



CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

(Unaudited – Expressed in Canadian dollars)

Notice to Reader

These condensed interim financial statements of Azarga Metals Corp. have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to the financial statements or the related quarterly Management's Discussion and Analysis.

AZARGA METALS CORP.
Condensed Interim Statements of Financial Position
(Unaudited – Expressed in Canadian dollars)

| | <i>Note</i> | December 31, 2025 | September 30, 2025 |
|---|-------------|----------------------|-----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash | | \$ 49,166 | \$ 128,287 |
| Receivables | | 2,752 | 3,803 |
| Prepaid expenses | | 5,982 | 10,558 |
| | | 57,900 | 142,648 |
| Exploration and evaluation assets | 4 | 892,279 | 892,279 |
| | | \$ 950,179 | \$ 1,034,927 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Trade and other payables | 5 | \$ 80,378 | \$ 41,140 |
| | | 80,378 | 41,140 |
| Shareholders' equity | | | |
| Share capital | 6 | 146,482,347 | 146,482,347 |
| Share-based reserve | 6 | 17,745,005 | 17,687,997 |
| Deficit | | (163,357,551) | (163,176,557) |
| | | 869,801 | 993,787 |
| | | \$ 950,179 | \$ 1,034,927 |
| Nature of operations and going concern | 1 | | |
| Subsequent event | 10 | | |

These condensed interim financial statements were approved for issue by the Audit Committee of the Board of Directors on February 24, 2026.

They are signed on the Company's behalf by:

"Gordon Tainton"
Gordon Tainton, Director

"Blake Steele"
Blake Steele, Director

AZARGA METALS CORP.**Condensed Interim Statements of Loss and Comprehensive Loss**

(Unaudited – Expressed in Canadian dollars)

| | | Three months ended December 31, | |
|---|-------------|--|--------------------|
| | <i>Note</i> | 2025 | 2024 |
| EXPENSES | | | |
| Consulting fees | 7 | \$ 68,500 | \$ 68,500 |
| Director fees | 7 | 18,000 | - |
| Exploration and evaluation expenditures | 4 | 8,912 | - |
| Marketing and promotion | | 16,159 | - |
| Office expenses | | 5,382 | 5,098 |
| Professional fees | | 495 | 495 |
| Share-based compensation | 6 & 7 | 57,008 | 12,066 |
| Transfer agent and filing fees | | 1,543 | 2,118 |
| Travel | | 4,995 | - |
| LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD | | \$ (180,994) | \$ (88,277) |
| Basic and diluted loss per common share | | \$ (0.00) | \$ (0.00) |
| Weighted average number of common shares outstanding - basic and diluted | | 76,889,855 | 36,634,113 |

The accompanying notes form an integral part of these condensed interim financial statements

AZARGA METALS CORP.
Condensed Interim Statements of Cash Flows
(Unaudited – Expressed in Canadian dollars)

| | Three months ended December 31, | |
|--|--|--------------|
| | 2025 | 2024 |
| CASH PROVIDED BY (USED FOR): | | |
| OPERATING ACTIVITIES: | | |
| Loss for the period | \$ (180,994) | \$ (88,277) |
| Items not affecting cash: | | |
| Share-based compensation | 57,008 | 12,066 |
| Change in non-cash working capital items: | | |
| Receivables | 1,051 | (276) |
| Prepaid expenses | 4,576 | 2,850 |
| Trade and other payables | 39,238 | 71,830 |
| | (79,121) | (1,807) |
| FINANCING ACTIVITIES: | | |
| Subscriptions received in advance | - | 1,100,000 |
| | - | 1,100,000 |
| CHANGE IN CASH AND RESTRICTED CASH FOR THE PERIOD | (79,121) | 1,098,193 |
| CASH, BEGINNING OF THE PERIOD | 128,287 | 15,212 |
| CASH AND RESTRICTED CASH, END OF THE PERIOD | \$ 49,166 | \$ 1,113,405 |
| CASH, END OF PERIOD | 49,166 | 13,405 |
| RESTRICTED CASH, END OF PERIOD | - | 1,100,000 |
| CASH AND RESTRICTED CASH, END OF THE PERIOD | \$ 49,166 | \$ 1,113,405 |
| Non-cash investing and financing activities | | |
| Shares issued for exploration and evaluation assets | \$ - | \$ 20,100 |
| Supplementary information | | |
| Interest paid | \$ - | \$ - |
| Income taxes paid | - | - |

The accompanying notes form an integral part of these condensed interim financial statements

AZARGA METALS CORP.**Statements of Changes in Shareholders' Equity (Deficiency)**

(Unaudited – Expressed in Canadian dollars)

| | Number of shares | Share capital | Share-based reserve | Deficit | Shareholders' equity |
|-----------------------------------|-------------------------|----------------------|----------------------------|------------------|-----------------------------|
| Balance, September 30, 2025 | 76,889,855 | \$ 146,482,347 | \$ 17,687,997 | \$ (163,176,557) | \$ 993,787 |
| Share-based compensation | - | - | 57,008 | - | 57,008 |
| Comprehensive loss for the period | - | - | - | (180,994) | (180,994) |
| Balance, December 31, 2025 | 76,889,855 | \$ 146,482,347 | \$ 17,745,005 | \$ (163,357,551) | \$ 869,801 |

| | Number of shares | Share capital | Share-based reserve | Deficit | Shareholders' deficiency |
|---|-------------------------|----------------------|----------------------------|------------------|---------------------------------|
| Balance, September 30, 2024 | 36,371,939 | \$ 145,191,966 | \$ 17,573,563 | \$ (162,922,352) | \$ (156,823) |
| Shares issued for exploration and evaluation assets | 670,000 | 20,100 | - | - | 20,100 |
| Share-based compensation | - | - | 12,066 | - | 12,066 |
| Comprehensive loss for the period | - | - | - | (88,277) | (88,277) |
| Balance, December 31, 2024 | 37,041,939 | \$ 145,212,066 | \$ 17,585,629 | \$ (163,010,629) | \$ (212,934) |

The accompanying notes form an integral part of these condensed interim financial statements

AZARGA METALS CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

(Unaudited – Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Azarga Metals Corp. (the “Company”) is a publicly traded company incorporated under the laws of the Province of British Columbia. The Company’s shares are listed on the TSX Venture Exchange and trade under the symbol AZR. The corporate office of the Company is located at Unit 1 - 15782 Marine Drive, White Rock, B.C., V4B 1E6.

The Company is engaged in the exploration and, if warranted, development of mineral resource projects in Canada. The Company is considered to be in the exploration stage as it has not placed any of its exploration and evaluation assets into production nor has it generated any revenues from operations.

These condensed 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 in the foreseeable future. As at December 31, 2025, the Company had a working capital deficiency of \$22,478. Subsequent to December 31, 2025, the Company completed a private placement for gross proceeds of \$1,000,000 (Note 10). However, management estimates that these funds may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. While 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 acceptable to the Company. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

These condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

These condensed interim financial statements do not include all of the disclosures required for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended September 30, 2025.

Basis of measurement

These condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the Company’s functional currency.

AZARGA METALS CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025
(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Use of accounting estimates, judgments, and assumptions

Information about estimates and judgments used in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim financial statements are included in Note 2 to the Company's September 30, 2025 annual financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company as at and for the year ended September 30, 2025.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2025 and have not been applied in preparing these condensed interim financial statements.

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

AZARGA METALS CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

(Unaudited – Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

| | Marg Property | |
|--------------------|----------------------|---------|
| September 30, 2025 | \$ | 892,279 |
| Additions | | - |
| December 31, 2025 | \$ | 892,279 |

The Marg project is the Company's 100% owned undeveloped high-grade copper-rich volcanogenic massive sulphide deposit located in the Keno Hill Silver District, Yukon Territory of Canada.

The Marg project is subject to a 1% net smelter return royalty which the Company has the option to buy back for cash consideration of \$1,500,000, and upon a final decision to mine by the Company, a payment of \$300,000 is due in cash or shares, at the vendor's discretion, to the vendor of the Marg project.

The Company recorded the following exploration and evaluation expenditures on its Marg project during the three months ended December 31, 2025 and 2024.

| | Three months ended December 31, | | | |
|---------------------|--|-------|-------------|---|
| | 2025 | | 2024 | |
| Marg project | | | | |
| Consulting | \$ | 7,475 | \$ | - |
| Camp costs | | 966 | | - |
| Travel | | 471 | | - |
| | \$ | 8,912 | \$ | - |

5. TRADE AND OTHER PAYABLES

| | December 31, | | September 30, | |
|---------------------------------|---------------------|--------|----------------------|--------|
| | 2025 | | 2025 | |
| Trade and other payables | \$ | 46,205 | \$ | 39,353 |
| Due to related parties (Note 7) | | 34,173 | | 1,787 |
| Total | \$ | 80,378 | \$ | 41,140 |

AZARGA METALS CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

(Unaudited – Expressed in Canadian dollars)

6. SHARE CAPITAL AND SHARE-BASED RESERVE

a) Authorized

The Company has an unlimited number of common shares without par value authorized for issuance.

b) Issued and outstanding

During the three months ended December 31, 2025, the Company did not issue any common shares.

c) Share purchase warrants

The continuity of share purchase warrants for the three months ended December 31, 2025 is as follows:

| Expiry date | Exercise price | Balance, September 30, 2025 | Granted | Exercised | Expired | Balance, December 31, 2025 |
|---------------------------------|-----------------------|------------------------------------|----------------|------------------|----------------|-----------------------------------|
| November 7, 2025 | \$ 0.50 | 730,000 | - | - | (730,000) | - |
| | | 730,000 | - | - | (730,000) | - |
| Weighted average exercise price | \$ 0.50 | \$ - | \$ - | \$ - | \$ 0.50 | \$ - |

d) Share-based compensation

The Company has a 10% “rolling” stock option plan (the “Plan”) which governs the granting of stock options to directors, officers, employees and consultants of the Company for the purchase of up to 10% of the issued and outstanding common shares of the Company from time to time. The maximum term of stock options is ten years from the grant date. The exercise price and vesting terms are at the discretion of the directors.

In addition, the Company has an equity incentive plan (the “Equity Plan”) which governs the granting of any restricted share units, performance share units, or deferred share units granted under the Equity Plan, to directors, officers, employees and consultants of the Company. Under the Equity Plan, the Company has reserved for issuance up to 6,000,000 common shares.

Stock options

The continuity of stock options for the three months ended December 31, 2025 is as follows:

| Expiry date | Exercise price | Balance, September 30, 2025 | Granted | Exercised | Expired/Cancelled | Balance, December 31, 2025 |
|---------------------------------|-----------------------|------------------------------------|----------------|------------------|--------------------------|-----------------------------------|
| January 5, 2029 | \$ 0.07 | 800,000 | - | - | - | 800,000 |
| July 30, 2030 | \$ 0.08 | 1,950,000 | - | - | - | 1,950,000 |
| | | 2,750,000 | - | - | - | 2,750,000 |
| Weighted average exercise price | \$ 0.08 | \$ - | \$ - | \$ - | \$ - | \$ 0.08 |

As at December 31, 2025, all stock options outstanding were exercisable with a weighted average remaining contractual life of 4.13 years.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

(Unaudited – Expressed in Canadian dollars)

6. SHARE CAPITAL AND SHARE-BASED RESERVE (continued)

d) Share-based compensation (continued)

Restricted Share Units (“RSUs”)

The continuity of RSUs for the three months ended December 31, 2025 is as follows:

| Issue date | Balance, September 30, 2025 | Granted | Settled | Forfeited | Balance, December 31, 2025 |
|-------------------|--|----------------|----------------|------------------|---|
| July 30, 2025 | 1,350,000 | - | - | - | 1,350,000 |
| November 21, 2025 | - | 916,667 | - | - | 916,667 |
| | 1,350,000 | 916,667 | - | - | 2,266,667 |

On July 30, 2025, the Company awarded 1,350,000 RSUs to three officers of the Company at a fair value of \$101,250, of which \$15,593 was recorded as share-based compensation for the three months ended December 31, 2025. The RSUs vest as to one-third on the first, second and third anniversaries of the award date.

On November 21, 2025, the Company awarded 916,667 RSUs to a consultant, who is also a significant shareholder of the Company, at a value of \$119,167, of which \$13,059 was recorded as share-based compensation for the three months ended December 31, 2025. The RSUs vest on the first anniversary of the award date.

Deferred Share Units (“DSUs”)

The continuity of DSUs for the three months ended December 31, 2025 is as follows:

| Issue date | Balance, September 30, 2025 | Granted | Settled | Forfeited | Balance, December 31, 2025 |
|-------------------|--|----------------|----------------|------------------|---|
| July 30, 2025 | 1,500,000 | - | - | - | 1,500,000 |
| | 1,500,000 | - | - | - | 1,500,000 |

On July 30, 2025, the Company awarded 1,500,000 deferred share units to two directors at a fair value of \$112,500, of which \$28,356 was recorded as share-based compensation for the three months ended December 31, 2025. The DSUs vest on the first anniversary of the award date.

AZARGA METALS CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

(Unaudited – Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation of key management personnel

Key management includes members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the three months ended December 31, 2025 and 2024 were as follows:

| | Three months ended December 31, | |
|--------------------------|--|------------------|
| | 2025 | 2024 |
| Consulting fees | | |
| Chief Executive Officer | \$ 43,500 | \$ 43,500 |
| Golden Oak * | 25,000 | 25,000 |
| | <u>68,500</u> | <u>68,500</u> |
| Director Fees | 18,000 | - |
| Share-based compensation | 43,949 | 12,066 |
| | <u>\$ 130,449</u> | <u>\$ 80,566</u> |

* Golden Oak is a consulting company controlled by the Chief Financial Officer and Corporate Secretary of the Company. Golden Oak provides the services of a Chief Financial Officer, Corporate Secretary, and accounting and administrative staff to the Company.

Due to related parties

| | | December 31, | September 30, |
|-------------------------|-----------------|---------------------|----------------------|
| | | 2025 | 2025 |
| Chief Executive Officer | Consulting fees | \$ 14,500 | \$ - |
| Golden Oak | Expenses | 1,673 | 1,787 |
| Directors | Fees | 18,000 | - |
| | | <u>\$ 34,173</u> | <u>\$ 1,787</u> |

8. SEGMENTED INFORMATION

Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments has been defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and evaluation in Canada.

All of the Company's assets are located in Canada.

AZARGA METALS CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

(Unaudited – Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss; fair value through other comprehensive income; or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

| Financial Instruments | Category | December 31, 2025 | September 30, 2025 |
|------------------------------|-----------------|------------------------------|-------------------------------|
| Cash | Amortized cost | \$ 49,166 | \$ 128,287 |
| Receivables | Amortized cost | 2,752 | 3,803 |
| Trade and other payables | Amortized cost | 80,378 | 41,140 |

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

The carrying values for cash, receivables, and trade and other payables approximate their fair value due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

Risk Management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended September 30, 2025.

10. SUBSEQUENT EVENT

On February 10, 2026, the Company completed a private placement through the issuance of 10,000,000 units at a price of \$0.10 per unit for gross proceeds of \$1,000,000. Each unit consists of one common share and one-half of one share purchase warrant with each whole warrant entitling the holder to purchase one common share of the Company at a price of \$0.20 until February 10, 2028. The Company paid cash finder's fees of \$30,000, issued 300,000 common shares, and issued 600,000 finder's warrants to certain arm's length finders. The finder's warrants are exercisable to acquire one common share of the Company at a price of \$0.10 until February 10, 2028.