



HAYASA METALS INC.

Hayasa Metals Inc.

(formerly Fremont Gold Ltd.)

An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

(Unaudited)

NINE MONTHS ENDED DECEMBER 31, 2024

NOTICE

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

Hayasa Metals Inc.

Condensed interim statements of financial position

(Expressed in Canadian Dollars)

	Notes	Dec. 31, 2024	March 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		\$ 18,621	\$ 298,594
Accounts receivable		248,544	254,161
Prepaid expenses		70,945	80,532
Marketable securities	4	-	32,000
Total Current assets		338,110	665,287
Non-current assets			
Mineral properties	6	495,512	218,658
Long-term receivable	5	71,945	67,750
Fixed assets		5,191	4,013
Reclamation bonds	7	29,733	12,782
Total Assets		\$ 940,491	\$ 968,490
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 104,396	\$ 125,873
Due to related parties	10	600,053	623,743
Total Current liabilities		704,449	749,616
Long-term liabilities		30,920	13,816
Total Shareholders' equity		735,369	763,432
Shareholders' equity			
Share capital	8(a)	20,996,272	18,952,598
Warrant reserve	8(b)	291,763	291,763
Stock option reserve	8(c)	1,914,094	1,790,445
Accumulated other comprehensive income		191,173	178,682
Accumulated deficit		(23,188,180)	(21,008,430)
Total Shareholders' equity		205,122	205,058
Total Liabilities and Shareholders' equity		\$ 940,491	\$ 968,490
Nature of operations and going concern (Note 1)			
Subsequent events (Notes 10 and 14)			

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

Approved by the Board of Directors

"Randall Chatwin"
Randall Chatwin, Director

"Joel Sutherland"
Joel Sutherland, Director

Hayasa Metals Inc.

Condensed interim consolidated statements of loss and comprehensive loss

(Expressed in Canadian Dollars except number of shares)

	Notes	3 months ended Dec. 31, 2024	3 months ended Dec. 31, 2023	9 months ended Dec. 31, 2024	9 months ended Dec. 31, 2023
Expenses					
Exploration and evaluation	9	\$ 744,111	\$ 401,915	\$ 1,396,118	\$ 641,367
Management	10	101,948	51,875	244,246	160,504
Marketing		68,949	7,339	187,854	28,863
Stock-based compensation	8(c)	64,974	17,186	123,649	86,102
Professional fees		41,843	55,712	103,074	157,448
Travel		17,649	16,508	49,418	18,948
General and administration		13,488	25,996	31,879	78,997
Project development		1,681	1,170	17,812	46,140
Reclamation (net)		15,955	(16,180)	15,955	(15,222)
Listing and transfer agent		5,687	1,796	10,888	10,570
Depreciation		452	965	1,085	4,423
		<u>1,076,737</u>	<u>564,282</u>	<u>2,181,978</u>	<u>1,218,140</u>
Other income and expenses					
Provision on Intermont receivable	5	(126,388)	-	-	-
Foreign exchange loss (gain)		(39,003)	8,005	11,536	9,576
Loss (gain) on marketable securities		-	(4,000)	1,595	20,500
Write-off of mineral property	6	-	6,466	-	860,154
Gain on sale of Lithaur		-	(58,164)	-	(58,164)
Interest income		(6,668)	(2,827)	(15,359)	(4,909)
		<u>\$ 904,678</u>	<u>\$ 513,762</u>	<u>\$ 2,179,750</u>	<u>\$ 2,045,297</u>
Net loss for the period					
Other comprehensive income and loss					
Unrealised foreign currency translation items		(9,719)	33,547	(12,491)	40,471
		<u>\$ 894,959</u>	<u>\$ 547,309</u>	<u>\$ 2,167,259</u>	<u>\$ 2,085,768</u>
Total comprehensive loss for the period					
Loss per share, Basic and diluted		\$ 0.01	\$ 0.02	\$ 0.04	\$ 0.07
Weighted average shares outstanding, Basic and diluted		73,362,554	34,194,586	49,778,541	28,654,352

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	Reserves, Warrants	Reserves, Stock options	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
Balance at March, 31, 2023	25,869,097	\$ 17,788,002	\$ 291,763	\$ 1,661,598	\$ 179,170	(\$ 17,065,120)	\$ 2,855,413
Shares issued for cash:							
Private placement	11,553,000	1,155,300	-	-	-	-	1,155,300
Shares issued for mineral property	500,000	35,000	-	-	-	-	35,000
Share issuance costs	-	(25,704)	-	-	-	-	(25,704)
Stock-based compensation	-	-	-	86,102	-	-	86,102
Comprehensive loss	-	-	-	-	(40,741)	(2,045,296)	(2,086,037)
Balance at Dec. 31, 2023	37,922,097	\$ 18,952,598	\$ 291,763	\$ 1,747,700	\$ 138,429	(\$ 19,110,416)	\$ 2,020,074
Balance at March, 31, 2024	37,922,097	\$ 18,952,598	\$ 291,763	\$ 1,790,445	\$ 178,682	(\$ 21,008,430)	\$ 205,058
Shares issued for cash:							
Private placement	20,150,000	2,015,000	-	-	-	-	2,015,000
Shares issued for mineral property	700,000	70,000	-	-	-	-	70,000
Shares issued to new CEO	116,000	12,760	-	-	-	-	12,760
Share issuance costs	-	(54,086)	-	-	-	-	(54,086)
Stock-based compensation	-	-	-	123,649	-	-	123,649
Comprehensive loss	-	-	-	-	12,491	(2,179,750)	(2,167,259)
Balance at Dec. 31, 2024	58,888,097	\$ 20,996,272	\$ 291,763	\$ 1,914,094	\$ 191,173	(\$ 23,188,180)	\$ 205,122

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)

	9 months ended Dec. 31, 2024	9 months ended Dec. 31, 2023
OPERATING ACTIVITIES		
Net loss for the period	(\$ 2,179,750)	(\$ 2,045,296)
Adjustments for items not involving cash:		
Stock-based compensation	123,649	86,102
Shares issued to CEO	12,760	-
Realised loss on sale of marketable securities	1,595	6,500
Depreciation	1,085	4,423
Write-off of mineral properties	-	860,154
Unrealised loss on marketable securities	-	14,000
Gain on sale of Lithaur	-	(58,164)
Unrealised foreign exchange items	(33,766)	16,869
	(2,074,427)	(1,115,412)
Net changes in non-cash working capital items:		
Accounts receivable and prepaid expenses	26,741	(143,330)
Accounts payable and accrued liabilities	(21,477)	97,293
Due to related parties	(31,049)	465,359
Cash used in operating activities	(2,100,212)	(696,090)
INVESTING ACTIVITIES		
Proceeds on sale of marketable securities	30,405	23,500
Increase (decrease) in reclamation provision (net)	15,955	(2,987)
Proceeds on sale of Lithaur (net of cash)	-	135,539
Proceeds on reclamation bond refund (net)	-	2,663
Additions to mineral properties	(190,934)	(610,119)
Increase in reclamation bonds (net)	(15,861)	-
Additions to fixed assets	(2,117)	(13,217)
Cash used in investing activities	(162,552)	(464,621)
FINANCING ACTIVITIES		
Issuance of share capital, net of share issuance costs	1,960,914	1,129,596
Cash provided by (used in) financing activities	1,960,914	1,129,596
Effect of change in exchange rate on cash	21,877	(5,028)
Net decrease in cash and cash equivalents	(279,973)	(36,143)
Cash and cash equivalents, beginning of period	298,594	523,948
Cash and cash equivalents, end of period	\$ 18,621	\$ 487,805

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)

NINE MONTHS ENDED DECEMBER 31, 2024

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

Going concern

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

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) applicable to a going concern, which assumes the Company will be able to realise its assets and settle its liabilities in the normal course of business. For the nine months ended December 31, 2024, the Company reported a net loss of \$2,179,750 (nine months ended December 31, 2023: \$2,045,297) and as at that date had a net working capital deficit of \$366,339 (March 31, 2024: \$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 gold-copper project for US\$ 1,000,000 cash (see Note 14(a)).

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 10).

In February 2025, the Company received \$194,825 in connection with the March 2024 sale of Intermont Exploration, Corp. (“**Intermont**”; see Note (5)).

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 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 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.

2. BASIS OF PREPARATION

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

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

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

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

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

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

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

3. RECENT ACCOUNTING PRONOUNCEMENTS

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

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

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. INTERMONT EXPLORATION, CORP.

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

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

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

As at December 31, 2024, the Buyer had paid US\$ 12,730 of the US\$ 100,000 that was owing as at this date. In February 2025, the Buyer paid US\$ 137,270 in connection with both the US\$ 87,270 that was owing as at December 31, 2024 and the US\$ 50,000 that is due for payment on February 28, 2025.

In the absence of payment by the Buyer of amounts owing, management had recognised a provision as at September 30, 2024 of \$126,388, equivalent to 50% of the total outstanding balance (including both overdue and current components). . The provision was reversed in the three months ended December 31, 2024.

The remaining receivable balance owing following the February 2025 payment was US\$ 50,000 (\$71,945).

Certain debts of Intermont owing to Hayasa's former Vice President of Exploration were transferred to Hayasa pursuant to the terms of the agreement; these amounts were addressed in full through the

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

management debt settlement arrangement finalised in January 2025 (see Note 10). 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 6(c)), Cobb Creek was the last remaining Nevada gold asset held by Intermont.

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

6. MINERAL PROPERTIES

9 months ended		Incurred	Foreign	
Dec. 31, 2024	Mar. 31, 2024	during period	exchange	Dec. 31, 2024
Vardenis	\$ 202,552	\$ 205,624	\$ 13,629	\$ 421,805
Urasar	16,104	55,310	2,293	73,707
	\$ 218,656	\$ 260,934	\$ 15,922	\$ 495,512

Year ended		Incurred	Sold during	Dropped	Foreign	
March 31, 2024	Mar. 31, 2023	during period	period	during period	exchange	Mar. 31 2024
Vardenis	\$ -	\$ 200,159	\$ -	\$ -	\$ 2,395	\$ 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)	-
	\$2,545,572	\$ 649,430	(\$1,234,395)	(\$1,739,674)	(\$ 2,275)	\$ 218,658

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

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

(a) Vardenis

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

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

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

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

- 51% equity ownership interest in Mendia Resources LLC (owner of the Vardenis permit):
 - June 2023: US\$ 100,000 in cash (paid) and 500,000 Hayasa common shares (issued)
 - July 2025: complete specified exploration work (including 2,500 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 (not later than): US\$ 75,000 in cash
 - 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)
 - June 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:
 - June 2026: US\$ 100,000 in cash and 1,000,000 Hayasa common shares
 - December 2027: completion of a Preliminary Economic Assessment study
- Upon earning 90% equity interest: Optionor has the right to contribute pro-rata to retain 10% interest. If Optionor elects not to contribute, Hayasa has the option to purchase the remaining 10% for US\$ 3,500,000, for a 100% equity ownership interest. If Hayasa declines, the remaining interest reverts to a 1% net smelter return royalty once the Optionor is diluted below a 5% ownership threshold

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

(b) Urasar

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

(c) Hurricane

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

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

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

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

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

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

7. RECLAMATION BONDS

Reclamation bonds provided to the Armenian state in connection with exploration work undertaken at Vardenis and Urasar amounted to \$16,792 and \$12,941, respectively, as at December 31, 2024 (March 31, 2024: total of \$12,782).

8. SHAREHOLDERS' EQUITY

(a) Share capital

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

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

July 2024 non-brokered private placement

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

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

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

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

Common shares issued to new CEO

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

- 116,000 common shares upon TSXV approval (the "**Initial Issuance**"; issued)
- 116,000 common shares on the six-month anniversary of the Initial Issuance

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

- 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.

Shares issued for mineral property

In December 2024, the Company issued 700,000 common shares in connection with the option to acquire the Vardenis copper-gold project in central Armenia (see Note 6(a)).

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

The Company had the following share purchase warrants outstanding as at December 31, 2024:

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

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

The weighted average remaining life of outstanding share purchase warrants as at December 31, 2024 was 12 months (March 31, 2024: 19 months).

(c) Stock options

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

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

The Company had the following stock options outstanding as at December 31, 2024:

Expiry date	Number of options	Exercise price
April 15, 2025	175,000	1.00
January 18, 2026	175,000	0.80
April 23, 2028	1,910,000	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
	4,710,000	0.16

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

The weighted average remaining life of outstanding stock options as at December 31, 2024 was 44 months (March 31, 2024: 48 months).

Stock-based compensation totalled \$123,649 in the nine months ended December 31, 2024 (nine months ended December 31, 2023: \$86,102).

2,886,000 of the stock options outstanding as at December 31, 2024, were exercisable as at this date.

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

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

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 initial tranche of 33% of stock options vested on the date of issuance and the remaining stock options will vest in four equal tranches of 16.75% every six months following the date of issuance.

The fair values of the stock options granted in the nine months ended December 31, 2024, were estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

	Nov. 8, 2024	Aug. 21, 2024	July 5, 2023
	(\$0.150)	(\$0.095)	(\$0.10)
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%

No stock options were exercised subsequent to December 31, 2024 through February 27, 2025.

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

9. EXPLORATION AND EVALUATION

9 months ended December 31, 2024				
	Vardenis	Urasar	Logistical support	Total
Drilling	(\$ 11,838)	\$ 540,033	\$ -	\$ 528,195
Third party services	141,497	173,119	-	314,616
Labour	69,365	76,797	-	146,162
Field activity	33,707	61,389	-	95,096
Local community	62,041	27,139	-	89,180
Assay	1,575	74,591	-	76,166
Travel	17,720	55,996	-	73,716
Road construction and maintenance	-	11,859	-	11,859
Reclamation	-	1,599	-	1,599
Armenia country manager	10,377	35,898	13,254	59,529
	\$ 324,444	\$ 1,058,420	\$ 13,254	\$ 1,396,118

9 months ended December 31, 2023						
	Vardenis	Urasar	Armenia	NV lithium	NV gold	Total
Drilling	\$ 212,106	\$ -	\$ -	\$ -	\$ -	\$ 212,106
Third party services	88,627	-	-	-	22,021	110,648
Labour	82,332	26,828	-	-	-	109,160
Field activity	44,280	6,695	-	6,603	3,171	60,749
Assay	12,823	-	-	13,408	-	26,231
Travel	11,162	7,245	-	4,239	242	22,888
Reclamation	13,406	-	-	-	-	13,406
Local community	34,679	10,355	-	-	-	45,034
VP Exploration	-	-	-	14,495	5,814	20,309
Armenia country manager	6,504	3,965	10,367	-	-	20,836
	\$ 505,919	\$ 55,088	\$ 10,367	\$ 38,745	\$ 31,248	\$ 641,367

10. RELATED PARTY TRANSACTIONS

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

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

	9 months ended Dec. 31, 2024	9 months ended Dec. 31, 2023
Remuneration of officers of the Company (1)	\$ 245,562	\$ 177,393
Stock-based compensation relating to stock options issued to officers and directors of the Company	91,848	66,232
Recharge of exploration, claim and local administrative expenditures (2)	-	127,107
	\$ 337,410	\$ 370,732

- (1) Comprises remuneration of the Company's President, Chief Executive Officer, Chief Financial Officer and the former Vice President Exploration (in respect of fiscal 2024 only) and includes fees charged by companies controlled by an officer and a former officer of the Company
- (2) Certain exploration, local administrative and claim acquisition expenditures relating to previous activity in Nevada were charged to Intermont by Tectonex LLC, a company owned by the Company's former VP Exploration. Such charges totalled \$nil in the nine months ended December 31, 2024 (nine months ended December 31, 2023: US\$ 94,242 (\$127,107)). All such expenditures were recharged to the Company without margin or discount at the actual cost incurred by Tectonex

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

	Dec. 31, 2024	March 31, 2024
Amounts owing to directors and officers relating to deferred remuneration and the reimbursement of expenses	\$ 447,261	\$ 378,278
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures	52,792	145,465
Advance provided by the President and CEO	100,000	100,000
	\$ 600,053	\$ 623,743

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. The Company expects to repay the remaining \$100,000 of the loan with proceeds of the next equity financing.

Amounts due to related parties as at December 31, 2024 (including the advance from the President and CEO) were unsecured and non-interest bearing.

Management debt settlement

In October 2024, the Company announced that it had tentatively agreed to settle outstanding debts owing to two current and one former member of its management team totalling \$499,333. The debt settlement agreements provide for the following:

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

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

In January 2025, the Company received TSXV approval to proceed with the execution of the debt settlement agreements at which time the 2,097,762 common shares were issued and the balance of the immediate payment of \$100,000 was made.

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

11. SEGMENTED INFORMATION

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

	Canada	Armenia	United States	Total
Non-current assets:				
Dec. 31, 2024	\$ 74,546	\$ 527,835	\$ -	\$ 602,381
March 31, 2024	68,737	234,466	-	303,203
Net loss				
9 months ended Dec. 31, 2024	669,056	1,499,287	11,407	2,179,750
9 months ended Dec. 31, 2023	\$ 419,084	\$ 932,845	\$ 693,368	\$ 2,045,297

12. CAPITAL MANAGEMENT

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

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

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

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 nine months ended December 31, 2024.

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

13. RISK MANAGEMENT

Credit risk

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

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. Following the divestment of its Nevada assets, the Company's exploration activity is situated entirely in Armenia and the Company is therefore exposed to foreign exchange risk arising from transactions and monetary balances denominated in Armenian drams and, to a lesser extent, United States dollars and Euros. 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 \$21,500 and balances due to related parties (see Note 10), all accounts payable and accrued liabilities are due within 90 days of December 31, 2024. Amounts due to related parties as at December 31, 2024 were unsecured and non-interest bearing; a

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

debt settlement arrangement relating to \$499,333 of management debt was agreed with all applicable individuals and approved by the TSXV in January 2025 (see Note 10).

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

14. SUBSEQUENT EVENT

(a) 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 gold-copper 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.

(b) Omnibus Equity Incentive Plan

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**"), performance share units ("**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.

Hayasa Metals Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2024

(d) Management debt settlement

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 10.

(e) Intermont receivable

In February 2025, the Company received \$194,825 in connection with the March 2024 sale of Intermont (see Note (5)).