



VALHALLA METALS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(Expressed in US dollars)

Notice of No Auditor Review

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

The accompanying unaudited condensed consolidated interim financial statements of 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 consolidated interim financial statements in accordance with the standards established by CPA Canada for a review of interim financial statements by an entity's auditors.

VALHALLA METALS INC.**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in US Dollars)

		March 31 2026	December 31 2025
ASSETS			
Current assets			
Cash and cash equivalents	\$	378,520	\$ 411,658
Amounts receivable		1,597	862
Prepaid expense		66,314	105,940
Total current assets		446,431	518,460
Exploration and evaluation assets	(Note 4)	50,000	50,000
	\$	496,431	\$ 568,460
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	(Note 7)	440,441	338,086
Total current liabilities		440,441	338,086
Long term liabilities			
Reclamation provision	(Note 5)	107,583	106,833
Total long term liabilities		107,583	106,833
		548,024	444,919
EQUITY			
Share capital	(Note 6)	15,154,548	15,154,548
Contributed surplus	(Note 6)	988,446	988,446
Deficit		(16,015,414)	(15,842,448)
Accumulated other comprehensive loss		(179,173)	(177,005)
		(51,593)	123,541
	\$	496,431	\$ 568,460

CORPORATE INFORMATION AND NATURE OF CONTINUANCE OF OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 10)

Approved by the Board of Directors on May 26, 2026

"Curt Freeman"
Curt Freeman, Director

"Rick Van Nieuwenhuyse"
Rick Van Nieuwenhuyse, Director

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

VALHALLA METALS INC.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**(Expressed in US Dollars)

		First three months ended March 31, 2026	First three months ended March 31, 2025
Operating expenses			
Corporate development		\$ 17,064	\$ 11,199
Exploration and evaluation expenses	(Notes 4 and 7)	80,573	78,583
Management fees	(Note 7)	36,450	34,840
Office and miscellaneous		5,806	6,024
Professional fees	(Note 7)	26,200	20,436
Regulatory and transfer agent		6,587	9,183
Camp reclamation provision	(Note 5)	750	750
Shareholder communications and investor relations		1,161	1,122
Operating loss		174,591	162,137
Interest Income		(1,625)	(4,867)
Loss for the period		172,966	157,270
Other comprehensive loss			
Items that may be reclassified subsequently to income or loss:			
Currency translation differences of foreign operations		2,168	(794)
Total comprehensive loss for the period		\$ 175,134	\$ 156,476
Basic and diluted loss per share		\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding (basic and diluted)	(Note 8)	83,225,336	83,225,336

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

VALHALLA METALS INC.**CONSOLIDATED STATEMENTS OF CASH FLOWS**(Expressed in US Dollars)

	First three months ended March 31, 2026	First three months ended March 31, 2025
Cash provided by (used for):		
Operating activities		
Loss for the period	\$ (172,966)	\$ (157,270)
Items not involving cash		
Camp reclamation provision	750	750
Change in non-cash working capital:		
Amounts receivable	(735)	108
Prepaid expenses	39,626	42,563
Accounts payable and accrued liabilities	102,355	88,446
	(30,970)	(25,403)
Investing activities	-	-
Financing activities	-	-
Unrealized foreign exchange gain/loss cash	(2,168)	794
Change in cash during the period	(30,970)	(25,403)
Cash, beginning of the period	411,658	835,414
Cash, end of the period	\$ 378,520	\$ 810,806

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOW

Cash paid for:

Interest	\$	-	\$	-
Taxes	\$	-	\$	-

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

VALHALLA METALS INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS MARCH 31, 2026 AND 2025

(Expressed in US Dollars)

	Number of Subordinate Voting Shares	Number of Multiple Voting Shares	Share Capital	Contributed surplus	Deficit	Accumulated other comprehensive income	Total Equity
Balance, December 31, 2024	35,016,636	482,087	\$ 15,154,548	\$ 988,446	\$ (15,145,066)	\$ (199,870)	\$ 798,058
Conversion of multiple voting shares to subordinate voting	2,296,100	(22,961)	-	-	-	-	-
Loss for the year	-	-	-	-	(697,382)	-	(697,382)
Currency translation differences for foreign operations	-	-	-	-	-	22,865	22,865
Balance, December 31, 2025	37,312,736	459,126	\$ 15,154,548	\$ 988,446	\$ (15,842,448)	\$ (177,005)	\$ 123,541
Loss for the period	-	-	-	-	(172,966)	-	(172,966)
Currency translation differences for foreign operations	-	-	-	-	-	(2,168)	(2,168)
Balance, March 31, 2026	35,016,636	482,087	\$ 15,154,548	\$ 988,446	\$ (16,015,414)	\$ (179,173)	\$ (51,593)
Balance, December 31, 2024	35,016,636	482,087	\$ 15,154,548	\$ 988,446	\$ (15,145,066)	\$ (199,870)	\$ 798,058
Loss for the period	-	-	-	-	(157,270)	-	(157,270)
Currency translation differences for foreign operations	-	-	-	-	-	794	794
Balance, March 31, 2025	35,016,636	482,087	\$ 15,154,548	\$ 988,446	\$ (15,302,336)	\$ (199,076)	\$ 641,582

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

VALHALLA METALS INC.**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2026 and 2025**(Unaudited - Expressed in US Dollars)

1. CORPORATE INFORMATION AND NATURE OF CONTINUANCE OF OPERATIONS

Valhalla Metals Inc. (the “Company” or “Valhalla”), was incorporated on April 13, 2011 under the laws of British Columbia. The Company trades on the TSX Venture Exchange (“TSX-V”) under the symbol VMXX.

The principal business activity of the Company acquiring and exploring mineral properties. The address of the Company's corporate office and its principal place of business is Suite 2700, 1133 Melville Street Vancouver, British Columbia, V6E 4E5, Canada.

These condensed consolidated interim financial statements were prepared on a going concern basis with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has incurred operating losses since inception, including \$ 172,966 in the first three months of 2026, resulting in a deficit of \$16,015,414 at March 31, 2026 (\$15,842,448 at December 31, 2025). While the Company has been successful in obtaining funding in the past through the issuance of additional equity, there is no assurance that such funding will be available in the future. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company is dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional equity securities or possibly debt in the future. The recoverability of the carrying value exploration and evaluation assets and, ultimately, the Company's ability to continue as a going concern, is dependent upon the Company's ability to raise financing, the realization of which is uncertain. These condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 – Interim Financial Reporting. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB").

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the preparation of and disclosed in Note 3 of the Company's audited annual financial statements for the year ended December 31, 2025.

(b) Approval of condensed consolidated interim financial statements:

These consolidated financial statements were approved by the Company's Board of Directors on May 26, 2026.

(c) Basis of presentation:

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, as disclosed in Note 3. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain comparative disclosures (i.e. camp reclamation provision) have been reclassified to conform with current year presentation.

(d) Functional currency and presentation currency:

The functional currency is the Canadian dollar for the Canadian parent entity and US dollar for the US subsidiary. The presentation currency of the Company and its subsidiaries is the US dollar, and accounts denominated in currencies other than the functional currency have been translated as follows:

1. Monetary assets and liabilities at the exchange rate at the consolidated statement of financial position date;
2. Non-monetary assets and liabilities at the historical exchange rates, unless such items are carried at fair value, in which case they are translated at the date when the fair value was determined;
3. Shareholders' equity items at historical exchange rates; and
4. Expense items at the rate of exchange on the transaction date.

Exchange gains and losses arising from translation of the Canadian operations to the Company's US dollar presentation currency are recorded as currency translation adjustments in other comprehensive income (loss), which is included in accumulated other comprehensive loss.

(e) Critical accounting estimates and judgements:

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2. BASIS OF PRESENTATION (continued)

(e) Critical accounting estimates and judgements: (continued)

In particular, the Company has identified a number of areas where critical judgements, estimates and assumptions are required. These areas include, but are not limited to, the following:

Critical accounting estimates

Significant accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

- Reclamation provision:

The Company's provision for reclamation represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation costs at the Sun property. The provision reflects estimates of future reclamation costs, inflation and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors could result in a change to the provision recognized by the Company.

Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned project-acquisitions, involves significant judgement based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

- Exploration and Evaluation assets impairment

The assessment of evidence of impairment in respect of exploration and evaluation assets (capitalized mineral property acquisition costs) requires management to make judgements regarding the status of each project and the future exploration plans. The facts and circumstances indicating that the Company should test its exploration and evaluation assets for impairment are defined in IFRS 6. The nature of exploration and evaluation activities is such that only a proportion of projects are ultimately successful, and some assets are likely to become impaired in future periods.

2. BASIS OF PRESENTATION (continued)

(e) Critical accounting estimates and judgements: (continued)

- Recovery of deferred tax assets:

Judgement is required to determine whether deferred tax assets are recognized in the consolidated statements of financial position. Deferred tax assets, including those arising from unutilized tax losses, require the Company to assess the likelihood that it will generate sufficient taxable earnings in future periods, in order to utilize recognized deferred tax assets. Judgement is also required in respect of the application of existing tax laws in each jurisdiction.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

(f) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Valhalla Metals AK Inc. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All significant intercompany transactions and balances are eliminated on consolidation.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company classifies its financial instruments as follows: cash and cash equivalents are classified at amortized costs; and accounts payable and accrued liabilities, at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

Capital management

The Company does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to advance its exploration and evaluation assets while safeguarding the Company's ability to continue as a going concern.

The Company defines its capital as equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There were no changes to the Company's capital management approach during the quarter ended March 31, 2026. The Company is not subject to any externally imposed capital requirements.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Management of financial risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company does not have any financial instruments classified and measured at fair value. Cash and cash equivalents, and accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these financial instruments.

The Company's risk exposure and the impact on the Company's consolidated financial instruments are summarized below:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. As at March 31, 2026, the Company is not exposed to significant market risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to attempt to ensure that it will have sufficient cash or credit available to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

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. All of the Company's cash and cash equivalents are held in reputable financial institutions and as such, the Company believes credit risk is negligible. All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of March 31, 2026.

Foreign exchange risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company is exposed to foreign exchange risk with respect to these transactions. The Company is exposed to currency risk through the following assets and liabilities denominated in Canadian dollars:

VALHALLA METALS INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2026 and 2025
(Unaudited - Expressed in US Dollars)

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

	March 31, 2026	December 31, 2025
Cash and cash equivalents	361,763	394,852
Accounts payable	(291,094)	(237,543)

At March 31, 2026, Canadian dollar amounts were converted at a rate of CAD 1.00 to USD 0.7174. A 10% increase or decrease in the Canadian dollar relative to the US dollar would result in a change of approximately \$7,067 (December 31, 2025 - \$15,731) in the Company's comprehensive loss for the year. Cash equivalents at March 31, 2026 consist of Canadian Guaranteed Investment Certificates of CAD\$5,000 (December 31, 2025 – CAD\$5,000).

Categories of financial assets and financial liabilities

The carrying values of the Company's financial instruments are classified into the following categories:

Financial instrument	Category	March 31, 2026	December 31, 2025
Cash and cash equivalents	Amortized cost	\$ 378,520	\$ 411,658
Accounts payable	Amortized cost	\$ 440,441	\$ 338,086

4. EXPLORATION AND EVALUATION ASSETS

a. Sun Property

On May 15, 2018, Valhalla Mining Inc, a company controlled by a director of the Company, transferred its 100% interest in certain mineral rights to the Company in exchange of common shares with a fair value of \$800,000. The mineral rights ("Sun Property") are located in the Ambler Mining District of Alaska.

During the year ended December 31, 2023, given the delay and uncertainty surrounding the approval by the Bureau of Land Management of the road that would provide access to the Ambler Mining District, the Company wrote off the accounting cost of the Sun Property to \$25,000. An impairment loss of \$775,000 was recorded on the statement of loss and comprehensive loss for year ended December 31, 2023).

b. Smucker Property

On May 15, 2018, Valhalla Mining, LLC, a company controlled by a director of Valhalla US, transferred its 100% interest in certain mineral rights to the Company in exchange of common shares with a fair value of \$800,000. The mineral rights ("Smucker Property") are located in the Ambler Mining District of Alaska.

VALHALLA METALS INC.**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2026 and 2025**(Unaudited - Expressed in US Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended December 31, 2022, the Company spent \$50,615 on staking additional mining claims immediately adjacent to the original Smucker claim block. During 2023, the Company spent an additional of \$2,700 on staking claims.

During the year ended December 31, 2023, given the delay and uncertainty surrounding the approval by the Bureau of Land Management of the road that would provide access to the Ambler Mining District, the Company wrote off the accounting cost of the Smucker Property to \$25,000. An impairment loss of \$676,591 was recorded on the statement of loss and comprehensive loss for year ended December 31, 2023.

The following tables present a summary of the exploration and evaluation assets as of March 31, 2026 as well as exploration expenses incurred during quarters ended March 31, 2026 and March 31, 2025:

Exploration and evaluation assets continuity:

	Sun	Smucker	TOTAL
Balance, December 31, 2025 and March 31, 2026	\$25,000	\$25,000	\$50,000

Exploration expenses

March 31, 2026	Sun	Smucker	Total
Geology	12,000	12,000	24,000
Mineral claims rents	25,658	7,425	33,083
Other	428	-	428
Professional services	23,063	-	23,063
March 31, 2026	\$ 61,148	\$ 19,425	\$ 80,573

March 31, 2025	Sun	Smucker	Total
Geology	4,500	-	4,500
Mineral claims rents	25,658	7,425	33,083
Other	3,500	-	3,500
Professional services	37,500	-	37,500
March 31, 2025	\$ 71,158	\$ 7,425	\$ 78,583

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Notes to the Condensed Consolidated Interim Financial Statements
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(Unaudited - Expressed in US Dollars)

5. RECLAMATION PROVISION

During the year ended December 31, 2023, the Company recognized a reclamation provision at with a present value of \$100,833. As at March 31, 2026, the present value of the reclamation obligation was calculated using a risk-free interest rate of 3.1% (December 31, 2025 – 3.1%), an inflation rate of 2.0% (December 31, 2025 – 2.0%), and a discount period of 8 years (December 31, 2025 – 8 years). The undiscounted value of the obligation was \$136,832.

A reconciliation of the changes in the Company's reclamation provision is as follows:

Balance at December 31, 2023	\$	100,833
Accretion expense in 2024		3,000
Balance at December 31, 2024	\$	103,833
Accretion expense in 2025		3,000
Balance at December 31, 2025	\$	106,833
Accretion expense during the first quarter of 2026		750
March 31, 2026	\$	107,583

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of subordinate voting shares without nominal or par value and unlimited number of multiple voting shares without nominal or par value.

During the year ended December 31, 2022, the Company issued 482,087 multiple voting shares. Theses multiple voting shares are restricted and provide the holder the option to covert to subordinate voting shares with a multiplying factor of 100 (resulting in 48,208,700 subordinate voting shares) when the following conditions are met: (1) vesting from escrow (2) US investors (multiple voting share holders) cumulative ownership of the Company cannot exceed 40% of the issued and outstanding subordinate voting shares.

(b) Reconciliation of changes in share capital

On September 2, 2025, 22,961 multiple voting shares were converted into 2,296,100 subordinate voting shares. No additional multiple voting shares or subordinate voting shares were issued during the year ended December 31, 2025 and first quarter of 2026.

Escrow

During the year ended December 31, 2022, 5,586,538 Subordinate Voting Shares and 367,299 Multiple Voting Shares were held in escrow as part of reverse take over ("RTO"). Under the terms of the escrow agreements, 10% of such escrowed securities were released upon the date of the exchange bulletin from the TSXV, with the balance being released in six tranches of 15% every six months thereafter. As at March 31, 2026 and December 31, 2025, all the RTO related Multiple Voting Shares and Subordinate Voting Shares are released from escrow.

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Notes to the Condensed Consolidated Interim Financial Statements
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6. SHARE CAPITAL (continued)

Stock Option Plan

The Share Compensation Plan is a “rolling up to 10%” omnibus plan pursuant to which the total number of Subordinate Voting Shares which may be issued pursuant to RSUs and Options granted under the Share Compensation Plan, in the aggregate, is equal to up to a maximum of 10% of the issued and outstanding Subordinate Voting Shares, assuming the conversion of all Multiple Voting Shares (1 multiple voting share to 100 to Subordinate Voting Shares), at the time of the grant or award.

The following table summarizes the continuity of the Company's stock options:

Exercise Price	Balance December 31, 2024	Expiry Date	Weighted average exercise price	Cancelled during 2025	Balance December 31, 2025 and March 31, 2026
CAD\$0.50	4,375,000	November 7, 2027	CAD\$0.50	(750,000)	3,625,000

All of the 3,625,000 outstanding stock options are fully vested and exercisable.

7. RELATED PARTY BALANCES AND TRANSACTIONS

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 a related party transaction when there is a transfer of resources or obligations between related parties.

The Company had the following related party balances:

	March 31, 2026	December 31, 2025
Due to Directors and Officer	380,215	314,610
Total due to related parties	\$ 380,215	\$ 314,610

The amounts due to related parties were incurred in the normal course of business and have been included in accounts payable. The balances are non-interest bearing, unsecured and are due on demand.

Currently, key management personnel receive cash-based compensation in the form of management and consulting fees. In the future, they may receive salaries, short-term employee benefits, share-based payments, and post-employment benefits. Key management personnel include the Chief Executive Officer, Chief Financial Officer, VP of Exploration, and directors of the Company. The remuneration of key management during the three months ended March 31, 2026 and 2025 was as follows:

	March 31, 2026	March 31, 2025
Remuneration officers	71,385	49,792
Total remuneration	\$ 71,385	\$ 49,792

VALHALLA METALS INC.**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2026 and 2025**(Unaudited - Expressed in US Dollars)

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The higher fees in 2026 compared to 2025 are due to fees charged by the VP of Exploration, who is now on a monthly fee contract. The fees for CEO and CFO of the Company remained unchanged over the two periods. Fees for the VP of Exploration are reported as exploration expenses, CEO fees are reported as management fees, and CFO fees are reported as professional fees in the consolidated statements of loss and comprehensive loss. The breakout of management fees is as follows:

		March 31, 2026		March 31, 2025
Exploration and evaluation expenses	\$	24,000	\$	4,500
Management fees		36,450		34,840
Professional fees		10,935		10,452
	\$	71,385	\$	49,792

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the quarters ended March 31, 2026 was based on the loss attributable to common shareholders of \$172,966 (March 31, 2025 – \$156,476) and the weighted average number of Subordinated Voting Shares and Multiple Voting Shares (on a converted basis) outstanding of 83,225,336 at March 31, 2026 (March 31, 2025 – 83,225,336).

9. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of minerals properties. All of the Company's non-current assets were located in the United States as at March 31, 2026 and December 31, 2025.

10. SUBSEQUENT EVENTS

Valhalla entered into a Purchase and Sale Agreement dated April 20, 2026 (the "PSA") with Teck American Incorporated, a subsidiary of Teck Resources Limited ("Teck"), whereby Teck has agreed to vend 100% of Teck's copper-gold-silver-zinc Smucker Project, including the Smucker 1-27 State of Alaska mining claims, located in the Ambler Mining District in Alaska (the "Project") into Valhalla Metals AK Inc., a subsidiary of Valhalla (the "Transaction").

Under the terms of the PSA, Teck has agreed to convey its interest in the Project to Valhalla for consideration that includes: 44,813,642 Valhalla Shares (as defined below) representing 35% of the issued and outstanding Valhalla Shares; a priority purchase right and right of last offer to Teck on the purchase of any concentrate produced from the Sun and Smucker properties on customary commercial terms; and a 2.0% net smelter returns royalty on certain parts of the Project. Valhalla is required to complete a non-brokered private placement (the "Concurrent Financing") of a minimum of CAD\$5,000,000 as a condition to completion of the Transaction, at a price to be determined in the context of the market.

In connection with the Transaction, Valhalla announced a non-brokered private placement of up to CAD\$12,500,000, at a share price of \$CAD0.65 per share, with the right to be upsized by 20%. On May 17, 2026, Valhalla completed the first tranche of the non-brokered private placement (the "Offering"). Pursuant to the first tranche of the Offering, the Company issued an aggregate of 20,385,368 Subscription Receipts for aggregate gross proceeds of approximately CAD\$13.25 million at a price of CAD\$0.65 per Subscription Receipt, with an order from Teck Resources Limited ("Teck") for CAD\$1.75M. A final tranche of the Offering is expected to close by late May 2026.

VALHALLA METALS INC.**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2026 and 2025**(Unaudited - Expressed in US Dollars)

10. SUBSEQUENT EVENTS (continued)

The gross proceeds of the Offering will be placed in escrow pending completion, satisfaction or waiver of all conditions precedent to the Transaction (the “Escrow Release Condition”). Upon satisfaction of the Escrow Release Condition, the proceeds of the Offering will be released from escrow and the Subscription Receipts will, without any further action by the holder of any Subscription Receipt and for no additional consideration, be automatically converted into subordinate voting shares in the capital of the Company (“Shares”). If (i) the Escrow Release Condition is not satisfied on or before the date that is 90 days following the closing of the Offering, (ii) the Company publicly announces that it does not intend to, or cannot satisfy the Escrow Release Condition, or (iii) the Transaction does not proceed, then the Subscription Receipts will be cancelled and the escrowed funds will be returned to the holders. To the extent that the escrowed funds are insufficient to return to holders an amount equal to the original purchase price of the Subscription Receipts, the Company will be responsible for any shortfall.