HELIOSTAR METALS LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2026 and 2025
(Unaudited)

HELIOSTAR METALS LTD.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

	Note	March 31, 2026	December 31, 2025
Assets			
Current assets			
Cash		$ 38,741	$ 40,623
Trade and other receivables	14	28,430	12,891
Inventories	15	34,826	28,446
Prepaid amounts and advances	16	8,248	4,147
Other current assets		1,678	55
		111,923	86,162
Non-current			
Non-current prepaid amounts	16	2,283	10,252
Exploration and evaluation assets	5	26,275	21,257
Deferred income tax assets		2,684	3,848
Mineral properties	6	8,237	9,233
Plant and equipment	6	14,023	14,677
		53,502	59,267
Total assets		**$ 165,425**	**$ 145,429**
Liabilities			
Current			
Accounts payable and accrued liabilities	13	23,474	18,808
Income Taxes Payable		9,753	11,276
Current portion of reclamation and closure cost provisions	7	8,625	7,051
Current portion of provisions		39	61
		41,891	37,196
Non-current			
Provision		484	556
Reclamation and closure cost provisions	7	24,628	26,186
Deferred income tax liabilities		14	14
Other non-current liabilities		1,039	1,034
		26,165	27,790
Total Liabilities		$ 68,056	64,986
Shareholders’ equity			
Share capital	12	101,134	98,362
Accumulated other comprehensive income		602	745
Reserves	12	10,547	10,370
Deficit		(14,914)	(29,034)
Total Equity		97,369	80,443
Total liabilities and shareholders' equity		**$ 165,425**	**$ 145,429**

Subsequent events - Note 21

These condensed interim consolidated financial statements are authorized for issue by the Board of Directors on May 11, 2026. They are signed on the Company’s behalf by:

/s/ James Perry, Director

/s/ Tara Gilfillan, Director

Condensed Consolidated Interim Statements of Earnings (Loss) and Comprehensive Earnings (Loss)
(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

		Three Months ended March 31,	
	Note	2026	2025
Revenues	8	$ 54,398	$ 22,742
Cost of sales	9	23,512	11,232
Mine operating earnings		**30,886**	**11,510**
General and administrative expenses	17	3,936	4,524
Exploration expenses	18	4,596	2,363
Share-based compensation	12	356	420
Reclamation cost adjustment		-	(89)
Mine holding cost		562	-
Operating income		**21,436**	**4,292**
Net finance expenses	10	(414)	(1,246)
Foreign exchange gain		1,311	3,826
Gain on transaction		-	2,930
Other income		786	644
Loss on bargain purchase		-	(38,050)
Income (loss) before taxes		**23,119**	**(27,604)**
Income tax expense		(8,999)	(6,099)
Net income (loss) for the period		**14,120**	**(33,703)**
Other comprehensive income			
Foreign currency translation		(143)	(197)
Total comprehensive income (loss) for the period		**$ 13,977**	**(33,900)**
Basic income (loss) per share	12	$ 0.05	$ (0.15)
Diluted income (loss) per share	12	$ 0.05	$ (0.15)
Weighted average number of common shares outstanding (basic)		271,517,933	223,284,911
Weighted average number of common shares outstanding (diluted)		289,974,592	223,284,911

See notes to the consolidated financial statements

HELIOSTAR METALS LTD.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

	Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, March 31, 2025	244,113,685	$ 92,752	$ 10,188	$ 43	$ (41,441)	$ 61,542
Shares issued on vesting of share units	1,499,579	342	(342)	-	-	-
Warrants exercised	17,560,685	4,276	(22)	-	-	4,254
Options exercised	1,626,248	992	(455)	-	-	537
Share-based compensation	-	-	1,001	-	-	1,001
Income for the period	-	-	-	702	12,407	13,109
Balance, December 31, 2025	264,800,197	98,362	10,370	745	(29,034)	80,443
Shares issued on vesting of share units	50,000	28	(28)	-	-	-
Warrants exercised	11,417,430	2,550	(50)	-	-	2,500
Options exercised	495,716	194	(101)	-	-	93
Share-based compensation	-	-	356	-	-	356
Income for the period	-	-	-	(143)	14,120	13,977
Balance, March 31, 2026	**276,763,343**	**$ 101,134**	**$ 10,547**	**$ 602**	**$ (14,914)**	**$ 97,369**

See notes to the consolidated financial statements

HELIOSTAR METALS LTD.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

	Three Months ended March 31, 2026	2025
Cash provided by (used in):		
Operating activities		
Income (loss) for the period	$ 14,120	$ (33,703)
Items not affecting cash:		
Accretion of provision for reclamation and closure	586	646
Depreciation	2,351	1,520
Share-based payments	356	284
Unrealized foreign exchange on reclamation	-	(926)
Fees on note purchase agreement, paid with shares, interest	-	129
Income tax expense	7,836	4,775
Net increase in deferred tax liabilities	1,164	2,032
Reclamation cost adjustment	-	(89)
Gain on extinguishment of transaction	-	(2,942)
Loss on acquisition	-	36,070
Reclamation payments	(570)	(2,685)
Taxes paid	(6,336)	(972)
Net change in non-cash working capital		
Amounts receivable	(15,539)	3,369
Inventories	(6,380)	(1,983)
Prepaid amounts and advances	3,868	258
Other current assets	(1,623)	143
Accounts payable and accrued liabilities	4,577	931
Income taxes payable	(3,022)	511
	$ 1,388	$ 7,368
Investing activities		
Net additions of mineral properties and property, plant and equipment	(701)	1,257
Net additions of exploration and evaluation assets	(5,018)	163
Net cash outflow on acquisition	-	(687)
	$ (5,719)	$ 733
Financing activities		
Proceeds from warrants and stock options exercised	2,593	975
Proceeds from share issuance, net of share issue costs	-	12,663
Debt issuance costs	-	(204)
Subscriptions recevied	-	15
Proceeds from loan	-	1,765
Repayment of loan	-	(4,638)
	$ 2,593	$ 10,576
Effect of foreign exchange on cash	(144)	3,123
Change in cash	(1,882)	21,800
Cash, beginning of the year	40,623	5,385
Cash, end of period	$ 38,741	$ 27,185
Schedule of Non-cash Investing and Financing Transactions		
Fair value of broker's warrants	$ -	$ 74
Shares issued on vesting of share units	28	124
Fees shares issued on loan	-	610

1. NATURE OF OPERATIONS

Heliostar Metals Ltd., together with its subsidiaries (collectively, the "Company" or "Heliostar"), is a publicly traded corporation, incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), with its registered office at 1723-595 Burrard Street, Vancouver, BC, V7X 1J1. The Company is trading on the TSX Venture Exchange (TSX-V) under the trading symbol "HSTR" and on the OTCQX under the trading symbol "HSTXF."

The Company is a producer of precious metals and is actively engaged in the acquisition, exploration, and development of mineral resource properties. It is currently focused on gold production. The Company holds a portfolio of 100%-owned assets in Mexico, comprising the producing San Agustin and La Colorada gold mines, and Ana Paula, Cerro del Gallo and San Antonio development projects, as well as the Unga project in the USA.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The condensed consolidated interim financial statements have been prepared on a historical cost basis.

Since these condensed consolidated interim financial statements do not include all disclosures required by IFRS Accounting Standards for annual consolidated financial statements, they should be read in conjunction with the Company's audited annual consolidated financial statements for the nine months ended December 31, 2025.

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The judgements, estimates and assumptions made in preparing these condensed consolidated interim financial statements are consistent with those disclosed in the Company's consolidated financial statements for the nine months ended December 31, 2025.

These condensed consolidated interim financial statements are presented in US dollars and include the accounts of the Company and its wholly owned subsidiaries.

During the prior fiscal period, the Company changed its financial year-end from March 31 to December 31. As a result, the Company's most recent consolidated financial statements were prepared for the nine-month period ended December 31, 2025. The condensed consolidated interim financial statements for the three months ended March 31, 2026, represent the first interim reporting period under the Company's new December 31 fiscal year end. Accordingly, this is the first time the Company is presenting comparative financial information for the three-month period ended March 31, 2025, and the comparative information differs from that presented in prior interim financial statements and may not be directly comparable to previously reported quarterly results.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in preparing these condensed consolidated interim financial statements are the same as those followed in preparing the most recent audited consolidated financial statements. For a complete summary of significant accounting policies, please refer to the Company's audited consolidated financial statements for the nine months ended December 31, 2025.

<u>Accounting standards adopted in the period</u>

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments

(Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the 'solely payments of principal and interest' criterion, including financial assets that have environmental, social and corporate governance linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026. The Company adopted these amendments effective January 1, 2026, retrospectively with no restatement of comparative information, in accordance with the transition requirements on initial application of IFRS 9. This adoption did not have a material impact on the financial statements.

New accounting standards issued but not yet effective

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

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instrument classification and measurement

The Company classifies the fair value of these transactions according to the following hierarchy.

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Fair values of financial assets and liabilities

The Company's financial instruments include cash, trade receivables, and accounts payable and accrued liabilities. All financial instruments recorded at amortized cost approximate their fair value due to the short-term nature of these instruments.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")

Financial assets measured at FVTPL are assets which do not qualify as financial assets at amortized cost or those not designated in hedge relationships.

Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. Individual components of market risk are discussed below.

Interest rate risk

The Company is not exposed to significant interest rate risk as it has no outstanding debt and any interest income from interest bearing financial assets is not material.

Currency risk

The Company's main property interests in Alaska, USA, and in Mexico, make it subject to foreign currency fluctuations which may adversely affect the Company's consolidated statements of financial position, consolidated statements of income or loss and comprehensive income or loss and consolidated statements of cash flows. The Company is affected by changes in exchange rates among the Canadian Dollar, the US Dollar and the Mexico peso. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of approximately $8,557 denominated in Canadian dollars and $159,946 denominated in Mexican pesos as of March 31, 2026. A 10% change in the absolute rate of exchange in the foreign currencies would have an effect of $1,674 to the net income

Price risk

This risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, and movements in the stock market to determine the appropriate course of action to be taken. Commodity markets are influenced by global supply and demand dynamics, geopolitical developments, macroeconomic conditions, and market sentiment. The Company notes that due to current volatility in base and precious metal prices, exposure to price fluctuations may impact the Company's future cash flows and financial performance.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada, the United States and Mexico; accordingly, the Company believes it is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at March 31, 2026, the Company had a cash balance of $38,741 and accounts payable and accrued liabilities of $23,474.

(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

5. EXPLORATION AND EVALUATION ASSETS

	USA	Mexico				Total
	Alaska	Sonora	Guerrero	Guanajuato	La Paz	
	Unga	Heliodor	Ana Paula	Cerro del Gallo	San Antonio	
March 31, 2025	**$ 3,259**	**$ 3,942**	**$ 10,897**	**$ 590**	**$ 990**	**$ 19,678**
Additions	-	-	3,844	-	-	3,844
Impairment	-	(2,742)	-	-	-	(2,742)
Changes in closure and reclamation	-	-	302	-	-	302
Foreign currency translation	175	-	-	-	-	175
December 31, 2025	**3,434**	**1,200**	**15,043**	**590**	**990**	**21,257**
Additions	185	-	4,833	-	-	5,018
March 31, 2026	**$ 3,619**	**$ 1,200**	**$ 19,876**	**$ 590**	**$ 990**	**$ 26,275**

a) *Unga Project, Alaska, USA*

The Unga Project is comprised of patented Alaska State claims and Alaskan Native Corporation lands. The Company owns 100% of the patented claims and the state claims in the Unga Project.

On July 1, 2019, (amended on August 29, 2019), the Company signed an exploration agreement with an option to lease with The Aleut Corporation ("TAC") (the "Agreement"). The Agreement provides for an exploration license with a follow-on 20-year extendable mining lease on TAC's properties which form part of the Company's "Unga Project." On September 5, 2025, the company negotiated a second amendment to the Agreement which extended the Option Period to December 31, 2031 (previously May 16, 2027). On August 21, 2025, the Company renewed its surface access agreement with the Shumagin Corporation ("TSC"). The agreement provides access to the Company's mineral exploration license underlain by TSC's property which forms part of the Company's "Unga Project" until December 31, 2034.

Pursuant to the Agreement, the Company is required to complete the following

	Cash	(a)	Exploration Expenditure on the Property	(b)
July 2020 – July 2023	365	(i)	2,700	(ii)
July 1, 2024	85	(i)	700	(ii)
July 1, 2025	90	(i)	625	(ii)
July 1, 2026	95	(i)	687	(iii)
July 1, 2027	100		750	
July 1, 2028	105		812	
July 1, 2029	` 110		875	
July 1, 2030	115		937	
July 1, 2031	120		1,000	
	$ 1,185		$ 9,086	

(a) The cash amount includes the option payments
(b) The first year's year begins from July 1, 2019. Subsequent option years commence on January 1 and end December 31.
(i) Paid
(ii) Incurred
(iii) Partially incurred
(iv) Unpaid

b) ***North Sonora (formerly Heliodor), Sonora, Mexico***

As part of the acquisition of Heliodor Metals Limited ("Heliodor") in August 2020, the Company acquired 100% interest in the Oso Negro, La Lola and Cumaro projects located in the northern part of Mexico's Sonora state. The Oso Negro project is subject to a 1% net smelter royalty that the Company can buy for US$500, La Lola project is subject to a 2% net smelter royalty, with the option to buy 1% for $1,750, and Cumaro project is subject to a 2% net smelter royalty with the option to buy 1% for $1,000.

During the period ended December 31, 2025, the Company recognized an impairment charge of $2,742 in relation to the North Sonora project. An impairment indicator was triggered under IFRS 6 as no further substantive expenditure was planned on the asset while the Company's strategic priorities focus on development of other exploration programs. The asset was written down to a recoverable amount of $1,200 using the fair value less costs of disposal method. The recoverable amount was determined using observable arm's length market evidence in the form of a third-party sales agreement (refer to Note 21). The Company did not use any valuation assumptions or unobservable inputs to determine the amount. As at March 31, 2026, the assets' recoverable amount remained consistent with the amount determined at December 31, 2025. Consequently, no adjustment was required for the three-month period ended March 31, 2026.

On March 2, 2026, the Company entered into a binding letter agreement with Zacatecas Silver Corp. ("Zacatecas Silver") pursuant to which the Company will grant Zacatecas the option to acquire a 100% interest of the North Sonora project consisting of the Cumaro, La Lola, Oso Negro, and Ejutla early-stage exploration projects, subject to staged payments over a 36-month period. The total consideration consists of $450 in cash and $750 in shares in Zacatecas Silver, with $150 in cash and $300 in shares due upon closing. The Company will also retain a 2% net smelter return royalty (NSR) on the properties, with 1% available for repurchase any time prior to commercial production for $2,000. The transaction is expected to close in the second quarter of 2026.

c) ***Ana Paula, Guerrero, Mexico***

The Ana Paula Project is an advanced-stage, gold development project located in the state of Guerrero, Mexico ("Ana Paula Project") and is 100% owned by the Company.

Prior to November 2025, the Company expensed all Ana Paula project exploration and evaluation expenditures as incurred. Starting in November 2025, due to new technical results, further exploration and technical study plans, and profitability models, management determined that there is a high degree of confidence that future economic benefits will flow to the Company from the project. In accordance with the Company's accounting policy, expenditures from November 2025 onwards were capitalized.

d) ***Cerro del Gallo, Guanajuato, Mexico***

The Cerro del Gallo Project is a 100% owned gold-silver project in the Guanajuato state of Mexico, acquired as part of the Florida Canyon Gold Inc. ("FCGI") assets on November 7, 2024.

e) ***San Antonio, Baja California Sur, Mexico***

The San Antonio Project is a 100% owned gold project in the state of Baja California Sur, Mexico, acquired as part of FCGI assets on November 7, 2024.

(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

6. MINERAL PROPERTIES, PROPERTY, PLANT AND EQUIPMENT

	Mineral properties	Land and buildings	Furniture and other equipment	Vehicles	Machinery and equipment	Construction in Progress	Total
Cost							
Balance - March 31, 2025	**$ 4,425**	**$ 3,967**	**$ 671**	**$ 1,759**	**$ 12,137**	**$ -**	**$ 22,959**
Additions	3,132	-	-	48	-	798	3,978
Asset retirement costs	1,848	-	-	-	-	-	1,848
Disposals	-	-	-	(5)	-	-	(5)
Foreign Currency Adjustment	-	-	-	7	-	-	7
Balance - December 31, 2025	**$ 9,405**	**$ 3,967**	**$ 671**	**$ 1,809**	**$ 12,137**	**$ 798**	**$ 28,787**
Additions	-	-	-	80	-	621	701
Balance - March 31, 2026	**$ 9,405**	**$ 3,967**	**$ 671**	**$ 1,889**	**$ 12,137**	**$ 1,419**	**$ 29,488**
Accumulated depreciation							
Balance - March 31, 2025	**$ -**	**$ 478**	**$ 18**	**$ 366**	**$ 930**	**$ -**	**$ 1,792**
Depreciation and depletion	172	784	16	270	1,837	-	3,079
Foreign Currency Adjustment	-	-	-	6	-	-	6
Balance - December 31, 2025	**$ 172**	**$ 1,262**	**$ 34**	**$ 642**	**$ 2,767**	**$ -**	**$ 4,877**
Depreciation and depletion	996	261	24	90	980	-	2,351
Balance - March 31, 2026	**$ 1,168**	**$ 1,523**	**$ 58**	**$ 732**	**$ 3,747**	**$ -**	**$ 7,228**
Carrying amounts							
Balance - December 31, 2025	$ 9,233	$ 2,705	$ 637	$ 1,167	$ 9,370	$ 798	$ 23,910
Balance - March 31, 2026	**$ 8,237**	**$ 2,444**	**$ 613**	**$ 1,157**	**$ 8,390**	**$ 1,419**	**$ 22,260**

During the three months ended March 31, 2026, $2,306 of depreciation and depletion was allocated to inventory and cost of sales (three months ended March 31, 2025 – $1,060) and $45 to general and administrative expenses (March 31, 2025 – $33).

7. RECLAMATION AND CLOSURE COST PROVISIONS

The Company recognized a provision for reclamation related to the environmental restoration and closure costs associated with La Colorada mine, San Agustin mine, El Castillo mine and the Ana Paula project. Significant reclamation and closure activities include land rehabilitation, decommissioning of buildings and mine facilities, and other costs.

The timing of cash flows has been based on the estimated mine lives using current reserves and the present value of future cash flows. Reclamation costs related to El Castillo are currently being incurred and reclamation costs for all mines are expected to be settled by 2038. The model assumes risk-free rates ranging between 8.2% and 9.1% and estimated inflation rate of 3.1%. As of March 31, 2026, the total undiscounted expected future cash flows of the Company's reclamation and closure cost provisions were $42,695 (December 31, 2025 – $43,266).

(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

	Ana Paula	El Castillo	San Agustin	La Colorada	Total
Balance at March 31, 2025	$ 277	$ 9,617	$ 11,606	$ 5,481	$ 26,981
Change in estimate	302	2,761	(197)	2,045	4,911
Reclamation expenditures (payments)	-	(1,042)	-	-	(1,042)
Accretion	19	638	570	432	1,659
Foreign exchange loss	-	728	-	-	728
Balance at December 31,2025	**$ 598**	**$ 12,702**	**$ 11,979**	**$ 7,958**	**$ 33,237**
Reclamation expenditures (payments)	-	(570)	-	-	(570)
Accretion	12	123	273	178	586
Balance at March 31, 2026	**$ 610**	**$ 12,255**	**$ 12,252**	**$ 8,136**	**$ 33,253**
Current portion of reclamation provision	31	7,576	920	98	8,625
Non-current portion of reclamation provision	579	4,679	11,332	8,038	24,628

8. REVENUES

	Three Months ended March 31, 2026	2025
Gold Dore	$ 48,399	$ 21,856
Silver Dore	1,009	730
Gold Carbon	5,067	249
Silver Carbon	241	6
Provisional pricing adjustments	64	-
Gross revenue	$ 54,780	$ 22,841
Refining costs	(382)	(99)
Revenue	**$ 54,398**	**$ 22,742**

Provisional revenue adjustments account for commodity price fluctuations in carbon sales still subject to final settlement.

9. COST OF SALES

	Three Months ended March 31, 2026	2025
Mine	$ 7,897	$ 2,085
Crushing	2,826	1,169
Processing	12,083	4,907
Mine general and administrative and royalties	4,252	2,714
Refining and desorption	696	435
Change in inventories	(5,771)	(1,254)
Maintenance cost (indirect)	-	116
Depreciation	1,529	1,060
	$ 23,512	**$ 11,232**

(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

10. NET FINANCE EXPENSES

		Three Months ended March 31, 2026		2025
Accretion of provision for reclamation and closure		586		646
Interest (income) expense		(187)		871
Accretion (reimbursement) on other long-term liabilities		15		(271)
	$	**414**	**$**	**1,246**

11. CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, cash flows generated from operations, and debt. Future financing is dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the three months ended March 31, 2026. The Company is not subject to externally imposed capital requirements.

12. SHARE CAPITAL

a) Authorized:

At March 31, 2026, and December 31, 2025, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Share Issuances:

For the period ended March 31, 2026:

For the period ended March 31, 2026, the Company issued 11,963,146 common shares upon the exercise of warrants, options and vested RSUs.

Subsequent to March 31, 2026, the Company issued 756,252 shares upon vesting of RSUs. Also subsequent to period end, the company issued 1,593,213 shares pertaining to the Goldstrike acquisition.

For the period ended December 31, 2025:

For the year ended December 31, 2025, the Company issued 20,686,512 common shares upon the exercise of warrants, options and vested RSUs.

c) Share Purchase Option Compensation Plan:

The Company has established a stock option plan whereby the Company may grant options to directors, officers, employees, and consultants of up to 10% of the common shares outstanding at the time of grant. Exercise prices on options granted under the plan cannot be lower than the market price of one share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by TSX Venture Exchange, and the term cannot exceed 10 years. The vesting period of each option is determined by the board of directors within regulatory guidelines. Options vest in three separate tranches based on service conditions.

Stock option transactions and the number of stock options for the period ended March 31, 2026, and December 31, 2025, are summarized as follows, with exercise prices expressed in Canadian dollars:

(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

Expiry date	Exercise price (C$)	December 31, 2025	Granted	Exercised	Expired / Cancelled	March 31, 2026
July 29, 2026	$ 1.00	155,000	-	(15,000)	-	140,000
December 6, 2026	$ 0.72	820,000	-	(2,800)	-	817,200
March 27, 2028	$ 0.30	7,520,000	-	(346,250)	-	7,173,750
December 5, 2028	$ 0.33	1,500,000	-	-	-	1,500,000
December 11, 2028	$ 0.30	200,000	-	-	-	200,000
September 17, 2029	$ 0.42	4,393,336	-	(131,666)	-	4,261,670
December 5, 2029	$ 0.70	200,000	-	-	-	200,000
March 3, 2030	$ 0.82	500,000	-	-	-	500,000
April 24, 2030	$ 1.05	700,000	-	-	-	700,000
December 1, 2030	$ 2.63	250,000	-	-	-	250,000
March 3, 2031	$ 2.94	-	200,000			200,000
Options outstanding		16,238,336	200,000	(495,716)	-	15,942,620
Options exercisable		13,593,336				14,533,284
Weighted average exercise price (C$)		$ 0.45	$ 2.94	$ 0.36	$ -	$ 0.49

Expiry date	Exercise price (C$)	March 31, 2025	Granted	Exercised	Expired / Cancelled	December 31, 2025
September 4, 2025	$ 1.73	1,315,333	-	-	(1,315,333)	-
January 15, 2026	$ 1.44	125,000	-	(125,000)	-	-
July 29, 2026	$ 1.00	220,000	-	(50,000)	(15,000)	155,000
August 11, 2026	$ 1.00	15,000	-	(15,000)	-	-
December 6, 2026	$ 0.72	1,090,000	-	(225,000)	(45,000)	820,000
March 27, 2028	$ 0.30	8,467,918	-	(947,918)	-	7,520,000
December 5, 2028	$ 0.33	1,500,000	-	-	-	1,500,000
December 11, 2028	$ 0.30	200,000	-	-	-	200,000
September 17, 2029	$ 0.42	4,660,000	-	(263,330)	(3,334)	4,393,336
December 5, 2029	$ 0.70	200,000	-	-	-	200,000
March 3, 2030	$ 0.82	500,000	-	-	-	500,000
April 24, 2030	$ 1.05	-	700,000	-	-	700,000
December 1, 2030	$ 2.63	-	250,000	-	-	250,000
Options outstanding		18,293,251	950,000	(1,626,248)	(1,378,667)	16,238,336
Options exercisable		14,153,251				13,593,336
Weighted average exercise price (C$)		$ 0.50	$ 1.47	$ 0.49	$ 1.68	$ 0.45

As of March 31, 2026, the weighted average contractual remaining life is 2.63 years (December 31, 2025 – 2.84 years) and the weighted average exercise price for options exercisable is C$0.43 (December 31, 2025 – C$0.38).

For the three months ended March 31, 2026, the Company recognized $240 (three months ended March 31, 2025 - $238) in share-based payments expense for the fair value of stock options. The following table summarizes the weighted average assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of stock options:

	March 31, 2026	December 31, 2025
Expected dividend yield	Nil	Nil
Expected stock price volatility	80.07%	87.66%
Fair value of stock price	$2.72	$1.42
Risk-free interest rate	2.79%	2.80%
Fair value	$1.74	$0.95
Forfeiture rate	Nil	Nil
Expected life of options	5 years	5 years

Expected stock price volatility is estimated based on historical volatility of the Company's share price, calculated over a period that is commensurate with the expected life of the option.

(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

d) Warrants

A continuity of warrants for the three months and nine months ended March 31, 2026, and December 31, 2025, is as follows:

Expiry date	Exercise price (C$)	December 31, 2025	Issued	Exercised	Expired	March 31, 2026
March 16, 2026	$ 0.30	332,681	-	(325,481)	(7,200)	-
March 16, 2026	$ 0.30	11,107,403	-	(11,091,949)	(15,454)	-
October 15, 2026	$ 0.90	5,000,000	-	-	-	5,000,000
January 28, 2027	$ 0.42	809,000	-	-	-	809,000
Outstanding		17,249,084	-	(11,417,430)	(22,654)	5,809,000
Weighted average exercise price		$ 0.48	$ -	$ 0.30	$ 0.30	$ 0.83

Expiry date	Exercise price	March 31, 2025	Issued	Exercised	Expired	December 31, 2025
March 16, 2026	$ 0.30	416,045	-	(83,364)	-	332,681
March 16, 2026	$ 0.30	22,962,647	-	(11,855,244)	-	11,107,403
December 8, 2025	$ 0.40	5,497,718	-	(5,444,718)	(53,000)	-
June 21, 2025	$ 0.27	177,359	-	(177,359)	-	-
October 15, 2026	$ 0.90	5,000,000	-	-	-	5,000,000
January 28, 2027	$ 0.42	809,000	-	-	-	809,000
Outstanding		34,862,769	-	(17,560,685)	(53,000)	17,249,084
Weighted average exercise price		$ 0.40	$ -	$ 0.33	$ 0.40	$ 0.48

The weighted average remaining life of the outstanding warrants at March 31, 2026, is 0.58 years (December 31, 2025 – 0.42 years).

e) Restricted shares units (RSU)

	Number of RSUs
Outstanding, March 31, 2025	3,392,503
Granted	350,000
Cancelled	(100,000)
Vested and settled	(1,499,579)
Outstanding, December 31, 2025	2,142,924
Granted	50,000
Vested and settled	(50,000)
Vested and not settled	(739,586)
Outstanding, March 31, 2026	1,403,338

For the three months ended March 31, 2026, the Company recognised share-based compensation expense of $116 (March 31, 2025 - $182) for the RSUs.

739,586 RSUs vested on March 27, 2026, and were settled subsequent to period-end, in April 2026.

(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

f) Diluted earnings per share

		Three Months ended March 31,		
		2026		**2025**
Net income (loss)	$	14,120	$	(33,703)
Basic weighted average number of outstanding shares		271,517,933		223,284,911
Effect of dilutive securities:				
Share purchase options		13,079,451		-
Warrants		4,008,314		-
Restricted share units		1,368,894		-
Diluted weighted average number of shares outstanding		289,974,592	-	223,284,911
Diluted earnings (loss) per share	$	**0.05**	**$**	**(0.15)**

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2026		**December 31, 2025**
Accounts payable	$	12,730	$	9,074
Witholding taxes payable		191		1,136
Wages and bonus accruals		4,509		2,537
Other accrued liabilities		6,044		6,061
	$	**23,474**	**$**	**18,808**

14. TRADE AND OTHER RECEIVABLES

		March 31, 2026		**December 31, 2025**
Trade receivables	$	11,741	$	218
VAT Receivable		16,689		12,673
	$	**28,430**	$	**12,891**

15. INVENTORIES

		March 31, 2026		**December 31, 2025**
Finished goods	$	5,723	$	3,343
Work-in-process		19,877		15,283
Ore stockpile		408		835
Supplies		8,818		8,985
	$	**34,826**	$	**28,446**

In the three months ended March 31, 2026, $20,990 of inventory was included in cost of sales (March 31, 2025 - $9,224). There was no inventory obsolescence recognized in the periods ended March 31, 2025 and 2026.

16. PREPAID AMOUNTS AND ADVANCES

		March 31, 2026		**December 31, 2025**
Prepaid amounts and advances	$	6,139	$	5,263
Prepaid income tax		4,392		9,136
	$	**10,531**	**$**	**14,399**
Current portion of prepaid amounts		8,248		4,147
Non-current prepaid amounts		2,283		10,252

(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

17. GENERAL AND ADMINISTRATIVE EXPENSES

	Three Months ended March 31, 2026	2025
Investor relations and marketing	$ 525	$ 454
Office expenses	259	1,062
Personnel	2,389	2,216
Professional and regulatory fees	285	214
Other	478	578
	$ 3,936	**$ 4,524**

18. EXPLORATION EXPENSES

	Three Months ended March 31, 2026	2025
Unga project	$ 196	34
Heliodor project	50	18
Ana Paula project	-	1,183
San Antonio project	495	164
Cerro del Gallo	2,536	82
La Colorada	915	805
San Agustin	404	77
	$ 4,596	**$ 2,363**

19. SEGMENTED DISCLOSURE

The Company's operating segments are based on the key information reviewed by the Company's chief operating decision makers ("CODM") in assessing performance. Following the FCGI Transaction, the Company revised its operating segments to align with the new level of information required by its CODM. The operating segments are the La Colorada and San Agustin mines, and El Castillo mine, which is in reclamation, all located in Mexico. The company has one development project, Ana Paula, located in Mexico. The Exploration segment consists of projects in the exploration and evaluation phases in Mexico and the USA.

For the three months ended March 31		Revenue	Cost of sales, net of depreciation	Depletion and amortization	Mine operating earnings	Exploration expense	G&A, net of depreciation	Net earnings (loss)
La Colorada	**2026**	29,485	(11,290)	(147)	18,048	(915)	(240)	11,902
	2025	9,281	(3,169)	(75)	6,037	(805)	(274)	3,890
San Agustin	**2026**	23,414	(10,393)	(1,381)	11,640	(404)	(233)	7,758
	2025	12,034	(5,683)	(1,346)	5,005	(78)	(80)	1,857
El Castillo	**2026**	1,499	(300)	(1)	1,198	-	(237)	399
	2025	1,427	(955)	(4)	468	-	149	617
Ana Paula	**2026**	-	-	(15)	-	-	(403)	(458)
	2025	-	-	(55)	-	(1,183)	(1,488)	(2,856)
Exploration	**2026**	-	-	(30)	-	(3,277)	(1,073)	(4,133)
	2025	-	-	(7)	-	(297)	(115)	(113)
Corporate	**2026**	-	-	-	-	-	(1,705)	(1,348)
	2025	-	-	-	-	-	(2,654)	(37,098)
Consolidated	**2026**	54,398	(21,983)	(1,574)	30,886	(4,596)	(3,891)	14,120
	2025	22,742	(9,807)	(1,487)	11,510	(2,363)	(4,462)	(33,703)

(Unaudited - Presented in thousands of US dollars, except share and per share amounts)

Non-current assets, excluding deferred tax assets, in Canada were $2 (December 31, 2025 - $2), the US $3,672 (December 31, 2025 - $3,493), and Mexico $47,144 (December 31, 2025 - $52,586).

At the period ended		Total Assets	Total Liabilities	Capital Expenditures
La Colorada	**March 31, 2026**	65,098	(19,702)	80
	December 31, 2025	56,335	(19,649)	-
San Agustin	**March 31, 2026**	56,941	(29,865)	-
	December 31, 2025	51,629	(39,646)	3,132
El Castillo	**March 31, 2026**	-	(12,256)	-
	December 31, 2025	-	(1,353)	-
Ana Paula	**March 31, 2026**	22,942	(2,783)	-
	December 31, 2025	17,443	(2,993)	-
Exploration	**March 31, 2026**	10,265	(491)	-
	December 31, 2025	9,925	585	48
Corporate	**March 31, 2026**	10,179	(2,959)	-
	December 31, 2025	10,097	(1,930)	-
Consolidated	**March 31, 2026**	165,425	(68,056)	80
	December 31, 2025	145,429	(64,986)	3,180

20. COMMITMENTS AND CONTINGENCIES

The Company has various commitments with local communities in the normal course of business, ranging in amounts and duration. The current portion of these commitments is estimated to be $2,292. The amount of commitments is uncertain due to the long-term nature of the agreements and no provision has been made in the condensed consolidated interim financial statements.

21. SUBSEQUENT EVENTS

On April 27, 2026, the Company acquired a 100% interest in the Goldstrike Project located in Utah, USA, from Liberty Gold Corp. (“Liberty”). The Goldstrike Project is a past-producing, Carlin-style oxide gold system comprising patented and unpatented mining claims and leased state lands. Consideration to Liberty of $72,500 is comprised of $10,000 in cash plus 1,593,213 Heliostar shares paid and issued on the Closing date (April 27, 2026), 10,000 in cash on the 12th-month anniversary of the closing date, 10,000 in cash on the 18th month anniversary of the closing date, 15,000 in cash on the earlier of the achievement of certain infrastructure-related milestones or five years from the Closing Date, and US$25M in cash on the earliest of completion of a Feasibility Study, a formal construction decision or the five-year anniversary of the Closing Date.