



# Hemlo

Interim Condensed Consolidated Financial Statements of

**HEMLO MINING CORP.**

For the three months ended March 31, 2026 and 2025

(Unaudited)

# Hemlo Mining Corp.

Interim Condensed Consolidated Statements of Financial Position

Unaudited - Expressed in thousands of United States dollars, unless otherwise stated

	Note	As at March 31, 2026	As at December 31, 2025
<b>Current assets</b>			
Cash		\$ 123,572	\$ 131,956
Account receivables	4	713	9,113
Inventories	5	58,371	59,194
Current portion of derivative financial assets	6	1,060	—
Other current assets		9,548	8,307
<b>Total current assets</b>		<b>193,264</b>	<b>208,570</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	1,516,648	1,523,130
Restricted cash		1,888	1,920
Derivative financial assets	6	688	—
<b>Total assets</b>		<b>\$ 1,712,488</b>	<b>\$ 1,733,620</b>
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 49,912	\$ 50,206
Current portion of borrowings	8	22,064	14,695
Current portion of lease liabilities		2,260	2,252
Current portion of gold stream liability	9	27,757	29,057
Current income tax liabilities		33,376	1,611
Other current liabilities		67	61
<b>Total current liabilities</b>		<b>135,436</b>	<b>97,882</b>
<b>Non-current liabilities</b>			
Borrowings	8	125,029	205,710
Lease liabilities		6,162	6,858
Gold stream liability	9	269,531	273,748
Contingent consideration	10	119,890	111,470
Asset retirement obligation		43,584	43,902
Derivative financial liabilities	6	263	—
Other non-current liabilities		177	180
Deferred income tax liabilities		439,301	447,432
<b>Total liabilities</b>		<b>\$ 1,139,373</b>	<b>\$ 1,187,182</b>
<b>Shareholders' equity</b>			
Share capital		614,341	614,341
Contributed surplus		12,465	7,914
Accumulated deficit		(53,691)	(75,817)
<b>Total shareholders' equity</b>		<b>\$ 573,115</b>	<b>\$ 546,438</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 1,712,488</b>	<b>\$ 1,733,620</b>

Approved by the Board of Directors

/s/ Tom Yip  
Tom Yip  
Director

/s/ Jonathan Awde  
Jonathan Awde  
Director

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

## Hemlo Mining Corp.

Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)  
Unaudited - Expressed in thousands of United States dollars except per share amounts, unless otherwise stated

		Three months ended March 31, 2025	
	Note	2026	(restated - Note 2c)
Revenue	11	\$ 186,265	\$ —
Cost of sales	12	113,129	—
General and administrative expenses	13	7,907	13
Exploration and evaluation expenditures		71	—
Foreign exchange gains		(777)	—
Other expenses	14	7,746	—
<b>Income (loss) from operations</b>		<b>58,189</b>	<b>(13)</b>
Finance costs, net	15	(12,430)	—
<b>Income (loss) before income taxes</b>		<b>45,759</b>	<b>(13)</b>
Income tax expense	16	(23,633)	—
<b>Net and comprehensive income (loss)</b>		<b>\$ 22,126</b>	<b>\$ (13)</b>
<b>Earnings (loss) per share attributable to shareholders:</b>			
Basic and diluted	17	\$ 0.07	\$ (0.00)

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

## Hemlo Mining Corp.

Interim Condensed Consolidated Statements of Changes in Equity

Expressed in thousands of United States dollars except share amounts, unless otherwise stated

	Number of shares	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive deficit	Total
<b>At January 1, 2026</b>	<b>296,329,968</b>	<b>\$ 614,341</b>	<b>\$ 7,914</b>	<b>\$ (75,817)</b>	<b>\$ —</b>	<b>546,438</b>
Stock-based compensation (Note 18)	—	—	4,551	—	—	4,551
Net income	—	—	—	22,126	—	22,126
<b>At March 31, 2026</b>	<b>296,329,968</b>	<b>\$ 614,341</b>	<b>\$ 12,465</b>	<b>\$ (53,691)</b>	<b>\$ —</b>	<b>573,115</b>

	Number of shares	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive deficit	Total
<b>At January 1, 2025</b>	<b>3,779,367</b>	<b>\$ 55,585</b>	<b>\$ 5,467</b>	<b>\$ (60,933)</b>	<b>\$ 97</b>	<b>216</b>
Net loss	—	—	—	(13)	—	(13)
<b>At March 31, 2025 (restated - Note 2c)</b>	<b>3,779,367</b>	<b>\$ 55,585</b>	<b>\$ 5,467</b>	<b>\$ (60,946)</b>	<b>\$ 97</b>	<b>203</b>

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

# Hemlo Mining Corp.

Interim Condensed Consolidated Statements of Cash Flows

Unaudited - Expressed in thousands of United States dollars, unless otherwise stated

		Three months ended March 31, 2025	
	Note	2026	(restated - Note 2c)
<b>Operating activities</b>			
<b>Net income (loss)</b>		<b>\$ 22,126</b>	<b>\$ (13)</b>
<b>Adjustments for:</b>			
Change in fair value of Contingent Consideration	10,14	8,420	—
Interest and amortization of deferred financing costs borrowings	15	5,653	—
Accretion of gold stream liability	9	7,227	—
Non-cash revenue from gold stream arrangement	9	(12,744)	—
Accretion of asset retirement obligation		411	—
Stock-based compensation	18	4,551	—
Accretion of lease liability		142	—
Depreciation expense		28,396	—
Gain on foreign exchange		(980)	—
Deferred income tax recovery	16	(8,131)	—
Change in fair values of derivative financial instruments	6,14	(644)	—
Changes in working capital	19	33,472	(12)
<b>Cash generated from (used in) operating activities</b>		<b>\$ 87,899</b>	<b>\$ (25)</b>
<b>Investing activities</b>			
Payment of option premium	6	\$ (841)	\$ —
Cash recovered for Hemlo Acquisition	4	4,557	—
Purchase of property, plant and equipment		(20,123)	—
<b>Cash used in investing activities</b>		<b>\$ (16,407)</b>	<b>\$ —</b>
<b>Financing activities</b>			
Interest paid on borrowings	15	\$ (3,965)	\$ —
Repayment of borrowings	8	(75,000)	—
Lease repayments		(684)	—
<b>Cash used in financing activities</b>		<b>\$ (79,649)</b>	<b>\$ —</b>
Net decrease in cash		(8,157)	(25)
Cash at beginning of period		131,956	216
Exchange loss on cash balance		(227)	—
<b>Cash at the end of period</b>		<b>\$ 123,572</b>	<b>\$ 191</b>

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

# Hemlo Mining Corp.

Notes to the Interim Condensed Consolidated Financial Statements

Unaudited - Expressed in thousands of United States dollars, unless otherwise stated

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## 1. Nature of operations

Hemlo Mining Corp. ("Hemlo" or the "Company") was formed by the amalgamation of Carcetti Capital Corp. and its wholly-owned subsidiary, 17276583 Canada Ltd., pursuant to Articles of Amalgamation filed under the *Canada Business Corporations Act* on November 27, 2025. The interim condensed consolidated financial statements include the results and financial position of Carcetti Capital Corp. up to November 27, 2025.

The Company is principally engaged in the production and sale of gold, as well as related activities such as mine development and exploration. The Company operates the Hemlo Gold Mine ("Hemlo Mine") located in Bomby Township, in northwestern Ontario, Canada. On November 26, 2025, the Company, through its wholly-owned subsidiary, 1554943 B.C. Ltd., completed the acquisition of all of the issued and outstanding common shares of 1539041 B.C. ULC (the "Hemlo Acquisition") from certain wholly-owned subsidiaries of Barrick Mining Corporation ("Barrick"). 1539041 B.C. ULC held all of the shares of DB Operating Corporation and Williams Operating Corporation, mining rights related to the Hemlo Mine, and contracts that related exclusively to Hemlo Mine operations. Upon the closing of the Hemlo Acquisition, 1554943 B.C. Ltd. amalgamated with 1539041 B.C. ULC. On April, 2, 2026, 1554943 B.C. Ltd. was continued as an Ontario corporation and changed its name to Hemlo Mining Operating Corp. ("HMOC"). The Company, through HMOC, wholly-owns the Hemlo Mine.

The address of the Company's registered office is 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The address of the Company's principal place of business is 390 Bay Street, Suite 1720, Toronto, Ontario, Canada, M5H 2Y2. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "HMMC" and are traded on the OTCQX® Best Market under the symbol "HMMCF".

## 2. Basis of preparation

### a. Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements under International Accounting Standards 34, *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all disclosures required by IFRS Accounting Standards for annual financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2025.

These interim condensed consolidated financial statements were approved by the Board of Directors of the Company on May 20, 2026.

### b. Basis of presentation

All amounts included in these interim condensed consolidated financial statements have been presented in thousands of United States dollars ("USD" or "\$") unless otherwise noted. References to "CAD" or "C\$" refers to Canadian dollars.

On November 27, 2025, the Company completed a consolidation of its common shares on the basis of two new shares for every three pre-consolidation shares (3:2). The consolidation was approved by shareholders of the Company at a shareholders' meeting held on October 30, 2025. All references to number of shares and per share amounts are expressed as post-consolidation values.

# Hemlo Mining Corp.

Notes to the Interim Condensed Consolidated Financial Statements

Unaudited - Expressed in thousands of United States dollars, unless otherwise stated

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## c. Change in accounting policy and adoption of amended accounting standards

### Presentation and functional currency

As at December 31, 2025, the Company changed its presentation currency from CAD to USD. The change in presentation currency enhances comparability of the Company's financial results against its peers. The change in presentation currency is an accounting policy change and has been applied retrospectively with comparative figures restated for all periods presented as if the policy had always been applied, in accordance with IAS 8, *Accounting Policies, Changes In Accounting Estimates And Errors*.

On November 26, 2025, the Company changed its functional currency from CAD to USD to reflect that USD has become the predominant currency in the Company, accounting for a significant part of the Company's cash flows, cash management and financing. The change in functional currency was applied prospectively from the date of change in accordance with IAS 21, *The Effects Of Changes In Foreign Exchange Rates*. The functional currency of each of the Company's subsidiaries is measured using the currency of the primary economic environment in which they operate. The functional currency of the Company's subsidiaries is USD.

### Amendments to IFRS 9, *Financial Instruments* ("IFRS 9") and IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7")

The Company adopted *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)* on January 1, 2026. The amendments clarify the timing of recognition and derecognition of financial assets and financial liabilities and introduce an exception permitting the derecognition of certain financial liabilities prior to the settlement date when cash settlement occurs through qualifying electronic payment systems. Under these amendments, an entity may elect to derecognize financial liabilities settled in cash through qualifying electronic payment systems when it no longer has the practical ability to withdraw, stop or cancel the payment instruction and the applicable eligibility criteria are met. As a result, certain financial liabilities and the associated cash balances may be derecognized earlier than under the previous policy.

The adoption of the amendments did not have a material impact on the Company's interim condensed consolidated financial statements for the periods presented.

## 3. Material accounting policies, estimates and judgements

Except as disclosed above, the accounting policies, estimates and judgements applied in these interim condensed consolidated financial statements are consistent with those set out in Notes 3 and 4 of the Company's annual consolidated financial statements for the year ended December 31, 2025.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim condensed consolidated financial statements that the Company reasonably expects will have an impact on its disclosures, financial position or performance when applied at a future date, are disclosed below. The Company intends to adopt the standard when they become effective. Other standards and interpretations that are issued, but not yet effective, which are not expected to impact the Company have not been listed.

### Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, IFRS 18, *Presentation and Disclosure in Financial Statements* was issued to replace IAS 1, *Presentation of Financial Statement*. IFRS 18 aims to achieve comparability of the financial performance of similar entities and introduces the following key new requirements:

# Hemlo Mining Corp.

Notes to the Interim Condensed Consolidated Financial Statements

Unaudited - Expressed in thousands of United States dollars, unless otherwise stated

- All income and expenses must be classified into five categories on the income statement: operating, investing, financing, discontinued operations, and income tax.
- A newly defined subtotal for operating profit is required, though net income will remain unchanged.
- Management-defined performance measures must be disclosed together in a single note to the financial statements.
- The standard provides enhanced guidance on how to aggregate and present information in the financial statements.
- Entities using the indirect method for the statement of cash flows must start with the new operating profit subtotal.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is currently assessing the impact of the new standard.

## 4. Account receivables

	March 31, 2026	December 31 2025
Receivables related to the Hemlo Acquisition	\$ —	\$ 8,479
Others	713	634
<b>Total account receivables</b>	<b>\$ 713</b>	<b>\$ 9,113</b>

Pursuant to the terms of the Hemlo Acquisition, the Company was required to provide a statement setting forth the difference between the estimated cash consideration paid to Barrick at closing of the Hemlo Acquisition of \$878.1 million and the cash consideration calculated using the actual closing working capital and debt at the closing date ("Working Capital Adjustment"), within 60 business days after the closing date. As at December 31, 2025, the Company recognized a receivable of \$8.5 million from Barrick related to the Working Capital Adjustment, which included certain tax refunds received by Barrick subsequent to the closing of the Hemlo Acquisition. The receivables related to the Hemlo Acquisition were received in March 2026.

## 5. Inventories

	March 31, 2026	December 31, 2025
Work in process	10,876	10,198
Finished products	38,194	39,407
Supplies inventory	9,301	9,589
<b>Total inventories</b>	<b>58,371</b>	<b>59,194</b>

## 6. Gold derivative financial instruments

	As at March 31, 2026	As at December 31, 2025
<b>Gold derivative financial asset (liability)</b>		
Gold put options	\$ 876	\$ —
Gold zero-cost collars	609	—
<b>Total gold derivative financial instruments</b>	<b>\$ 1,485</b>	<b>\$ —</b>
Current portion of derivative financial assets	\$ 1,060	\$ —
Derivative financial assets - non-current	688	—
Derivative financial liabilities - non-current	(263)	—
<b>Total gold derivative financial instruments</b>	<b>\$ 1,485</b>	<b>\$ —</b>

# Hemlo Mining Corp.

Notes to the Interim Condensed Consolidated Financial Statements

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On November 26, 2025, the Company entered into a secured credit agreement (“Credit Agreement”) led by a Canadian bank to fund a portion of the Hemlo Acquisition (Note 8). Pursuant to the Credit Agreement, the Company was required to hedge a portion of its 2026 to 2028 gold production.

## Gold put options

In February 2026, the Company purchased a series of put options for \$0.8 million to sell up to 31,000 ounces of gold at \$3,600 per ounce settling equally per month from February 2026 to December 2026.

During the three months ended March 31, 2026, the Company recognized unrealized changes in fair value of gold put options of \$nil (2025: \$nil) and 5,634 ounces (2025 - nil ounces) of gold put options expired unexercised.

As at March 31, 2026, the Company had 25,366 ounces (2025: nil ounces) of outstanding gold put options settling equally per month from April 2026 to December 2026.

## Gold zero-cost collars

In February 2026, the Company entered into a series of zero-cost collars for a total of 33,078 ounces of gold at a floor price of \$4,000 per ounce and ceiling prices ranging from \$6,610 per ounce to \$7,290 per ounce settling monthly in 2027 and 2028.

During the three months ended March 31, 2026, the Company recognized unrealized gains of \$0.6 million (2025: \$nil) on changes in fair value of gold zero-cost collars.

As at March 31, 2026, the Company had 33,078 ounces (2025: nil ounces) of outstanding gold zero-cost collars as follows:

Volume (gold ounces)	Floor price	As at March 31, 2026	
		Average ceiling price	Settlement period
17,022	\$4,000	\$6,719	2027
16,056	\$4,000	\$6,846	2028
<b>33,078</b>			

## 7. Property, plant and equipment

	Buildings, plant and equipment	Mineral property costs subject to depreciation	Amounts not subject to depreciation	Total
<b>Cost</b>				
At January 1, 2026	\$ 458,410	\$ 1,003,678	\$ 76,026	\$ 1,538,114
Additions	50	7,624	13,826	21,500
At March 31, 2026	\$ 458,460	\$ 1,011,302	\$ 89,852	\$ 1,559,614
<b>Accumulated depreciation</b>				
At January 1, 2026	\$ (4,694)	\$ (10,290)	\$ —	\$ (14,984)
Depreciation	(10,418)	(17,564)	—	(27,982)
At March 31, 2026	\$ (15,112)	\$ (27,854)	\$ —	\$ (42,966)
<b>Net book value</b>				
At January 1, 2026	\$ 453,716	\$ 993,388	\$ 76,026	\$ 1,523,130
At March 31, 2026	\$ 443,348	\$ 983,448	\$ 89,852	\$ 1,516,648

## Hemlo Mining Corp.

Notes to the Interim Condensed Consolidated Financial Statements

Unaudited - Expressed in thousands of United States dollars, unless otherwise stated

Amounts not subject to depreciation are comprised of the following:

	As at March 31, 2026	As at December 31, 2025
Construction in progress	\$ 36,852	\$ 23,026
Acquired mineral resources and exploration potential	53,000	53,000
<b>Total amounts not subject to depreciation</b>	<b>\$ 89,852</b>	<b>\$ 76,026</b>

Movement in right-of-use assets included in buildings, plant and equipment are as follows:

	Three months ended March 31,	
	2026	2025
<b>Net book value at beginning of period</b>	<b>\$ 8,830</b>	<b>\$ —</b>
Depreciation	(614)	—
<b>Net book value at end of period</b>	<b>\$ 8,216</b>	<b>\$ —</b>

All of the Company's property, plant and equipment is pledged as security for the Company's borrowings (Note 8) and its obligations under the gold stream arrangement (Note 9).

As at March 31, 2026, the Company had contractual commitments for capital expenditures of \$28.1 million (2025 - \$15.2 million).

### 8. Borrowings

	As at March 31, 2026	As at December 31, 2025
Term Facility	\$ 150,000	\$ 150,000
Revolving Credit Facility	—	75,000
<b>Total principal outstanding</b>	<b>150,000</b>	<b>225,000</b>
Less: Unamortized financing costs	(2,907)	(4,595)
<b>Total borrowings</b>	<b>\$ 147,093</b>	<b>\$ 220,405</b>
Current	\$ 22,064	\$ 14,695
Non-current	125,029	205,710
<b>Total borrowings</b>	<b>\$ 147,093</b>	<b>\$ 220,405</b>

The Credit Agreement provides for a \$250.0 million senior-secured credit facility, consisting of a \$100 million senior-secured revolving credit facility ("Revolving Credit Facility") and a \$150 million senior-secured non-revolving term loan facility ("Term Facility", and together, the "Facilities"), each maturing on November 28, 2028.

In March 2026, the Company repaid \$75.0 million outstanding under its Revolving Credit Facility. The Revolving Credit Facility remains available to the Company for general corporate purposes and working capital needs. As at March 31, 2026, there were \$3.6 million of outstanding letters of credit issued under the Revolving Credit Facility as financial support for environmental remediation and reclamation obligations and lease liabilities. As at March 31, 2026, \$96.4 million was available under the Revolving Credit Facility.

For the three months ended March 31, 2026, the interest rate on the Facilities was 7.1% (2025 - n/a).

# Hemlo Mining Corp.

Notes to the Interim Condensed Consolidated Financial Statements

Unaudited - Expressed in thousands of United States dollars, unless otherwise stated

The Facilities are subject to certain financial covenants measured at the end of each quarter. The Company was in compliance with all financial covenants as at March 31, 2026.

## 9. Gold stream liability

	Note	Three months ended March 31, 2026	
<b>Balance at beginning of period</b>		<b>\$</b>	<b>302,805</b>
Amortization of gold stream revenue	11		(12,744)
Accretion of gold stream liability	15		7,227
<b>Balance at end of period</b>		<b>\$</b>	<b>297,288</b>

  

	As at March 31, 2026		As at December 31, 2025	
Current	\$	27,757	\$	29,057
Non-current		269,531		273,748
<b>Total gold stream liability</b>	<b>\$</b>	<b>297,288</b>	<b>\$</b>	<b>302,805</b>

On November 24, 2025, the Company entered into a Precious Metals Purchase Agreement ("Streaming Arrangement") with Wheaton Precious Metals Corp. ("Wheaton"), whereby the Company received an up-front payment of \$300.0 million in exchange for delivery of a portion of future gold production ("Stream Percentage"), subject to certain deductions, as outlined below:

- 10.125% of payable gold until a total of 135,750 gold ounces have been delivered ("First Dropdown Threshold");
- 6.75% of payable gold until a further total of 117,998 gold ounces have been delivered ("Second Dropdown Threshold"); and
- 4.50% of payable gold thereafter.

The payable gold will be reduced by half with respect to gold production from certain claims comprising the Interlake deposit (which is subject to a 50% NPI). Payable gold is calculated using a fixed payable factor of 99.95%.

In addition to the up-front payment, Wheaton will pay the Company cash equal to 20% of the market price of gold for each gold delivery.

For the three months ended March 31, 2026, the Company delivered 4,478 ounces of gold to Wheaton (2025: nil ounces) and recorded revenue of \$17.1 million (2025: \$nil), consisting of \$4.4 million (2025: \$nil) received in cash proceeds and \$12.7 million (2025: \$nil) recorded as a reduction of gold stream liability.

## 10. Contingent consideration

The Contingent Consideration represents contingent cash payments over a five-year term from January 1, 2027 to December 31, 2031. The Company is required to make annual payments to Barrick based on three incremental pricing thresholds:

1. 20.0% of incremental revenue per ounce of payable gold production at or above \$3,300/oz but less than \$3,500/oz;
2. 22.5% of incremental revenue per ounce of payable gold production at or above \$3,500/oz but less than \$3,700/oz; and
3. 25.0% of incremental revenue per ounce of payable gold production at or above \$3,700/oz.

The maximum cumulative amount payable under the Contingent Consideration is \$165.0 million.

## Hemlo Mining Corp.

Notes to the Interim Condensed Consolidated Financial Statements

Unaudited - Expressed in thousands of United States dollars, unless otherwise stated

The Company estimated the fair value of the Contingent Consideration using a Monte-Carlo simulation model based on the gold forward curve, expected volatility of 22% (2025 - 20%), the Company's credit spread of 1% (2025 - 1%), risk-free rate of 4% (2025 - 3%) and the Company's planned production during the five-year period. The Monte-Carlo simulation projects potential gold price paths over the five-year term and applies the contractual incremental revenue percentages for each pricing threshold subject to the cumulative maximum of \$165.0 million.

As at March 31, 2026, the Company re-measured the Contingent Consideration which resulted in an increase in the liability of \$8.4 million to \$119.9 million recorded as a non-current liability (2025 - \$111.5 million).

During the three months ended March 31, 2026, the Company recognized a fair value loss on Contingent Consideration of \$8.4 million (2025 - \$nil).

### 11. Revenue

	Note	Three months ended March 31,	
		2026	2025
Gold sales <sup>(i)</sup>		\$ 172,824	\$ —
Silver sales		697	—
Non-cash revenue from gold stream arrangement	9	12,744	—
<b>Total revenue</b>		<b>\$ 186,265</b>	<b>\$ —</b>

(i) Includes cash proceeds from the sale of gold to Wheaton recorded at 20% of the spot gold price. Refer to Note 9 for details.

### 12. Cost of sales

	Three months ended March 31,	
	2026	2025
<b>Mine operation expenses</b>		
Production costs	\$ 53,850	\$ —
Inventory movements - cash	113	—
<b>Total mine operation expenses</b>	<b>53,963</b>	<b>—</b>
<b>Depreciation</b>		
Depreciation and amortization - Property, plant and equipment	27,949	—
Inventory movements - non-cash	414	—
<b>Total depreciation expense</b>	<b>28,363</b>	<b>—</b>
Royalties expense	30,526	—
Community relations	277	—
<b>Total cost of sales</b>	<b>\$ 113,129</b>	<b>\$ —</b>

## Hemlo Mining Corp.

Notes to the Interim Condensed Consolidated Financial Statements

Unaudited - Expressed in thousands of United States dollars, unless otherwise stated

### 13. General and administrative expenses

	Note	Three months ended March 31,	
		2026	2025
Salaries and benefits	23	1,240	2
Share-based compensation expense	18	4,369	—
Professional fees		1,637	8
Depreciation		33	—
Others		628	3
<b>Total general and administrative expenses</b>		<b>\$ 7,907</b>	<b>\$ 13</b>

### 14. Other expenses

	Note	Three months ended March 31,	
		2026	2025
Change in fair value of Contingent Consideration	10	\$ 8,420	\$ —
Change in fair value of gold derivative financial instruments	6	(644)	—
Others		(30)	—
<b>Total other expenses</b>		<b>\$ 7,746</b>	<b>\$ —</b>

### 15. Finance costs, net

	Note	Three months ended March 31,	
		2026	2025
<b>Finance income</b>			
Interest income		\$ 1,470	\$ —
<b>Total finance income</b>		<b>\$ 1,470</b>	<b>\$ —</b>
<b>Finance costs</b>			
Interest and amortization of deferred financing costs borrowings	8	(5,653)	—
Accretion of asset retirement obligation		(411)	—
Accretion of lease liabilities		(142)	—
Accretion of gold stream liability	9	(7,227)	—
Others		(467)	—
<b>Total finance costs</b>		<b>\$ (13,900)</b>	<b>\$ —</b>
<b>Total finance costs, net</b>		<b>\$ (12,430)</b>	<b>\$ —</b>

## Hemlo Mining Corp.

Notes to the Interim Condensed Consolidated Financial Statements

Unaudited - Expressed in thousands of United States dollars, unless otherwise stated

### 16. Income tax

Income tax expense recognized in the interim condensed consolidated statements of income (loss) and comprehensive income (loss) comprise of the following:

	Three months ended March 31,	
	2026	2025
Current income tax expense	(31,765)	—
Deferred income tax recovery	8,132	—
<b>Total income tax expense</b>	<b>(23,633)</b>	<b>—</b>

### 17. Earnings (loss) per share

	Three months ended March 31,	
	2026	2025
<b>Net income (loss)</b>	<b>\$ 22,126</b>	<b>\$ (13)</b>
Weighted average number of common shares for basic EPS	296,329,968	3,779,367
Weighted average number of common shares for diluted EPS	301,644,703	3,779,367
<b>Basic earnings (loss) per share</b>	<b>\$ 0.07</b>	<b>\$ (0.00)</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ 0.07</b>	<b>\$ (0.00)</b>

The determination of weighted average number of common shares for the purpose of diluted EPS excludes 404,028 stock options, 515,686 restricted stock units ("RSUs") and 143,219 performance share units ("PSUs") that were anti-dilutive for the three months ended March 31, 2026 (2025 - 68,222 stock options).

### 18. Share-based compensation

Share-based compensation expense for the three months ended March 31, 2026 totalled \$4.6 million (2025: \$nil).

#### a. Restricted Stock Units

The following table sets out the activity of outstanding RSUs during the period:

	Number of RSUs
<b>Balance at January 1, 2026</b>	<b>3,089,945</b>
Granted	523,860
Settled	(10,000)
Forfeited	(34,840)
<b>Balance at March 31, 2026</b>	<b>3,568,965</b>

For the three months ended March 31, 2026, 523,860 RSUs were granted at an average price of C\$7.06 per unit, of which 489,867 RSUs vest in thirds over three years from the date of grant and 33,993 vest one year from the date of grant.

For the three months ended March 31, 2026, share-based compensation expense related to RSUs totalled \$1.6 million (2025 - \$nil).

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### b. Stock options

The following table sets out the activity of outstanding stock options during the period:

	Number of stock options	Weighted average exercise price per share
<b>Balance at January 1, 2026</b>	<b>8,282,590</b>	<b>C\$2.98</b>
Granted	404,028	C\$7.06
Forfeited	(53,869)	C\$3.00
<b>Balance at March 31, 2026</b>	<b>8,632,749</b>	<b>C\$3.17</b>

The following table sets forth the outstanding stock options to purchase common shares of the Company as at March 31, 2026:

Exercise price <sup>(1)</sup>	Number of options		Expiry date	Remaining contractual life (years) <sup>(1)</sup>
	Outstanding	Exercisable		
C\$0.39	60,000	60,000	November 8, 2028	2.6
C\$3.00 <sup>(2)</sup>	1,629,995 <sup>(2)</sup>	—	August 8, 2030	4.4
C\$3.00	6,538,726	—	November 26, 2030	4.7
C\$7.06	404,028	—	March 5, 2031	4.9
<b>C\$3.17</b>	<b>8,632,749</b>	<b>60,000</b>		<b>4.6</b>

- Total represents weighted average.
- On August 8, 2025, the Company granted 1,629,995 stock options ("August 2025 Options") to certain directors, officers and consultants of the Company, exercisable at a price of C\$0.53 per share for a period of five years with 50% of the options vesting on the date of grant and 50% vesting one year from the date of grant. Pursuant to the requirements of the TSXV, on closing of the Hemlo Acquisition, the August 2025 Options had their exercise price increased from C\$0.53 per share to C\$3.00 per share and cannot vest until disinterested shareholder approval has been specifically obtained. Following disinterested shareholder approval, 50% of the modified August Options will vest immediately with the remaining 50% vesting on August 8, 2026.

As disinterested shareholder approval is required, the grant date, as defined under IFRS 2, *Share-based Payment* has not yet occurred. The Company estimated the fair value of the August 2025 Options using the Black-Scholes option pricing model at March 31, 2026 to recognize expenses for the services received. Once the grant date is established upon disinterested shareholder approval, previously recognized expense for the August 2025 Options will be revised to reflect the grant date fair value. This revision is considered a change in accounting estimate.

The grant date fair value of options granted during the three months ended March 31, 2026 was calculated using the Black-Scholes option pricing model with the following assumptions:

	<b>Three months ended March 31, 2026</b>
Grant date share price	C\$7.06
Weighted average grant-date fair value	C\$3.13
Exercise price	C\$7.06
Expected life of stock options (in years)	3.0 - 4.0
Risk-free rate	2.6% - 2.7%
Expected share price volatility <sup>(i)</sup>	57.9% - 59.5%
Expected dividend yield	— %

- The Company used the historical volatility of peer group companies to estimate the expected volatility of the Company's share price.

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For the three months ended March 31, 2026, share-based compensation expense related to stock options totalled \$1.7 million (2025 - \$nil).

### c. Performance share units

The following table sets out the activity of outstanding PSUs during the period:

	<b>Number of PSUs</b>
<b>Balance at January 1, 2026</b>	—
Granted	358,051
<b>Balance at March 31, 2026</b>	<b>358,051</b>

For the three months ended March 31, 2026, 358,051 PSUs were granted at a weighted average price of C\$8.51 per unit.

The PSUs are equity-settled and vest on the third anniversary of the date of grant subject to continued employment and achievement of performance conditions. The ultimate number of PSUs vesting can range from 0% to 200% of PSUs granted, with linear interpolation between performance levels, based on the following performance conditions:

- 60% of the PSUs vest based on the Company's total shareholder return ("TSR") relative to the TSR of the VanEck Vectors Junior Gold Miners ETF ("GDXJ") from January 1, 2026 to December 31, 2028. This condition is considered a market performance condition, and its effect is included in the grant-date fair value of the PSUs of C\$9.48 estimated using a Monte-Carlo simulation model.
- 40% of the PSUs vest based on the Company's three-year mineral reserves growth from January 1, 2026 to December 31, 2028. This condition is considered a non-market performance condition, and the number of PSUs expected to vest is reassessed at each reporting date.

For the three months ended March 31, 2026, share-based compensation expense related to PSUs totalled \$0.1 million (2025 - \$nil).

### d. Deferred share units ("DSUs")

The following table sets out the activity of outstanding DSUs during the period:

	<b>Number of DSUs</b>
<b>Balance at January 1, 2026</b>	—
Granted	11,331
<b>Balance at March 31, 2026</b>	<b>11,331</b>

For the three months ended March 31, 2026, 11,331 DSUs were granted at an average price of C\$7.06 per unit.

The DSUs are cash-settled and vest on the date on which the grantee ceases to be a director, officer employee or consultant of the Company.

For the three months ended March 31, 2026, share-based compensation expense related to DSUs totalled \$nil (2025 - \$nil).

# Hemlo Mining Corp.

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## 19. Other cash flow items

	Three months ended March 31,	
	2026	2025
<b>Changes in working capital:</b>		
Account receivables	\$ 3,822	\$ (1)
Other current assets	(1,297)	1
Inventories	409	—
Other liabilities	7	—
Current tax liability	31,765	—
Accounts payable and accrued liabilities	(1,234)	(12)
<b>Total changes in working capital</b>	<b>\$ 33,472</b>	<b>\$ (12)</b>

During the three months ended March 31, 2026, the Company received interest income of \$1.5 million (2025 - \$nil).

## 20. Contingent liabilities and commitments

### Community development commitments

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. In addition to its operational commitments, the Company has commitments related to community development programs of \$7.6 million as at March 31, 2026.

### Gold offtake agreement

The Company entered into a refined gold offtake agreement (“Offtake Agreement”) to sell and deliver 50% of refined gold produced from minerals processed at the Hemlo Mine, subject to certain deductions. The agreement remains in effect until 3.2 million ounces of refined gold have been produced from the Hemlo Mine and the offtaker receives delivery of its portion of refined gold, unless terminated earlier pursuant to the Offtake Agreement which may result in a lump-sum payment to the offtaker.

## 21. Financial instruments and fair value measurement

The Company’s cash, account receivables, restricted cash, accounts payable and accrued liabilities, lease liabilities and borrowings are carried at amortized cost. The carrying values of cash, account receivables, restricted cash, accounts payable and accrued liabilities approximate their fair values largely due to the short-term maturities of these instruments and their nature as non-interest bearing. The carrying value of lease liabilities approximates its fair value. The face value of the Company’s borrowings approximates its fair value due to a floating interest rate that is linked to a market rate. The Contingent Consideration and gold derivative financial instruments are classified as measured at fair value through profit or loss. Potential transaction costs have not been considered in estimating fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. The three levels of fair value hierarchy, giving the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs, are as follows:

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

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The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. There were no transfers between levels of the fair value hierarchy during the year.

As at March 31, 2026, the Contingent Consideration (Note 9) and gold zero-cost collars (Note 6) and gold put options (Note 6) were classified as Level 2 under the fair value hierarchy.

## 22. Segment information

### a. Operating segments

The Company's Chief Operating Decision Maker, its Chief Executive Officer, reviews the operating results, assesses the performance and makes capital allocation decisions of the Company viewed as a single operating segment engaged in production and sale of gold from the Hemlo Mine located in Canada. All amounts disclosed in the interim condensed consolidated financial statements represent this single segment. The Company's corporate division is considered incidental to the activities of the Company and does not meet the definition of an operating segment as defined in IFRS 8, *Operating Segments*.

### b. Geographic segments

The Company is in the business of production and sale of gold in Canada. All of the Company's non-current assets are located in Canada.

## 23. Related parties

Related parties include the key management personnel, their close family members, and entities controlled by these individuals. The Company's key management personnel consists of directors of the Company and officers who have authority and responsibility for strategic decision-making. Certain consultants who perform functions similar to key management personnel are also considered related parties.

### Compensation of key management personnel

Remuneration of key management personnel was as follows:

	Three months ended March 31,	
	2026	2025
Salaries and fees	\$ 431	\$ —
Benefits	27	—
Share-based compensation	2,519	—
<b>Total key management personnel compensation</b>	<b>\$ 2,977</b>	<b>\$ —</b>

As at March 31, 2026, amounts owing to such related parties amounted to \$0.1 million (2025 - \$0.2 million).

### Consulting services

For the three months ended March 31, 2026, there were transactions totalling \$1.0 million (2025 - \$nil) between the Company and entities controlled by the Company's key management personnel for consulting services.