
HANNAN METALS LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

HANNAN METALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	November 30, 2025 \$	May 31, 2025 \$
ASSETS			
Current assets			
Cash		8,263,487	2,273,267
GST/VAT receivable		9,050	5,618
Prepaid investor relations		-	161,170
Prepaid other		<u>198,012</u>	<u>170,968</u>
Total current assets		<u>8,470,549</u>	<u>2,611,023</u>
Non-current assets			
Equipment	4	141,343	86,096
Exploration and evaluation assets	5	<u>11,750,393</u>	<u>8,415,685</u>
Total non-current assets		<u>11,891,736</u>	<u>8,501,781</u>
TOTAL ASSETS		<u>20,362,285</u>	<u>11,112,804</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	<u>429,036</u>	<u>305,869</u>
TOTAL LIABILITIES		<u>429,036</u>	<u>305,869</u>
SHAREHOLDERS' EQUITY			
Share capital	6	34,444,172	25,014,650
Share subscriptions received		734,236	-
Share-based payments reserve		6,374,902	6,447,227
Deficit		<u>(21,620,061)</u>	<u>(20,654,942)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>19,933,249</u>	<u>10,806,935</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>20,362,285</u>	<u>11,112,804</u>

Nature of Operations - Note 1

Events after the Reporting Period - Note 11

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on January 27, 2026 and are signed on its behalf by:

/s/ Nick DeMare
 Nick DeMare
 Director

/s/ Michael Hudson
 Michael Hudson
 Director

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

HANNAN METALS LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS***(Unaudited - Expressed in Canadian Dollars)*

	Note	Three Months Ended November 30		Six Months Ended November 30	
		2025 \$	2024 \$	2025 \$	2024 \$
Expenses					
Accounting and administration	7(b)(ii)	28,683	29,333	49,309	52,118
Audit		20,000	15,000	65,000	60,000
Corporate development		13,780	25,401	27,682	39,052
Depreciation	4	8,258	1,757	14,583	3,429
Director and officer compensation	7	49,500	49,500	99,000	99,000
Drill core storage		3,251	2,992	6,438	5,970
General exploration		75,363	59,638	285,770	108,693
Insurance		3,656	7,683	7,740	12,128
Investor relations		7,371	4,485	173,351	8,979
Legal		403	2,060	10,677	17,623
Office		18,981	10,804	37,872	21,434
Professional fees		23,705	32,720	45,864	65,521
Regulatory fees		9,492	5,982	13,120	10,064
Share-based compensation	6(d)	84,259	814,680	139,815	827,652
Shareholder costs		6,343	1,805	10,033	1,805
Transfer agent fees		10,798	5,623	16,678	12,145
Travel		2,597	14,712	22,060	15,704
		<u>366,440</u>	<u>1,084,175</u>	<u>1,024,992</u>	<u>1,361,317</u>
Loss before other items		<u>(366,440)</u>	<u>(1,084,175)</u>	<u>(1,024,992)</u>	<u>(1,361,317)</u>
Other items					
Interest income		17,922	32,766	29,094	69,617
Foreign exchange		5,047	68,816	30,779	68,268
		<u>22,969</u>	<u>101,582</u>	<u>59,873</u>	<u>137,885</u>
Net loss and comprehensive loss for the period		<u>(343,471)</u>	<u>(982,593)</u>	<u>(965,119)</u>	<u>(1,223,432)</u>
Basic and diluted loss per common share		<u>\$(0.00)</u>	<u>\$(0.01)</u>	<u>\$(0.01)</u>	<u>\$(0.01)</u>
Weighted average number of common shares outstanding		<u>131,819,072</u>	<u>120,433,724</u>	<u>129,398,988</u>	<u>119,035,724</u>

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

HANNAN METALS LTD.**CONDENSED CONSOLIDATED INTERIM OF CHANGES IN SHAREHOLDERS' EQUITY***(Unaudited - Expressed in Canadian Dollars)*

Six Months Ended November 30, 2025						
	Share Capital		Share Subscriptions Received \$	Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$
	Number of Shares	Amount \$				
Balance at May 31, 2025	125,034,705	25,014,650	-	6,447,227	(20,654,942)	10,806,935
Common shares issued for:						
- private placement	9,379,747	7,034,810	-	-	-	7,034,810
- share options exercised	1,140,273	303,660	-	-	-	303,660
- warrants exercised	4,518,111	2,259,056	-	-	-	2,259,056
Share issue costs	-	(380,144)	-	-	-	(380,144)
Share subscriptions received	-	-	734,236	-	-	734,236
Transfer on exercise of share options	-	212,140	-	(212,140)	-	-
Share-based compensation	-	-	-	139,815	-	139,815
Net loss for the period	-	-	-	-	(965,119)	(965,119)
Balance at November 30, 2025	140,072,836	34,444,172	734,236	6,374,902	(21,620,061)	19,933,249

Six Months Ended November 30, 2024						
	Share Capital		Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$	
	Number of Shares	Amount \$				
Balance at May 31, 2024	109,558,069	19,438,834	5,758,975	(18,644,226)	6,553,583	
Common shares issued for:						
- private placement	10,593,513	3,707,730	-	-	3,707,730	
- share options exercised	282,142	67,750	-	-	67,750	
Share issue costs	-	(26,466)	-	-	(26,466)	
Transfer on exercise of share options	-	62,972	(62,972)	-	-	
Share-based compensation	-	-	827,652	-	827,652	
Net loss for the period	-	-	-	(1,223,432)	(1,223,432)	
Balance at November 30, 2024	120,433,724	23,250,820	6,523,655	(19,867,658)	9,906,817	

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

HANNAN METALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended November 30,	
	2025 \$	2024 \$
Operating activities		
Net loss for the period	(965,119)	(1,223,432)
Adjustments for:		
Depreciation	14,583	3,429
Share-based compensation	139,815	827,652
Changes in non-cash working capital items:		
GST/VAT receivable	(3,432)	2,576
Prepaid investor relations	161,170	-
Prepaid other	(27,044)	(44,478)
Accounts payable and accrued liabilities	123,167	(8,587)
Net cash used in operating activities	<u>(556,860)</u>	<u>(442,840)</u>
Investing activities		
Exploration and evaluation asset expenditures, net of cost recoveries	(3,334,708)	(1,663,995)
Equipment purchases	(69,830)	(3,785)
Net cash used in investing activities	<u>(3,404,538)</u>	<u>(1,667,780)</u>
Financing activities		
Issuance of common shares	9,597,526	3,775,480
Share issue costs	(380,144)	(26,466)
Share subscriptions received	734,236	-
Net cash provided by financing activities	<u>9,951,618</u>	<u>3,749,014</u>
Net change in cash during the period	5,990,220	1,638,394
Cash at beginning of period	<u>2,273,267</u>	<u>945,438</u>
Cash at end of period	<u>8,263,487</u>	<u>2,583,832</u>

Supplemental cash flow information - See Note 10

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

HANNAN METALS LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

Hannan Metals Ltd. (the “Company”) was incorporated under the provisions of the Company Act (British Columbia). The Company’s common shares currently trade on the TSX Venture Exchange (“TSXV”) under the symbol “HAN”. The Company’s principal, registered and records office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company is a junior mineral exploration company engaged in the acquisition and exploration of mineral properties. As at November 30, 2025 the Company has not earned any production revenue, nor has it determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. As a mineral company in the exploration stage the ability of the Company to complete the exploration and development of its mineral property interests will be affected primarily by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

The Company’s primary mineral properties are located in Peru and, consequently, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

The Company has a history of losses with no operating revenues and, as at November 30, 2025, the Company had working capital of \$8,041,513. In addition, subsequent to November 30, 2025 the Company completed the final tranche of a private placement for further cash proceeds of \$1,367,707. The Company’s San Martin JV Project is funded by an arms length party, as described in Note 5(a)(i), under an option agreement and its other mineral property interests and operations are funded from equity financings. These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. To date the Company has not earned any revenue and is considered to be in the exploration stage. The Company’s operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Management considers that the Company has adequate resources to maintain its core operations and conduct planned exploration of its existing exploration and evaluation assets for the next twelve months. However, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

See also Note 11.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Basis of Measurement

The Company’s condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

HANNAN METALS LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025
(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

Details of the Group

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>
Hannan Metals BC Ltd.	Canada	100%
Hannan Metals Peru Ltd.	Canada	100%
Hannan Metals Ireland Limited	Ireland	100%
Hannan Metals Peru S.A.C.	Peru	100%
Hannan Resources Peru S.A.C.	Peru	100%
Hannan Servicios Peru S.A.C.	Peru	100%

3. Material Accounting Policy Information

These condensed consolidated interim financial statements have been prepared on a basis consistent with the material accounting policies disclosed in the consolidated financial statements for the year ended May 31, 2025. Accordingly, they should be read in conjunction with the consolidated financial statements for the year ended May 31, 2025.

Accounting Standards Issued but Not Yet Effective

In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 - *Presentation and Disclosure in Financial Statements* replaces IAS 1 - *Presentation of Financial Statements*. The standard will become effective January 1, 2027, with early adoption permitted. The Company is in the process of assessing the impact of this new standard on the Company's consolidated financial statements.

HANNAN METALS LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025
(Unaudited - Expressed in Canadian Dollars)

4. Equipment

	Field Equipment \$	Office Equipment \$	Total \$
Cost:			
Balance at May 31, 2024	14,603	31,281	45,884
Additions	-	64,928	64,928
Balance at May 31, 2025	14,603	96,209	110,812
Additions	69,830	-	69,830
Balance at November 30, 2025	84,433	96,209	180,642
Accumulated Depreciation:			
Balance at May 31, 2024	(7,910)	(8,531)	(16,441)
Depreciation	(1,425)	(6,850)	(8,275)
Balance at May 31, 2025	(9,335)	(15,381)	(24,716)
Depreciation	(4,940)	(9,643)	(14,583)
Balance at November 30, 2025	(14,275)	(25,024)	(39,299)
Carrying Value:			
Balance at May 31, 2025	5,268	80,828	86,096
Balance at November 30, 2025	70,158	71,185	141,343

5. Exploration and Evaluation Assets

	November 30, 2025			May 31, 2025		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Peru						
- San Martin JV Project	-	201,182	201,182	-	166,684	166,684
- Valiente Project	1,852,294	9,696,917	11,549,211	1,466,118	6,782,883	8,249,001
	1,852,294	9,898,099	11,750,393	1,466,118	6,949,567	8,415,685

HANNAN METALS LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025
(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (continued)

	<u>Peru</u>		<u>Total</u>
	<u>San Martin</u>	<u>Valiente</u>	
	<u>JV Project</u>	<u>Project</u>	<u>\$</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at May 31, 2024	<u>442,750</u>	<u>5,343,539</u>	<u>5,786,289</u>
Exploration costs			
Assays	-	140,566	140,566
Community	21,587	-	21,587
Drilling and consulting	714,766	1,267,246	1,982,012
Geology	-	155,890	155,890
Insurance	1,743	4,863	6,606
Legal	4,069	5,283	9,352
Logistics, camp costs and labour	180,811	667,732	848,543
Supplies	-	5,581	5,581
Travel	-	34,703	34,703
VAT incurred	67,898	240,042	307,940
	<u>990,874</u>	<u>2,521,906</u>	<u>3,512,780</u>
Acquisition costs			
License applications and fees	210,556	383,556	594,112
Other			
Cost recoveries	(1,387,411)	-	(1,387,411)
Management fees	(90,085)	-	(90,085)
	<u>(1,477,496)</u>	<u>-</u>	<u>(1,477,496)</u>
Balance at May 31, 2025	<u>166,684</u>	<u>8,249,001</u>	<u>8,415,685</u>
Exploration costs			
Assays	-	224,333	224,333
Community	4,645	-	4,645
Drilling and consulting	337,329	1,478,350	1,815,679
Geology	-	116,987	116,987
Insurance	-	10,510	10,510
Legal	4,224	3,719	7,943
Logistics, camp costs and labour	52,589	770,319	822,908
Travel	-	11,140	11,140
VAT incurred	48,315	298,676	346,991
	<u>447,102</u>	<u>2,914,034</u>	<u>3,361,136</u>
Acquisition costs			
License applications and fees	203,441	386,176	589,617
Other			
Cost recoveries	(570,062)	-	(570,062)
Management fees	(45,983)	-	(45,983)
	<u>(616,045)</u>	<u>-</u>	<u>(616,045)</u>
Balance at November 30, 2025	<u>201,182</u>	<u>11,549,211</u>	<u>11,750,393</u>

HANNAN METALS LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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5. Exploration and Evaluation Assets (continued)

(a) **Peru**

(i) *San Martin JV Project*

On November 27, 2020, as amended, the Company entered into a binding letter agreement for an option and joint venture agreement (the "Agreement") with Japan Organization for Metals and Energy Security ("JOGMEC"). Under the Agreement, JOGMEC has the option to earn up to a 75% interest in mining concessions in San Martin Province of the Department of San Martin, northern Peru (the "San Martin JV Project").

The Agreement grants JOGMEC the option to earn an initial 51% interest by funding US \$8,000,000 in project expenditures on the San Martin JV Project by March 31, 2028, subject to acceleration at JOGMEC's discretion.

JOGMEC, at its election, can then earn:

- an additional 16% interest for a total 67% interest by achieving either a prefeasibility study or funding a further US \$12,000,000 in project expenditures in amounts of at least US \$1,000,000 per annum (for a US \$20,000,000 total expenditure); and,
- subject to owning a 67% interest, a further 8% interest for a total 75% interest by achieving either a feasibility study or funding a further US \$15,000,000 in project expenditures in amounts of at least US \$1,000,000 per annum (for a US \$35,000,000 total expenditure).

Should JOGMEC not proceed to a prefeasibility study or spend US \$20,000,000 in total, the Company shall have the right to purchase from JOGMEC for US \$1, a 2% interest, whereby the Company's interest will be increased to 51% and JOGMEC's interest will be reduced to 49%.

At the completion of a feasibility study, JOGMEC has the right to either:

- purchase up to an additional 10% interest from the Company (for a total 85% interest) at fair value as determined in accordance with internationally recognized professional standards by an agreed upon independent third-party valuator; or
- receive up to an additional 10% interest from the Company (for a total 85% interest) in consideration of JOGMEC's agreement to fund development of the San Martin JV Project, by loan carrying the Company until the San Martin JV Project generates positive cash flow.

After US \$35,000,000 has been spent by JOGMEC and before a feasibility study has been achieved, both parties will fund expenditures pro rata or dilute via a standard industry dilution formula:

- if the interest in any party is diluted to less than 5% then that party's interest will be automatically converted to a 2% net smelter royalty ("NSR"), and the other party may at any time purchase 1% of the 2% NSR for a cash payment of US \$1,000,000; and
- the Company will manage exploration at least until JOGMEC earns a 51% interest, after which the majority interest holder will be entitled to act as the operator of the San Martin JV Project.

(ii) *Valiente Project*

The Valiente Project comprises mining concessions held by the Company and is located in central eastern Peru.

HANNAN METALS LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Unaudited - Expressed in Canadian Dollars)

6. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) ***Equity Financings***

Six Months Ended November 30, 2025

In November 2025 the Company completed the first tranche of a non-brokered private placement and issued 9,379,747 common shares at a price of \$0.75 per share, for total proceeds of \$7,034,810. The Company paid total cash finders' fees of \$338,883 to arm's length finders in connection with the first tranche.

The Company incurred \$41,261 for legal and other costs associated with the first tranche of this private placement.

See also Note 11.

Fiscal 2025

On June 27, 2024 the Company completed a non-brokered private placement of 10,593,513 units at \$0.35 per unit, for total proceeds of \$3,707,730. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.50 per share on or before June 27, 2026. The Company has the right to force conversion of the warrants, if at any time from and after the date of issuance, the weighted average closing price of the Company's common shares on the TSXV, equals or exceeds \$0.70 for twenty consecutive trading days. The expiry date of the warrants will then be 30 days from the date of issue of a news release announcing the forced conversion. Directors, a spouse of a director and officers of the Company purchased a total of 315,571 units of the private placement.

The Company incurred \$26,466 for legal and other costs associated with this private placement.

(c) ***Warrants***

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at November 30, 2025 and 2024 and the changes for the six months ended on those dates, is as follows:

	2025		2024	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	4,568,111	0.50	3,522,230	0.35
Issued	-	-	5,296,754	0.50
Exercised	(4,518,111)	0.50	-	-
Expired	<u>(50,000)</u>	0.50	<u>-</u>	-
Balance, end of period	<u>-</u>	-	<u>8,818,984</u>	0.44

As at November 30, 2025 there were no warrants outstanding.

HANNAN METALS LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025
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6. Share Capital (continued)

(d) *Share Option Plan*

The Company has established a rolling share option plan (the “Plan”) in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company’s closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years. The Plan permits the holder of share options to exercise cashless (net exercise) by surrendering a portion of the underlying share option shares to pay for the exercise cost.

During the six months ended November 30, 2025 the Company granted share options to purchase 500,000 (2024 - 2,036,700) common shares of the Company and recorded compensation expense of \$55,556 (2024 - \$814,680). In addition, the Company recorded compensation expense of \$84,259 (2024 - \$12,972) on the vesting of share options previously granted.

The fair value of share options granted during the six months ended November 30, 2025 and 2024 was estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	<u>2025</u>	<u>2024</u>
Risk-free interest rate	2.94%	2.75%
Estimated volatility	85%	94%
Expected life	5 years	5 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The estimated volatility was based on the historical share prices of the Company. The weighted average grant date fair value of all share options granted during the six months ended November 30, 2025 was \$0.64 (2024 - \$0.40) per share option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company’s share options.

A summary of the Company’s share options at November 30, 2025 and 2024 and the changes for the six months ended on those dates, is as follows:

	<u>2025</u>		<u>2024</u>	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	9,550,200	0.33	8,311,500	0.26
Granted	500,000	0.94	2,036,700	0.60
Exercised	(1,152,600) ⁽¹⁾	0.27	(350,000) ⁽¹⁾	0.275
Forfeited	-	-	(53,000)	0.28
Balance, end of period	<u>8,897,600</u>	0.38	<u>9,945,200</u>	0.26

(1) In accordance with the Plan, 35,000 (2024 - 100,000) share options were exercised on a cashless basis (net exercise) for the issuance of 22,673 (2024 - 32,142) common shares.

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6. Share Capital (continued)

The following table summarizes information about the share options outstanding and exercisable at November 30, 2025:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
2,520,000	2,520,000	0.28	December 28, 2025
150,000	150,000	0.28	March 1, 2026
3,713,500	3,713,500	0.25	August 22, 2028
2,014,100	2,014,100	0.60	September 6, 2029
<u>500,000</u>	<u>-</u>	0.94	July 2, 2030
<u>8,897,600</u>	<u>8,397,600</u>		

See also Note 11.

7. Related Party Transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

The Company has determined that key management personnel consists of the Chief Executive Officer (“CEO”), the former President and the Chief Financial Officer (“CFO”) of the Company. During the six months ended November 30, 2025 the Company incurred a total of \$67,500 (2024 - \$152,502) to key management personnel for their services which have been allocated based on the nature of the services provided: expensed \$55,500 (2024 - \$55,500) to director and officer compensation; and capitalized \$12,000 (2024 - \$97,002) to exploration and evaluation assets. As at November 30, 2025 \$19,650 (May 31, 2025 - \$19,650) remained unpaid and has been included in accounts payable and accrued liabilities.

During the six months ended November 30, 2024 the Company also recorded \$286,800 share-based compensation for share options granted to the key management personnel.

(b) *Transactions with Other Related Parties*

(i) During the six months ended November 30, 2025 the Company incurred a total of \$163,086 (2024 - \$43,500) to non-management directors and officers of the Company which have been allocated based on the nature of the services provided: expensed \$43,500 (2024 - \$43,500) to directors and officers compensation; and capitalized \$119,586 (2024 - \$nil) to exploration and evaluation assets. As at November 30, 2025 \$122,750 (May 31, 2025 - \$119,250) remained unpaid and has been included in accounts payable and accrued liabilities.

During the six months ended November 30, 2024 the Company also recorded \$254,400 share-based compensation for share options granted to non-executive directors.

(ii) During the six months ended November 30, 2025 the Company incurred a total of \$29,100 (2024 - \$29,800) for accounting and administration services provided by Chase Management Ltd. (“Chase”), a private corporation owned by a director of the Company. As at November 30, 2025 \$9,500 (May 31, 2025 - \$6,100) remained unpaid and has been included in accounts payable and accrued liabilities.

During the six months ended November 30, 2024 the Company also recorded \$30,000 share-based compensation for share options granted to Chase.

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8. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss (“FVTPL”); amortized cost; and fair value through other comprehensive income (“FVOCI”). The carrying values of the Company’s financial instruments are classified into the following categories:

Financial Instrument	Category	November 30, 2025 \$	May 31, 2025 \$
Cash	Amortized cost	8,263,487	2,273,267
Accounts payable and accrued liabilities	Amortized cost	(429,036)	(305,869)

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash and accounts payable and accrued liabilities approximate their fair value due to the short term to maturity.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to cash is remote as cash is held with high quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at November 30, 2025				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	8,263,487	-	-	-	8,263,487
Accounts payable and accrued liabilities	(429,036)	-	-	-	(429,036)

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8. Financial Instruments and Risk Management (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash is not considered significant. The Company has no interest bearing debt.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains foreign currency bank accounts to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At November 30, 2025, 1 Canadian Dollar was equal to 2.41 Peruvian Nuevo Soles, 0.62 Euro, and 0.72 US Dollar.

Balances are as follows

	Nuevo Soles	Euros	US Dollars	CDN \$ Equivalent
Cash	350,841	12,826	399,393	720,976
VAT receivable	-	589	-	950
Accounts payable and accrued liabilities	<u>(403,554)</u>	<u>(5,333)</u>	<u>(27,060)</u>	<u>(213,635)</u>
	<u>(52,713)</u>	<u>8,082</u>	<u>372,333</u>	<u>508,291</u>

Based on the net exposures as of November 30, 2025 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Peruvian Nuevo Sole, Euro and US Dollar would result in the Company's net loss and comprehensive loss being approximately \$54,500 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. 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 defines capital that it manages as share capital and cash. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's share capital is not subject to any external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any currently contemplated. There have been no changes to the Company's approach to capital management during the period.

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9. Segmented Information

The Company operates in one reportable segment, being the exploration and evaluation of unproven exploration and evaluation assets. The Company's exploration and evaluation assets are located in Peru and its corporate assets, comprising mainly of cash, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

	As at November 30, 2025			
	Canada	Ireland	Peru	Total
	\$	\$	\$	\$
Current assets	7,836,235	22,143	612,171	8,470,549
Equipment	-	-	141,343	141,343
Exploration and evaluation assets	-	-	11,750,393	11,750,393
	<u>7,836,235</u>	<u>22,143</u>	<u>12,503,907</u>	<u>20,362,285</u>
	As at May 31, 2025			
	Canada	Ireland	Peru	Total
	\$	\$	\$	\$
Current assets	2,210,147	17,627	383,249	2,611,023
Equipment	-	-	86,096	86,096
Exploration and evaluation assets	-	-	8,415,685	8,415,685
	<u>2,210,147</u>	<u>17,627</u>	<u>8,885,030</u>	<u>11,112,804</u>

10. Supplemental Cash Flow Information

During the six months ended November 30, 2025 and 2024 non-cash activities conducted by the Company as follows:

	2025	2024
	\$	\$
Financing activities		
Issuance of common shares	212,140	62,972
Share-based payments reserve	<u>(212,140)</u>	<u>(62,972)</u>
	<u>-</u>	<u>-</u>

11. Events after the Reporting Period

Subsequent to November 30, 2025:

- (i) the Company completed the final tranche of the non-brokered private placement and issued 2,801,924 common shares, at a price of \$0.75 per share, for \$2,101,943 of which the Company had received share subscriptions totalling \$734,236 as at November 30, 2025. The Company paid total cash finders' fees of \$338,883 to arm's length finders in connection with the final tranche financing; and
- (ii) holders of 2,510,000 share options, with an exercise price of \$0.28 per share, exercised their options of which 2,097,500 options were exercised on a cashless basis and 412,500 options were exercised for \$115,500 cash, resulting in the issuance of 1,851,592 common shares of the Company. The remaining share options to purchase 10,000 common shares expired without exercise on December 28, 2025.