



HAYASA METALS INC.

Hayasa Metals Inc.

An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(Unaudited)

THREE MONTHS ENDED JUNE 30, 2026 and 2025

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Hayasa Metals Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management’s best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed interim consolidated financial statements prior to their submission to the Board of Directors for approval.

The accompanying condensed interim consolidated financial statements have not been reviewed by the Company’s independent auditor.

Hayasa Metals Inc.

Condensed interim consolidated statements of financial position
(Unaudited) (Expressed in Canadian Dollars)

	Notes	June 30, 2026	March 31, 2026
ASSETS			
Current assets			
Cash and cash equivalents		\$ 872,631	\$ 1,580,358
Accounts receivable		301,896	122,369
Prepaid expenses		81,334	99,700
Total Current assets		1,255,861	1,802,427
Non-current assets			
Mineral properties	4	697,547	657,433
Fixed assets		19,183	19,813
Reclamation bonds	5	45,375	44,317
Total Assets		\$ 2,017,966	\$ 2,523,990
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 280,929	\$ 319,753
Project cost advances received	4	347,036	505,123
Due to related parties	8	-	19,044
Reclamation provision	9	107,727	102,959
Total Current liabilities		735,692	946,879
Shareholders' equity			
Share capital	6	22,941,524	22,941,524
Contributed surplus	6	2,593,613	2,564,131
Other reserves	6	79,780	79,780
Accumulated other comprehensive income		317,136	261,094
Accumulated deficit		(24,649,779)	(24,269,418)
Total Shareholders' equity		1,282,274	1,577,111
Total Liabilities and Shareholders' equity		\$ 2,017,966	\$ 2,523,990

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved by the Board of Directors on August 26, 2026

"Randall Chatwin"
Randall Chatwin, Director

"Joel Sutherland"
Joel Sutherland, Director

Hayasa Metals Inc.

Condensed interim consolidated statements of loss and comprehensive loss

For the three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars, except number of shares)

	Notes	Three months ended June 30,	
		2026	2025
Expenses			
Exploration and evaluation	7	\$ 528,617	\$ 226,487
Earned project costs advanced	7	(362,169)	-
		166,448	226,487
Administrative expenses			
Management fees	8	80,480	102,813
Professional fees	8	41,698	26,822
Stock-based compensation	6, 8	29,482	64,096
Marketing		47,391	11,535
General and administration		25,254	17,795
Travel		11,196	19,282
Project development		458	8,718
Listing and transfer agent		6,217	10,576
Depreciation		1,444	451
		243,620	262,088
Other income and expenses			
Foreign exchange loss		9,605	35,857
Vardenis management fee	4 a)	(37,151)	-
Interest income		(2,161)	(3,108)
Net loss for the period		\$ 380,361	\$ 521,324
Other comprehensive income and loss			
Unrealized foreign currency translation (gain) loss		(56,042)	41,884
Total comprehensive loss for the period		\$ 324,319	\$ 563,208
Loss per share, Basic and diluted		\$ (0.01)	\$ (0.01)
Weighted average shares outstanding, Basic and diluted		72,499,139	61,101,857

Hayasa Metals Inc.

Condensed interim consolidated statements of changes in shareholders' equity

For the three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

	Shares Issued	Share Capital	Contributed Surplus	Other Reserves	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Shareholders' Equity
	#	\$	\$	\$	\$	\$	\$
Balance at March 31, 2025	61,101,857	21,213,260	2,269,414	-	229,988	(22,238,912)	1,473,750
Share issuance costs	-	(507)	-	-	-	-	(507)
Stock-based compensation	-	-	64,096	-	-	-	64,096
Net loss and other comprehensive loss	-	-	-	-	(41,884)	(521,324)	(563,208)
Balance at June 30, 2025	61,101,857	\$ 21,212,753	2,333,510	-	188,104	(22,760,236)	974,131
Balance at March 31, 2026	72,499,139	22,941,524	2,564,131	79,780	261,094	(24,269,418)	1,577,111
Share issuance costs	-	-	-	-	-	-	-
Stock-based compensation	-	-	29,482	-	-	-	29,482
Net loss and other comprehensive income	-	-	-	-	56,042	(380,361)	(324,319)
Balance at June 30, 2026	72,499,139	22,941,524	2,593,613	79,780	317,136	(24,649,779)	1,282,274

Hayasa Metals Inc.

Condensed interim consolidated statements of cash flows
(Unaudited) (Expressed in Canadian Dollars)
For the three months ended June 30, 2026 and 2025

	Note	2026	2025
OPERATING ACTIVITIES			
Net loss for the period		\$ (380,361)	\$ (521,324)
Adjustments for items not involving cash:			
Stock-based compensation	6, 8	29,482	64,096
Unrealized foreign exchange items		-	24,967
Depreciation		1,444	451
Change in reclamation provision		-	22,167
		(349,435)	(409,643)
Net changes in non-cash working capital items:			
Accounts receivable and prepaid expenses		(161,161)	(218,090)
Project costs advanced		(158,087)	-
Accounts payable and accrued liabilities		(38,824)	94,617
Due to related parties		(19,044)	3,979
Cash used in operating activities		(726,551)	(529,137)
INVESTING ACTIVITIES			
Additions to mineral properties		-	(18,022)
Cash used in investing activities		-	(18,022)
FINANCING ACTIVITIES			
Share issuance costs		-	(507)
Cash provided by financing activities		-	(507)
Effect of change in exchange rate on cash		18,824	(36,324)
Net change in cash and cash equivalents		(707,727)	(583,990)
Cash and cash equivalents, beginning		1,580,358	1,074,738
Cash and cash equivalents, ending		\$ 872,631	\$ 490,748
Supplemental cash info			
Interest received		\$ 2,161	\$ -
Income tax paid		\$ -	\$ -

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements
Three months ended June 30, 2026 and 2025
(Unaudited) (Expressed in Canadian Dollars)

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 condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. For the three months ended June 30, 2026, the Company reported a net loss of \$380,361 and as at that date, had a net working capital balance of \$520,169 (March 31, 2026 - \$855,548).

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. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. There is no assurance that the Company will be successful in this regard. These factors may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

The Company’s unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards (as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”)) (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS Accounting Standards for

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2026, which have been prepared in accordance with IFRS.

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, 2026.

These condensed interim consolidated financial statements include the accounts of Hayasa Metals Inc. and its wholly owned subsidiaries as follows at June 30, 2026 and March 31, 2026:

	June 30, 2026		March 31, 2026	
	Location	Ownership	Location	Ownership
Hayasa Resources Corp. ("HRC")	Armenia	100%	Armenia	100%
DAV Finder LLC ("DAV")	Armenia	100%	-	-

On April 3, 2026, the Company acquired all issued and outstanding shares of DAV Finder LLC, a privately owned Armenian company, for a cash consideration of approximately \$50 (AMD 10,000). DAV had nominal assets, liabilities and expenses at the time of acquisition. The transaction was considered to be outside of scope of IFRS 3, Business Combinations, as DAV did not constitute a business at the time of acquisition. As a result, the transaction was accounted for as an asset acquisition.

HRC and DAV are wholly owned subsidiaries of Hayasa Metals Inc. incorporated under the laws of the Republic of Armenia. The subsidiaries were established to facilitate the operations of the Company in Armenia. Functional currency of DAV and HRC is Armenian Drams ("AMD").

Certain financial statement items presented in previous financial statements have been reclassified to conform with current presentation.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Standards

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*. These amendments updated classification and measurement requirements in IFRS 9, *Financial Instruments*, and related disclosure requirements in IFRS 7, *Financial Instruments: Disclosures*. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance ("ESG")-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The Company adopted these Amendments effective

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

April 1, 2026. The adoption of these amendments did not have a material impact on the Company's consolidated financial statements.

Accounting Standards Issued But Not Yet Effective

In April 2024, the IASB issued IFRS 18 – *Presentation and Disclosure in Financial Statements* (“IFRS 18”) to replace IAS 1 – *Presentation of Financial Statements*. This standard focuses on updates to the statement of profit or loss, including: (a) the structure of the statement of profit or loss; (b) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (c) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. It will be effective for the Company for the annual period beginning April 1, 2027, and will be required to be applied retrospectively.

Apart from IFRS 18, other new standards or amendments to existing standards issued but which have not yet been applied by the Company based on the effective date are not currently expected to have a material impact on the Company's consolidated financial statements.

4. MINERAL PROPERTIES

Continuity of additions to mineral properties for the three months ended June 30, 2026:

	March 31, 2026	Additions	Teck Funding	Foreign exchange	June 30, 2026
Vardenis	\$ 544,981	\$ 9,341	\$ (9,341)	\$ 34,907	\$ 579,888
Urasar	112,452	-	-	5,207	117,659
	\$ 657,433	\$ 9,341	\$ (9,341)	\$ 40,114	\$ 697,547

Continuity of additions to mineral properties for the year ended March 31, 2026:

	March 31, 2025	Additions	Teck Funding	Foreign exchange	March 31, 2026
Vardenis	\$ 542,823	\$ 30,938	\$ (31,535)	\$ 2,755	\$ 544,981
Urasar	85,686	25,831	-	935	112,452
	\$ 628,509	\$ 56,769	\$ (31,535)	\$ 3,690	\$ 657,433

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.

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

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. 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

Teck option agreement

In August 2025, the Company entered into an amended and restated option and joint venture agreement (the “Agreement”) which grants Teck Resources Limited (“Teck”) the sole and exclusive option to acquire up to an 80% interest in Mendia Resources LLC (“Mendia”, the “Optionor”), the company that owns the geological exploration license relating to the Vardenis copper-gold project located in east-central Armenia. The Agreement supersedes the option agreement previously entered into by the Company in June 2023 (as subsequently amended) to acquire up to a 100% interest in Mendia.

The Agreement provides for the following:

- The Company and the Optionor will grant Teck the sole and exclusive option to acquire a 70% interest in Mendia (the “Initial Option”), which may be exercised by Teck upon (i) incurring an aggregate of US\$ 15 million in exploration expenditures on the Vardenis project by December 31, 2029, including fulfilling its firm commitment to complete 4,300 meters of diamond drilling on the Vardenis Project by October 31, 2026 (completed in October 2025), including 3,000 meters by December 31, 2025, and (ii) making any required payments to the Optionor.
- During the term of the Initial Option (which commenced May 3, 2025) and, if applicable, the Second Option, Teck will be solely responsible for funding all expenditures and costs relating to the Vardenis project, including costs related to maintaining the Vardenis project in good standing.
- If Teck exercises the Initial Option, it will have a further sole and exclusive option to acquire an additional 10% interest in Mendia, which would bring Teck’s total interest in Mendia to 80% (the “Second Option”). Teck may exercise the Second Option by delivering to Hayasa and the Optionor a National Instrument 43-101 compliant pre-feasibility study in respect of the Vardenis project on or before the sixth anniversary of the exercise date of the Initial Option. Teck will receive the remaining 10% interest in Mendia held by the Optionor for a US\$3.5 million payment.
- If Teck incurs a minimum of US\$ 2.5 million in the 30-month period following the date of the Agreement but chooses not to exercise the Initial Option, the Agreement will terminate and Teck will be granted a 1.0% net smelter return royalty on the Vardenis property, payable by Mendia.
- If Teck exercises the Initial Option and elects not to pursue the Second Option, or if Teck exercises the Second Option, a corporate joint venture (the “Joint Venture”) will be deemed to be formed between Teck and Hayasa (and if applicable, the Optionor) in accordance with the terms of the Agreement. Existing shareholder’s interest in Mendia will be converted to a 1.0% net smelter return if its interest is diluted to below 10% or if it defaults on cash calls in certain circumstances.
- For a period of 18 months from the Joint Venture formation date (the “Deferral Period”), Hayasa may elect to defer the contribution of its proportionate share of the costs of approved programs, which costs will be contributed by Teck on behalf of Hayasa and will become repayable by Hayasa within 18 months from the end of the Deferral Period.

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

Pursuant to the Agreement, Hayasa will be the manager of the Vardenis project during the term of the Initial Option, with Teck having the right to replace Hayasa as the manager at any time. The manager of the project is entitled to receive a management fee based on a percentage of the expenditures incurred (5% to 10% depending on the nature of the expenditure). The management fee earned by the Company for the three months ended June 30, 2026 was \$37,151.

Funding provided by Teck in advance of the applicable spend is based on mutually agreed budgets. Any advances not spent at the end of the period are classified as a liability, which is amortized as exploration costs on Vardenis are incurred. As at June 30, 2026, the balance of project cost advances received was \$347,036.

Pursuant to the agreement with Mendia, Hayasa maintains certain of its rights to acquire interests in the capital of Mendia as set out in the option agreement entered into in June 2023 (as subsequently amended by the Teck Agreement) as long as such rights do not derogate from Teck's rights under the Agreement. This option to acquire interest in Mendia is held by Hayasa Metals Inc. (not HRC). Specifically:

- The Company shall be entitled to 51% of the issued and outstanding Mendia shares on a fully-diluted basis (inclusive of any Mendia shares held by Hayasa as of the date of the Agreement) upon the completion of an aggregate 2,500 metres of diamond drilling on the property on or before October 31, 2025 (completed).
- The Company shall be entitled to an additional 29% of the issued and outstanding Mendia shares on a fully-diluted basis (inclusive of any Mendia shares held by Hayasa as of the date of the Agreement) upon the completion of an additional 2,500 metres of diamond drilling on the property on or before October 31, 2026 (completed).
- The Company shall be entitled to an additional 9% of the issued and outstanding Mendia shares on a fully-diluted basis (inclusive of any Mendia shares held by Hayasa as of the date of the Agreement) upon the payment to the Optionor of US\$ 100,000 and the issuance to the Optionor of 1,000,000 Hayasa common shares on or before December 3, 2027.

As at June 30, 2026, the Company had fulfilled all requirements – including the diamond drilling requirements - to acquire a total of 80% of the issued and outstanding Mendia shares on a fully-diluted basis. However, the Company has not exercised the option to acquire shares of Mendia at the date of these condensed interim consolidated financial statements.

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 criteria that would result in additional compensation were not satisfied

(b) Urasar

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

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements
Three months ended June 30, 2026 and 2025
(Unaudited) (Expressed in Canadian Dollars)

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 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 the Armenian Dram equivalent of \$21,460 and \$23,915, respectively, as at June 30, 2026 (March 31, 2026 - total of \$44,317).

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.

Three months ended June 30, 2026

The Company did not issue shares during the three months ended June 30, 2026.

Year ended March 31, 2026

September 2025 non-brokered private placement

On September 23, 2025, the Company closed a non-brokered private placement financing pursuant to which a total of 11,165,282 units were issued at a price of \$0.17 per unit for gross proceeds of \$1,898,098. Each unit was comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a purchase price of \$0.22 for the period of 18 months from November 23, 2025. The Company utilized residual value method to value the warrants issued in the private placement and allocated \$111,653 to warrant reserve as the value of each whole warrant. The Company incurred cash issuance costs of \$83,121.

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

Current directors and officers of the Company participated in the private placement subscribing for an aggregate of 738,400 common shares for gross proceeds of \$125,528 (Note 8).

Common shares issued to the Chief Executive Officer

The Company appointed a new Chief Executive Officer (“CEO”) 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, valued at \$12,760)
- 116,000 common shares on the six-month anniversary of the Initial Issuance (issued, valued at \$8,120)
- 116,000 common shares on the 12-month anniversary of the Initial Issuance (issued, valued at \$17,980)
- 116,000 common shares on the 18-month anniversary of the Initial Issuance, (issued, valued at \$6,960) and
- 116,000 common shares on the 24-month anniversary of the Initial Issuance.

(b) Share purchase warrants

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

	Number of warrants	Weighted average exercise price	Weighted average remaining life (years)
March 31, 2025	16,351,500	0.17	0.75
Issued			
September 2025 private placement	5,582,641	0.22	
Expired	(15,851,500)	(0.17)	
March 31, 2026	6,082,641	0.22	0.92
June 30, 2026	6,082,641	0.22	0.67

The Company had the following share purchase warrants outstanding as at June 30, 2026:

	Expiry date	Exercise price	Number of warrants
January 2025 sale of NSR*	July 21, 2026	0.22	500,000
September 2025 private placement	March 23, 2027	0.22	5,582,641
		0.22	6,082,641

* Subsequent to June 30, 2026, these warrants expired unexercised.

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

(c) Stock options

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

	Number of options	Weighted average exercise price	Weighted average remaining life (years)
March 31, 2025	4,710,000	0.16	3.33
Issued	2,300,000	0.11	
Forfeited	(1,360,000)	0.30	
March 31, 2026	5,650,000	0.10	3.34
Issued	150,000	0.06	
June 30, 2026	5,800,000	0.10	3.13

The Company had the following stock options outstanding as at June 30, 2026:

Expiry date	Outstanding #	Exercisable #	Exercise price, \$
December 31, 2026	650,000	650,000	0.09
April 23, 2028	850,000	850,000	0.09
December 20, 2028	500,000	500,000	0.09
July 5, 2029	150,000	120,000	0.10
August 21, 2029	600,000	480,000	0.095
November 8, 2029	600,000	480,000	0.15
June 24, 2030	550,000	364,100	0.12
September 23, 2030	600,000	240,000	0.17
January 12, 2031	1,150,000	379,500	0.07
April 1, 2031	150,000	50,000	0.06
	5,800,000	4,113,600	0.10

At June 30, 2026, weighted average exercise price of vested options at June 30, 2026 was \$0.10 and weighted average remaining life was 2.68 years. Stock-based compensation relating to stock options totalled \$29,482 in the three months ended June 30, 2026 (2025 - \$53,429).

The Company granted 150,000 stock options on April 1, 2026. The stock options have an exercise price of \$0.06 and a term of 5 years. These stock options vest as follows: 50,000 on April 1, 2026, and 100,000 vests on April 1, 2027.

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

The fair values of the stock options granted in the three months ended June 30, 2026, were estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

	April 1, 2026 (\$0.06)	June 25, 2025 (\$0.12)
Expected dividends	—	—
Expected volatility	122.5%	150%
Risk-free interest rate	3.11%	2.93%
Expected life, years	5	5
Expected rate of forfeiture	5.0%	5.0%

(d) Performance share units

The Company's omnibus equity compensation plan (the "Omnibus Plan") was approved by the Company's shareholders at its annual general meetings in October 2024 and November 2025. 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. At the discretion of the board of directors of the Company, the obligation may be settled in cash. These PSUs are expected to be settled through issuance of common shares.

As at June 30, 2026, 4,080,000 PSUs remain outstanding.

Stock-based compensation relating to PSUs for the three months ended June 30, 2026 was \$Nil (2025 - \$10,667).

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION EXPENDITURES

Three months ended June 30, 2026

	Vardenis	Urasar	Property investigation	Total
Assay	\$ 173,816	\$ 29,053	\$ -	\$ 202,869
Drilling	1,332	106,087	-	107,419
Third party services	-	2,914	1,663	4,547
Field activities and supplies	5,548	19,876	395	25,819
Geological	5,283	8,893	-	14,176
Labour	38,799	7,379	-	46,178
Travel	14,500	7,282	1,215	22,997
Local community	11,724	9,341	-	21,065
Reclamation and environmental	15,553	18,682	-	34,235
Administration	4,965	-	-	4,965
Property investigation/other	-	-	2,826	2,826
Armenia country manager	31,203	10,318	-	41,521
	302,723	219,825	6,069	528,617
Teck funding ⁽¹⁾	(362,169)	-	-	(362,169)
	\$ (59,446)	\$ 219,825	\$ 6,069	\$ 166,448

- ⁽¹⁾ Teck is reimbursing the Company for Vardenis exploration and evaluation expenditures pursuant to the Agreement entered into in August 2025 (Note 4(a))

Three 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
	\$ 98,011	\$ 101,830	\$ 4,479	\$ 204,320

- ⁽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

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Related party transactions

Key management includes the President, the Chief Executive Officer, the Chief Financial Officer and Directors. The compensation paid or payable to key management for services during the three months ended June 30, 2026 and 2025 is as follows:

		Three months ended June 30,
	2026	2025
Management fees	\$ 87,089	\$ 102,813
Stock-based compensation	25,196	35,856
	\$ 112,285	\$ 138,669

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

The deferred payment amount of \$109,777 was repaid in September 2025. Upon repayment of this amount, the remaining balance of \$79,780 was forgiven by the two current members of management; this amount was treated as an additional capital contribution and was recognized within other reserves in the consolidated statement of changes in shareholder's equity.

All balances owing to members of management were unsecured and non-interest bearing.

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

Related party balances

The Company had the following balances with related parties, including directors, officers and companies controlled by directors and officers of the Company:

	June 30, 2026	March 31, 2026
Amounts owing to directors and officers relating to deferred remuneration and expense reimbursement	\$ -	\$ 19,044
Prepaid expenses to a related party	4,000	-
	\$ 4,000	\$ 19,044

Included in prepaid expenses is a prepayment of \$4,000 to a related party for future consulting services. The amounts owing to related parties are unsecured, non-interest bearing and are due under normal business terms.

9. RECLAMATION PROVISION

The Company has a legal obligation to reclaim and restore land disturbed by its mineral exploration activities in Armenia in connection with Vardenis and Urasar properties (Notes 4 and 7) in accordance with the terms of its approved Environmental Impact Assessments and applicable Armenian environmental legislation. The continuity of the reclamation provision is as follows:

	Vardenis	Urasar	Total
Balance, March 31, 2025	14,734	16,575	31,309
Additions	9,088	60,786	69,874
Foreign exchange	270	1,506	1,776
Balance, March 31, 2026	\$ 24,092	\$ 78,867	\$ 102,959
Foreign exchange	1,115	3,653	4,768
Balance, June 30, 2026	\$ 25,207	\$ 82,519	\$ 107,727

The provision represents management's best estimate of the present value of the expenditures expected to be required to settle these obligations. Reclamation activities are expected to be conducted within 12 months. Estimates are reviewed at each reporting date and are subject to change as a result of revisions to the extent of disturbance, the timing and amount of expected cash flows, cost rates, foreign exchange and discount rates, and changes in regulatory requirements.

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

10. 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	Total
Non-current assets:			
June 30, 2026	\$ 1,068	\$ 761,037	\$ 762,105
March 31, 2026	\$ 1,323	\$ 720,240	\$ 721,563

11. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital. 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.

The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company reviews its capital management approach on an ongoing 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 period ended June 30, 2026

12. RISK MANAGEMENT

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 does not use derivative instruments to reduce upward and downward risk associated with foreign currency fluctuations.

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

Cash balances held in the following currencies at June 30, 2026:

	Canadian Dollars	US Dollars	Armenian Dram
Cash	214,932	461,571	292,856

At June 30, 2026, with other variables unchanged, a 5% movement in the United States dollars and Armenian Drams against the Canadian dollar would change the Company's net loss and comprehensive loss by \$32,851.

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. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. The risk is minimal as receivables consist primarily of refundable government taxes.

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.

At June 30, 2026, the contractual maturities of the Company's obligations are as follows:

	Within one year \$	Between one and five years \$	More than five years \$
Accounts payable and accrued liabilities	280,929	-	-
Project cost advances received	347,036	-	-

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

Hayasa Metals Inc.

Notes to the condensed interim consolidated financial statements

Three months ended June 30, 2026 and 2025

(Unaudited) (Expressed in Canadian Dollars)

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.

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

13. SUBSEQUENT EVENTS

TBD if shares are issued to Joel.

TBD if Teck deal is announced.