



**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**

**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(All Amounts are in Canadian Dollars)**



AMERICAN TUNGSTEN CORP.  
(formerly DEMESNE RESOURCES LTD.)

CONSOLIDATED FINANCIAL STATEMENTS  
(All Amounts are in Canadian Dollars)

DECEMBER 31, 2025 AND 2024

CONTENTS

	<b>Page</b>
Consolidated Statements of Financial Position	6
Consolidated Statements of Loss and Comprehensive Loss	7
Consolidated Statements of Changes in Shareholders' Equity	8
Consolidated Statements of Cash Flows	9
Notes to the Consolidated financial statements	10 - 26

# DAVIDSON

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
American Tungsten Corp. (formerly "Demesne Resources Ltd.")

### Opinion

We have audited the accompanying consolidated financial statements of American Tungsten Corp. (formerly "Demesne Resources Ltd.") (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance, and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The consolidated financial statements of the Company for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on April 29, 2025.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our auditor's report.

### Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

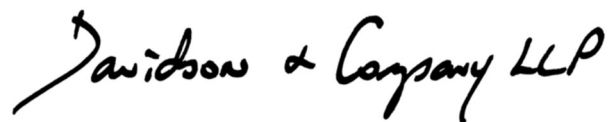
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tom Protheroe.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, Canada

April 15, 2026

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(All Amounts are in Canadian Dollars)**

	Note	As at December, 31 2025	As at December 31, 2024
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash and equivalents		\$ 19,422,072	\$ 622,663
GST/HST receivable		198,911	41,911
Prepays	4	50,511	796,953
		<u>\$ 19,671,494</u>	<u>\$1,461,527</u>
Plant and Equipment	11	37,306	-
		<u>\$ 19,708,800</u>	<u>\$ 1,461,527</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts and accrued payables	9	\$ 399,278	\$ 542,148
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	5	29,879,266	2,593,066
Subscriptions received in advance		-	70,220
Share-based payments reserve	6	7,044,566	59,813
Warrants reserve	7	465,406	26,299
Deficit		(18,079,716)	(1,830,019)
		<u>19,309,522</u>	<u>919,379</u>
		<u>\$ 19,708,800</u>	<u>\$ 1,461,527</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			

Nature of Organization and Going Concern (note 1)  
Subsequent Events (note 15)

**APPROVED ON BEHALF OF THE BOARD**

<u>(signed) "James Whittaker"</u>	<u>James Whittaker</u> Director
<u>(signed) "Duncan Blount"</u>	<u>Duncan Blount</u> Director

See the accompanying notes to the consolidated financial statements.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE YEARS ENDED DECEMBER 31,**  
**(All Amounts are in Canadian Dollars)**

		<b>2025</b>	<b>2024</b>
<b>EXPENSES</b>	<b>Notes</b>		
Advertising and promotion		\$ 144,164	\$ 34,228
Bank charges		8,783	789
Other (income) expense		(47,684)	794
Exploration and evaluation	9,10	3,713,675	198,905
Share-based compensation	6,9	7,586,261	-
General and administrative		129,953	3,993
Travel expenses		236,708	22,400
Investor relations		2,058,645	13,275
Professional fees		311,975	196,305
Management and director fees	9	499,702	51,367
Consulting fees		1,443,449	163,480
Shareholder information, transfer agent and listing fees		154,739	62,184
Depreciation expense	11	9,327	-
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>\$16,249,697</b>	<b>\$ 747,720</b>
<b>NET LOSS PER SHARE – Basic and diluted</b>		<b>\$ 0.49</b>	<b>\$ 0.05</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – Basic and diluted</b>		<b>33,481,989</b>	<b>15,869,670</b>

See the accompanying notes to the consolidated financial statements.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**CONSOLIDATED STATEMENTS OF CHANGES IN**  
**SHAREHOLDERS' EQUITY**  
**(All Amounts are in Canadian Dollars, except share**  
**amounts)**

	Number of Common Shares	Share Capital	Subscriptions received in advance	Warrants reserve	Share-based payments reserve	Deficit	Shareholders' Equity
<b>Balance, December 31, 2023</b>	<b>15,458,994</b>	<b>\$ 1,056,825</b>	<b>\$ -</b>	<b>\$ 31,684</b>	<b>\$ 59,813</b>	<b>\$ (1,082,299)</b>	<b>\$ 66,023</b>
Private placement	6,301,603	1,575,401	-	-	-	-	1,575,401
Share issue costs	-	(95,763)	-	10,548	-	-	(85,215)
Subscriptions received in advance	-	-	70,220	-	-	-	70,220
Warrants exercised	251,700	41,103	-	(15,933)	-	-	25,170
Shares issued for services	230,000	15,500	-	-	-	-	15,500
Net loss and comprehensive loss	-	-	-	-	-	(747,720)	(747,720)
<b>Balance, December 31, 2024</b>	<b>22,242,297</b>	<b>\$ 2,593,066</b>	<b>\$ 70,220</b>	<b>\$ 26,299</b>	<b>\$ 59,813</b>	<b>\$ (1,830,019)</b>	<b>\$ 919,379</b>
Private placement	24,177,959	27,756,516	-	-	-	-	27,756,516
Share issue costs	-	(1,969,425)	-	573,047	-	-	(1,396,378)
Subscriptions received in advance	-	-	(70,220)	-	-	-	(70,220)
Options exercised	1,720,000	1,228,509	-	-	(601,508)	-	627,001
Warrants exercised	470,306	270,600	-	(133,940)	-	-	136,660
Share-based compensation	-	-	-	-	7,586,261	-	7,586,261
Net loss and comprehensive loss	-	-	-	-	-	(16,249,697)	(16,249,697)
<b>Balance, December 31, 2025</b>	<b>48,610,562</b>	<b>\$29,879,266</b>	<b>-</b>	<b>\$465,406</b>	<b>\$7,044,566</b>	<b>\$(18,079,716)</b>	<b>\$ 19,309,522</b>

See the accompanying notes to the consolidated financial statements.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(All Amounts are in Canadian Dollars)**

For the years ended to December 31,	2025	2024
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	\$(16,249,697)	\$ (747,720)
Adjustments for non-cash items:		
Share-based compensation	7,586,261	-
Share issued for services	-	15,500
Depreciation expense	9,327	-
Change in non-cash working capital:		
Increase in GST/HST receivable	(157,000)	(27,121)
(Increase) decrease in prepaids	746,442	(789,620)
(Decrease) increase in accounts and accrued payables	(142,870)	475,586
Cash used in operating activities	<u>(8,207,537)</u>	<u>(1,073,375)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(46,633)	-
Cash used by investing activities	<u>(46,633)</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from exercise of warrants	136,660	25,170
Proceeds from issuance of common shares, net of share issue cost	26,289,918	1,490,186
Subscriptions received in advance	-	70,220
Proceeds from exercise of options	627,001	-
Cash provided by financing activities	<u>27,053,579</u>	<u>1,585,576</u>
Change in cash and cash equivalents	18,799,409	512,201
Opening cash and cash equivalents	622,663	110,462
Closing cash and cash equivalents	<u>\$ 19,422,072</u>	<u>\$ 622,663</u>
<b>Cash paid (received) for:</b>		
Interest expense (income)	\$ (31,778)	\$ -
Taxes	-	-
<b>Non-cash financing activities:</b>		
Fair value of options exercised	\$ 601,508	\$ -
Fair value of warrants exercised	\$ 133,940	\$ 15,933
Warrants issued for share issue costs	\$ 573,047	\$ 10,548
<b>Cash and cash equivalents consist of:</b>		
Cash on deposit	\$ 19,343,263	\$ 622,663
GIC deposit	\$ 78,809	\$ -

See the accompanying notes to the consolidated financial statements.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

## **1. Nature of Organization and Going Concern**

### *Description of the Business*

American Tungsten Corp. (formerly “Demesne Resources Ltd.”) (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on January 14, 2019. The Company is engaged in the acquisition, exploration, and evaluation of mineral properties. The Company has operations in Canada and the United States of America. The Company changed its name from Demesne Resources Ltd. to American Tungsten Corp. on January 20, 2025.

The Company listed on the Canadian Securities Exchange (“CSE”) on May 3, 2023. It trades under the symbol “TUNG”.

The address of the Company’s registered and head office is 1200, 750 Pender Street West, Vancouver, BC, V6C 2T8.

The consolidated financial statements of the Company were authorized for issuance in accordance with a resolution of the directors on April 15, 2026.

Management estimates that the funds available as of December 31, 2025, will be sufficient to meet the Company’s obligations and budgeted expenditures through December 31, 2026.

## **2. Basis of Presentation**

The Company applies IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. These consolidated financial statements are presented in Canadian dollars, which is the Company’s functional and presentation currency. The consolidated financial statements are prepared under the historical cost convention. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These annual consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary, American Tungsten Ltd., a company incorporated under the laws of the State of Idaho. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its direct wholly owned subsidiary. All significant intercompany transactions and balances have been eliminated.

The Company has reclassified certain comparative figures within the consolidated statement of loss and comprehensive loss to conform to the current period’s presentation. Since the amounts are reclassifications within the consolidated statement of loss and comprehensive loss there was no impact on equity.

## **3. Material Accounting Policies**

### *Exploration and evaluation expenditures*

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and exploration and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

*Restoration, rehabilitation and environmental obligations*

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The expenditures expected to be required to settle the obligation are recognized as a provision and discounted to their present value using the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to such liability. The provision at the end of each reporting period reflects the unwinding of the discount through profit or loss as well as any adjustments to reflect the current best estimate.

The Company had no material restoration, rehabilitation and environmental obligations as at December 31, 2025, and 2024.

*Property Vehicles and Equipment*

Property includes land, buildings and related infrastructure. Vehicles include automotive transportation and off-road machinery (tractors, lifts, trailers etc.). Equipment includes machines and tools and equipment used in core cutting and logging operations, communications assets, and other assets used in the core shack operations.

On initial recognition, land and buildings are measured at cost, including purchase price, legal fees, and improvements. Subsequently, the assets are measured at cost less accumulated amortization and accumulated impairment losses. Land is not amortized as it holds value, while buildings are amortized over their estimated useful lives.

On initial recognition, vehicles and equipment are recorded at cost, including purchase price, non-refundable taxes, and costs to get the asset ready for use. All expenditures greater than \$5,000 are capitalized and items below this threshold are expensed as they are incurred. Subsequent expenditures that extend the useful life, improve quality, or increase capacity of the asset are capitalized. Equipment is grouped in similar classes. Vehicles and equipment are subsequently measured at cost less accumulated amortization and accumulated impairment losses.

The amortization rates applicable to each category of asset are as follows:

Property	20 years straight line
Vehicles	4 years straight line
Equipment	4 years straight line

*Share-based payment transactions*

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured using the Black-Scholes option pricing model at the grant date and each tranche is recognized on a graded-vesting basis over the period in which the options vest. When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognized in profit or loss, with a corresponding increase in the share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the fair value recognized in the share-based payments reserve is transferred to share capital.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. Where the terms and conditions of options are modified, the increase in

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

the fair value of the options, measured immediately before and after the modification, is also recognized in profit or loss.

For non-cash transactions paid by consideration in the form of the Company's common shares, the transaction is measured at the date the Company obtains the goods or the counterparty renders services. Where the fair value of the goods or services cannot be estimated reliably, the transaction is measured at the fair value of the common shares using the market price on the date of issuance.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value is measured using the Black-Scholes option pricing model.

*Share capital*

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares, options and warrants are classified as equity instruments.

Finders' warrants may be issued as private placement share issue costs and are measured at fair value using the Black-Scholes option pricing model.

When warrants are exercised, the corresponding fair value is transferred from the warrants reserve to share capital. Upon expiry and cancellation, the fair value recognized in the warrants reserve is transferred to deficit.

Incremental costs directly attributable to the issue of new shares, options or warrants are recorded as deferred financing costs until the financing transactions are completed, at which time they are recognized in equity as a deduction from gross proceeds. Deferred financing costs related to financing transactions that are not completed are recognized in profit or loss.

*Foreign Currency Translation*

The Company's consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary. Monetary assets and liabilities denominated in currencies other than the Canadian dollar are initially recorded in the functional currency at the respective spot rate of exchange at the date of the transaction, and then translated into Canadian dollars at the rates of exchange prevailing at the reporting date. Foreign exchange gains or losses resulting from translation at the reporting date and from the settlement of foreign currency monetary items are recognized in profit or loss. Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date. Revenues and expenses in currencies other than the Canadian dollar are translated at average rates throughout the reporting period.

*Income Taxes*

Income tax expense comprises current and deferred tax. Tax is recognized in profit or loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period.

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; (ii) at the time of the transaction, affects neither accounting profit nor taxable profit; and, (iii) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

*Earnings (Loss) Per Share*

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute diluted loss per share, whereby the dilutive effect of options, warrants and similar instruments are added to the weighted average number of common shares outstanding during the year. Under this method, the dilutive effect per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the current and prior fiscal year this calculation proved to be anti-dilutive.

*Financial instruments*

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

*Classification and Measurement*

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i. those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
- ii. those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are measured at amortized cost at each subsequent reporting period using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the instrument, and interest income is reported in the statement of loss and comprehensive loss. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i. amortized cost;

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

- ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

Financial liabilities classified as subsequently measured at amortized cost are measured using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments over the expected life of the instrument. Interest expense is reported in the statement of loss and comprehensive loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or at fair value through other comprehensive income are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial asset consists of cash and cash equivalents, which is classified as subsequently measured at amortized cost. The Company's financial liabilities consist of accounts and accrued payables, which are classified at amortized cost.

*Impairment*

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

*Fair value hierarchy*

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The carrying amounts of cash and cash equivalents and accounts and accrued payables approximate their fair values because of their short-term nature.

*Critical accounting estimates and judgments*

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the consolidated financial statements.

*Title to mineral property interests*

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

*Restoration, rehabilitation and environmental obligations*

Although the Company has taken steps to verify that it has no material restoration, rehabilitation and environmental obligations as at December 31, 2025, and 2024, such procedures do not guarantee that no material obligations do not exist.

*Fair value of stock options and warrants granted*

The Company uses the Black-Scholes option pricing model to measure the fair value of stock options and warrants granted during the period. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. The valuation is dependent on a number of estimates, including the risk-free interest rate and the level of stock volatility. The level of stock volatility is calculated with reference to the historic traded daily closing share price of the Company.

*New and revised standards issued by not yet effective*

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Consolidated Financial Statements. IFRS 18 will replace IAS 1 Presentation of Consolidated Financial Statements but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's statement of loss and comprehensive loss, disclosure of any management-defined performance measures related to the statement of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify that a financial liability is derecognized on the "settlement date" and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The Company is currently in the process of assessing the impact of the amendments on the consolidated financial statements and notes to the consolidated financial statements.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

**4. Prepaids**

	<b>2025</b>	<b>2024</b>
	<b>(\$)</b>	<b>(\$)</b>
Advertising and promotion	<b>40,313</b>	604,990
Exploration and evaluation	-	43,995
Professional fees	-	129,167
Other	<b>10,198</b>	18,801
	<b>50,511</b>	796,953

**5. Share Capital**

***Common Shares***

The Company is authorized to issue an unlimited number of Class A and Class B common shares, which have no par value. Class A shares have voting rights and Class B shares have no voting rights. As at December 31, 2025, no Class B common shares have been issued.

**Year ended December 31, 2024**

On August 26, 2024 the Company issued 230,000 Class A common shares at a price of \$0.067 with a fair value of \$15,500 for consulting services rendered.

On November 27, 2024, the Company issued 251,700 Class A common shares upon the exercise of warrants at \$0.10 per class A common share for gross proceeds of \$25,170. The fair value of warrants exercised transferred from warrants reserve to share capital was \$15,933.

On November 28, 2024, the Company completed the first tranche of a non-brokered private placement issuing 1,146,000 Class A common shares at a price of \$0.25 per share for aggregate gross proceeds of \$286,500. The Company paid a cash commission of \$8,680, legal fees of \$3,411, and issued 34,720 finder warrants to acquire up to 34,720 Class A common shares at a price of \$0.25 per class A common share until November 28, 2025. The fair value of \$3,409 for the finder warrants was determined by using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.17%; an expected volatility of 100%; an expected dividend yield of 0%; and an expected life of one year.

On December 13, 2024, the Company completed the second tranche of a non-brokered private placement issuing 3,495,603 Class A common shares at a price of \$0.25 per Class A common shares for aggregate gross proceeds of \$873,901. The Company paid a cash commission of \$1,050, legal fees of \$15,206, and issued 4,200 finder warrants to acquire up to 4,200 Class A common shares at a price of \$0.25 per class A common share until December 13, 2025. The fair value of \$412 for the finder warrants was determined by using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.01%; an expected volatility of 100%; an expected dividend yield of 0%; and an expected life of one year.

On December 24, 2024, the Company completed the third tranche of a non-brokered private placement issuing 1,660,000 Class A common shares at a price of \$0.25 per share for aggregate gross proceeds of \$415,000. The Company paid a cash commission of \$17,150, legal fees of \$39,718, and issued 68,600 finder warrants to acquire up to 68,600 Class A common shares at a price of \$0.25 per class A common share until December 24, 2025. The fair value of \$6,727 for the finder warrants was determined by using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

of 3.01%; an expected volatility of 100%; an expected dividend yield of 0%; and an expected life of one year.

**Year ended December 31, 2025**

On January 17, 2025, the Company closed the fourth tranche of a non-brokered private placement issuing 1,740,884 Class A common shares at a price of \$0.25 per class A common share for aggregate gross proceeds of \$435,220, of which \$70,220 was received as of December 31, 2024. The Company paid a cash commission of \$11,200 and issued 44,800 finder warrants to acquire up to 44,800 Class A common shares at a price of \$0.25 per class A common share until January 17, 2026. The fair value of \$33,845 for the finder warrants was determined by using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.92%; an expected volatility of 510%; an expected dividend yield of 0%; and an expected life of one year.

On February 26, 2025, the Company closed a non-brokered private placement and issued 1,475,875 Class A common shares at a price of \$1.60 per share for gross proceeds of \$2,361,400. In connection with the placement, the Company paid finders fees of \$116,158 in cash, incurred \$65,948 in legal fees, and issued 72,598 finder warrants to acquire up to 72,598 Class A common shares at a price of \$1.60 per class A common share until February 26, 2026. The fair value of \$75,867 for the finder warrants was determined by using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.67%; an expected volatility of 229.0%; an expected dividend yield of 0%; and an expected life of one year.

On July 24, 2025, the Company closed a non-brokered private placement and issued 14,000,000 Class A common shares at a price of \$0.50 per share for gross proceeds of \$7,000,000.

In connection with the placement, the Company paid finders fees of \$312,218 in cash. \$153,789 in legal cost and issued 647,894 finder warrants to acquire up to 647,894 Class A common shares at a price of \$0.50 per class A common share until July 24, 2027. The fair value of \$463,335 for the finder warrants was determined by using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.83%; an expected volatility of 373.0%; an expected dividend yield of 0%; and an expected life of one year.

On October 22, 2025, the Company issued 6,500,200 Class A common shares on the first tranche closing of a non-brokered LIFE offering. The shares were sold at a price of \$2.58 per share and the Company received gross proceeds of \$16,770,516 and paid \$583,343 in cash finders fees. No finders' warrants were issued.

On October 31, 2025, the Company issued 461,000 Class A common shares on the second tranche closing of a non-brokered LIFE offering. The shares were sold at a price of \$2.58 per class A common share and the Company received gross proceeds of \$1,189,380 and paid \$50,619 in cash finders fees. The Company also paid \$103,103 in legal and other share issuance costs. No finders' warrants were issued as part of the financing.

During the year ended December 31, 2025, the Company issued 1,720,000 Class A common shares pursuant to the exercise of 1,720,000 stock options with a weighted average exercise price of \$0.36 for gross proceeds of \$627,001. The fair value of \$601,508 was transferred to share capital from share-based payment reserve upon the exercise of the stock options

During the year ended December 31, 2025, the Company issued 470,306 Class A common shares pursuant to the exercise of 470,306 class A common share purchase warrants with a weighted average strike price of \$0.29 for gross proceeds of \$136,660. The fair value of \$133,940 was transferred to share capital from warrant reserve upon the exercise of the warrants.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

As of December 31, 2025, 89,999 shares are held in escrow (2024: 269,999) and are scheduled to be released in six-month instalments through May 4, 2026.

## **6. Share-based Payments Reserve**

The Company's stock option plan (the "Plan") was approved by the shareholders of the Company on June 12, 2025, for the purpose of attracting, retaining and motivating directors, officers, employees and other service providers by providing them with an opportunity, through stock options, to acquire a proprietary interest in the Company and benefit from its growth. The number of stock options which may be granted under the plan is limited to no more than 15% of the issued common shares of the Company, calculated on a non-diluted basis immediately prior to the stock option grant. The exercise price of options granted under the Plan is set at the "market price" of the common shares, or higher, of the Canadian dollar trading price of the common shares on the day before or the date of grant. Options vest at the discretion of the board of directors of the Company, and in the case of directors, officers, and employees, is generally contingent upon continued service to the Company during the vesting period.

The Plan provides that all options outstanding will vest fully in the event of a take-over bid. As well, where there is a change of control, outstanding options granted to directors, officers and employees will immediately vest in full. All options expire on a date not later than five years after the issuance of such option, subject to extensions granted in connection with black-out periods.

On January 6, 2025, the Company granted 1,660,000 stock options to directors, officers, and consultants. These options are exercisable at \$0.55 and will expire three years from the date of grant. 1,000,000 options vest immediately, 460,000 options vest in two equal tranches annually over two years, and 200,000 options vest monthly over one year. The fair value of \$912,653 for the options granted was determined by using the Black- Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.85%; an expected volatility of 409.0%; an expected dividend yield of 0%; and an expected life of three years. The Company recognized \$786,201 in share-based compensation.

On September 4, 2025, the Company granted 4,099,481 stock options to directors, officers, and consultants. These options are exercisable at \$1.10 and will expire three years from the date of grant vested immediately. The fair value of \$3,967,394 for the options granted was determined by using the Black- Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.62%; an expected volatility of 353.0%; an expected dividend yield of 0%; and an expected life of three years.

On December 18, 2025, the Company granted 1,900,000 stock options to directors, officers, and consultants. These options are exercisable at \$1.50 and will expire three years from the date of grant vested immediately. The fair value of \$2,650,680 for the options granted was determined by using the Black- Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.57%; an expected volatility of 337.0%; an expected dividend yield of 0%; and an expected life of three years.

On December 18, 2025, the Company granted 131,347 stock options to a consultant of the Company. These options are exercisable at \$2.58 and will expire two years from the date of grant vested immediately. The fair value of \$181,986 for the options granted was determined by using the Black- Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.59%; an expected volatility of 376.0%; an expected dividend yield of 0%; and an expected life of two years.

The total share-based compensation expense for the year ended December 31, 2025, was \$7,586,261 (2024 - \$0) which represents stock options vested during the period.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

The following table reflects the continuity of stock options for the years ended December 31, 2025, and 2024:

	Number of Stock options	Weighted average exercise price
December 31, 2023	790,000	0.10
December 31, 2024 – outstanding	790,000	0.10
December 31, 2024 – exercisable	790,000	0.10
December 31, 2024	790,000	0.10
<b>Granted</b>	<b>7,790,828</b>	<b>1.11</b>
<b>Exercised (note 5)</b>	<b>(1,720,000)</b>	<b>0.36</b>
<b>December 31, 2025 – outstanding</b>	<b>6,860,828</b>	<b>1.18</b>
<b>December 31, 2025 – exercisable</b>	<b>6,384,161</b>	<b>1.22</b>

The following stock options were outstanding on December 31, 2025:

Expiry date	Number of options outstanding	Number of options exercisable	Exercise price	Remaining life (years)
June 24, 2027	20,000	20,000	\$ 0.10	1.48
January 6, 2028	760,000	283,333	\$ 0.55	2.02
September 4, 2028	4,049,481	4,049,481	\$ 1.10	2.68
December 18, 2028	1,900,000	1,900,000	\$ 1.50	2.97
December 18, 2027	131,347	131,347	\$ 2.58	1.96
	6,860,828	6,384,161	\$ 1.18	2.67

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

## 7. Warrants Reserve

The following table reflects the continuity of warrants for the years ended December 31, 2025 and 2024:

	Number of warrants	Weighted average exercise price (\$)
December 31, 2023	500,000	0.10
Granted	107,520	0.25
Exercised (note 5)	(251,700)	(0.10)
December 31, 2024	355,820	0.15
<b>Granted</b>	<b>781,292</b>	<b>0.59</b>
<b>Exercised (note 5)</b>	<b>(470,306)</b>	<b>(0.29)</b>
<b>December 31, 2025</b>	<b>666,806</b>	<b>0.56</b>

The following table reflects a summary of outstanding warrants of December 31, 2025:

Expiry Date	Exercise price (\$)	Number of warrants	Remaining life (years)
January 17, 2026	0.25	3,920	0.05
February 26, 2026	1.60	46,847	0.16
May 3, 2026	0.10	24,000	0.34
July 24, 2027	0.50	592,039	1.56
<b>December 31, 2025</b>	<b>0.56</b>	<b>666,806</b>	<b>1.40</b>

On January 9, 2026, the Company issued 3,920 Class A common shares on the exercise of broker warrants. The warrants had an exercise price of \$0.25. The Company received cash proceeds of \$37,850 on the exercise and the closing market price of the Company's Class A common shares was \$2.14 per share (Note 15).

On January 15, 2026, the Company issued 3,299 Class A common shares on the exercise of broker warrants. The warrants had an exercise price of \$1.60. The Company received cash proceeds of \$5,278 on the exercise and the closing market price of the Company's Class A common shares was \$2.57 per share (Note 15).

On February 26, 2026, 43,548 warrants to purchase 43,548 Class A common shares with a strike price of \$1.60 per warrant expired unexercised.

## 8. Capital Risk Management

The Company manages its shareholders' equity, \$19,309,522 at December 31, 2025, as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue to operate and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new common shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing efforts, the Company does not pay out dividends.

The Company expects its current capital resources will not be sufficient to carry its operations. The Company intends to raise capital as needed to fund its exploration and administrative spending requirements. The Company is not subject to any externally or internally imposed capital requirements as at December 31, 2025. There have been no changes to the Company's approach to capital management during the year ended December 31, 2025.

## **9. Transactions with Related Parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Related parties include the Directors, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

As at December 31, 2025, included in accounts and accrued payables was \$54,512 (2024 - \$17,109) owing to key management personnel parties. These amounts are non-interest bearing and have no set repayment terms.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company defines its key management personnel as its members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer. Remuneration of key management personnel for the years ended December 31, 2025 and 2024 was as follows:

	<b>2025</b>	<b>2024</b>
Management and director fees	<b>\$ 499,702</b>	\$ 51,367
Share-based compensation	<b>4,065,687</b>	-
Exploration and evaluation	<b>127,901</b>	-
	<b><u>\$4,693,290</u></b>	<b><u>\$ 51,367</u></b>

## **10. Exploration and Evaluation Expenditures**

### **Star Mineral Property**

On May 11, 2022, the Company signed an option to purchase agreement for the Star Mineral Property (the "Agreement") and signed an amended agreement on October 16, 2024. The Company can acquire a 100% interest in the Property, subject to a 2% Net Smelter Royalty ("NSR"), on the following terms:

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

Issue 450,000 shares on or before the date the Company's shares are listed for trading (Issued at a fair value of \$148,500);

Cash Payments:

- \$6,000 within 5 days of signing the Agreement (Paid);
- \$24,000 on the Listing Date (Paid);
- \$15,000 upon closing of the Issuer's next financing (Paid); and
- \$15,000 within 30 days after the closing of the Issuer's next financing (Paid).

Incur exploration and evaluation expenses of \$1,850,000 over the following periods:

- \$100,000 within 36 months of the Listing Date (May 3, 2026);
- \$250,000 within 48 months of the Listing Date (May 3, 2027);
- \$500,000 within 60 months of the Listing Date (May 3, 2028); and
- \$1,000,000 within 72 months of the Listing Date (May 3, 2029).

The Company may purchase half of the NSR, being 1%, for \$1,000,000.

The following is a detailed list of expenditures incurred on the Star Mineral Property:

<b>Years ended December 31,</b>	<b>2025</b>	<b>2024</b>
Exploration activities	\$ -	\$ -
Cash paid pursuant to the Agreement	<b>30,000</b>	-
Shares issued pursuant to the Agreement	-	-
<b>Total</b>	<b>\$ 30,000</b>	<b>\$ -</b>

As of the date of these financial statements the Company has made the determination that it will not spend the required exploration expenditures and will allow the option to revert back to the optionor. As a result, the Company no longer considers the Star Mineral Property to be a material mineral property.

**IMA Property**

On November 5, 2024, the Company signed an option to purchase agreement to acquire a 100% interest in the IMA Mine Project (the "IMA Agreement"), subject to a 2% NSR, by making cash payments in the aggregate amount of US\$5,800,000 in stages over an eight-year period. The Company may reduce the NSR to 1% by paying US\$2,000,000 on or before November 5, 2028. The first payment of \$142,350 (US\$100,000), was completed on November 29, 2024, the six (6) month anniversary payment of \$70,992 (USD\$50,000) was completed on May 12, 2025 and the one (1) year anniversary payment of \$140,630 (USD\$100,000), was completed on November 7, 2025.

Under the terms of the IMA Agreement the Company is required to make the following cash payments that in aggregate total US\$5,800,000:

- USD\$100,000 on the Effective Date (November 4, 2024) of the IMA Agreement (Paid)
- USD\$50,000 on the six (6) month anniversary of the Effective Date (Paid)
- USD\$100,000 on the one (1) year anniversary of the Effective Date (Paid)
- USD\$130,000 on the two (2) year anniversary of the Effective Date
- USD\$150,000 on the three (3) year anniversary of the Effective Date
- USD\$250,000 on the four (4) year anniversary of the Effective Date
- USD\$250,000 on the five (5) year anniversary of the Effective Date
- USD\$770,000 on the six (6) year anniversary of the Effective Date
- USD\$1,000,000 on the seven (7) year anniversary of the Effective Date
- USD\$3,000,000 on the eight (8) year anniversary of the Effective Date

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

The Company can accelerate the payments at its sole discretion and can exercise the option to own a 100% interest in the IMA Property once all payments have been made.

The following is a detailed list of expenditures incurred on the IMA Mine Project:

<b>Years ended December 31,</b>	<b>2025</b>	<b>2024</b>
Cash payments under Option Agreement	<b>\$216,861</b>	\$142,350
Assays	<b>34,719</b>	-
Drilling	<b>209,530</b>	-
Underground access	<b>2,478,441</b>	-
Field & Administration	<b>148,510</b>	-
Prospecting and staking	-	31,988
Geological and geophysical services	<b>595,614</b>	24,567
<b>Total</b>	<b>\$ 3,683,675</b>	<b>\$198,905</b>

### 11. Plant and Equipment

<b>Years ended December 31,</b>	<b>2025</b>	<b>2024</b>
Opening cost	\$ -	\$ -
Additions	<b>46,633</b>	-
Disposition	-	-
<b>Closing Cost</b>	<b>\$ 46,633</b>	<b>\$ -</b>
Opening accumulated depreciation	\$ -	\$ -
Additions	<b>9,327</b>	-
Dispositions	-	-
<b>Closing accumulated depreciation</b>	<b>\$ 9,327</b>	<b>\$ -</b>
<b>Net Book Value</b>	<b>\$ 37,306</b>	<b>\$ -</b>

### 12. Income Taxes

a) A reconciliation of income taxes at the statutory rate of 27% (2024 – 27%) is as follows:

	<b>2025</b>	<b>2024</b>
Loss for the year before income taxes	<b>\$(16,249,697)</b>	\$ (747,720)
Expected income tax recovery	<b>(4,387,418)</b>	(201,900)
Change in statutory, foreign tax, foreign exchange rates and other	<b>1,409</b>	-
Non-deductible expenditures	<b>2,053,639</b>	100
Share issue costs	<b>(349,130)</b>	(23,000)
Change in unrecognized deductible temporary differences	<b>2,681,500</b>	223,800
<b>Total income tax (recovery)</b>	<b>\$ -</b>	<b>\$ -</b>

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

b) The significant components of the Company's deferred tax assets and liabilities are as follows:

	2025	2024
Property rights, evaluation and exploration assets and plant and equipment	1,058,500	\$ 54,000
Share issue costs	311,000	45,000
Non-capital loss carry-forwards	1,739,000	328,000
Total	\$3,108,500	\$ 427,000
Unrecognized deferred tax asset	(3,108,500)	(427,000)
Net deferred tax asset	\$ -	\$ -

Deferred tax assets have not been recognized in respect of the deductible temporary differences as it is not probable that future taxable profit will be available against which the Company can use the benefits.

The Significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2025	2024	Expiry date Range
Temporary Differences			
Property rights, evaluation and exploration assets and plant and equipment	\$3,921,907	\$198,905	No expiry date
Non-capital losses	6,422,165	1,213,367	No expiry date
Share issuance costs	1,150,483	165,581	2026 to 2030
	\$11,514,555	\$1,577,853	

The Company has available for deduction against future taxable income, Canadian non-capital losses of approximately \$6,442,165.

### 13. Risk Management

#### Fair values

The Company's financial instruments consist of cash and cash equivalents and accounts and accrued payables. The carrying amounts of these financial instruments approximate their fair values due to their short-term maturities and the high liquidity of cash and cash equivalents. Accounts and accrued payables are recognized at amounts that reflect their settlement obligations, which are expected to be settled in the near term, further supporting the approximation of fair value.

#### Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. There were no changes to the Company's risk exposures during the year ended December 31, 2025. The principal risks to which the Company is exposed are described below.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to cash and cash equivalents. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. The Company has no significant concentration of credit risk. The maximum exposure to credit risk is the aggregate carrying amount of cash and cash equivalents.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at December 31, 2025, the Company's working capital was \$19,272,216 and it does not have any long-term liabilities.

The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. The Company's approach to managing liquidity risk is to continue to seek additional financing on agreeable terms in order to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2025, the Company had cash and equivalents of \$19,422,072 and total liabilities of \$399,278.

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. As at December 31, 2025, the Company is not exposed to significant market risk.

#### **14. Segmented Information**

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada and the USA. All of the Company's long-term assets are located in the USA.

#### **15. Subsequent Events**

Subsequent to December 31, 2025, the Company issued 280,000 Class A common shares pursuant to the exercise of 280,000 stock options with a weighted average exercise price of \$0.746 for gross proceeds of \$209,000.

Subsequent to December 31, 2025, the Company issued 259,600 Class A common shares pursuant to the exercise of 259,600 class A common share purchase warrants with a weighted average strike price of \$0.51 for gross proceeds of \$132,449.

On January 30, 2026, the Company granted 37,800 stock options to a consultant. These options are exercisable at \$2.58 and will expire two years from the date of grant. The options vest monthly in equal installments over 12 months. The fair value of \$79,400 for the options granted was determined by using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.55%; an expected volatility of 270.79%; an expected dividend yield of 0%; and an expected life of two years.

**AMERICAN TUNGSTEN CORP.**  
**(formerly DEMESNE RESOURCES LTD.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025, and 2024**  
**(All Amounts are in Canadian Dollars)**

---

On February 18, 2026, the Company closed its previously announced minority investment in Viking Mines Limited ("VKA"). The Company subscribed for 150,000,000 ordinary shares of VKA for aggregate consideration of \$725,966 (AUD\$750,000).

On March 18, 2026, the Company closed a bought deal private placement for aggregate gross proceeds of \$40,002,060. The Company issued 14,286,450 units at a price of \$2.80 per unit. Each unit consisted of 1 Class A common share in the capital of the company and  $\frac{1}{2}$  of one Class A common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one Class A common share in the capital of the Company at a price of \$3.75 until March 18, 2029. The Company paid the underwriters a cash commission of \$2,400,123 equal to 6% of the gross proceeds, incurred legal and related share issuance costs of \$489,687 and issued 857,187 broker warrants equal to 6% of the number of units sold. Each broker warrant entitles the holder thereof to purchase one Class A common share in the capital of the Company at a price of \$2.80 until March 18, 2028.