



AMERICAN TUNGSTEN CORP.
(formerly DEMESNE RESOURCES LTD.)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE THREE MONTHS ENDED MARCH 31, 2026
(All Amounts are in Canadian Dollars)

(UNAUDITED)

NOTICE TO READER

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

The accompanying unaudited condensed interim consolidated financial statements of American Tungsten Corp. (formerly Demesne Resources Ltd.) (the Company) have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

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



AMERICAN TUNGSTEN CORP
(formerly DEMESNE RESOURCE LTD.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(All Amounts are in Canadian Dollars)
(Unaudited)

MARCH 31, 2026

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

| | | As at March 31, | As at December 31, |
|---|------|--------------------|-----------------------|
| | Note | 2026 | 2025 |
| ASSETS | | | |
| CURRENT | | | |
| Cash | | \$ 51,104,001 | \$ 19,422,072 |
| GST/HST receivable | | 256,885 | 198,911 |
| Prepays | 3 | 367,417 | 50,511 |
| | | 51,728,303 | 19,671,494 |
| Plant and equipment | 10 | 78,756 | 37,306 |
| Investment | 11 | 725,966 | - |
| | | \$ 52,533,025 | \$ 19,708,800 |
| LIABILITIES | | | |
| CURRENT | | | |
| Accounts and accrued payables | 8 | \$ 1,572,005 | \$ 399,278 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 4 | 52,154,653 | 29,879,266 |
| Subscriptions received in advance | 4 | - | - |
| Share-based payments reserve | 5 | 6,955,363 | 7,044,566 |
| Warrants reserve | 6 | 15,755,166 | 465,406 |
| Deficit | | (23,904,162) | (18,079,716) |
| | | 50,961,020 | 19,309,522 |
| | | \$ 52,533,025 | \$ 19,708,800 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Nature of Organization and Going Concern (note 1) | | | |
| Subsequent Events (note 14) | | | |

APPROVED ON BEHALF OF THE BOARD

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

See the accompanying notes to the condensed interim consolidated financial statements.

AMERICAN TUNGSTEN CORP.
(formerly DEMESNE RESOURCES LTD.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31,
(All Amounts are in Canadian Dollars)
(Unaudited)

| | | 2026 | 2025 |
|---|-------------|---------------------|---------------------|
| EXPENSES | Note | | |
| Advertising and promotion | | \$ 52,940 | \$ 49,495 |
| Bank charges | | 3,574 | 1,580 |
| Depreciation | | 4,636 | - |
| Exploration and evaluation | 9 | 4,784,613 | 191,296 |
| Professional fees | | 134,889 | - |
| Consulting fees | | 235,077 | 461,774 |
| General expenses | | 89,561 | 6,680 |
| Investor relations | | 87,910 | 663,634 |
| Management and director fees. | 8 | 267,253 | - |
| Share-based compensation | 5 | 106,513 | 411,181 |
| Shareholder information | | 31,187 | 35,964 |
| Travel | | 68,811 | 50,594 |
| Other income | | (75,904) | - |
| Foreign exchange (gain) loss | | 33,386 | - |
| NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD | | \$ 5,824,446 | \$ 1,872,198 |
| NET LOSS PER SHARE – Basic and diluted | | \$ 0.11 | \$ 0.08 |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING | | | |
| – Basic and diluted | | 51,065,244 | 24,481,689 |

See the accompanying notes to the condensed interim consolidated financial statements.

AMERICAN TUNGSTEN CORP.
(formerly DEMESNE RESOURCES LTD.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN
SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31,
(All Amounts are in Canadian Dollars)
(Unaudited)

| | Number of Common Shares | Share Capital | Subscriptions received in advance | Warrants reserve | Share-based payments reserve | Deficit | Shareholders' Equity |
|-----------------------------------|-------------------------------|----------------------|---|----------------------|------------------------------------|------------------------|-------------------------|
| Balance, December 31, 2024 | 22,242,297 | \$ 2,593,066 | \$ 70,220 | \$ 26,299 | \$ 59,813 | \$ (1,830,019) | \$ 919,379 |
| Private placement | 3,216,759 | 2,796,620 | (70,220) | - | - | - | 2,726,400 |
| Share issue costs | - | (243,134) | - | 49,828 | - | - | (193,306) |
| Options exercised | 270,000 | 47,442 | - | - | (20,442) | - | 27,000 |
| Warrants exercised | 203,750 | 33,293 | - | (12,918) | - | - | 20,375 |
| Share-based compensation | - | - | - | - | 411,181 | - | 411,181 |
| Net loss and comprehensive loss | - | - | - | - | - | (1,872,198) | (1,872,198) |
| Balance, March 31, 2025 | 25,932,806 | \$ 5,227,287 | \$ - | \$ 63,209 | \$ 450,552 | \$ (3,702,217) | \$ 2,038,831 |
| Balance, December 31, 2025 | 48,610,562 | \$29,879,266 | \$ - | \$465,406 | \$ 7,044,566 | \$(18,079,716) | \$ 19,309,522 |
| Private placement | 14,286,450 | 26,554,933 | - | 13,447,127 | - | - | 40,002,060 |
| Share issue costs | - | (5,000,280) | - | 2,027,567 | - | - | (2,972,713) |
| Options exercised | 280,000 | 404,716 | - | - | (195,716) | - | 209,000 |
| Warrants exercised | 256,870 | 316,018 | - | (184,934) | - | - | 131,084 |
| Share-based compensation | - | - | - | - | 106,513 | - | 106,513 |
| Net loss and comprehensive loss | - | - | - | - | - | (5,824,446) | (5,824,446) |
| Balance, March 31, 2026 | 63,433,882 | \$ 52,154,653 | \$ - | \$ 15,755,166 | \$ 6,955,363 | \$ (23,904,162) | \$ 50,961,020 |

See the accompanying notes to the condensed interim consolidated financial statements.

AMERICAN TUNGSTEN CORP.
(formerly DEMESNE RESOURCES LTD.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31,
(All Amounts are in Canadian Dollars)
(Unaudited)

| | 2026 | 2025 |
|--|----------------------|---------------------|
| OPERATING ACTIVITIES | | |
| Net loss for the period | \$ (5,824,446) | \$ (1,872,198) |
| Adjustments for non-cash items: | | |
| Share-based compensation | 106,513 | 411,181 |
| Depreciation expense | 4,636 | - |
| Change in non-cash working capital: | | |
| Increase in GST/HST receivable | (57,974) | (21,638) |
| Increase in prepaids | (316,906) | (246,840) |
| Increase (decrease) in accounts and accrued payables | 1,172,727 | (220,854) |
| Cash used in operating activities | <u>(4,915,450)</u> | <u>(1,950,349)</u> |
| INVESTING ACTIVITIES | | |
| Purchase of equipment | (46,086) | - |
| Investment | (725,966) | - |
| Cash provided by financing activities | <u>(772,052)</u> | <u>-</u> |
| FINANCING ACTIVITIES | | |
| Proceeds from issuance of common shares, net of share issue costs | 37,029,347 | 2,533,094 |
| Proceeds from exercise of options | 209,000 | 27,000 |
| Proceeds from exercise of warrants | 131,084 | 20,375 |
| Cash provided by financing activities | <u>37,369,431</u> | <u>2,580,469</u> |
| Change in cash | 31,681,929 | 630,120 |
| Opening cash | 19,343,263 | 622,663 |
| Closing cash | <u>\$ 51,025,192</u> | <u>\$ 1,252,783</u> |
| Cash paid for: | | |
| Interest | \$ - | \$ - |
| Taxes | - | - |
| Non-cash financing activities: | | |
| Fair value of options exercised | 195,716 | 20,442 |
| Fair value of warrants exercised | 184,934 | 12,918 |
| Warrants issued for share issue costs | 2,027,567 | 49,828 |

See the accompanying notes to the condensed interim consolidated financial statements.

AMERICAN TUNGSTEN CORP.
(formerly DEMESNE RESOURCES LTD.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2026
(All Amounts are in Canadian Dollars)
(Unaudited)

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* (Ontario) 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 State of Idaho in the United States. 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 office is 1200, 750 Pender Street West, Vancouver, BC, V6C 2T8.

The condensed interim financial statements of the Company were authorized for issuance in accordance with a resolution of the directors on May 29, 2026.

Management estimates that the funds available as at March 31, 2026, may not be sufficient to meet the Company’s obligations and budgeted expenditures through March 31, 2027. The Company will have to raise additional funds to continue operations. The Company is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Company will be successful in these actions, management believes that it will be able to secure the necessary financing through the issuance of new debt and equity.

Although these condensed interim consolidated financial statements have been prepared using IFRS Accounting Standards (“IFRS”) applicable to a going concern, there is a material uncertainty related to the above-noted conditions which may cast significant doubt on the Company’s ability to continue as a going concern. These condensed interim financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities to the reported expenses and to the condensed interim statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

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 condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its wholly controlled 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 subsidiaries. All significant intercompany transactions and balances have been eliminated.

The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS as issued by the IASB.

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

The same accounting policies and methods of computation are followed in these condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2025. The Company's material accounting policies are presented in note 3 of the audited annual financial statements for the year ended December 31, 2025.

The Company's critical accounting estimates and judgments are presented in note 3 of the audited annual consolidated financial statements for the year ended December 31, 2025. There have not been any changes to the Company's accounting estimates and judgments in the current period.

3. Prepays

| | March 31, 2026 | December 31, 2025 |
|----------------------------|---------------------------|------------------------------|
| | (\$) | (\$) |
| Advertising and promotion | 42,188 | 40,313 |
| Exploration and evaluation | 286,691 | - |
| Other | 38,538 | 10,198 |
| | 367,416 | 50,511 |

4. 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 March 31, 2026, no Class B common shares have been issued.

Three Months Ended March 31, 2026

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 ½ 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 \$572,589 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. The fair value of \$681,589 for the finder warrants was determined by using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.75%; an expected volatility of 191%; an expected dividend yield of 0%; and an expected life of two years.

During the three months ended March 31, 2026, the Company issued 256,870 common shares upon exercised of warrant for proceeds of \$131,084. The fair value of the warrant exercised transferred from warrant reserve to share capital was \$184,934.

During the three months ended March 31, 2026, the Company issued 280,000 common shares upon exercised of option for proceeds of \$209,000. The fair value of the options exercised transferred from share-based payment reserve to share capital was \$195,716.

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

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4. Share Capital (continued)

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.

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(Unaudited)

5. 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.

Three Months ended March 31, 2026

On January 31, 2026, the Company granted 37,800 stock options to a consultant of the Company. These options are exercisable at \$2.58 and will expire three years from the date of grant. The Options vested immediately. 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 three years.

The total share-based compensation expense for the three months period ended March 31, 2026, was \$111,013 (2025 - \$nil) of which \$31,613 was from the vesting schedule of previously granted options.

Year ended December 31, 2025

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 semi-annually over one year, and 200,000 options vest monthly over one year. The fair value of \$575,111 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 100%; an expected dividend yield of 0%; and an expected life of three years.

On September 4, 2025, the Company granted 4,099,481 stock options to directors, officers, and consultants. These options are exercisable at \$1.1 and will expire three years from the date of grant vested immediately. The fair value of \$3,968,600 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 357.86%; 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

5. Share-based Payments Reserve (continued)

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%;

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an expected volatility of 376.0%; an expected dividend yield of 0%; and an expected life of two years.

The following table reflects the continuity of stock options for:

| | Number of Stock options | Weighted average exercise price |
|--|-------------------------------|--|
| December 31, 2024 – outstanding | 790,000 | 0.10 |
| December 31, 2024 – exercisable | 790,000 | 0.10 |
| December 31, 2024 | 790,000 | 0.10 |
| Granted | 7,790,828 | 1.11 |
| Exercised (note 4) | (1,720,000) | 0.36 |
| December 31, 2025 – outstanding | 6,860,828 | 1.18 |
| December 31, 2025 – exercisable | 6,384,161 | 1.22 |
| Exercised (note 4) | (280,000) | 0.75 |
| Granted | 37,800 | 2.58 |
| March 31, 2026 – outstanding | 6,618,628 | 1.20 |
| March 31, 2026 – exercisable | 6,321,661 | 1.24 |

The following stock options were outstanding at March 31, 2026:

| Expiry date | Number of options outstanding | Number of options exercisable | Exercise price | Remaining life (years) |
|-------------------|----------------------------------|-------------------------------------|-------------------|------------------------|
| June 24, 2027 | 20,000 | 20,000 | \$ 0.10 | 1.23 |
| January 6, 2028 | 580,000 | 283,333 | \$ 0.55 | 1.77 |
| September 2, 2028 | 3,949,481 | 3,949,481 | \$ 1.10 | 2.43 |
| December 18, 2028 | 1,900,000 | 1,900,000 | \$ 1.50 | 2.42 |
| December 18, 2027 | 131,347 | 131,347 | \$ 2.58 | 1.41 |
| January 30, 2028 | 37,800 | 37,800 | \$ 2.58 | 1.84 |
| | 6,618,628 | 6,321,661 | \$ 1.24 | 2.34 |

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(Unaudited)

6. Warrants Reserve

The following table reflects the continuity of warrants for the three months ended March 31, 2026:

| | Number of warrants | Weighted average exercise price (\$) |
|---------------------------|-------------------------------|---|
| December 31, 2024 | 355,820 | 0.15 |
| Granted | 781,292 | 0.59 |
| Exercised | (470,306) | (0.29) |
| December 31, 2025 | 666,806 | 0.56 |
| Granted | 8,000,412 | 3.65 |
| Expired | (43,548) | 1.30 |
| Exercised (note 4) | (256,870) | 0.51 |
| March 31, 2026 | 8,350,800 | 3.51 |

The following table reflects a summary of outstanding warrants at March 31, 2026:

| Expiry Date | Exercise price (\$) | Number of warrants | Remaining life (years) |
|-----------------------|--------------------------------|-------------------------------|-----------------------------------|
| May 3, 2026 | 0.10 | 24,000 | 0.09 |
| September 4, 2026 | 0.50 | 326,388 | 1.31 |
| March 18, 2028 | 2.80 | 857,187 | 1.97 |
| March 18, 2029 | 3.75 | 7,143,225 | 2.97 |
| March 31, 2026 | 3.51 | 8,350,800 | 2.80 |

7. Capital Risk Management

The Company manages its shareholders' equity, \$50,961,020 as at March 31, 2026, 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.

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 March 31, 2026. There have been no changes to the Company's approach to capital management during the three months ended March 31, 2026

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8. 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 March 31, 2026, included in accounts and accrued payables was \$32,316 (December 31, 2025 - \$54,512) 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 was as follows:

| | Three Months Ended | |
|------------------------------|---------------------------|------------------|
| | March 31, | |
| | 2026 | 2025 |
| Management and director fees | \$267,253 | \$ 37,500 |
| Share-based compensation | - | 27,490 |
| Exploration and evaluation | 105,646 | 5,165 |
| | \$372,899 | \$ 70,155 |

9. 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: Issue 450,000 shares on or before the Listing Date (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.

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

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9. Exploration and Evaluation Expenditures (continued)

optionor. As a result, the Company no longer considers the Star Mineral Property to be a material mineral property.

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

| Three months ended March 31, | 2026 | 2025 |
|-------------------------------------|-------------|------------------|
| Cash paid pursuant to the Agreement | \$ - | \$ 30,000 |
| Total | \$ - | \$ 30,000 |

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

| | Three Months Ended | |
|-------------------------------------|---------------------------|-------------------|
| | March 31, | |
| | 2026 | 2025 |
| Exploration activities | \$ 245,990 | \$ 115,746 |
| Assays | 748,643 | - |
| Drilling | 1,509,191 | - |
| Underground access | 1,920,181 | - |
| Field & Administration | 170,175 | - |
| Prospecting and staking | - | 45,550 |
| Geological and geophysical services | 190,433 | - |
| Total | \$ 4,784,613 | \$ 161,296 |

10. Plant and Equipment

| Period ended March 31, 2026 / Year ended December 31, 2025 | 2026 | 2025 |
|---|------------------|------------------|
| Opening cost | \$ 46,633 | \$ - |
| Additions | 46,086 | 46,633 |
| Closing Cost | \$ 92,719 | \$ 46,633 |
| Opening accumulated depreciation | \$ 9,327 | \$ - |
| Additions | 4,636 | 9,327 |
| Closing accumulated depreciation | \$ 13,963 | \$ 9,327 |
| Net Book Value | \$ 78,756 | \$ 37,306 |

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11. Investments

The Company acquired 150,000,000 ordinary shares of Viking Mines Limited for aggregate consideration of \$725,966 (AUD\$750,000). The transaction closed on February 18, 2026. The shares were acquired for investment purposes and are carried at the lower of market value and historical cost.

12. Risk Management

Fair values

The Company's financial instruments consist of cash 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. 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 three months ended March 31, 2026. The principal risks to which the Company is exposed are described below.

(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. 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.

(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 March 31, 2026, the Company's working capital is \$50,156,298 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 March 31, 2026, the Company had cash of \$51,104,001 and total liabilities of \$1,572,005.

(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 March 31, 2026, the Company is not exposed to significant market risk.

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13. Segmented Information

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada and the USA.

14. Subsequent Events

Subsequent to March 31, 2026, the Company issued 26,730 Class A common shares on the exercise of warrants with an average strike price of \$0.14. The Company received cash proceeds of \$3,765 from the exercises.