	<b>\$18,952,598</b>	<b>\$ -</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>
Share issuance costs	-	(2,694)	-	-	-	-	-	-	(2,694)
Subscription receipts	-	-	310,000	-	-	-	-	-	310,000
Stock-based compensation	-	-	-	-	23,697	-	-	-	23,697
Comprehensive loss	-	-	-	-	-	-	5,769	(370,368)	(364,599)
<b>Balance at June 30, 2024</b>	<b>37,922,097</b>	<b>\$18,949,904</b>	<b>\$ 310,000</b>	<b>\$ 291,763</b>	<b>\$ 1,814,142</b>	<b>\$ -</b>	<b>\$ 184,451</b>	<b>(\$21,378,798)</b>	<b>\$ 171,462</b>
<b>Balance at March 31, 2025</b>	<b>61,101,857</b>	<b>\$21,213,260</b>	<b>\$ -</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>
Share issuance costs	-	(507)	-	-	-	-	-	-	(507)
Stock-based compensation	-	-	-	-	53,429	10,667	-	-	64,096
Comprehensive loss	-	-	-	-	-	-	(41,884)	(521,324)	(563,208)
<b>Balance at March 31, 2025</b>	<b>61,101,857</b>	<b>\$21,212,753</b>	<b>\$ -</b>	<b>\$ 315,263</b>	<b>\$ 1,996,913</b>	<b>\$ 21,334</b>	<b>\$ 188,104</b>	<b>(\$22,760,236)</b>	<b>\$ 974,131</b>

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)

	3 months ended June 30, 2025	3 months ended June 30, 2024
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(\$ 521,324)	(\$ 370,368)
Adjustments for items not involving cash:		
Stock-based compensation	64,096	23,697
Unrealised foreign exchange items	24,967	506
Increase in reclamation provision (net)	22,167	-
Depreciation	451	316
	<b>(409,643)</b>	<b>(345,849)</b>
Net changes in non-cash working capital:		
Accounts receivable	-	15,389
Prepaid expenses	(218,090)	20,636
Accounts payable and accrued liabilities	94,617	33,096
Due to related parties	3,979	15,772
<b>Cash used in operating activities</b>	<b>(529,137)</b>	<b>(260,956)</b>
<b>INVESTING ACTIVITIES</b>		
Additions to mineral properties	(18,022)	(14,389)
<b>Cash used in investing activities</b>	<b>(18,022)</b>	<b>(14,389)</b>
<b>FINANCING ACTIVITIES</b>		
Subscription receipts	-	310,000
Share issuance costs	(507)	(2,694)
<b>Cash provided by (used in) financing activities</b>	<b>(507)</b>	<b>307,306</b>
<b>Effect of change in foreign exchange rates on cash</b>	<b>(36,324)</b>	<b>(637)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(583,990)</b>	<b>31,324</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,074,738</b>	<b>298,594</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 490,748</b>	<b>\$ 329,918</b>

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)  
THREE MONTHS ENDED JUNE 30, 2025

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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 three months ended June 30, 2025, the Company reported a net loss of \$521,324 (three months ended June 30, 2024: \$370,368) and as at that date, had a net working capital balance of \$377,101 (March 31, 2025: \$841,677).

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.

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)  
THREE MONTHS ENDED JUNE 30, 2025

#### 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, 2025.

These condensed interim consolidated financial statements include the accounts of Hayasa Metals Inc. and its wholly owned subsidiary 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.

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, 2025.

#### 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, 2026, 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. MINERAL PROPERTIES

<b>3 months ended</b>		Incurred	Foreign	
<b>June 30, 2025</b>	Mar. 31, 2025	during period	exchange	June 30, 2025
Vardenis	\$ 542,823	\$ 7,295	(\$ 27,271)	\$ 522,847
Urasar	85,686	10,726	(3,187)	93,225
	<b>\$ 628,509</b>	<b>\$ 18,021</b>	<b>(\$ 30,458)</b>	<b>\$ 616,072</b>

## Hayasa Metals Inc.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2025

Year ended		Incurred	Foreign	
March 31, 2025	Mar. 31, 2024	during period	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>

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.

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:

## Hayasa Metals Inc.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)  
THREE MONTHS ENDED JUNE 30, 2025

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- 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 basis 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 Corp. ("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.

#### *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.

## **5. RECLAMATION BONDS**

Reclamation bonds provided to the Armenian state in connection with exploration work undertaken at Vardenis and Urasar amounted to \$16,137 and \$12,667, respectively, as at June 30, 2025 (March 31, 2025: total of \$30,107).

## Hayasa Metals Inc.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2025

#### 6. 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.

##### (b) Share purchase warrants

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

	Expiry date	Number of warrants	Weighted average exercise price
<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>
<b>June 30, 2025</b>		<b>16,351,500</b>	<b>0.17</b>

The Company had the following share purchase warrants outstanding as at June 30, 2025:

## Hayasa Metals Inc.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 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 June 30, 2025 was six months (June 30, 2024: 16 months).

#### (c) Stock options

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

	Number of options	Weighted average exercise price
<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>
Issued	750,000	0.12
Expired	(175,000)	1.00
<b>June 30, 2025</b>	<b>5,285,000</b>	<b>0.13</b>

The Company had the following stock options outstanding as at June 30, 2025:

## Hayasa Metals Inc.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2025

Expiry date	Number of options	Exercise price
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
June 24, 2030	750,000	0.12
	<b>5,285,000</b>	<b>0.13</b>

The weighted average remaining life of outstanding stock options as at June 30, 2025 was 42 months (June 30, 2024: 45 months).

Stock-based compensation relating to stock options totalled \$53,429 in the three months ended June 30, 2025 (three months ended June 30, 2024: \$23,697).

3,815,000 of the stock options outstanding as at June 30, 2025, were exercisable as at this date.

A total of 750,000 stock options were granted in June 2025. The stock options have an exercise price of \$0.12 and are exercisable through June 24, 2030. 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 three months ended June 30, 2025, were estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

	June 25, 2025 (\$0.120)
Dividends	-
Expected volatility (average)	150%
Risk-free interest rate	2.9%
Expected life (months)	60
Expected rate of forfeiture	5.0%

No stock options were issued or exercised subsequent to June 30, 2025 through August 13, 2025.

## Hayasa Metals Inc.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2025

#### (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 three months ended June 30, 2025 (three months ended June 30, 2024: \$nil).

#### 7. EXPLORATION AND EVALUATION EXPENDITURES

3 months ended June 30, 2025				
	Vardenis	Urasar	Logistical support	Total
Third party services	\$ 46,395	\$ 53,830	\$ -	\$ 100,225
Field activity and supplies	10,519	41,436	-	51,955
Labour	13,836	23,961	-	37,797
Local community	22,207	12,514	-	34,721
Travel and freight	1,194	15,469	-	16,663
Assay	-	5,138	-	5,138
Drilling (1)	-	(67,764)	-	(67,764)
Armenia country manager	3,860	17,246	4,479	25,585
	<b>\$ 98,011</b>	<b>\$ 101,830</b>	<b>\$ 4,479</b>	<b>\$ 204,320</b>

(1) Includes an Armenian VAT refund of \$69,242 relating to the Urasar drill program undertaken in late 2024

## Hayasa Metals Inc.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2025

3 months ended June 30, 2024				
	Vardenis	Urasar	Logistical support	Total
Third party services	\$ 11,832	\$ 39,441	\$ -	\$ 51,273
Local community	26,444	14,649	-	41,093
Labour	13,999	19,722	-	33,721
Travel and freight	2,724	16,719	-	19,443
Field activity and supplies	4,908	9,605	-	14,513
Assay	-	5,332	-	5,332
Armenia country manager	4,241	10,673	1,745	16,659
	<b>\$ 64,148</b>	<b>\$ 116,141</b>	<b>\$ 1,745</b>	<b>\$ 182,034</b>

## 8. 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:

	3 months ended June 30, 2025	3 months ended June 30, 2024
Remuneration of officers of the Company (1)	\$ 102,813	\$ 53,193
Stock-based compensation relating to stock options and PSUs issued to officers and directors of the Company (2)	35,856	13,616
	<b>\$ 138,669</b>	<b>\$ 66,809</b>

(1) Comprises remuneration of the Company's President, Chief Executive Officer and Chief Financial Officer and includes fees charged by companies controlled by officers of the Company

(2) Stock-based compensation relates to both stock options and PSUs (see Notes 6(c) and 6(d))

### *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

## Hayasa Metals Inc.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2025

- 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.

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

As at June 30, 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 write-off of 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:

	June 30, 2025	March 31, 2025
Amounts owing to directors and officers relating to deferred remuneration and the reimbursement of expenses	\$ 203,818	\$ 203,424
Advance provided by the President	100,000	100,000
	<u>\$ 303,818</u>	<u>\$ 303,424</u>

In August 2023, the President 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 June 30, 2025 (including the advance from the President) are unsecured and non-interest bearing. Amounts due to related parties totalling \$209,777 as at June 30, 2025 are expected to be repaid with proceeds of the next equity financing.

## 9. 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.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2025

	Canada	United States	Armenia	Total
<b>Non-current assets:</b>				
June 30, 2025	\$ 2,090	\$ -	\$ 647,021	\$ 649,111
March 31, 2025	2,345	-	661,037	663,382
<b>Net loss</b>				
3 months ended June 30, 2025	246,677	1,214	273,433	521,324
3 months ended June 30, 2024	\$ 161,874	\$ 7,853	\$ 200,641	\$ 370,368

#### 10. 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 three months ended June 30, 2025.

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

#### 11. 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.

## **Hayasa Metals Inc.**

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

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2025

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#### ***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.

#### ***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 \$27,500 and balances due to related parties (see Note 8), all accounts payable and accrued liabilities are due within 90 days of June 30, 2025. Amounts due to related parties as at June 30, 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.