



Fuerte Metals Corporation

Condensed Consolidated Interim Financial Statements

March 31, 2026

(Unaudited)



www.fuertemetals.com

TSX.V: **FMT**
OTCQB: **FUEMF**

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended March 31, 2026 and 2025 have not been reviewed by the Company's external auditors.

FUERTE METALS CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
Unaudited
(Expressed in Canadian Dollars)

	Note	As at March 31, 2026	As at December 31, 2025
ASSETS			
Current			
Cash		\$ 55,720,950	\$ 56,864,178
Receivables		314,342	256,661
Prepaid expenses		1,024,992	155,627
Investment in marketable securities	5	1,860,200	2,308,450
		58,920,484	59,584,916
Exploration and evaluation assets	6	122,567,666	122,600,810
Property, plant and equipment	7	23,967,068	24,727,311
Investment in marketable securities	5	3,720,400	4,616,900
Total assets		\$ 209,175,618	\$ 211,529,937
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 4,387,434	\$ 2,093,423
Flow-through premium liability	8	2,380,963	2,516,813
		6,768,397	4,610,236
Deferred tax liability		1,055,000	1,391,000
Provision for reclamation and remediation	9	10,241,182	10,274,326
Total liabilities		18,064,579	16,275,562
SHAREHOLDERS' EQUITY			
Common share capital	10	226,643,528	189,709,802
Preferred share capital	10	-	30,512,171
Reserves	11	18,442,766	15,817,284
Accumulated deficit		(53,975,255)	(40,784,882)
Total shareholders' equity		191,111,039	195,254,375
Total liabilities and shareholders' equity		\$ 209,175,618	\$ 211,529,937

Description of business and nature of operations (Note 1)
Going concern (Note 2(b))
Subsequent events (Note 17)

Approved on Behalf of the Board on May 11, 2026.

“Sandip Rana”
Director

“Scott V. Hicks”
Director

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

FUERTE METALS CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars, except share amounts)

	Note	Three months ended March 31,	
		2026	2025
Expenses			
Consulting fees		\$ 24,976	\$ 23,537
Exploration and evaluation ("E&E") expenditures	6(b)	7,509,090	1,432,999
Pre-exploration and evaluation		-	145,493
IVA expense		3,866	138,028
General and administration ("G&A")		349,746	72,592
Salaries, management and director fees	16	765,747	122,409
Professional fees		216,736	90,744
Share-based compensation	11	3,431,672	389,706
Shareholder communications		243,533	99,507
Travel		61,215	10,657
		(12,606,581)	(2,525,672)
Other income (expenses)			
Fair value loss on investment in marketable securities	5	(1,344,750)	-
Interest income		284,104	41,985
Flow-through share premium recovery	8	135,850	-
IVA recovery		-	13,265
Foreign exchange gain / (loss)		5,004	(33,133)
		(919,792)	22,117
Loss before tax		(13,526,373)	(2,503,555)
Income tax expense			
Deferred income tax recovery		336,000	-
		336,000	-
Loss and comprehensive loss for the period		\$ (13,190,373)	\$ (2,503,555)
Loss per common share, basic and diluted		\$ (0.10)	\$ (0.04)
Weighted average number of shares outstanding – basic and diluted		133,178,841	61,171,215

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

FUERTE METALS CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars)

	Note	Three months ended March 31,	
		2026	2025
Net inflow (outflow) of cash related to the following activities:			
Operating:			
Loss		\$ (13,190,373)	\$ (2,503,555)
Adjustments to reconcile loss to cash used in operating activities:			
Deferred income tax recovery		(336,000)	-
Share-based compensation	11	3,431,672	389,706
Depreciation expense	7	790,292	-
Fair value loss on investment in marketable securities	5	1,344,750	-
Flow-through share premium recovery		(135,850)	-
Changes in non-cash working capital items:			
Accounts payable and accrued liabilities		2,294,011	281,706
Receivables		(57,681)	(11,495)
Prepaid expenses		(869,365)	16,059
Cash used in operating activities		(6,728,544)	(1,827,428)
Investing activities			
Purchase of equipment		(30,049)	-
Cash used in investing activities		(30,049)	-
Financing activities			
Proceeds from exercise of stock options	11	842,101	-
Proceeds from exercise of warrants	11	4,773,264	-
Cash provided by financing activities		5,615,365	-
Change in cash during the year		(1,143,228)	(1,827,428)
Cash, beginning of year		56,864,178	5,575,071
Cash, end of year		\$ 55,720,950	\$ 3,747,643
Supplemental Schedule of Non-Cash Investing and Financing Activities:			
Conversion of Preferred Shares to Common Shares		\$ 30,512,171	\$ -

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

FUERTE METALS CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Number of Preferred Shares	Common Share Capital	Preferred Share Capital	Reserves	Accumulated Deficit	Total
Balance, December 31, 2024		61,171,215	-	\$ 38,705,824	\$ -	3,739,969	\$ (30,774,093)	\$ 11,671,700
Share-based compensation	11	-	-	-	-	389,706	-	389,706
Loss for the period		-	-	-	-	-	(2,503,555)	(2,503,555)
Balance, March 31, 2025		61,171,215	-	\$ 38,705,824	\$ -	4,129,675	\$ (33,277,648)	\$ 9,557,851
Balance, December 31, 2025		126,859,280	10,842,989	\$ 189,709,802	\$ 30,512,171	15,817,284	\$ (40,784,882)	\$ 195,254,375
Share-based compensation	11	-	-	-	-	3,431,672	-	3,431,672
Conversion of preferred shares to common shares	10	10,842,989	(10,842,989)	30,512,171	(30,512,171)	-	-	-
Exercise of options	10	655,000	-	1,356,030	-	(513,929)	-	842,101
Exercise of warrants	10	1,812,216	-	4,830,372	-	(57,108)	-	4,773,264
Exercise of restricted stock units	10	193,891	-	235,153	-	(235,153)	-	-
Loss for the period		-	-	-	-	-	(13,190,373)	(13,190,373)
Balance, March 31, 2026		140,363,376	-	\$ 226,643,528	\$ -	18,442,766	\$ (53,975,255)	\$ 191,111,039

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

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars unless otherwise noted)

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Fuerte Metals Corporation ("Fuerte" or the "Company") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020. The Company's registered and records office and head office is located at 3200 – 733 Seymour Street, Vancouver, BC, V6B 0S6. The Company is listed on the TSX Venture Exchange ("TSXV"), having the symbol "FMT" and on the OTCQB under the symbol "FUEMF". The principal business of the Company is to identify, explore and evaluate, and progress mineral properties in Canada, Chile, Mexico and elsewhere in the Americas.

On February 9, 2024, the Company completed a reverse takeover transaction (the "RTO"), pursuant to a Business Combination Agreement dated December 15, 2023, between Fuerte, 1000723052 Ontario Corporation, a newly incorporated, wholly owned subsidiary of Fuerte, and TCP1 Corporation ("TCP1"). Immediately prior to completing the RTO, Fuerte consolidated its issued and outstanding shares on a 6 for 1 basis. Pursuant to the RTO, Fuerte acquired all of the outstanding shares in TCP1 in exchange for common shares of Fuerte. Upon completion of the RTO, the shareholders of TCP1 controlled Fuerte and accordingly, the transaction was accounted for as a reverse acquisition of Fuerte by TCP1 and TCP1 was identified as the accounting acquirer.

On October 17, 2025, the Company closed the acquisition of Goldcorp Kaminak Ltd., the owner of the Coffee Gold Project (the "Coffee Project") in Yukon, Canada, from Newmont Corporation ("Newmont") (Note 3). Subsequent to the acquisition date, Goldcorp Kaminak Ltd. changed its name to Kaminak Gold Ltd. ("Kaminak").

The Company also holds mineral properties in Chile through its ownership of the Placeton project and mineral properties in Mexico comprised of the Cristina and Yecora projects. The success of the Company will be dependent on obtaining the necessary financing to evaluate and progress the Coffee Project as well as the mineral properties in Chile and Mexico.

2. BASIS OF PREPARATION, GOING CONCERN AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

These condensed consolidated interim financial statements of the Company for the three months ended March 31, 2026 and 2025, have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information and disclosures required in full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2025 which have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. All dollar amounts presented are expressed in Canadian dollars, unless otherwise specified. In addition, these condensed consolidated interim financial statements are prepared using the accrual basis of accounting except for cash flow information.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors ("Board") on May 11, 2026.

(b) Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing through the capital markets. During the three months ended March 31, 2026, the Company incurred a loss of \$13,190,373 and, as of March 31, 2026, the Company had an accumulated deficit of \$53,975,255. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational needs, its project development requirements, and its specific exploration spending commitments (see Note 8). While the Company raised additional funding in 2025, it will continue to incur losses in the process of advancing its mineral exploration projects such that additional funds will be required in the future to enable the Company to continue its operations. There can be no assurance that financing will be available on terms which are acceptable to the Company.

These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern. Such adjustments could be material.

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars unless otherwise noted)

2. BASIS OF PREPARATION, GOING CONCERN AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Material accounting policies

The material accounting policies that have been applied, on a consistent basis, in the preparation of these condensed consolidated interim financial statements are included in the Company's audited consolidated financial statements for the year ended December 31, 2025. Those accounting policies have been used throughout all periods presented in the condensed consolidated interim financial statements.

(d) Significant judgments, estimates and assumptions

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires the Company to make judgments, estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. Significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2025.

(e) Recent accounting pronouncement issued but not yet effective

Below are new standards, amendments to existing standards and interpretations that have been issued and are not yet effective. The Company plans to apply the new standards or interpretations in the annual period for which they are effective.

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

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of loss and comprehensive loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit (loss) subtotal. Entities' net income (loss) will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.
- In addition, all entities are required to use the operating profit (loss) subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is currently assessing the impact of this new standard, particularly with respect to the structure of the Company's consolidated statement of loss and comprehensive loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently included under other income (expenses).

3. ACQUISITION OF COFFEE PROJECT

On October 17, 2025, the Company closed the acquisition of Kaminak, the owner of the Coffee Project in the Yukon, Canada, from Newmont Corporation ("Newmont"). Pursuant to the transaction, the Company paid approximately US\$10 million in cash and issued 22,729,126 common shares and 10,842,989 preferred shares to an affiliate of Newmont. The preferred shares are non-voting, but economically equivalent to the Company's common shares. The preferred shares automatically converted into common shares on a one for one basis on February 14, 2026 (See Note 10). The Company also granted Newmont a 3% net smelter return (NSR) royalty on the Coffee Project. The NSR may be repurchased for US\$100 million within one year following the announcement of commercial production.

In connection with the transaction, the Company also issued 2,000,000 units to Trinity Advisors Corporation for advisory services, each unit comprising one common share and one warrant exercisable at \$2.50 per share for five years.

The Coffee Project did not meet the definition of a business as defined under IFRS 3 *Business Combinations* and accordingly the acquisition was accounted for as an asset acquisition. The following summarizes the purchase price allocation:

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
Unaudited
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3. ACQUISITION OF COFFEE PROJECT (continued)

Consideration issued:		
Cash (US\$ 10 million)	\$	13,908,639
22,729,126 common shares of the Company (Note 10)		76,142,572
10,842,989 preferred shares of the Company (Note 10)		30,512,171
		<u>120,563,382</u>
Transaction costs – cash		679,370
Transaction costs – advisory services – 2,000,000 units (Note 10)		10,048,000
		<u>10,727,370</u>
Total consideration	\$	131,290,752
Net identifiable assets (liabilities) acquired:		
Cash	\$	77,521
Receivables		8,246
Exploration and evaluation assets (Note 6)		116,552,603
Property, plant and equipment (Note 7)		25,255,000
Accounts payable and accrued liabilities		(300,381)
Provision for reclamation and remediation (Note 9)		(10,302,237)
		<u>131,290,752</u>
Net assets acquired	\$	131,290,752

4. SALE OF EL COFRE PROJECT

On September 12, 2025, the Company entered into a definitive agreement (the "Agreement") to sell its 100% interest in the El Cofre Project, which represented a 100% interest in various mining concession tenement groups, to Chilean Cobalt Corp. ("C3"). Under the terms of the Agreement, on September 24, 2025 the Company transferred all of the mining concessions that comprise the El Cofre Project to Baltum Minería SpA, a wholly owned subsidiary of C3, in exchange for 4.5 million common shares of C3, received on October 6, 2025 and cash reimbursement of the 2025 annual concession payments of \$147,715 (CLP 101,833,291) received on October 7, 2025.

The 4.5 million common shares of C3 were recorded at fair value of \$1,360,800 million based on the quoted market price (OTCQB:COBA) on the closing date adjusted for a discount for a lack of marketability to reflect contractual lock up restrictions. Under these restrictions, 1.5 million shares become freely tradeable after one year, an additional 1.5 million after two years and the remaining 1.5 million shares after three years. The Company applied a discount for lack of marketability ranging from 44 - 56% to the market price of the C3 common shares. The discount for lack of marketability (DLOM) as at September 24, 2025 was estimated using the Chaffe and Finnerty option pricing models with volatility ranging from 169% to 201%. The Company recognized a gain on sale of the El Cofre Project of \$1,360,800.

5. INVESTMENT IN MARKETABLE SECURITIES

The investment in marketable securities consists of 4.5 million common shares of Chilean Cobalt Corp. (OTCQB:COBA) which were issued to the Company in connection with the sale of the El Cofre Project (Note 4).

	March 31, 2026	December 31, 2025
Investment in Chilean Cobalt Corp. - current	\$ 1,860,200	\$ 2,308,450
Investment in Chilean Cobalt Corp – non-current	3,720,400	4,616,900
Total investment in marketable securities	\$ 5,580,600	\$ 6,925,350

These shares were measured at fair value through profit or loss ("FVTPL"), and the fair value was determined using the Chaffe and Finnerty option pricing models to account for the restriction placed on the common shares to be received as described in Note 4. An unrealized loss of \$1,344,750 was recorded as at March 31, 2026 (\$nil at March 31, 2025) based on the fair value as at March 31, 2026 that included a discount for lack of marketability ranging from 46% to 58% due to these restrictions. The discount for lack of marketability as at March 31, 2026 was estimated using the Chaffe and Finnerty option pricing models with volatility ranging from 208% to 256%.

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars unless otherwise noted)

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

(a) Exploration and evaluation assets

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory and environmental requirements.

At March 31, 2026, the Company has the following mineral exploration projects:

- (i) The Company holds 100% of the rights to the Coffee Project located in the Yukon, Canada (Note 3 for details of the acquisition of Coffee Project on October 17, 2025). In connection with the acquisition, the Company granted Newmont a 3% NSR royalty on the Coffee Project. This NSR may be repurchased for US\$100 million within one year following the announcement of commercial production. In addition, there is an existing 2% NSR over all minerals produced from the Coffee Project and the Company has the right to buy back half of this NSR (or 1% NSR) for \$2,000,000.
- (ii) The Company holds a 100% interest in the Yecora Project located in Mexico. Pursuant to the terms of the Yecora acquisition agreement, the Company is required to pay a sum of US\$500,000 when the Company makes the decision to start production, and US\$2,000,000 when the Company starts commercial production on any of the claims within the Yecora Project. The Yecora Project was subject to a 1% net smelter royalty ("NSR") which was repurchased in 2021 for US\$1,500,000 (\$1,892,148).
- (iii) The Company holds a 100% interest in the Cristina Project located in Mexico. There is an existing 2% NSR, held by Maverix Metals Inc. (which is owned by Triple Flag Precious Metals Corp.) over all minerals produced from certain exploitation tenements included in the Cristina Project. The Company has the right to buy back 1% of the NSR for US\$1,000,000.
- (iv) The Company holds 100% of the rights to the Placeton Project in the Atacama region of Chile which consists of the Placeton, Caballo Muerto and Los Naranjos targets. There is an existing 2% NSR over all minerals produced from the mining concession tenement groups that comprise the Placeton Project.
- (v) The Company held 100% of the rights to the El Cofre Project, which represented a 100% interest in various mining concession tenement groups, until September 24, 2025, when the Company sold the El Cofre Project to Chilean Cobalt Corp. ("C3") (Note 4).

The carrying value of the exploration and evaluation assets, by project, is as follows:

	Yecora	Cristina	Placeton	Coffee	Total
Balance, December 31, 2025	\$ 1,905,936	\$ 13,788	\$ 4,156,394	\$ 116,524,692	\$ 122,600,810
Change in period	-	-	-	(33,144)	(33,144)
Balance, March 31, 2026	\$ 1,905,936	\$ 13,788	\$ 4,156,394	\$ 116,491,548	\$ 122,567,666

(b) Exploration and evaluation expenditures

Exploration and evaluation expenditures for the three months ended March 31, 2026 and 2025 are summarized as follows:

	Three months ended March 31, 2026				
	Yecora	Cristina	Placeton	Coffee	Total
Camp	\$ -	\$ -	\$ -	\$ 709,239	\$ 709,239
Claims, licences and permitting	12,250	239,575	313,602	556,335	1,121,762
Equipment and supplies	-	-	-	474,902	474,902
Consultants	-	35,851	-	17,840	53,691
Drilling	-	-	-	539,152	539,152
Engineering	-	-	-	1,744,762	1,744,762
Depreciation (Note 7)	-	-	-	790,292	790,292
Salaries and benefits	-	-	-	309,137	309,137
Sustainability and environment	-	-	-	38,949	38,949
Geology and geophysics	-	4,047	-	135,625	139,672
Miscellaneous field costs	20,244	46,399	5,467	244,040	316,150
Travel	-	199	-	1,271,183	1,271,382
Total	\$ 32,494	\$ 326,071	\$ 319,069	\$ 6,831,456	\$ 7,509,090

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
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6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

	Yecora	Three months ended March 31, 2025			Total
		Cristina	Placeton	El Cofre	
Claims, licences and permits	\$ 10,550	\$ 54,880	\$ 296,252	\$ 151,654	\$ 513,336
Consultants	-	25,599	1,350	-	26,949
Drilling	7,972	809,462	-	-	817,434
Geology and geophysics	-	47,912	-	-	47,912
Miscellaneous field costs	5,730	5,730	7,736	6,742	25,938
Property management	-	-	-	1,430	1,430
Total	\$ 24,252	\$ 943,583	\$ 305,338	\$ 159,826	\$ 1,432,999

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Other Equipment	Mobile Equipment	Total
Cost:				
Balance, December 31, 2024	-	-	-	-
Additions – acquisition of Coffee Project (Note 3)	\$273,000	\$ 15,792,000	\$ 9,190,000	\$ 25,255,000
Balance, December 31, 2025	273,000	15,792,000	9,190,000	25,255,000
Additions	-	-	30,049	30,049
Balance, March 31, 2026	273,000	15,792,000	9,220,049	25,285,049
Accumulated depreciation:				
Balance, December 31, 2024	-	-	-	-
Depreciation ⁽¹⁾	-	274,832	252,857	527,689
Balance, December 31, 2025	-	274,832	252,857	527,689
Depreciation ⁽¹⁾	-	411,007	379,286	790,292
Balance, March 31, 2026	-	685,839	632,143	1,317,981
Net book value:				
As at December 31, 2025	\$ 273,000	\$ 15,517,168	\$ 8,937,143	\$ 24,727,311
As at March 31, 2026	\$ 273,000	\$ 15,106,161	\$ 8,587,907	\$ 23,967,068

⁽¹⁾ Depreciation expense is included within exploration and evaluation expenditures in the statements of loss and comprehensive loss

8. FLOW-THROUGH PREMIUM LIABILITY

As a result of the issuance of 3,036,570 flow-through shares on December 18, 2025, for aggregate gross proceeds of \$17,249,933 (Note 10(vii)), the Company has a commitment to incur \$17,249,933 in qualifying Canadian exploration expenses on or before December 31, 2026. As of March 31, 2026, the Company incurred \$1,530,817 qualifying expenditures. The following is a continuity schedule of the liability portion of the flow-through share issuance:

	March 31, 2026	December 31, 2025
Balance, beginning of period	\$ 2,516,813	\$ -
Creation of flow-through premium liability from issuance of flow-through shares	-	2,516,813
Settlement of flow-through premium liability pursuant to qualifying expenditures	(135,850)	-
Balance, end of period	\$ 2,380,963	\$ 2,516,813

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
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9. PROVISION FOR RECLAMATION AND REMEDIATION

The Company conducts its operations to protect public health and the environment, and to comply with all applicable laws and regulations governing protection of the environment. The Company estimates future reclamation costs based on the level of site activity and estimates of costs required to fulfill the Company's future obligations. The below table details the items that affect the provision for reclamation and remediation.

	March 31, 2026	December 31, 2025
Balance, beginning of period	\$ 10,274,326	\$ -
Additions – acquisition of Coffee Project (Note 3)	-	10,302,237
Change in estimate	(33,144)	(27,911)
Balance, end of period	\$ 10,241,182	\$ 10,274,326

The Company's provision for reclamation and remediation consists of costs associated with closure activities for current disturbance at the Coffee Project. These closure activities include costs for re-contouring, re-vegetation, demobilization and demolition. Most expenditures are expected to occur in 2031. The discount rates used in estimating this site restoration cost obligation were between 2.6% and 3.9% for the period ended March 31, 2026, and the inflation rate used was 2.00%.

10. SHARE CAPITAL – COMMON AND PREFERRED

Authorized: Unlimited common shares, without par value. Unlimited preferred shares, without par value.

Issued:	Number of Common Shares	Common Share Capital	Number of Preferred Shares	Preferred Share Capital
Balance, December 31, 2024	61,171,215	\$ 38,705,824	-	\$ -
Exercise of warrants (i)	423,884	694,091	-	-
Private placement – acquisition of Coffee Project (ii)	34,848,485	54,759,612	-	-
Common shares issued – acquisition of Coffee Project (iii)	24,729,126	81,770,572	-	-
Preferred shares issued – acquisition of Coffee Project (iv)	-	-	10,842,989	30,512,171
Exercise of restricted stock units (v)	50,000	63,000	-	-
Bonus shares (vi)	2,600,000	-	-	-
Private placement – flow-through shares (vii)	3,036,570	13,716,703	-	-
Balance, December 31, 2025	126,859,280	\$ 189,709,802	10,842,989	\$ 30,512,171
Exercise of warrants (viii)	1,812,216	4,830,372	-	-
Conversion of preferred shares to common shares (iv)	10,842,989	30,512,171	(10,842,989)	(30,512,171)
Exercise of stock options (ix)	655,000	1,356,030	-	-
Exercise of restricted stock units (x)	193,891	235,153	-	-
Balance, March 31, 2026	140,363,376	\$ 226,643,528	-	\$ -

(i) In 2025, a total of 423,884 warrants were exercised for total proceeds of \$493,294. 398,884 warrants with an exercise price \$1.08 per common share were exercised for proceeds of \$430,794, and the previously recognized value relating to these warrants was reclassified from reserves to share capital in the amount of \$200,797. In addition, 25,000 warrants with an exercise price of \$2.50 per common share were exercised for proceeds of \$62,500.

(ii) On October 9, 2025, the Company completed a private placement of 34,848,485 subscription receipts at \$1.65 per receipt for gross proceeds of \$57,500,000. In connection with this private placement, the Company incurred cash share issue costs of \$2,740,388. Each subscription receipt converted on October 17, 2025 into one common share and one common share purchase warrant exercisable at \$2.50 per share for five years.

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars unless otherwise noted)

10. SHARE CAPITAL – COMMON AND PREFERRED (continued)

- (iii) As described in Note 3, pursuant to the transaction to acquire the Coffee Project, the Company issued to an affiliate of Newmont 22,729,126 common shares at a share price of \$3.35 per share for a total value of \$76,142,572.

In addition, the Company issued 2,000,000 units, each unit being comprised of one common share and one common share purchase warrant, in consideration for services provided by their financial advisor in connection with this transaction. The common shares were subject to a four-month hold period, and the warrants are exercisable at a price of \$2.50 per share for five years upon closing of the transaction. The fair value of the common share portion of each unit was determined using the Chaffe and Finnerty option pricing models to account for the discount for lack of marketability restriction due to the four-month holding period. The resulting common share fair value of \$5,628,000 included a 16% discount for lack of marketability recorded against the underlying common share price of \$3.35 per share. The fair value of \$4,420,000 of the warrant portion of each unit recorded in reserves (Note 11) was determined using the Black-Scholes valuation model as follows:

Share price	\$3.35
Exercise price	\$2.50
Risk-free interest rate	2.65%
Expected dividend yield	Nil
Expected stock price volatility	71%
Expected warrant life	5 years
Fair value of warrants granted (per warrant)	\$2.21

- (iv) In addition to the common shares issued to an affiliate of Newmont, the Company also issued 10,842,989 preferred shares. These preferred shares were non-voting and economically equivalent to the common shares and automatically converted to common shares on a one-for-one basis on February 14, 2026. The fair value of the preferred shares of \$30,512,171 included a 16% discount for lack of marketability recorded against the underlying common share price of \$3.35 per share. The fair value of the preferred shares was determined using the Chaffe and Finnerty option pricing models with volatility of 94% to account for the discount for lack of marketability restriction.
- (v) In 2025, a total of 50,000 restricted stock units were exercised for common shares. The previously recognized stock-based compensation expense of \$63,000 was reclassified from reserves to share capital.
- (vi) In November 2025, the Company granted 2,600,000 bonus shares in connection with leadership appointments and the completion of the Coffee Project acquisition. The bonus shares are issued and outstanding given their dividend and voting rights but remain in escrow until vesting. The bonus shares vest in three equal tranches upon achievement of certain share price thresholds particular to each tranche (see Note 11(d)).
- (vii) As described in Note 8, the Company issued a total of 3,036,570 flow-through common shares, each of which qualify as a “flow-through share” within the meaning of the Income Tax Act (Canada) for total gross proceeds of \$17,249,933. This offering was comprised of 1,380,950 flow-through common shares issued at a price of \$5.25 per shares for gross proceeds of \$7,249,988, and 1,655,620 special flow-through common shares issued at a price of \$6.04 per share for gross proceeds of \$9,999,945. In connection with this issuance of flow-through shares, the Company incurred cash share issue costs of \$1,016,417 of which \$157,584 was allocated to the flow-through premium liability. A flow-through premium liability of \$2,516,813 was recorded equal to the premium investors paid for the flow-through feature.
- (viii) In the three months ended March 31, 2026, a total of 1,812,216 warrants were exercised for total proceeds of \$4,773,264. Previously recognized value relating to these warrants was reclassified from reserves to share capital in the amount of \$57,108.
- (ix) In the three months ended March 31, 2026, 655,000 stock options were exercised for proceeds of \$842,101. \$513,929 related to previously recorded stock-based compensation expense was reclassified from reserves to share capital.
- (x) In the three months ended March 31, 2026, a total of 193,891 restricted stock units were exercised for common shares. The previously recognized stock-based compensation expense of \$235,153 was reclassified from reserves to share capital.

11. RESERVES

The Company’s Long-Term Incentive Plan (the “Plan”) includes stock options and restricted stock units (“RSUs”) whereby the Company may grant equity incentives (“Awards”) to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the total number of issued and outstanding shares on the date the Awards are granted. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Investor relations service providers can only receive options as Awards under the Plan. Options are exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price no less than the closing market price of the Company’s shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange. The Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion.

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars unless otherwise noted)

11. RESERVES (continued)

(a) Stock Options

No stock options were granted during the three months ended March 31, 2026 (three months ended March 31, 2025 – 737,500 stock options granted at a weighted average exercise price of \$0.91 per share).

Pursuant to the Company's accounting policy for share-based payments, the fair value of options vesting during the three months ended March 31, 2026, in the amount of \$2,305,665 (three months ended March 31, 2025 - \$276,908) was recorded in the condensed consolidated interim statements of loss and comprehensive loss.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at December 31, 2024	3,116,674	\$ 1.77
Granted	8,687,500	3.39
Expired	(1,093,755)	2.31
Outstanding as at December 31, 2025	10,710,419	\$ 3.02
Exercised	(655,000)	1.29
Outstanding as at March 31, 2026	10,055,419	\$ 3.14

As at March 31, 2026, the Company has the following stock options outstanding and exercisable:

Options Outstanding				Options Exercisable	
Number of Options	Expiry Date	Weighted average life (years)	Exercise Price	Number of Options	Exercise Price
50,000	August 15, 2027	1.38	\$1.20	50,000	\$1.20
28,334	March 10, 2028	1.95	\$1.11	28,334	\$1.11
1,025,000	February 9, 2029	2.87	\$1.26	1,025,000	\$1.26
637,500	February 3, 2030	3.85	\$0.91	425,003	\$0.91
162,038	March 2, 2030	3.92	\$2.31	162,038	\$2.31
6,975,000	November 11, 2030	4.62	\$3.49	2,325,002	\$3.49
975,000	December 17, 2030	4.72	\$4.51	-	\$4.51
202,547	June 30, 2032	6.25	\$2.31	202,547	\$2.31
10,055,419		4.40	\$3.14	4,217,924	\$2.43

(b) Restricted Stock Units

Granted RSUs vest in three equal instalments beginning a year after the grant date. RSUs are subject to a restriction period which ends no later than December 31 of the calendar year three (3) years after the grant date, or as otherwise determined by the Board of Directors. During the three months ended March 31, 2026, the Company granted nil RSUs to directors, officers and employees of the Company (three months ended March 31, 2025 – 225,000).

RSU transactions are summarized as follows:

	Number of RSUs	Weighted Average Fair Value
Outstanding as at December 31, 2024	707,777	\$ 1.26
Granted	369,123	2.32
Exercised	(50,000)	1.26
Forfeited	(25,000)	0.91
Outstanding as at December 31, 2025	1,001,900	\$ 1.66
Exercised	(193,891)	1.21
Outstanding as at March 31, 2026	808,009	\$ 1.76

During the three months ended March 31, 2026, the Company recognized \$153,479 (three months ended March 31, 2025 - \$112,798) in share-based compensation expense related to the vesting of RSUs.

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars unless otherwise noted)

11. RESERVES (continued)

(c) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at December 31, 2024	1,581,523	\$ 2.94
Issued (Note 10)	36,848,485	2.50
Exercised	(423,884)	1.16
Expired	(4,861)	1.80
Outstanding as at December 31, 2025	38,001,263	\$ 2.53
Exercised	(1,812,216)	2.63
Outstanding as at March 31, 2026	36,189,047	\$ 2.53

As at March 31, 2026, the Company has the following warrants outstanding and exercisable:

Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life (years)
September 7, 2026	931,667	\$ 3.60	0.44
October 9, 2030	35,257,379	\$ 2.50	4.53
Total	36,189,046	\$ 2.53	4.42

(d) Bonus Shares

On November 11, 2025, the Company granted 2,600,000 bonus shares to certain officers. The bonus shares vest 18 months after issuance, in three equal tranches, subject to the Company's common shares achieving a market price of \$5.00, \$7.00, and \$9.00, respectively. The fair value of these shares of \$8,851,103, or \$3.40 per share, was determined at the grant date using a Monte-Carlo simulation.

For the three months ended March 31, 2026, the Company recognized \$972,528 (three months ended March 31, 2025 - \$nil) in share-based compensation expense related to the vesting of these bonus shares.

12. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to continue as a going concern that it may continue to explore and develop its mineral properties and continue its operations for the benefit of shareholders and also to support any business transaction that may occur. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financing to fund its operations. To carry out its exploration operations and to continue to support its general and administrative activities, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended March 31, 2026. The Company is not subject to externally imposed capital requirements.

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars unless otherwise noted)

13. FINANCIAL INSTRUMENTS

(a) Categories of financial assets and financial liabilities

The Company's financial assets and financial liabilities are categorized as follows:

	Category	March 31, 2026	December 31, 2025
Cash	Amortized cost	\$ 55,720,950	\$ 56,864,178
Receivables	Amortized cost	314,342	256,661
Investment in marketable securities (current and non-current)	FVTPL	5,580,600	6,925,350
Accounts payable and accrued liabilities	Amortized cost	4,477,347	2,093,423

(b) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels in which to classify the inputs of valuation techniques used to measure fair values.

Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).

Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The recorded amounts for cash and cash equivalents, receivables and accounts payable and accrued liabilities approximate their fair value due to the short-term maturities of these instruments and/or the market interest rate being earned or charged thereon. Income earned on the Company's cash has been disclosed in the consolidated statements of loss and comprehensive loss under the caption "interest income".

The investment in marketable securities is classified as a level 3 financial asset. The Company recognizes its investment in marketable securities (Notes 4 and 5) at fair value. These valuations are determined using level 3 inputs which involve considerable estimates as the inputs used to value these assets are based on unobservable market data and a discount for lack of marketability. There is inherent uncertainty and imprecision in estimating the factors that can affect fair value, and in estimating fair values generally, when observable market data is not available. Changes in assumptions and inputs used in valuing financial instruments could affect reported fair values.

During the three months ended March 31, 2026, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

14. FINANCIAL INSTRUMENT RISKS

The Company is exposed to various risks in relation to financial instruments. The main types of risk are credit risk, liquidity risk and market risk. These risks arise from the normal course of the Company's operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with financial instruments and the policies on mitigation of such risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(a) Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to receivables is minimal as these are primarily from the Government of Canada. The Company's maximum credit exposure is limited to the carrying amount of its cash and receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company manages liquidity risk by ensuring that it has sufficient cash available to meet its obligations. These requirements are met through a combination of cash on hand, disposition of assets, and accessing capital markets.

At March 31, 2026, the Company's current liabilities consisted of accounts payable and accrued liabilities of \$4,477,347, due primarily within three months from the year end. The Company's cash of \$55,720,950 at March 31, 2026, was sufficient to pay for these current liabilities.

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars unless otherwise noted)

14. FINANCIAL INSTRUMENT RISKS (continued)

(c) Market risks

The significant market risk exposures to which the Company is exposed are interest rate risk and currency risk.

Interest rate risk

The Company is exposed to interest rate risk to the extent that its cash maintained at its financial institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in either Chilean pesos ("CLP") or Mexican pesos ("MXN"). The table below shows the impact that a 5% fluctuation between the Canadian dollar ("CAD") and the foreign currencies noted above would have on the Company's comprehensive loss and net equity based upon the assets and liabilities held at March 31, 2026:

Financial Instrument Type	CAD Dollar	Currency	+/- 5% Fluctuation	
Cash	\$ 8,967	CLP	\$ 448	\$ (448)
Cash	28,269	MXN	1,413	(1,413)
Accounts payable and accrued liabilities	(376,853)	CLP	(18,843)	18,843
Accounts payable and accrued liabilities	(270)	MXN	(14)	14
Total	\$ (339,887)		\$ (16,994)	\$ 16,994

Other price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's maximum exposure to price risk on its investment in marketable securities is the carrying value at March 31, 2026 of \$5,580,600 (December 31, 2025 - \$6,925,350). A 5% fluctuation in equity price at March 31, 2026, would have resulted in a change in the fair value gain on investment in marketable securities recorded of approximately \$279,000.

15. SEGMENTED INFORMATION

The Company has one reportable segment, being the evaluation and exploration of mineral properties in the Americas. While the Company currently holds mineral properties in Canada, Chile and Mexico, all reporting to the chief decision maker is carried out on a consolidated basis.

Non-current assets broken down by geographic region at March 31, 2026 are as follows:

	Canada	Chile	Mexico	Total
Exploration and evaluation assets	\$ 116,491,548	\$ 4,156,394	\$ 1,919,724	\$ 122,567,666
Property, plant and equipment	23,967,068	-	-	23,967,068
	\$ 140,458,616	\$ 4,156,394	\$ 1,919,724	\$ 146,534,734

Non-current assets broken down by geographic region at December 31, 2025 were as follows:

	Canada	Chile	Mexico	Total
Exploration and evaluation assets	\$ 116,524,692	\$ 4,156,394	\$ 1,919,724	\$ 122,600,810
Property, plant and equipment	24,727,311	-	-	24,727,311
	\$ 141,252,003	\$ 4,156,394	\$ 1,919,724	\$ 147,328,121

FUERTE METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three months ended March 31, 2026 and 2025
Unaudited
(Expressed in Canadian Dollars unless otherwise noted)

16. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

Compensation paid to key management personnel for the three months ended March 31, 2026 and 2025 are as follows:

	Three months ended March 31,	
	2026	2025
Short-term benefits (i)	\$ 403,794	\$ 139,471
Share-based compensation	2,706,977	335,408
Total remuneration	\$ 3,110,771	\$ 474,879

(i) Short-term benefits include fees and salaries, including where those costs have been allocated to E&E expenditures. These expenses include fees paid to CLMLC LLC.

Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and normally are settled in cash. CLMLC LLC is related to the Company by way of a common officer.

\$27,117 owing to CLMLC LLC was included in accounts payable and accrued liabilities at March 31, 2026 (December 31, 2025 - \$27,095).

17. SUBSEQUENT EVENTS

Subsequent to March 31, 2026, 746,667 warrants were exercised at a weighted average exercise price of \$3.58 per warrant for aggregate gross proceeds of \$2,671,501.