



**HELIOSTAR METALS LTD.  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the three and six months ended**

**September 30, 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	September 30, 2025	March 31, 2025
<b>Assets</b>			
Current assets			
Cash		\$ 34,576	\$ 27,185
Trade and other receivables	6	11,833	5,608
Inventories	7	28,261	25,519
Prepaid amounts and advances	8	3,210	1,963
Other current assets		54	1,038
		77,934	61,313
<b>Non-current</b>			
Non-current prepaid amounts	8	11,036	14,238
Exploration and evaluation assets	10	19,854	19,678
Deferred income tax assets		409	830
Mineral properties	9	5,793	4,425
Plant and equipment	9	14,855	16,742
		51,947	55,913
<b>Total assets</b>		\$ 129,881	\$ 117,226
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	11	14,615	14,576
Income taxes payable		13,299	1,610
Current portion of reclamation and closure cost provisions	12	2,840	3,404
Due to related parties		72	217
Current portion of provisions		408	73
		31,234	19,880
<b>Non-current</b>			
Provisions		212	481
Tax liability		-	7,966
Reclamation and closure cost provisions	12	26,737	23,577
Deferred income tax liabilities		3,198	2,695
Other non-current liabilities		1,001	1,085
		31,148	35,804
<b>Total liabilities</b>		62,382	55,684
<b>Shareholders' equity</b>			
Share capital	14	94,755	92,752
Accumulated other comprehensive income		622	43
Reserves	14	10,415	10,188
Deficit		(38,293)	(41,441)
<b>Total equity</b>		67,499	61,542
<b>Total liabilities and shareholders' equity</b>		\$ 129,881	\$ 117,226

Subsequent Events - Notes 9 & 14

These condensed interim consolidated financial statements are authorized for issue by the Board of Directors on November 20, 2025. They are signed on the Company's behalf by:

/s/ George R. Ireland, Director

/s/ Ramon Davila, Director

HELIOSTAR METALS LTD.

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

	Note	Three months ended September 30,		Six months ended September 30,	
		2025	2024 Restated (Note 4)	2025	2024 Restated (Note 4)
Revenues	15	\$ 26,765	\$ -	\$ 54,691	\$ -
Cost of sales	16	12,522	-	26,192	-
<b>Mine operating earnings</b>		14,243	-	28,499	-
General and administrative expenses	18	2,584	1,281	5,356	1,900
Exploration expenses	19	6,411	1,865	8,327	3,367
Share-based compensation	14	315	629	713	796
Mining holding cost		347	-	1,449	-
<b>Operating income (loss)</b>		4,586	(3,775)	12,654	(6,063)
Net finance expenses	17	(362)	(61)	(765)	(123)
Foreign exchange (loss) gain		1,276	65	(169)	132
Other expenses		(261)	1	(387)	(9)
<b>Income (loss) before taxes</b>		5,239	(3,770)	11,333	(6,063)
Income tax expenses		(3,983)	-	(8,185)	-
<b>Net income (loss) for the period</b>		1,256	(3,770)	3,148	(6,063)
<b>Other Comprehensive Income</b>					
Foreign currency translation		(274)	703	579	573
<b>Total comprehensive Income (loss) for the period</b>		982	(3,067)	3,727	(5,490)
<b>Basic income (loss) per share</b>		\$ 0.01	\$(0.02)	\$0.01	\$(0.03)
<b>Diluted income (loss) per share</b>	14	\$ 0.00	\$(0.02)	\$0.01	\$(0.03)
<b>Weighted average number of common shares outstanding (basic)</b>		250,998,439	203,092,190	249,935,460	194,873,990
<b>Weighted average number of common shares outstanding (diluted)</b>		285,356,721	203,092,190	282,749,256	194,873,990

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					Total Shareholders' Equity
	Number of Shares	Amount	Reserves	Accumulated Comprehensive Loss	Deficit	
<b>Balance, March 31, 2024</b>	184,292,180	\$69,459	\$9,079	\$1,076	\$(62,476)	\$17,138
Private placement	18,790,585	3,633	-	-	-	3,633
Shares issued on vesting of share units	739,581	151	(151)	-	-	-
Warrants exercised	423,794	94	-	-	-	94
Shares issuance costs - cash	-	(300)	-	-	-	(300)
Shares issuance costs - warrants	-	(30)	30	-	-	-
Share-based compensation	-	-	796	-	-	796
Loss for the period	-	-	-	573	(6,063)	(5,490)
<b>Balance, September 30, 2024</b>	204,246,140	73,007	9,754	1,649	(68,539)	15,871
<b>Balance, March 31, 2025</b>	244,113,685	92,752	10,188	43	(41,441)	61,542
Shares issued on vesting of share units	1,299,579	300	(300)	-	-	-
Warrants exercised	5,916,250	1,409	(21)	-	-	1,388
Options exercised	766,250	294	(165)	-	-	129
Share-based compensation	-	-	713	-	-	713
Income for the period	-	-	-	579	3,148	3,727
<b>Balance, September 30, 2025</b>	252,095,764	\$94,755	\$10,415	\$622	\$(38,293)	\$67,499

HELIOSTAR METALS LTD.

Condensed Consolidated Interim Statements of Cash Flows

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

	Six months ended	
	September 30, 2025	
	2025	2024
<b>Operating activities</b>		
Income (loss) for the period	\$3,148	\$(6,063)
Items not affecting cash:		
Accretion of consideration payable	-	111
Accretion of provision for reclamation and closure	1,106	16
Depreciation and depletion	2,049	48
Share-based payment	713	796
Unrealized foreign exchange	729	(29)
Income tax expense	8,185	-
<i>Net change in non-cash working capital</i>		
Amounts receivable	(6,225)	(5)
Inventories	(2,742)	-
Prepaid amounts and advances	1,955	(56)
Other current assets	984	-
Accounts payable and accrued liabilities	(7,945)	353
Income taxes payable	4,428	-
Reclamation payments	(556)	-
Due to related parties	(145)	(21)
	<u>\$5,684</u>	<u>\$(4,850)</u>
<b>Investing activities</b>		
Additions of mineral properties and PPE	(229)	(85)
<b>Financing activities</b>		
Proceeds from warrants and stock options exercised	1,517	-
Proceeds from share issuance, net of share issue costs	-	3,437
Loan proceeds	-	1,660
	<u>\$1,517</u>	<u>\$5,097</u>
Effect of foreign exchange on cash	419	1
<b>Change in cash</b>	<b>7,391</b>	<b>163</b>
<b>Cash, beginning of the year</b>	<b>27,185</b>	<b>555</b>
<b>Cash, end of period</b>	<b>\$34,576</b>	<b>\$718</b>
<b>Schedule of non-cash investing and financing transactions</b>		
Fair value of broker's warrants	\$-	\$124

## HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

---

### 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.” The Company is also trading on the OTCQX under the trading symbol “HSTXF.”

The Company is engaged in gold and silver mining, exploration and related activities in Mexico and Alaska. The Company, through acquisition of Florida Canyon Gold Inc.’s Mexican assets (refer to Note 5) in the prior year, became the operator of the open pit La Colorada gold mine (“La Colorada”) in Hermosillo, Mexico, and the open pit San Agustin gold mine (“San Agustin”) in Durango, Mexico.

### 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 financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss and fair value through other comprehensive income, which are stated at their fair value.

Since these 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 year ended March 31, 2025.

The preparation of consolidated 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 interim financial statements are consistent with those disclosed in the Company’s annual consolidated financial statements for the year ended March 31, 2025.

These consolidated financial statements are presented US dollars and include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation of these subsidiaries.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in preparing these financial statements are the same as those followed in preparing the most recent audited annual consolidated financial statements. For a complete summary of significant accounting policies, please refer to the Company’s audited annual consolidated financial statements for the year ended March 31, 2025

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

**4. CHANGE IN PRESENTATION CURRENCY**

During the year ended March 31, 2025, the Company changed its presentation currency to US dollars from Canadian dollars (“C\$”). This change in presentation currency better reflects the Company’s business activities and aligns operational reporting within the industry. The Company applied the presentation change retrospectively and restated the comparative financial information as if the presentation currency had always been US dollars:

	September 30, 2024	
	Previously reported in C\$	Restated in US\$
<b>Assets</b>		
Total current assets	\$ 1,377	\$ 1,021
Total non-current assets	27,337	20,252
<b>Total assets</b>	<b>28,714</b>	<b>21,273</b>
<b>Liabilities</b>		
Current liabilities	7,329	5,430
Non-current liabilities	665	493
<b>Total Liabilities</b>	<b>7,994</b>	<b>5,923</b>
<b>Shareholders' equity</b>		
Share capital	92,438	72,810
Accumulated other comprehensive income	283	1,519
Reserves	12,723	9,561
Deficit	(84,724)	(68,540)
<b>Total Equity</b>	<b>20,720</b>	<b>15,350</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 28,714</b>	<b>\$ 21,273</b>

Consolidated statement of loss and comprehensive loss:

	Three months ended September 30, 2024		Six months ended September 30, 2024	
	Previously reported in C\$	Restated in US\$	Previously reported in C\$	Restated in US\$
General and administrative expenses	\$ 1,741	\$ 1,281	\$ 2,597	\$ 1,900
Exploration expenses	2,520	1,865	4,600	3,367
Share-based compensation	856	629	1,087	796
<b>Operating loss</b>	<b>(5,117)</b>	<b>(3,775)</b>	<b>(8,284)</b>	<b>(6,063)</b>
Net finance expenses	(83)	(61)	(169)	(123)
Foreign exchange (loss) or gain	87	65	180	132
Other (expense) income	1	1	(12)	(9)
<b>Net income (loss) for the period</b>	<b>\$ (5,112)</b>	<b>\$ (3,770)</b>	<b>\$ (8,285)</b>	<b>\$ (6,063)</b>
<b>Other comprehensive income</b>				
Foreign currency translation	-	703	-	573
<b>Total comprehensive loss for the year</b>	<b>\$ (5,112)</b>	<b>\$ (3,067)</b>	<b>\$ (8,285)</b>	<b>\$ (5,490)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.03)</b>	<b>\$ (0.02)</b>	<b>\$ (0.04)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding (basic and diluted)</b>	<b>203,092,190</b>	<b>203,092,190</b>	<b>194,873,990</b>	<b>194,873,990</b>

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

Consolidated statement of cash flows

	Six months ended September 30, 2024	
	Previously reported in C\$	Restated in US\$
Net cash used in operating activities	\$ (6,628)	\$ (4,850)
Net cash used in financing activities	6,963	5,097
Net cash used in investing activities	(116)	(85)
Effect of foreign exchange on cash and cash equivalents	-	1
Change in cash during the year	219	163
Cash, beginning of the year	753	555
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 972</b>	<b>\$ 718</b>

**5. ACQUISITION OF FLORIDA CANYON GOLD INC. MEXICAN SUBSIDIARIES (“FCGI Transaction”)**

On November 7, 2024, the Company acquired 100% of the issued and outstanding shares of FCGI Mexican subsidiaries, being the shares held by FCGI, directly or indirectly, in each of Minexon S.A. de C.V., Compañía Minera Pitalla S.A. de C.V., Minera Real del Oro S.A. de C.V., Mineral Sud California S.A. de C.V., Kings-San Antón S.A. de C.V. and Timmins GoldCorp Mexico S.A. de C.V. (“FCGI Mexican subsidiaries”), pursuant to a share purchase agreement dated July 16, 2024, between FCGI and Heliostar. On closing of the FCGI Transaction, the Company paid \$5,000.

The Company has determined that this transaction represents a business combination with the Company identified as the acquirer, as defined in IFRS 3 Business Combinations. The Company began consolidating the operating results, cash flows and nets assets of FCGI Mexican subsidiaries from November 7, 2024, onwards.

The determination of the fair value of assets acquired and liabilities assumed is based on a detailed valuation of FCGI Mexican subsidiaries’ net assets, utilizing income, market, and cost valuation methods conducted with the assistance of an independent third party. The purchase price allocation for the FCGI

Transaction was finalized during the current reporting period. All identifiable assets acquired and liabilities assumed have been measured at their fair values as of the acquisition date, in accordance with IFRS 3. No further measurement period adjustments are anticipated.

As part of the FCGI Transaction, Heliostar and FCGI entered into termination agreements for the Ana Paula acquisition agreement and San Antonio option agreement. On November 7, 2024, the \$2,000 consideration payable on the earlier of the completion of a feasibility study for the Ana Paula project and January 1, 2025, was extinguished, resulting in a gain on extinguishment of transaction of \$1,763.

Given the significant change in mining environment in Mexico between the purchase agreement on July 11, 2024, and the acquisition date of November 7, 2024, as well as additional reserves being identified around the time of the acquisition, the transaction resulted in a gain on acquisition. Purchase price allocation was finalized in the year ended March 31, 2025.

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

Total consideration for the acquisition was valued at \$5,000 and allocated as follows on November 7, 2024:

Purchase Price Allocation	Final
Cash consideration paid	\$ (5,000)
Assets & liabilities:	
Cash	4,313
Current assets (excluding cash)	50,210
Current liabilities	(15,903)
Other non-current assets	2,697
Non-current liabilities	(31,936)
Machinery & Equipment – El Castillo	481
Machinery & Equipment - San Agustin	11,692
Machinery & Equipment - La Colorada	4,810
Exploration and Evaluation - Cerro Del Gallo	590
Exploration and Evaluation - San Antonio	990
Mineral properties - San Augustin Mine	1,330
Mineral properties - La Colorada Mine	2,690
Net assets acquired	31,964
Unallocated Cost of Acquisition (Bargain Purchase Gain)	(26,964)
Total assets allocated	\$ 5,000

**6. TRADE AND OTHER RECEIVABLES**

	September 30, 2025	March 31, 2025
Trade receivables	\$ 2,794	\$ 495
VAT Receivable	8,882	5,103
Other	157	10
	<b>\$ 11,833</b>	<b>\$ 5,608</b>

**7. INVENTORIES**

	September 30, 2025	March 31, 2025
Finished goods	\$ 2,754	\$ 1,616
Work-in-process	16,208	14,345
Ore stockpile	37	75
Supplies	9,262	9,483
	<b>\$ 28,261</b>	<b>\$ 25,519</b>

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

**8. PREPAID AMOUNTS AND ADVANCES**

	September 30, 2025		March 31, 2025	
Prepaid amounts and advances	\$	3,198	\$	1,374
Prepaid income tax		11,048		14,827
	\$	<b>14,246</b>	\$	<b>16,201</b>
Current portion of prepaid amounts		3,210		1,963
Non-current prepaid amounts		11,036		14,238

**9. MINERAL PROPERTIES, PROPERTY, PLANT AND EQUIPMENT**

	Mineral properties	Land and buildings	Furniture and other equipment	Vehicles	Machinery and equipment	Total
<b>Cost</b>						
Balance - March 31, 2024 (Restated Note 4)	-	\$687	36	\$390	\$-	\$ 1,113
Additions - FCGI transaction	4,020	3,320	135	1,391	12,137	21,003
Additions	-	-	502	-	-	502
Asset retirement costs	405	-	-	-	-	405
Foreign Currency Adjustment	-	(40)	(2)	(22)	-	(64)
Balance - March 31, 2025	\$4,425	\$3,967	\$ 671	\$1,759	\$12,137	\$22,959
Additions	181	-	-	48	-	229
Asset retirement costs	1,317	-	-	-	-	1,317
Foreign Currency Adjustment	-	-	-	7	-	7
<b>Balance – September 30, 2025</b>	<b>\$5,923</b>	<b>\$3,967</b>	<b>\$671</b>	<b>\$1,814</b>	<b>\$12,137</b>	<b>\$24,512</b>
<b>Accumulated depreciation</b>						
Balance - March 31, 2024	\$-	\$27	\$3	\$186	\$-	\$216
Depreciation and depletion	-	462	21	177	930	1,590
Foreign Currency Adjustment	-	(11)	(6)	3	-	(14)
Balance - March 31, 2025	\$-	\$478	\$18	\$366	\$930	\$1,792
Depreciation and depletion	130	523	11	162	1,223	2,049
Foreign Currency Adjustment	-	-	-	23	-	23
<b>Balance – September 30, 2025</b>	<b>\$130</b>	<b>\$1,001</b>	<b>\$29</b>	<b>\$551</b>	<b>\$2,153</b>	<b>\$3,864</b>
<b>Carrying amounts</b>						
Balance - March 31, 2025	\$4,425	\$3,489	\$653	\$1,393	\$11,207	\$21,167
<b>Balance – September 30, 2025</b>	<b>\$5,793</b>	<b>\$2,966</b>	<b>\$642</b>	<b>\$1,263</b>	<b>\$9,984</b>	<b>\$20,648</b>

Subsequently to September 30, 2025, the Company purchased additional land for \$3,028.

**10. EXPLORATION AND EVALUATION ASSETS**

	USA			Mexico		Total
	Alaska Unga	Noth Sonora	Guerrero Ana Paula	Guanajuato Cerro del Gallo	La Paz San Antonio	
March 31, 2024	\$3,372	\$4,182	\$11,672	\$-	\$-	\$19,226
Additions	85	-	-	590	990	1,665
Changes in closure and reclamation	-	-	(94)	-	-	(94)
Foreign currency translation	(198)	(240)	(681)	-	-	(1,119)
<b>March 31, 2025</b>	<b>\$3,259</b>	<b>\$3,942</b>	<b>\$10,897</b>	<b>\$590</b>	<b>\$990</b>	<b>\$19,678</b>
Foreign currency translation	175	-	1	-	-	176
<b>September 30, 2025</b>	<b>\$3,434</b>	<b>\$3,942</b>	<b>\$10,898</b>	<b>\$590</b>	<b>\$990</b>	<b>\$19,854</b>

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

**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).

Pursuant to the amendment, 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	(iii)
July 1, 2025	90	(iv)	625	(iii)
July 1, 2026	95		687	
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	
	<b>\$ 1,185</b>		<b>\$ 9,086</b>	

(a) The cash amount includes the option payments and the materials 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

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.

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

As part of the acquisition of Heliodor Metals Limited (“Heliodor”) in August 2020, the Company acquired the following North Sonora (formerly Heliodor) projects located in the northern portion of Mexico’s Sonora state:

The Company owns 100% interest in the Oso Negro, La Lola, and Cumaro projects, with Oso Negro 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 that the Company can buy 1% of such for US\$1,750, and Cumaro subject to a 2% net smelter royalty with the option to buy 1% for US\$1,000.

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

**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.

**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 FCGI assets on November 7, 2024 (Note 5).

**e) San Antonio, La Paz, 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 (Note 5).

**11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	September 30, 2025		March 31, 2025	
Accounts payable	\$	8,538	\$	8,949
Other payables and accrued liabilities		6,077		5,627
	\$	<b>14,615</b>	\$	<b>14,576</b>

**12. 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 Ana Paula project. Significant reclamation and closure activities include land rehabilitation, decommissioning of buildings and mine facilities, and other costs.

	Ana Paula	El Castillo	San Agustin	La Colorada	Total
Balance at March 31, 2024	\$361	\$-	\$-	\$ -	\$ 361
Addition - FCGI Transaction	-	12,008	10,827	5,246	28,081
Change in estimate	(94)	(89)	369	36	222
Reclamation expenditures (payments)	-	(2,685)	-	-	(2,685)
Accretion	31	405	438	212	1,086
Foreign exchange loss	-	(22)	(28)	(13)	(63)
Foreign Currency Adjustment	(21)	-	-	-	(21)
<b>Balance at March 31, 2025</b>	<b>\$277</b>	<b>\$9,617</b>	<b>\$11,606</b>	<b>\$5,481</b>	<b>\$26,981</b>
Accretion	6	213	190	144	553
Change in estimate	21	-	879	416	1,316
Foreign exchange loss	-	730	-	-	730
<b>Balance at June 30, 2025</b>	<b>\$304</b>	<b>\$10,560</b>	<b>\$12,675</b>	<b>\$6,041</b>	<b>\$29,580</b>
Reclamation expenditures (payments)	-	(556)	-	-	(556)
Accretion	6	213	190	144	553
<b>Balance at September 30, 2025</b>	<b>\$310</b>	<b>\$10,217</b>	<b>\$12,865</b>	<b>\$6,185</b>	<b>\$29,577</b>
Current portion of reclamation provision	-	2,840	-	-	2,840
Non-current portion of reclamation provision	310	7,377	12,865	6,185	26,737

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

---

**13. 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 incurring 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 six months ended September 30, 2025. The Company is not subject to externally imposed capital requirements.

**14. SHARE CAPITAL**

**a) Authorized:**

At September 30, 2025 and March 31, 2024, 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 September 30, 2025:**

The Company issued 5,916,250 common shares upon the exercise of warrants, 766,250 upon exercise of stock options and 1,299,579 on RSU conversion, for proceeds of \$1,517 and 1,393,667 options were cancelled.

Subsequently to September 30, 2025, The Company issued 4,485,191 shares upon the exercise of stock options and warrants for proceeds of \$1,116.

**For the year ended March 31, 2025:**

On June 21, 2024, the Company completed the initial tranche of its non-brokered private placement offering of 16,904,585 shares at C\$0.265 per share for approximately \$3,270 (C\$4,480) in gross proceeds. On August 8, 2024, the Company completed the final tranche of its non-brokered private placement offering of 1,886,000 shares at C\$0.265 per share for approximately \$365 (C\$500) in gross proceeds.

The Company paid finder's fees in connection with a portion of the financing, consisting of a cash fee of \$146 (C\$200). In addition, the Company issued the finders 554,718 non-transferable finder's warrants with grant date fair value of \$30. Each Finder's Warrant entitles the holder to purchase one share at a price of C\$0.265 for a period of 12 months.

On October 16, 2024, the Company completed a non-brokered private placement of 10,000,000 units at a price of C\$0.60 per Unit for gross proceeds of \$4,342 (C\$6,000). Each Unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of C\$0.90 per warrant for a period of 24 months following the closing date of the private placement. The Company incurred \$428 (C\$590) in cash share issue costs.

On November 4, 2024, the Company issued 1,500,000 shares with a fair value of \$588 to Dean Knight to establish the loan facility.

On March 28, 2025, the Company completed a bought deal equity financing, including the partial exercise of the underwriters' option, for 19,500,000 shares at a price of C\$1.00 per share for gross proceeds of

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

\$13,630 (C\$19,500). The Company incurred \$950 (C\$1,279) in cash share issue costs. In the year ended March 31, 2025, the Company issued 243,273 common shares upon the exercise of options and 9,031,400 from exercise of warrants, for gross proceeds of \$55 and \$2,060, respectively.

**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.

Stock option transactions and the number of stock options for the periods ended September 30, 2025 and March 31, 2025, are summarized as follows:

Expiry date	Exercise price (C\$)	March 31, 2025	Granted	Exercised	Expired / Cancelled	September 30, 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	-	(20,000)	(15,000)	185,000
August 11, 2026	\$1.00	15,000	-	-	-	15,000
December 6, 2026	\$0.72	1,090,000	-	(45,000)	(45,000)	1,000,000
March 27, 2028	\$0.30	8,467,918	-	(497,918)	-	7,970,000
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	-	(188,332)	(18,334)	4,453,334
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
Options outstanding		18,293,251	700,000	(751,250)	(1,393,667)	16,848,334
Options exercisable		14,153,251				12,389,445
Weighted average exercise price (C\$)		0.50	1.05	0.37	1.67	0.43

Expiry date	Exercise price (C\$)	March 31, 2024	Granted	Exercised	Expired / Cancelled	March 31, 2025
October 29, 2024	\$0.75	454,667	-	-	(454,667)	-
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	-	-	-	220,000
August 11, 2026	\$1.00	15,000	-	-	-	15,000
December 6, 2026	\$0.72	1,090,000	-	-	-	1,090,000
March 27, 2028	\$0.30	8,651,250	-	(183,332)	-	8,467,918
July 11, 2025	\$0.37	599,412	-	(59,941)	(539,471)	-
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	-	-	4,660,000
December 5, 2029	\$0.70		200,000	-	-	200,000
March 3, 2030	\$0.82		500,000	-	-	500,000
Options outstanding		14,170,662	5,360,000	(243,273)	(994,138)	18,293,251
Options exercisable		10,153,579				14,153,251
Weighted average exercise price (C\$)		0.49	0.47	0.32	0.54	0.48

As of September 30, 2025, the weighted average contractual remaining life is 3.00 years (March 31, 2025 – 3.22

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

years). The weighted average exercise price for options exercisable as at September 30, 2025, is C\$0.40 (March 31, 2025 – C\$0.48).

For the six months ended September 30, 2025, the Company recognized \$434 (September 30, 2024 – \$684) in share-based compensation expense for the fair value of stock options granted and vested. The following table summarizes the weighted average assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of stock options:

	September 30, 2025	March 31, 2025
Expected dividend yield	Nil	Nil
Expected stock price volatility	91.73%	101.96%
Fair value of stock price	C\$1.00	C\$0.47
Risk-free interest rate	2.79%	2.71%
Fair value	C\$0.71	C\$0.33
Forfeiture rate	Nil	Nil
Expected life of options	5 years	5 years

**d) Warrants**

A continuity of warrants for the periods ended September 30, 2025 and March 31, 2025, is as follows:

Expiry date	Exercise price (C\$)	March 31, 2025	Issued	Exercised	Expired	September 30, 2025
June 21, 2025	\$0.27	177,359	-	(177,359)	-	-
December 8, 2025	\$0.40	5,497,718	-	(345,832)	-	5,151,886
March 16, 2026	\$0.30	416,045	-	(72,637)	-	343,408
March 16, 2026	\$0.30	22,962,647	-	(5,320,422)	-	17,642,225
October 15, 2026	\$0.90	5,000,000	-	-	-	5,000,000
January 28, 2027	\$0.42	809,000	-	-	-	809,000
Outstanding		34,862,769	-	(5,916,250)	-	28,946,519
Weighted average exercise price (C\$)		\$0.40	-	\$0.30	-	\$0.42

Expiry date	Exercise price (C\$)	March 31, 2024	Issued	Exercised	Expired	March 31, 2025
August 2, 2024	\$ 0.75	6,010,000	-	-	(6,010,000)	-
August 2, 2024	\$ 0.75	29,400	-	-	(29,400)	-
January 11, 2025	\$ 0.70	9,459,512	-	(378,400)	(9,081,112)	-
January 11, 2025	\$ 0.37	111,894	-	-	(111,894)	-
June 21, 2025	\$ 0.27	-	554,712	(377,353)	-	177,359
December 8, 2025	\$ 0.40	5,866,504	-	(368,786)	-	5,497,718
March 16, 2026	\$ 0.30	2,521,461	-	(2,105,416)	-	416,045
March 16, 2026	\$ 0.30	28,764,092	-	(5,801,445)	-	22,962,647
October 15, 2026	\$ 0.90	-	5,000,000	-	-	5,000,000
January 28, 2027	\$ 0.42	-	809,000	-	-	809,000
Outstanding		52,762,863	6,363,712	(9,031,400)	(15,232,406)	34,862,769
Weighted average exercise price (C\$)		\$0.43	\$0.78	\$0.32	\$0.72	\$0.40

The weighted average remaining life of the outstanding warrants as at September 30, 2025 is 0.53 years (March 31, 2025 – 1.02 years). The Company did not issue any finder's warrants during the period ended September 30, 2025 (2024 fair value: \$74).

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

The following table summarizes the weighted average assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of the finder's warrants:

<b>March 31, 2025</b>	
Risk-free interest rate	3.27%
Expected stock price volatility	76.89%
Expected warrant life in years	1.59 years
Fair value	C\$0.24
Expected dividend yield	Nil
Share price on grant date	C\$0.48

**e) Restricted shares units (RSU)**

	<b>Number of RSUs</b>
Outstanding, March 31, 2024	2,768,750
Granted	1,380,000
Vested and settled	(756,247)
Outstanding, March 31, 2025	3,392,503
Granted	150,000
Vested and settled	(1,299,579)
<b>Outstanding, September 30, 2025</b>	<b>2,242,924</b>

On September 17, 2025, 393,350 RSUs vested with a fair value on the grant date of \$0.39 per RSU.

For the period ended September 30, 2025, the Company has recognised share-based compensation expense of \$279 (September 30, 2024: \$111) for the RSUs.

**f) Diluted earnings per share**

	<b>Three months ended September 30</b>		<b>Six months ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net income (loss)	\$ 1,256	\$ (3,770)	\$ 3,148	\$ (6,063)
Basic weighted average number of outstanding shares	250,998,439	203,092,190	249,935,460	194,873,990
Effect of dilutive securities:				
Share purchase options	11,801,134	-	11,212,988	-
Warrants	20,314,224	-	19,487,884	-
Restricted share units	2,242,924	-	2,112,924	-
Diluted weighted average number of shares outstanding	285,356,721	203,092,190	282,749,256	194,873,990
Diluted earnings (loss) per share	\$ <b>0.00</b>	\$ <b>(0.02)</b>	\$ <b>0.01</b>	\$ <b>(0.03)</b>

**15. REVENUES**

	<b>Three months ended September 30</b>		<b>Six months ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Gold	\$ 26,323	\$ -	\$ 53,803	\$ -
Silver	548	-	1,145	-
Gross Revenue	26,871	-	54,948	-
Refining Costs	(106)	-	(257)	-
<b>Revenue</b>	<b>\$ 26,765</b>	<b>\$ -</b>	<b>\$ 54,691</b>	<b>\$ -</b>

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

**16. COST OF SALES**

	Three months ended September 30		Six months ended September 30	
	2025	2024	2025	2024
Mining	\$ 2,177	\$ -	\$ 4,599	\$ -
Crushing	1,772	-	3,720	-
Processing	5,839	-	10,930	-
Mine general, administrative and royalties	3,498	-	6,448	-
Refining and desorption	516	-	1,063	-
Change in inventories	(2,523)	-	(2,940)	-
Inventory write off	181	-	380	-
Depreciation and depletion	1,062	-	1,992	-
	\$ 12,522	\$ -	\$ 26,192	\$ -

**17. NET FINANCE EXPENSES**

	Three months ended September 30		Six months ended September 30	
	2025	2024	2025	2024
		Restated (Note 4)		Restated (Note 4)
Accretion of consideration payable	\$ -	57	\$ -	111
Accretion of provisions of reclamation and closure	553	8	1,106	16
Interest income	(213)	(4)	(386)	(4)
Accretion on other long-term liabilities	22	-	45	-
	\$ 362	61	\$ 765	123

**18. GENERAL AND ADMINISTRATIVE EXPENSES**

	Three months ended September 30		Six months ended September 30,	
	2025	2024	2025	2024
		(Restated Note 4)		(Restated Note 4)
Investor relations and marketing	\$ 234	\$ 419	\$ 642	\$ 749
Office expenses	159	234	608	335
Personnel	1,427	78	2,572	153
Professional and regulatory fees	512	482	1,035	542
Other	252	68	499	121
	\$ 2,584	\$ 1,281	\$ 5,356	\$ 1,900

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

**19. EXPLORATION EXPENSES**

	Three months ended September 30		Six months ended September 30,	
	2025	2024	2025	2024
		(Restated Note 4)		(Restated Note 4)
Unga project	\$ 297	\$ 59	\$ 322	\$ 70
North Sonora project	52	12	80	26
Ana Paula project	3,859	1,814	4,610	3,032
San Antonio project	546	(20)	770	239
Cerro del Gallo	494	-	592	-
La Colorada	1,066	-	1,691	-
San Agustin	97	-	262	-
	\$ 6,411	\$ 1,865	\$ 8,327	\$ 3,367

**20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

a) Financial instrument classification and measurement

Financial instruments of the Company on the condensed interim consolidated statements of financial position are carried at amortized cost.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash, marketable securities, amounts receivable, accounts payable and accrued liabilities, and due to related parties. Marketable securities are measured at fair value at each financial statement reporting date. Cash, amounts receivable, accounts payable and accrued liabilities, and due to related parties approximate their fair value due to their short-term nature.

c) 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. The Company is not exposed to significant market risk.

i. Interest rate risk

The Company is not exposed to significant interest rate risk.

ii. Currency risk

The Company's main property interests in Alaska, USA, and in Sonora, Durango, Baja California Sur, Guanajuato and Guerrero, states of Mexico, make it subject to foreign currency fluctuations which may adversely affect the Company's consolidated statements of financial position, consolidated statements of loss and comprehensive loss and consolidated statements of cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and the US Dollar and the Mexico pesos. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of approximately \$13,958 denominated in Canadian dollars and \$90,483 denominated in Mexican pesos. A 10% change in the absolute rate of exchange in the foreign currencies would have an effect of \$1,661 to the net income.

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

iii. Price risk

This risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken. The Company does not consider this risk to be significant in the current market.

d) 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 not exposed to significant credit risk.

e) 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 September 30, 2025, the Company had a cash balance of \$34,576 and accounts payable and accrued liabilities of \$14,615 with contractual maturities of less than one year.

**21. 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 six months ended September 30,	Revenue	Cost of sales, net of depreciation and depletion	Depletion and depreciation	Mine operating earnings	Exploration expense	G&A, net of depreciation	Income (loss) before tax
La Colorada	2025	\$27,065	\$(11,873)	\$(196)	\$14,996	\$(1,691)	\$(437)	\$8,097
	2024	-	-	-	-	-	-	-
San Agustin	2025	27,148	(12,404)	(1,612)	13,132	(262)	(572)	8,696
	2024	-	-	-	-	-	-	-
El Castillo	2025	478	(107)	-	371	-	(502)	(1,313)
	2024	-	-	-	-	-	-	-
Ana Paula	2025	-	-	(31)	-	(4,610)	(637)	(4,965)
	2024	-	-	(43)	-	(3,032)	(193)	(3,203)
Exploration	2025	-	-	(17)	-	(1,764)	(1,417)	(5,014)
	2024	-	-	(5)	-	(335)	(105)	(365)
Corporate	2025	-	-	-	-	-	(1,743)	(2,353)
	2024	-	-	-	-	-	(1,553)	(2,495)
<b>Consolidated</b>	<b>2025</b>	<b>\$54,691</b>	<b>\$(24,384)</b>	<b>\$(1,856)</b>	<b>\$28,499</b>	<b>\$(8,327)</b>	<b>\$(5,308)</b>	<b>\$3,148</b>
	2024	-	-	\$(48)	-	\$(3,367)	\$(1,851)	\$(6,063)

HELIOSTAR METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and six months ended September 30, 2025 and 2024  
(Unaudited - Presented in thousands of US Dollars)

<b>As at September 30,</b>		<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Capital Expenditures</b>
La Colorada	<b>2025</b>	41,762	(17,970)	181
	2024	-	-	-
San Agustin	<b>2025</b>	52,970	(31,186)	-
	2024	-	-	-
El Castillo	<b>2025</b>	991	(9,957)	-
	2024	-	-	-
Ana Paula	<b>2025</b>	12,597	(1,673)	-
	2024	12,652	(834)	-
Exploration	<b>2025</b>	11,343	(1,270)	48
	2024	7,848	(897)	-
Corporate	<b>2025</b>	10,218	(326)	-
	2024	773	(4,192)	-
<b>Consolidated</b>	<b>2025</b>	<b>\$129,881</b>	<b>\$(62,382)</b>	<b>229</b>
	2024	\$21,273	\$ (5,923)	\$-

Non-current assets, excluding deferred tax assets, in Canada were \$2 (2025 - \$2), the US \$3,498 (2025 - \$3,281) and Mexico \$48,038 (2025 - \$51,800).

The Company previously had one reporting segment, which has been allocated into the new segments for comparative purposes.