



# **HELIOSTAR**

**HELIOSTAR METALS LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the three months ended**

**June 30, 2025 and 2024**

**(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	June 30, 2025	March 31, 2025
<b>Assets</b>			
Current assets			
Cash	\$	29,703	\$ 27,185
Trade and other receivables	6	11,466	5,608
Inventories	7	25,753	25,519
Prepaid amounts and advances	8	2,549	1,963
Other current assets		521	1,038
		69,992	61,313
<b>Non-current</b>			
Non-current prepaid amounts	8	12,651	14,238
Exploration and evaluation assets	10	19,854	19,678
Deferred income tax assets		239	830
Mineral properties	9	4,425	4,425
Plant and equipment	9	15,782	16,742
		52,951	55,913
<b>Total assets</b>	\$	122,943	\$ 117,226
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	11	11,821	14,576
Income Taxes Payable		2,594	1,610
Current portion of reclamation and closure cost provisions	12	3,404	3,404
Due to related parties		96	217
Current portion of provisions		390	73
		18,305	19,880
<b>Non-current</b>			
Provision		279	481
Tax liability		8,814	7,966
Reclamation and closure cost provisions	12	26,176	23,577
Deferred income tax liabilities		2,260	2,695
Other non-current liabilities		1,171	1,085
		38,700	35,804
<b>Total Liabilities</b>		57,005	55,684
<b>Shareholders' equity</b>			
Share capital	14	94,304	92,752
Accumulated other comprehensive income		896	43
Reserves	14	10,287	10,188
Deficit		(39,549)	(41,441)
<b>Total Equity</b>		65,938	61,542
<b>Total liabilities and shareholders' equity</b>	\$	122,943	\$ 117,226

Nature of operations (Note 1)

These condensed interim consolidated financial statements are authorized for issue by the Board of Directors on August 29, 2025. They are signed on the Company's behalf by:

/s/ Jacques Vaillancourt, Director
/s/ Ken Booth, Director

HELIOSTAR METALS LTD.

Condensed Interim Consolidated 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 June 30,	
		2025	2024
			Restated (Note 4)
Revenues	15	\$ 27,926	\$ -
Cost of sales	16	13,670	-
<b>Mine operating earnings</b>		<b>14,256</b>	<b>-</b>
General and administrative expenses	18	2,772	619
Exploration expenses	19	1,916	1,502
Share-based compensation	14	398	167
Mine holding cost		1,102	-
<b>Operating income (loss)</b>		<b>8,068</b>	<b>(2,288)</b>
Net finance expenses	17	(403)	(62)
Foreign exchange (loss) gain		(1,445)	67
Other income (expense)		(126)	(10)
<b>Income (loss) before taxes</b>		<b>6,094</b>	<b>(2,293)</b>
Income tax expense		(4,202)	-
<b>Net income (loss) for the period</b>		<b>1,892</b>	<b>(2,293)</b>
<b>Other comprehensive income</b>			
Foreign currency translation		853	(130)
<b>Total comprehensive income (loss) for the period</b>		<b>2,745</b>	<b>(2,423)</b>
<b>Basic income (loss) per share</b>		<b>\$ 0.01</b>	<b>\$ (0.01)</b>
<b>Diluted income (loss) per share</b>	14	<b>\$ 0.01</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding (basic)</b>		<b>248,860,800</b>	<b>186,565,480</b>
<b>Weighted average number of common shares outstanding (diluted)</b>		<b>285,275,547</b>	<b>186,565,480</b>

HELIOSTAR METALS LTD.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity  
(Unaudited - Presented in thousands of US Dollars, except share and per share amounts)

	Share Capital		Reserves	Accumulated Comprehensive Loss	Deficit	Total Shareholders' Equity
	Number of Shares	Amount				
<b>Balance, March 31, 2024</b>	184,292,180	\$ 69,459	\$ 9,079	\$ 1,076	\$ (62,476)	\$ 17,138
Private placement	16,904,585	3,268	-	-	-	3,268
Subscriptions received	-	365	-	-	-	365
Shares issued on vesting of share units	739,581	121	(121)	-	-	-
Share issuance costs - cash	-	(147)	-	-	-	(147)
Share issuance costs - warrants	-	(74)	74	-	-	-
Share-based compensation	-	-	167	-	-	167
Loss for the period	-	-	-	(130)	(2,293)	(2,423)
<b>Balance, June 30, 2024</b> <i>(Resated Note 4)</i>	201,936,346	72,992	9,199	946	(64,769)	18,368
<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	906,249	191	(191)	-	-	-
Warrants exercised	5,254,542	1,180	(20)	-	-	1,160
Options exercised	422,082	181	(88)	-	-	93
Share-based compensation	-	-	398	-	-	398
Income for the period	-	-	-	853	1,892	2,745
<b>Balance, June 30, 2025</b>	<b>250,696,558</b>	<b>\$ 94,304</b>	<b>\$ 10,287</b>	<b>\$ 896</b>	<b>\$ (39,549)</b>	<b>\$ 65,938</b>

HELIOSTAR METALS LTD.  
Condensed Interim Consolidated Statements of Cash Flows  
(Unaudited - Presented in Canadian Dollars)

	Three months ended June 30,	
	2025	2024
	<i>Restated (Note 4)</i>	
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Income (loss) for the period	\$ 1,892	\$ (2,293)
Items not affecting cash:		
Accretion of consideration payable	-	54
Accretion of provision for reclamation and closure	553	8
Depreciation	956	24
Share-based payments	398	167
Unrealized foreign exchange	2,669	(1)
Income tax expense	4,046	-
Net increase in deferred tax liabilities	156	-
<i>Net change in non-cash working capital</i>		
Amounts receivable	(5,858)	-
Inventories	(234)	-
Prepaid amounts and advances	1,001	18
Other current assets	517	-
Accounts payable and accrued liabilities	(2,329)	391
Income Taxes Payable	(3,062)	-
Due to related parties	(121)	(19)
	\$ 584	\$ (1,651)
<b>Financing activities</b>		
Proceeds from warrants and stock options exercised	1,253	-
Proceeds from share issuance, net of share issue costs	-	3,486
	\$ 1,253	\$ 3,486
Effect of foreign exchange on cash	681	(12)
<b>Change in cash</b>	2,518	1,823
<b>Cash, beginning of the year</b>	27,185	556
<b>Cash, end of period</b>	\$ 29,703	\$ 2,379
<b>Schedule of Non-cash Investing and Financing Transactions</b>		
Fair value of broker's warrants	\$ -	\$ 74
Shares issued on vesting of share units	191	-

## HELIOSTAR METALS LTD.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and 2024

(Unaudited - Presented in thousands of US Dollars)

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#### 1. NATURE OF OPERATIONS

Heliostar Metals Ltd. is the parent company of its subsidiary group (collectively, the “Company” or “Heliostar”) and is a publicly traded corporation, incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is 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. Mexican assets (refer to Note 5) in prior year, become 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 interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). 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. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Certain comparative information in the statement of financial position has been reclassified to conform to current period presentation.

Since these Financial Statements do not include all disclosures required by the International Financial Reporting Standards (“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 are 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 Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and 2024

(Unaudited - Presented in thousands of US Dollars)

**4. CHANGE IN FUNCTIONAL AND PRESENTATION CURRENCIES**

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:

	<b>June 30, 2024</b>	
	Previously reported in C\$	Restated in US\$
<b>Assets</b>		
Total current assets	\$ 3,538	\$ 2,593
Total non-current assets	27,260	19,981
<b>Total assets</b>	<b>30,798</b>	<b>22,574</b>
<b>Liabilities</b>		
Current liabilities	5,072	3,716
Non-current liabilities	669	490
<b>Total Liabilities</b>	<b>5,741</b>	<b>4,206</b>
<b>Shareholders' equity</b>		
Share capital	92,520	73,036
Accumulated other comprehensive income	283	946
Reserves	11,867	9,155
Deficit	(79,613)	(64,769)
<b>Total Equity</b>	<b>25,057</b>	<b>18,368</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 30,798</b>	<b>\$ 22,574</b>

Consolidated statement of loss and comprehensive loss

	<b>June 30, 2024</b>	
	Previously reported in C\$	Restated in US\$
General and administrative expenses	\$ 858	\$ 619
Exploration expenses	2,080	1,502
Share-based compensation	231	167
<b>Operating Loss</b>	<b>(3,169)</b>	<b>(2,288)</b>
Net finance expenses	(86)	(62)
Foreign exchange (loss) or gain	93	67
Other (expense) income	(13)	(10)
<b>Net income (loss) for the period</b>	<b>\$ (3,175)</b>	<b>\$ (2,293)</b>
<b>Other comprehensive income</b>		
Foreign currency translation	-	(130)
<b>Total comprehensive loss for the year</b>	<b>\$ (3,175)</b>	<b>\$ (2,423)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding (basic and diluted)</b>	<b>186,565,480</b>	<b>186,565,480</b>

HELIOSTAR METALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and 2024

(Unaudited - Presented in thousands of US Dollars)

Consolidated statement of cash flows

	Three months ended June 30, 2024	
	Previously reported in C\$	Restated in US\$
Net cash used in operating activities	\$ (2,285)	\$ (1,651)
Net cash used in financing activities	4,778	3,486
Effect of foreign exchange on cash and cash equivalents	-	(12)
Change in cash during the year	<b>2,493</b>	<b>1,823</b>
Cash, beginning of the year	<b>753</b>	<b>556</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 3,246</b>	<b>\$ 2,379</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., 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 acquisition was completed in order to support the Company’s growth strategy with multiple gold –producing assets and a strong pipeline for production growth.

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 Interim Consolidated Financial Statements

For the three months ended June 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**

	June 30, 2025	March 31, 2025
Trade receivables	\$ 3,428	\$ 495
VAT Receivable	7,958	5,103
Other	80	10
	<b>\$ 11,466</b>	<b>\$ 5,608</b>

**7. INVENTORIES**

	June 30, 2025	March 31, 2025
Finished goods	\$ 1,502	\$ 1,616
Work-in-process	14,902	14,345
Ore stockpile	57	75
Supplies	9,292	9,483
	<b>\$ 25,753</b>	<b>\$ 25,519</b>

**8. PREPAID AMOUNTS AND ADVANCES**

	June 30, 2025	March 31, 2025
Prepaid amounts and advances	\$ 2,419	\$ 1,374
Prepaid income tax	12,781	14,827
	<b>\$ 15,200</b>	<b>\$ 16,201</b>
Current portion of prepaid amounts	2,549	1,963
Non-current prepaid amounts	12,651	14,238

HELIOSTAR METALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and 2024

(Unaudited - Presented in thousands of US Dollars)

**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	\$ -	\$ 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
Foreign Currency Adjustment	-	-	-	7	-	7
<b>Balance - June 30, 2025</b>	<b>\$ 4,425</b>	<b>\$ 3,967</b>	<b>\$ 671</b>	<b>\$ 1,766</b>	<b>\$ 12,137</b>	<b>\$ 22,966</b>
<b>Accumulated depreciation</b>						
Balance - March 31, 2024	\$ -	\$ 27	\$ 3	\$ 186	\$ -	\$ 216
Depreciation	-	462	21	177	930	1,590
Foreign Currency Adjustment	-	(11)	(6)	3	-	(14)
<b>Balance - March 31, 2025</b>	<b>\$ -</b>	<b>\$ 478</b>	<b>\$ 18</b>	<b>\$ 366</b>	<b>\$ 930</b>	<b>\$ 1,792</b>
Depreciation	-	261	3	57	635	956
Foreign Currency Adjustment	-	-	-	11	-	11
<b>Balance - June 30, 2025</b>	<b>\$ -</b>	<b>\$ 739</b>	<b>\$ 21</b>	<b>\$ 434</b>	<b>\$ 1,565</b>	<b>\$ 2,759</b>
<b>Carrying amounts</b>						
Balance - March 31, 2025	\$ 4,425	\$ 3,489	\$ 653	\$ 1,393	\$ 11,207	\$ 21,167
<b>Balance - June 30, 2025</b>	<b>\$ 4,425</b>	<b>\$ 3,228</b>	<b>\$ 650</b>	<b>\$ 1,332</b>	<b>\$ 10,572</b>	<b>\$ 20,207</b>

**10. EXPLORATION AND EVALUATION ASSETS**

The Company had the following interests in mineral properties as at June 30, 2025, and March 31, 2025:

	USA	Mexico				Total
	Alaska Unga	Sonora Heliodor	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>June 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>

**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.

# HELIOSTAR METALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and 2024

(Unaudited - Presented in thousands of US Dollars)

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". The Agreement runs for a period of eight (8) years allowing the Company to conduct sub-surface work.

The company is currently negotiating a second amendment to the Agreement, including reviewing the partial expenditures from 2024.

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

	Cash	(a)	Exploration Expenditure on the Property	(b)
On the execution date of the agreement	\$ 75	(i)	\$ 500	(ii)
July 1, 2020	75	(i)	525	(ii)
July 1, 2021	80	(i)	525	(ii)
July 1, 2022	85	(i)	550	(ii)
July 1, 2023	90	(i)	600	(ii)
July 1, 2024	95	(i)	700	(iii)
July 1, 2025	100	(iv)	750	(iv)
July 1, 2026	110		850	
	\$ 710		\$ 5,000	

(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

The Company is currently negotiating the renewal of a 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".

### **b) Heliodor projects, Sonora, Mexico**

As part of the acquisition of Heliodor Metals Limited ("Heliodor") in August 2020, the Company acquired the following 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.

### **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).

# HELIOSTAR METALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and 2024

(Unaudited - Presented in thousands of US Dollars)

### **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**

	<b>June 30, 2025</b>		<b>March 31, 2025</b>	
Accounts payable	\$	6,659	\$	8,949
Other payables		5,162		5,627
	\$	<b>11,821</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.

	<b>Ana Paula</b>	<b>El Castillo</b>	<b>San Agustin</b>	<b>La Colorada</b>	<b>Total</b>
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
Foreign exchange loss	21	730	879	416	2,046
<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>
Current portion of reclamation provision	-	3,404	-	-	3,404
Non-current portion of reclamation provision	304	7,156	12,675	6,041	26,176

## **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, 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 three months ended June 30, 2025. The Company is not subject to externally imposed capital requirements.

## **14. SHARE CAPITAL**

### **a) Authorized:**

At June 30, 2025 and 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 June 30, 2025:**

The Company issued 5,254,548 common shares upon the exercise of warrants, 422,082 upon exercise of stock options and 906,249 on RSU conversion, for proceeds of \$1,253, and 102,001 options were cancelled.

Subsequently to June 30, 2025, The Company issued 281,709 shares upon the exercise of stock options and warrants for proceeds of \$79 and 18,000 options were cancelled.

**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 \$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.

**HELIOSTAR METALS LTD.**
**Notes to the Condensed Interim Consolidated Financial Statements**
**For the three months ended June 30, 2025 and 2024**
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**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 period ended June 30, 2025 and March 31, 2025 is summarized as follows:

Expiry date	Exercise price (C\$)	March 31, 2025	Granted	Exercised	Expired / Cancelled	June 30, 2025
September 4, 2025	\$ 1.73	1,315,333	-	-	(66,667)	1,248,666
January 15, 2026	\$ 1.44	125,000	-	-	-	125,000
July 29, 2026	\$ 1.00	220,000	-	-	(15,000)	205,000
August 11, 2026	\$ 1.00	15,000	-	-	-	15,000
December 6, 2026	\$ 0.72	1,090,000	-	(15,000)	(17,000)	1,058,000
March 27, 2028	\$ 0.30	8,467,918	-	(218,750)	-	8,249,168
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)	(3,334)	4,468,334
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	(422,082)	(102,001)	18,469,168
Options exercisable		13,837,501				13,837,501
Weighted average exercise price (C\$)		\$0.48	\$1.05	\$0.37	\$1.41	\$0.51

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 June 30, 2025, the weighted average contractual remaining life is 3.03 years (March 31, 2025 – 3.22 years). The weighted average exercise price for options exercisable as at June 30, 2025, is C\$0.51 (March 31, 2025 – C\$0.48).

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As at June 30, 2025, the Company recognized \$298 (June 30, 2024 – \$116) in share-based payments 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:

	June 30, 2025	March 31, 2025
Expected dividend yield	Nil	Nil
Expected stock price volatility	91.73%	101.96%
Fair value of stock price	\$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 June 30, 2025 and March 31, 2025, is as follows:

Expiry date	Exercise price (C\$)	March 31, 2025	Issued	Exercised	Expired	June 30, 2025
March 16, 2026	\$ 0.30	416,045	-	(66,637)	-	349,408
March 16, 2026	\$ 0.30	22,962,647	-	(4,964,713)	-	17,997,934
December 8, 2025	\$ 0.40	5,497,718	-	(45,833)	-	5,451,885
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		34,862,775	-	(5,254,542)	-	29,608,227
Weighted average exercise price (C\$)	\$	0.43	-	\$ 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)	-
March 16, 2026	\$ 0.30	2,521,461	-	(2,105,416)	-	416,045
March 16, 2026	\$ 0.30	28,764,092	-	(5,801,439)	-	22,962,653
January 11, 2025	\$ 0.70	9,459,512	-	(378,400)	(9,081,112)	-
January 11, 2025	\$ 0.37	111,894	-	-	(111,894)	-
December 8, 2025	\$ 0.40	5,866,504	-	(368,786)	-	5,497,718
June 21, 2025	\$ 0.265	-	554,718	(377,359)	-	177,359
October 15, 2026	\$ 0.90	-	5,000,000	-	-	5,000,000
January 28, 2027	\$ 0.42	-	809,000	-	-	809,000
Outstanding		52,762,863	6,363,718	(9,031,400)	(15,232,406)	34,862,775
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 June 30, 2025 is 0.78 years (March 31, 2025 – 1.02 years).

The fair value of the finder's warrants issued during the period ended June 30, 2025, was \$nil (2024: \$74).

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 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:

	June 30, 2025	March 31, 2025
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)**

	Number of RSUs
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	(906,249)
<b>Outstanding, June 30, 2025</b>	<b>2,636,254</b>

At June 30, 2025, no RSUs vested (RSUs vested but unsettled as at March 31, 2025 – 906,249).

For the period ended June 30, 2025, the Company has recognised share-based compensation expense of \$100 (June 30, 2024: \$51) for the RSUs

**f) Diluted earnings per share**

	Three months ended June 30,	
	2025	2024
Net income (loss)	\$ 1,892	\$ (2,293)
Basic weighted average number of outstanding shares	248,860,800	186,565,480
Effect of dilutive securities:		
Share purchase options	11,034,309	-
Warrants	22,854,624	-
Restricted share units	2,525,814	-
Diluted weighted average number of shares outstanding	285,275,547	186,565,480
Diluted earnings (loss) per share	\$ 0.01	\$ (0.01)

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**15. REVENUES**

	Three months ended June 30,	
	2025	2024
Gold Dore	\$ 27,480	\$ -
Silver Dore	597	-
Gold Carbon	-	-
Silver Carbon	-	-
Gross revenue	\$ 28,077	\$ -
Refining costs	(151)	-
<b>Revenue</b>	<b>\$ 27,926</b>	<b>\$ -</b>

**16. COST OF SALES**

	Three months ended June 30,	
	2025	2024
Mine	\$ 2,422	\$ -
Crushing	1,948	-
Processing	5,091	-
Mine general and administrative and royalties	2,950	-
Refining and desorption	547	-
Change in inventories	(417)	-
Inventory write off	199	-
Depreciation	930	-
	<b>\$ 13,670</b>	<b>\$ -</b>

**17. NET FINANCE EXPENSES**

	Three months ended June 30,	
	2025	2024
		(Restated Note 4)
Accretion of consideration payable	\$ -	\$ 54
Accretion of provision for reclamation and closure	553	8
Interest income	(173)	-
Accretion on other long-term liabilities	23	-
	<b>\$ 403</b>	<b>\$ 62</b>

**18. GENERAL AND ADMINISTRATIVE EXPENSES**

	Three months ended June 30,	
	2025	2024
		(Restated Note 4)
Investor relations and marketing	\$ 408	\$ 330
Office expenses	449	101
Personnel	1,145	75
Professional and regulatory fees	523	60
Other	247	53
	<b>\$ 2,772</b>	<b>\$ 619</b>

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Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Presented in thousands of US Dollars)

**19. EXPLORATION EXPENSES**

	Three months ended June 30,	
	2025	2024
		(Restated Note 4)
Unga project	\$ 25	\$ 11
Heliodor project	29	14
Ana Paula project	749	1,218
San Antonio project	224	259
Cerro del Gallo	99	-
La Colorada	625	-
San Agustin	165	-
	<b>\$ 1,916</b>	<b>\$ 1,502</b>

**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 with the exception of marketable securities, short-term investments and provisionally priced trade receivables, which are carried at fair value.

The fair value of the Company's marketable securities is quoted in active markets. 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.

The Company's marketable securities and short-term investments have been assessed on the fair value hierarchy described above and classified as Level 1. The Company also has trivial number of gold put options, which are also classified as Level 1.

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 marked to 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 commodity 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.

## HELIOSTAR METALS LTD.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and 2024

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i. Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. 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 \$17,285 denominated in Canadian dollars and \$81,805 denominated in Mexican pesos. A 10% change in the absolute rate of exchange in the foreign currencies would have an effect of \$927 to the net income.

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. Fluctuations in pricing may not be significant.

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 June 30, 2025, the Company had a cash balance of \$29,703 (March 31, 2025: \$27,185) and accounts payable and accrued liabilities of \$11,821 (March 31, 2025: \$14,576) 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 and a Corporate segment represents the corporate office.

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	For the three months ended June 30,	Revenue	Cost of sales, net of depreciation	Depletion and amortization	Mine operating earnings	Exploration expense	G&A	Income (loss) before tax
La Colorada	2025	\$ 12,377	\$ (5,184)	\$ (70)	\$ 7,123	\$ (625)	\$ (526)	\$ 5,448
	2024	-	-	-	-	-	-	-
San Agustin	2025	15,068	(7,449)	(860)	6,759	(165)	(484)	5,499
	2024	-	-	-	-	-	-	-
El Castillo	2025	481	(107)	-	374	-	-	(728)
	2024	-	-	-	-	-	-	-
Ana Paula	2025	-	-	(15)	(15)	(749)	(213)	(1,323)
	2024	-	-	(21)	-	(1,218)	(31)	(1,359)
Exploration	2025	-	-	(2)	(2)	(377)	(83)	(1,008)
	2024	-	-	(3)	-	(284)	(5)	307
Corporate	2025	-	-	-	-	-	(1,466)	(1,794)
	2024	-	-	-	-	-	(559)	(1,241)
<b>Consolidated</b>	<b>2025</b>	<b>\$27,926</b>	<b>\$(12,740)</b>	<b>\$(947)</b>	<b>\$14,239</b>	<b>\$(1,916)</b>	<b>\$(2,772)</b>	<b>\$6,094</b>
	2024	\$ -	\$ -	\$ (24)	\$ -	\$(1,502)	\$ (595)	\$(2,293)

	As at June 30,	Total Assets	Total Liabilities	Capital Expenditures
La Colorada	2025	\$ 39,194	\$ (17,048)	\$ -
	2024	-	-	-
San Agustin	2025	44,955	(37,189)	-
	2024	-	-	-
El Castillo	2025	481	-	-
	2024	-	-	-
Ana Paula	2025	13,832	(1,676)	-
	2024	12,629	(919)	-
Exploration	2025	11,311	(496)	-
	2024	3,502	(51)	-
Corporate	2025	13,170	(596)	-
	2024	6,443	(3,236)	-
<b>Consolidated</b>	<b>2025</b>	<b>\$ 122,943</b>	<b>\$ (57,005)</b>	<b>\$ -</b>
	2024	\$ 22,574	\$ (4,206)	\$ -

Non-current assets, excluding deferred tax assets, in Canada were \$nil (2025 - \$2), the US \$3,456 (2024 - \$3,281) and Mexico \$49,256 (2024 - \$51,800).

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