

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2026**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 001-41320

**IDAHO STRATEGIC RESOURCES,
INC**

(Name of small business issuer in its charter)

Idaho

(State or other jurisdiction of
incorporation or organization)

82-0490295

(I.R.S. employer
identification No.)

201 N. Third Street, Coeur d'Alene, ID 83814
(Address of principal executive offices) (zip code)

(208) 625-9001

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.00 par value	IDR	NYSE American

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input checked="" type="checkbox"/>	Small Reporting Company	<input checked="" type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

At May 1, 2026, 15,809,859 shares of the registrant's common stock were outstanding.

IDAHO STRATEGIC RESOURCES, INC
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD
ENDED MARCH 31, 2026

TABLE OF CONTENTS

PART I -FINANCIAL INFORMATION

<u>ITEM 1. Financial Statements</u>	3
<u>ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
<u>ITEM 3. Quantitative and Qualitative Disclosures about Market Risk</u>	18
<u>ITEM 4. Controls and Procedures</u>	18

PART II OTHER INFORMATION

<u>ITEM 1. Legal Proceedings</u>	19
<u>ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	19
<u>ITEM 3. Defaults Upon Senior Securities</u>	19
<u>ITEM 4. Mine Safety Disclosures</u>	19
<u>ITEM 5. Other Information</u>	19
<u>ITEM 6. Exhibits</u>	20

PART I - FINANCIAL INFORMATION**ITEM 1: Financial Statements****Idaho Strategic Resources, Inc.
Condensed Consolidated Balance Sheets (Unaudited)**

	March 31, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 20,791,904	\$ 9,889,765
Investments in US treasury notes	27,765,146	27,679,881
Investment in equity securities	-	4,129,521
Investment in mutual funds	-	3,957,497
Gold sales receivable	3,920,174	3,912,922
Inventories	1,233,751	965,112
Joint venture receivable	3,796	12,760
Other current assets	872,289	799,261
Total current assets	<u>54,587,060</u>	<u>51,346,719</u>
Property, plant and equipment, net of accumulated depreciation	21,735,741	19,503,962
Mineral properties, net of accumulated amortization	17,500,099	15,742,370
Investments in US treasury notes, non-current	27,894,995	27,651,843
Investment in Buckskin Gold and Silver, Inc.	344,914	345,082
Investment in joint venture	435,000	435,000
Reclamation bonds	355,220	355,220
Deposits	3,116,502	858,534
Total assets	<u>\$125,969,531</u>	<u>\$116,238,730</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,676,476	\$ 1,904,589
Accrued payroll and related payroll expenses	819,775	409,212
Notes payable, current portion	879,822	1,029,336
Income taxes payable	899,175	334,446
Total current liabilities	<u>4,275,248</u>	<u>3,677,583</u>
Asset retirement obligations	330,672	325,451
Notes payable, long term	1,143,678	1,302,048
Deferred income tax liabilities	886,291	91,700
Total long-term liabilities	<u>2,360,641</u>	<u>1,719,199</u>
Total liabilities	<u>6,635,889</u>	<u>5,396,782</u>
Commitments Note 5	-	-
Stockholders' equity:		
Preferred stock, no par value, 1,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock, no par value, 200,000,000 shares authorized; March 31, 2026-15,806,301 and December 31, 2025- 15,705,199 shares issued and outstanding	101,946,729	99,828,021
Retained earnings	14,729,713	8,341,721
Total Idaho Strategic Resources, Inc stockholders' equity	<u>116,676,442</u>	<u>108,169,742</u>
Non-controlling interest	2,657,200	2,672,206
Total stockholders' equity	<u>119,333,642</u>	<u>110,841,948</u>

Total liabilities and stockholders' equity

\$125,969,531 \$116,238,730

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

Idaho Strategic Resources, Inc.
Condensed Consolidated Statements of Operations (Unaudited)
For the Three-Month Periods Ended March 31, 2026 and 2025

	<u>March 31,</u>	
	<u>2026</u>	<u>2025</u>
Revenue:		
Sales of products, net	\$ 14,482,286	\$ 7,278,536
Total revenue	<u>14,482,286</u>	<u>7,278,536</u>
Costs of Sales:		
Cost of sales and other direct production costs	4,203,603	3,030,829
Depreciation and amortization	713,785	549,621
Total costs of sales	<u>4,917,388</u>	<u>3,580,450</u>
Gross profit	<u>9,564,898</u>	<u>3,698,086</u>
Other operating expenses:		
Exploration	1,389,349	1,371,433
Management	189,643	264,745
Professional services	181,351	183,738
General and administrative	223,027	237,018
(Gain) loss on sale of equipment	(632)	239,898
Total other operating expenses	<u>1,982,738</u>	<u>2,296,832</u>
Operating income	<u>7,582,160</u>	<u>1,401,254</u>
Other (income) expense:		
Equity (income) loss on investment in Buckskin Gold and Silver, Inc	168	(1,346)
Loss on investment in equity securities and mutual funds	304,241	-
Timber revenue net of costs	(3,209)	(3,856)
Dividend income	(55,532)	-
Interest income	(392,018)	(185,395)
Total other income	<u>(146,350)</u>	<u>(190,597)</u>
Income before income taxes	7,728,510	1,591,851
Income tax provision	1,359,320	-
Net income	<u>6,369,190</u>	<u>1,591,851</u>
Net loss attributable to non-controlling interest	(18,802)	(17,128)
Net income attributable to Idaho Strategic Resources, Inc	<u>\$ 6,387,992</u>	<u>\$ 1,608,979</u>
Net income per common share-basic	<u>\$ 0.40</u>	<u>\$ 0.12</u>
Weighted average common share outstanding-basic	<u>15,795,072</u>	<u>13,666,321</u>
Net income per common share-diluted	<u>\$ 0.40</u>	<u>\$ 0.12</u>
Weighted average common shares outstanding-diluted	<u>15,976,298</u>	<u>13,735,770</u>

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

Idaho Strategic Resources, Inc.
Condensed Consolidated Statement of Changes in Stockholders' Equity (Unaudited)
For the Three-Month Periods Ended March 31, 2026 and 2025

	Common Stock Shares	Common Stock Amount	Retained Earnings (Accumulated Deficit) Attributable to Idaho Strategic Resources, Inc.	Non- Controlling Interest	Stockholders' Equity
Balance December 31, 2024	13,665,058	\$ 46,059,318	\$ (8,373,953)	\$ 2,727,949	\$ 40,413,314
Contribution from non-controlling interest in New Jersey Mill Joint Venture	-	-	-	1,927	1,927
Stock-based compensation	-	495,146	-	-	495,146
Issuance of common stock for cashless stock options exercised	3,722	-	-	-	-
Net income (loss)	-	-	1,608,979	(17,128)	1,591,851
Balance March 31, 2025	<u>13,668,780</u>	<u>\$ 46,554,464</u>	<u>\$ (6,764,974)</u>	<u>\$ 2,712,748</u>	<u>\$ 42,502,238</u>
Balance December 31, 2025	15,705,199	\$ 99,828,021	\$ 8,341,721	\$ 2,672,206	\$ 110,841,948
Contribution from non-controlling interest in New Jersey Mill Joint Venture	-	-	-	3,796	3,796
Stock-based compensation	-	138,641	-	-	138,641
Issuance of common stock for cash, net of issuance costs	36,976	1,778,817	-	-	1,778,817
Issuance of common stock for stock options exercised	17,500	201,250	-	-	201,250
Issuance of common stock for cashless stock options exercised	46,626	-	-	-	-
Net income (loss)	-	-	6,387,992	(18,802)	6,369,190
Balance March 31, 2026	<u>15,806,301</u>	<u>\$101,946,729</u>	<u>\$ 14,729,713</u>	<u>\$ 2,657,200</u>	<u>\$ 119,333,642</u>

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

Idaho Strategic Resources, Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
For the Three-Month Periods Ended March 31, 2026 and 2025

	March 31,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 6,369,190	\$ 1,591,851
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	713,785	549,621
(Gain) loss on sale of equipment	(632)	239,898
Accretion of asset retirement obligation	5,221	4,887
Loss on investment in equity securities and mutual funds	304,241	-
Equity (income) loss on investment in Buckskin Gold and Silver, Inc.	168	(1,346)
Stock-based compensation	138,641	495,146
Amortization of discount on US treasury notes	53,768	4,903
Deferred tax expense	794,591	-
Change in operating assets and liabilities:		
Gold sales receivable	(7,252)	(254,691)
Inventories	(268,639)	(271,670)
Joint venture receivable	8,964	965
Other current assets	(73,028)	41,021
Accounts payable and accrued expenses	(228,113)	16,192
Accrued payroll and related payroll expenses	410,563	(2,285)
Income taxes payable	564,729	-
Net cash provided by operating activities	<u>8,786,197</u>	<u>2,414,492</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(2,841,479)	(1,408,468)
Deposits on equipment	(2,257,968)	-
Proceeds from sale of equipment	-	40,400
Purchase of mineral property	(202,405)	-
Additions to mineral property	(1,658,777)	(455,029)
Purchase of US treasury notes	(7,303,185)	(1,873,934)
Maturity of US treasury notes	6,921,000	1,780,000
Proceeds from sale of equity securities	3,912,963	-
Proceeds from sale of mutual funds	3,869,814	-
Purchase of reclamation bond	-	(81,000)
Net cash provided (used) by investing activities	<u>439,963</u>	<u>(1,998,031)</u>
Cash flows from financing activities:		
Proceeds from sale of common stock, net of issuance cost	1,778,817	-
Proceeds from issuance of common stock for stock options exercised	201,250	-
Principal payments on notes payable	(307,884)	(219,165)
Contributions from non-controlling interest	3,796	1,927
Net cash provided (used) by financing activities	<u>1,675,979</u>	<u>(217,238)</u>
Net change in cash and cash equivalents	10,902,139	199,223
Cash and cash equivalents, beginning of period	9,889,765	1,106,901
Cash and cash equivalents, end of period	<u><u>\$ 20,791,904</u></u>	<u><u>\$ 1,306,124</u></u>
Non-cash investing and financing activities:		
Deposit on equipment applied to purchase	\$ -	\$ 194,101
Notes payable for equipment purchase	\$ -	\$ 2,156,967

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

[Table of Contents](#)

Idaho Strategic Resources, Inc
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. The Company and Significant Accounting Policies

These unaudited interim condensed consolidated financial statements have been prepared by the management of Idaho Strategic Resources, Inc. (“IDR”, “Idaho Strategic” or the “Company”) in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements. In the opinion of the Company’s management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair statement of the interim condensed consolidated financial statements have been included.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's consolidated financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions, which could have a material effect on the reported amounts of the Company's consolidated financial position and results of operations. Operating results for the three-month periods ended March 31, 2026, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2026. Management estimates that the effective tax rate expected for the full year ended December 31, 2026 will be 17.48% now that the Company has worked through its cumulative loss position and historical net operating losses (“NOLs”).

For further information refer to the financial statements and footnotes thereto in the Company’s audited consolidated financial statements for the year ended December 31, 2025, in the Company’s Form 10-K as filed with the Securities and Exchange Commission on March 23, 2026.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its majority-owned subsidiary, the New Jersey Mill Joint Venture (“NJMJV”). Intercompany accounts and transactions are eliminated. The portion of entities owned by other investors is presented as non-controlling interests on the condensed consolidated balance sheets and statements of operations.

Revenue Recognition

Gold Revenue Recognition and Receivables-Sales of gold sold directly to customers are recorded as revenues and receivables upon completion of the performance obligations and transfer of control of the product to the customer. For concentrate sales, the performance obligation is met, the transaction price can be reasonably estimated, and revenue is recognized generally at the time of shipment at estimated forward prices for the anticipated month of settlement. Due to the time elapsed from shipment to the customer and the final settlement with the customer, prices at which sales of concentrates will be settled are estimated. Previously recorded sales and accounts receivable are adjusted to estimated settlement metals prices until final settlement by the customer. For sales of doré and metals from doré, the performance obligation is met, the transaction price is known, and revenue is recognized at the time of transfer of control of the agreed-upon metal quantities to the customer by the refiner.

Sales and accounts receivable for concentrate shipments are recorded net of charges by the customer for treatment, refining, smelting losses, and other charges negotiated with the customers. Charges are estimated upon shipment of concentrates based on contractual terms, and actual charges typically do not vary materially from estimates. Costs charged by customers include fixed costs per tonne of concentrate and price escalators. Refining, selling, and shipping costs related to sales of doré and metals from doré are recorded to cost of sales as incurred. See Note 4 for more information on the Company’s sales of products.

Other Revenue Recognition-Revenue from harvest of raw timber is recognized when the performance obligation under a contract and transfer of the timber have both been completed. Sales of timber found on the Company’s mineral properties are not a part of normal operations.

Inventories

Inventories are stated at the lower of full cost of production or estimated net realizable value based on current metal prices. Costs consist of mining, transportation, and milling costs including applicable overhead, depreciation, depletion, and amortization

relating to the operations. Costs are allocated based on the stage at which the ore is in the production process. Supplies inventory is stated at the lower of cost or estimated net realizable value.

Mine Exploration and Development Costs

The Company expenses exploration costs as such in the period they occur. The exploration stage occurs up until the point ore reserves are identified. The pre-development stage begins once the Company identifies ore reserves which is based on a determination whether an ore body can be economically developed. Expenditures incurred during the pre-development stage are capitalized as deferred development costs and include such costs for drifts, ramps, and infrastructure. Costs to improve, alter, or rehabilitate primary development assets which appreciably extend the life, increase capacity, or improve the efficiency or safety of such assets are also capitalized. The pre-development stage ends when the production stage of ore reserves begins, thus entering the secondary development stage.

Drilling, and related costs are either classified as exploration, pre-development or secondary development, as defined above, and charged to operations as incurred, or capitalized, based on the following criteria:

- whether the costs are incurred to further define resources or exploration targets at and adjacent to existing reserve areas or intended to assist with mine planning within a reserve area;
- whether the drilling or development costs relate to an ore body that has been determined to be commercially mineable, and a decision has been made to put the ore body into commercial production; and
- whether, at the time the cost is incurred: (a) the expenditure embodies a probable future benefit that involves a capacity, singly or in combination with other assets, to contribute directly or indirectly to future net cash inflows, (b) the Company can obtain the benefit and control others' access to it, and (c) the transaction or event giving rise to the Company's right to or control of the benefit has already occurred.

If all of these criteria are met, drilling, development and related costs are capitalized. Drilling and development costs not meeting all of these criteria are expensed as incurred. The following factors are considered in determining whether or not the criteria listed above have been met, and capitalization of drilling and development costs is appropriate:

- completion of a favorable economic study and mine plan for the ore body targeted;

Table of Contents

Idaho Strategic Resources, Inc
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. The Company and Significant Accounting Policies (continued)

- authorization of development of the ore body by management and/or the Board of Directors; and
- there is a justifiable expectation, based on applicable laws and regulations, that issuance of permits or resolution of legal issues and/or contractual requirements necessary for the Company to have the right to or control of the future benefit from the targeted ore body have been met.

Amortization of development costs is calculated using the units-of-production method over the expected life as per the Financial Accounting Standards Board (“FASB”). This includes the cost to define proven and probable reserves and measured and indicated resources accessible via the Main Access Ramp (“MAR”). Inferred resources are excluded to reduce uncertainty, and therefore, the volumes are risk-adjusted. Assumptions are regularly evaluated, with material deviations disclosed to ensure a systematic and rational cost allocation.

Fair Value Measurements

When required to measure assets or liabilities at fair value, the Company uses a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used. The Company determines the level within the fair value hierarchy in which the fair value measurements in their entirety fall. The categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Level 1 uses quoted prices in active markets for identical assets or liabilities, Level 2 uses significant other observable inputs, and Level 3 uses significant unobservable inputs. The amount of the total gains or losses for the period that are included in earnings are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date. At March 31, 2026 and December 31, 2025, the Company measured its gold sales receivable at fair value. At December 31, 2025, the Company measured its investments in equity securities at fair value, and its investments in mutual funds at net asset value (“NAV”).

Accounting for Investments in Joint Ventures (“JV”) and Equity Method Investments

Investment in JVs-For JVs where the Company holds more than 50% of the voting interest and has significant influence, the JV is consolidated with the presentation of non-controlling interest. In determining whether significant influence exists, the Company considers its participation in policy-making decisions and its representation on the venture’s management committee.

For JVs in which the Company does not have joint control or significant influence, the cost method is used. For those JVs in which there is joint control between the parties, the equity method is utilized whereby the Company’s share of the ventures’ earnings and losses is included in the statement of operations as earnings in JVs and its investments therein are adjusted by a similar amount. The Company periodically assesses its investments in JVs for impairment. If management determines that a decline in fair value is other than temporary it will write-down the investment and charge the impairment against operations.

Equity Method Investments-Investments in companies and joint ventures in which the Company has the ability to exercise significant influence, but do not control, are accounted for under the equity method of accounting. In determining whether significant influence exists, the Company considers its participation in policy-making decisions and representation on governing bodies. Under the equity method of accounting, the Company’s share of the net earnings or losses of the investee are included in net income (loss) in the condensed consolidated statements of operations. The Company evaluates equity method investments whenever events or changes in circumstance indicate the carrying amounts of such investments may be impaired. If a decline in the value of an equity method investment is determined to be other than temporary, a loss is recorded in earnings in the current period. At March 31, 2026, and December 31, 2025, the Company’s 37% common stock holding of Buckskin Gold and Silver, Inc. (“Buckskin”) is accounted for using the equity method (Note 11).

At March 31, 2026 and December 31, 2025, the Company’s percentage ownership and method of accounting for each JV and equity method investment is as follows:

JV/Equity	March 31, 2026			December 31, 2025		
	% Ownership	Significant Influence?	Accounting Method	% Ownership	Significant Influence?	Accounting Method
NJMJV	65%	Yes	Consolidated	65%	Yes	Consolidated

Butte Highlands JV, LLC	50%	No	Cost	50%	No	Cost
Buckskin	37%	Yes	Equity	37%	Yes	Equity

Reclassifications

Certain prior period amounts have been reclassified to conform to the 2026 financial statement presentation. Reclassifications had no effect on stockholders' equity as previously reported. Cash flows were reclassified due to the US treasury notes.

Investments in US Treasury Notes

The Company holds short term investments in United States Treasury notes and are classified as held to maturity based on management's intent and ability to hold them to maturity. Such debt securities are stated at cost, adjusted for unamortized purchase premiums and discounts and are amortized using the interest method over the stated terms of the securities. Amortization of the premium or discount is included in interest income on the condensed consolidated statement of operations.

Segment Reporting

The Company operates as a single operating segment. All financial information is presented on a consolidated basis and reviewed by the Company's Chief Executive Officer as the Chief Operating Decision Maker ("CODM"). The CODM uses consolidated net income, as presented in the condensed consolidated statement of operations, to assess segment performance and allocate resources. The measure of segment assets is reported on the condensed consolidated balance sheet as total assets.

[Table of Contents](#)

Idaho Strategic Resources, Inc
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. The Company and Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disclosure about the types of costs and expenses included in certain expense captions presented on the income statement. The new disclosure requirements are effective for the Company's annual periods for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted, and may be applied either prospectively or retrospectively. The Company is currently evaluating the ASU to determine the impact on its condensed consolidated financial statements and disclosures.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

2. Investments in US Treasury Notes

The table below provides the components of investments in US treasury notes held to maturity at amortized cost and fair value at March 31, 2026 and December 31, 2025.

	March 31, 2026			
	Amortized Cost	Gross Unrealized gains	Gross Unrealized losses	Fair value
US Treasury notes, current	\$ 27,765,146	\$ 240,651	\$ (29,797)	\$ 27,976,000
US Treasury notes, non-current	\$ 27,894,995	\$ 486,712	\$ (58,707)	\$ 28,323,000
Total	<u>\$ 55,660,141</u>	<u>\$ 727,363</u>	<u>\$ (88,504)</u>	<u>\$ 56,299,000</u>

	December 31, 2025			
	Amortized Cost	Gross Unrealized gains	Gross Unrealized losses	Fair value
US Treasury notes, current	\$ 27,679,881	\$ 241,470	\$ (48,351)	\$ 27,873,000
US Treasury notes, non-current	\$ 27,651,843	\$ 554,348	\$ (106,191)	\$ 28,100,000
Total	<u>\$ 55,331,724</u>	<u>\$ 795,818</u>	<u>\$ (154,542)</u>	<u>\$ 55,973,000</u>

Fair value of investments in US treasury notes is determined using Level 1 inputs.

The maturity dates for the US treasury notes as of March 31, 2026 are as follows:

Maturity	Amortized Cost
Due within one year	\$27,765,146
Due one year to five years	\$27,894,995
Total	<u>\$55,660,141</u>

3. Inventories

At March 31, 2026 and December 31, 2025, the Company's inventories consisted of the following:

	March 31, 2026	December 31, 2025
Concentrate inventory:		

Finished goods	\$ 471,310	\$ 300,534
Total concentrate inventory	<u>471,310</u>	<u>300,534</u>
Supplies inventory:		
Mine parts and supplies	590,507	549,053
Mill parts and supplies	<u>171,934</u>	<u>115,525</u>
Total supplies inventory	<u>762,441</u>	<u>664,578</u>
Total	<u>\$1,233,751</u>	<u>\$ 965,112</u>

[Table of Contents](#)

Idaho Strategic Resources, Inc
Notes to Condensed Consolidated Financial Statements (Unaudited)

4. Sales of Products

The Company's products consist of both gold flotation concentrates which are sold to a single broker (H&H Metals Corp. ("H&H")), and an unrefined gold-silver product known as doré which is sold to various precious metals refineries. At March 31, 2026, gold concentrate that had been sold but not finally settled included 7,819 ounces of gold of which 7,102 ounces were sold at a predetermined price with the remaining 717 exposed to future price changes until prices are locked in based on the month of settlement. The Company has received provisional payments on the sale of these ounces with the remaining amount due reflected in gold sales receivable. Sales of products by metal type for the three-month periods ended March 31, 2026 and 2025 were as follows:

	March 31,	
	2026	2025
Gold	\$14,535,034	\$7,405,388
Silver	131,405	31,755
Less: Smelter and refining charges	(184,153)	(158,607)
Total	<u>\$14,482,286</u>	<u>\$7,278,536</u>

Sales by significant product type for the three-month periods ended March 31, 2026, and 2025 were as follows:

	March 31,	
	2026	2025
Concentrate sales to H&H	\$14,482,286	\$7,278,536
Dore sales to refinery	-	-
Total	<u>\$14,482,286</u>	<u>\$7,278,536</u>

At March 31, 2026 and December 31, 2025, the gold sales receivable balance of \$3,920,174, and \$3,912,922, respectively, consisted only of amounts due from H&H for concentrates. There is no allowance for doubtful accounts.

5. Related Party Transactions

The Company leases office space from certain related parties on a month-to-month basis. \$2,000 per month plus utilities is paid to NP Depot LLC, a company owned by the Company's president, John Swallow and approximately \$1,700 is paid quarterly to Mine Systems Design, Inc. which is partially owned by the Company's vice president, Grant Brackebusch. Payments under these short-term lease arrangements are included in general and administrative expenses on the condensed consolidated statement of operations and for the three-month periods ended March 31, 2026 and 2025 are as follows:

March 31,			
2026		2025	
\$	10,763	\$	7,688

6. JV Arrangements

NJMJV Agreement

The Company owns 65% of the NJMJV and has significant influence in its operations. Thus, the JV is included in the condensed consolidated financial statements along with presentation of the non-controlling interest. At March 31, 2026 and December 31, 2025, an account receivable existed with Crescent Silver, LLC ("Crescent"), the other JV participant, for \$3,796 and \$12,760, respectively, for shared operating costs as defined in the JV agreement. This account receivable is included in the condensed consolidated balance sheet as Joint venture receivable.

Butte Highlands JV, LLC

On January 29, 2016, the Company purchased a 50% interest in Butte Highlands JV, LLC (“BHJV”) for a total consideration of \$435,000. Highland Mining, LLC (“Highland”) is the other 50% owner and manager of the JV. Under the agreement, Highland will fund all future project exploration and mine development costs. The agreement stipulates that Highland is manager of BHJV and will manage BHJV until such time as all mine development costs, less \$2 million, are distributed to Highland out of the proceeds from future mine production. The Company has determined that because it does not currently have significant influence over the JV’s activities, it accounts for its investment on a cost basis.

7. Earnings per Share

The following table presents the calculation of basic and diluted net income per common share for the three-month periods ended March 31, 2026 and 2025.

	March 31,	
	2026	2025
Net income	\$ 6,369,190	\$ 1,591,851
Weighted average shares-basic	15,795,072	13,666,321
Potentially dilutive common shares from stock options- included	181,226	69,449
Weighted average shares-diluted	15,976,298	13,735,770
Net income per share-basic	\$ 0.40	\$ 0.12
Net income per share-diluted	\$ 0.40	\$ 0.12
Potentially dilutive common shares from stock options- excluded	69,274	401,551

[Table of Contents](#)

Idaho Strategic Resources, Inc
Notes to Condensed Consolidated Financial Statements (Unaudited)

8. Property, Plant, and Equipment

Property, plant and equipment at March 31, 2026 and December 31, 2025 consisted of the following:

	March 31, 2026	December 31, 2025
Mine Equipment	\$ 13,705,308	\$ 12,536,011
Accumulated Depreciation	(5,032,100)	(4,679,153)
Total Mine Equipment	8,673,208	7,856,858
Mill Equipment	11,841,261	10,415,564
Accumulated Depreciation	(3,487,683)	(3,277,234)
Total Mill Equipment	8,353,578	7,138,330
Buildings	4,167,109	3,934,123
Accumulated Depreciation	(436,857)	(404,052)
Total Buildings	3,730,252	3,530,071
Land	978,703	978,703
Total	<u>\$ 21,735,741</u>	<u>\$ 19,503,962</u>

For the three-month periods ended March 31, 2026 and 2025, depreciation expense for property, plant, and equipment was as follows:

March 31,	
2026	2025
\$ 610,332	\$ 515,283

9. Mineral Properties

Mineral properties at March 31, 2026 and December 31, 2025 consisted of the following:

	March 31, 2026	December 31, 2025
Golden Chest Mineral Property Infrastructure Total Golden Chest	\$ 5,750,924 11,185,546 16,936,470	\$ 5,683,026 9,594,667 15,277,693
New Jersey	256,768	256,768
McKinley-Monarch	200,000	200,000
Potosi	150,385	150,385
Park Copper/Gold	78,000	78,000
Eastern Star	250,817	250,817
Oxford	40,000	40,000
Silver Prospect	202,405	-
Accumulated Amortization	(614,746)	(511,293)
Total	<u>\$ 17,500,099</u>	<u>\$ 15,742,370</u>

In the three-month period ended March 31, 2026, the Company purchased the Silver Prospect for \$202,405.

For the three-month periods ended March 31, 2026 and 2025, amortization expense for mineral properties was as follows.

March 31,	
2026	2025
\$ 103,453	\$ 34,338

For the three-month periods ended March 31, 2026 and 2025, interest expense was capitalized in association with infrastructure at the Golden Chest Mine as follows.

March 31,	
2026	2025
\$ 41,565	\$ 43,387

[Table of Contents](#)

Idaho Strategic Resources, Inc
Notes to Condensed Consolidated Financial Statements (Unaudited)

10. Notes Payable

At March 31, 2026 and December 31, 2025, notes payable are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Mine Equipment		
Weighted average interest rate of 7.28%, and weighted average remaining term of 2.4 years as of March 31, 2026	\$ 1,313,304	\$ 1,581,098
Mill Equipment		
Weighted average interest rate of 8.06%, and weighted average remaining term of 3.2 years as of March 31, 2026	499,444	535,766
Buildings/Land		
Weighted average interest rate of 7.00%, and weighted average remaining term of 1.2 years as of March 31, 2026	<u>210,752</u>	<u>214,520</u>
Total notes payable	2,023,500	2,331,384
Due within one year	879,822	1,029,336
Due after one year	<u>\$ 1,143,678</u>	<u>\$ 1,302,048</u>

All notes are collateralized by the property or equipment purchased in connection with each note. Future principal payments of notes payable at March 31, 2026 are as follows:

For the twelve-months ended:

March 31, 2027	\$ 879,822
March 31, 2028	681,988
March 31, 2029	221,433
March 31, 2030	168,745
March 31, 2031	71,512
Total	<u>\$2,023,500</u>

11. Investment in Buckskin

The investment in Buckskin is being accounted for using the equity method and resulted in a change in equity from the loss of \$168 and income of \$1,346 for the respective three-month periods ended March 31, 2026 and 2025. The Company makes an annual payment of \$12,000 to Buckskin per a mineral lease covering 218 acres of patented mining claims. As of March 31, 2026 and December 31, 2025, the Company held 37% of Buckskin's outstanding shares.

12. Stockholders' Equity

Stock Issuance Activity

In the first three months of 2026, the Company issued common stock as follows:

- Sold 36,976 shares of common stock at an average price of approximately \$48.11 per share for net proceeds of \$1,778,817.
- Issued 17,500 shares of common stock for exercise of outstanding stock options for proceeds of \$201,250.
- Issued 46,626 shares of common stock for exercise of outstanding stock options via cashless exercises by employees.

Idaho Strategic Resources, Inc
Notes to Condensed Consolidated Financial Statements (Unaudited)

13. Stock Options

On January 15, 2025, the Company granted 400,000 stock options to employees with an exercise price of \$11.50. These options expire on January 15, 2028, and vest equally on June 30, 2025, December 31, 2025, June 30, 2026 and December 31, 2026. Stock-based compensation expense recognized for the three-month periods ended March 31, 2026 and 2025 was \$138,641 and \$495,146, respectively. Future expense for this stock option grant will be \$138,641 for the second quarter of 2026, and \$59,418 for each of the third and fourth quarters of 2026. Activity in the Company's stock options is as follows:

	Number of Options	Weighted Average Exercise Prices
Balance December 31, 2024	77,000	\$ 5.17
Granted	400,000	\$ 11.50
Exercised	(144,625)	\$ 8.26
Expired	(3,000)	\$ 5.25
Balance December 31, 2025	329,375	\$ 11.50
Exercised	(78,875)	\$ 11.50
Outstanding at March 31, 2026	250,500	\$ 11.50
Vested at March 31, 2026	50,500	\$ 11.50

In the first quarter of 2026, 61,375 options were exchanged for 46,626 shares in cashless exercises, and 17,500 options were exercised for cash. The intrinsic value of all options exercised was \$2,829,788. At March 31, 2026, outstanding stock options have a weighted average remaining term of approximately 1.8 years and have an intrinsic value of \$5,165,310. Vested stock options at March 31, 2026 have an intrinsic value of \$1,041,310.

14. Investments in Equity Securities and Mutual Funds

During the three-months ended March 31, 2026, the Company sold its investments in equity securities and mutual funds, resulting in a realized loss for the period of \$194,149. There was also an unrealized gain of \$110,092 from the prior period that was adjusted to \$0 upon the sale of the investments. Subsequent to March 31, 2026, the Company reinvested these funds into US treasury notes.

15. Income Taxes

For the quarter ended March 31, 2026, the Company recognized a provision for income taxes in the amount of \$1,359,320. The Company did not recognize a provision or (benefit) for income taxes for the quarter ended March 31, 2025.

The components of the tax provision for the three-months ended March 31, 2026 and 2025 are as follows:

	Current	March 31, 2026	March 31, 2025
Federal		\$ 214,246	\$ -
Idaho state		350,483	-
Total current income tax provision		564,729	-
	Deferred		
Federal		789,250	-
Idaho state		5,341	-
Total deferred income tax provision		794,591	-
Total income tax provision		<u>\$1,359,320</u>	<u>\$ -</u>

The income tax provision for the three-months ended March 31, 2026 varies from the amounts that would have resulted from applying the statutory tax rates to pre-tax income or loss due primarily to the impact of the percentage depletion calculation and usage of net operating loss carryforwards.

For the three-months ended March 31, 2026, the annual effective tax rate method was used to calculate the tax provision. The effective tax rate for the three-months ended March 31, 2026 was 17.48% compared to 0% in 2025. Tax effects of significant, unusual or infrequent items are recognized as discrete items in the periods they occur. None were recognized in the first quarter of 2026.

There were no federal or state income taxes paid in the first quarter of 2026.

16. Subsequent Events

Subsequent to March 31, 2026:

- Issued 3,000 shares of common stock upon the exercise of outstanding stock options for \$34,500.
- Issued 3,585 shares of common stock upon the exercise of 5,000 outstanding stock options in cashless exercises.
- Invested approximately \$8 million of cash into US treasury notes.

Forward-Looking Statements

Certain statements contained in this Form 10-Q, including in Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures About Market Risk, are intended to be covered by the safe harbor provided for under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company's forward-looking statements include current expectations and projections about future results, performance, results of litigation, prospects and opportunities, including reserves and other mineralization. The Company has tried to identify these forward-looking statements by using words such as "may," "will," "expect," "anticipate," "believe," "intend," "feel," "plan," "estimate," "project," "forecast" and similar expressions. These forward-looking statements are based on information currently available to the Company and are expressed in good faith and believed to have a reasonable basis. However, these forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

These risks, uncertainties and other factors include, but are not limited to, those set forth under Part I, Item 1A.—Risk Factors in the Company's 2025 Form 10-K and in Part II, Item 1.A.—Risk Factors in this Form 10-Q. Given these risks and uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements. All subsequent written and oral forward-looking statements attributable to Idaho Strategic or to persons acting on the Company's behalf are expressly qualified in their entirety by these cautionary statements. Except as required by federal securities laws, the Company does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Plan of Operation

Idaho Strategic is a gold producer and critical minerals exploration company focused on a diversified asset base and cash flows from operations. Its portfolio of mineral properties are located in the historic producing silver and gold districts of the Coeur d'Alene Mining region of north Idaho and the Elk City region of north-central Idaho, as well as the historic REE-Th Belt located near the city of Salmon in central Idaho.

The Company's plan of operation is to generate positive cash flow, increase its gold production and asset base over time while being mindful of corporate overhead. The Company's management is focused on utilizing its in-house technical and operating skills to build a portfolio of producing mines and milling operations with a focus on gold production and critical minerals exploration.

The Company's gold properties include: the Golden Chest (currently in production), and the New Jersey Mill (majority ownership interest), as well as the Little Baldy and Niagara exploration properties and other less advanced properties. The Company's primary focus as it relates to its gold properties is to continue to grow production at the Golden Chest Mine and look to reinvest the cash flow into both the Golden Chest, the New Jersey Mill, and furthering its exploration efforts near the Golden Chest, as well as at its REE properties.

In addition to its gold properties, Idaho Strategic has three REE exploration properties in Idaho known as Mineral Hill, Lemhi Pass, and Diamond Creek. The Company's expansion into REE's came about in an effort to diversify its holdings towards the anticipated demand for these elements in advanced robotics, low-carbon technologies, and a renewed focus on the United States' domestic critical minerals supply chain security for national defense. To date, Idaho Strategic has conducted numerous exploration programs on its REE properties which include mapping, sampling, trenching, and drilling of certain areas within the Company's 21,385-acre landholdings.

Idaho Strategic has been able to leverage its track record of operations and experience in mining, milling, and exploring at the Golden Chest to develop relationships with different state government agencies, universities, national labs, and other government and non-government entities to advance its REE exploration activities on multiple fronts. Idaho Strategic plans to continue to look for additional partnerships to find mutually beneficial solutions to advance the U.S.' domestic REE supply chain.

Critical Accounting Estimates

The Company has three critical accounting estimates. The ounces of gold contained in process and concentrate inventory is based

on assays taken at the time the ore is processed and the ounces of gold contained in shipped concentrate which is based upon assays taken prior to shipment, however, subject to final assays at the refinery, these shipments are also subject to the fluctuation in gold prices between shipment date and estimated and actual final settlement date. Additionally, the reclamation bond obligation on the Company's balance sheet is based on an estimate of the future cost to recover and remediate its properties as required by permits upon cessation of operations and may differ when operations are actually ceased. Finally, the amortization of development costs at the Golden Chest Mine is based on an estimate of reserves and measured and indicated resources calculated annually by the Company's mine engineers.

The Company's concentrate sales sometimes involve variable consideration, as they can be subject to changes in metals prices between the time of shipment and their final settlement. However, the Company can reasonably estimate the transaction price for the concentrate sales at the time of shipment using forward prices for the estimated month of settlement, and previously recorded sales and accounts receivable are adjusted to estimated settlement metals prices until final settlement for financial reporting purposes. The embedded derivative contained in the Company's concentrate sales is adjusted to fair value through earnings each period prior to final settlement. It is unlikely a significant reversal of revenue for the concentrate receivable will occur upon final settlement of the lots. As such, the Company uses the expected value method to price the concentrate until the final settlement date occurs, at which time the final transaction price is known. At March 31, 2026, metals that had been sold but not finally settled included 7,819 ounces of which 7,102 ounces were sold at a predetermined price with the remaining 717 exposed to future price changes until prices are locked in based on the month of settlement. The Company has received provisional payments on the sale of these ounces with the remaining amount due reflected in gold sales receivable.

Table of Contents

The asset retirement obligation and asset on the Company's balance sheet is based on an estimate of the future cost to recover and remediate its properties as required by permits upon cessation of operations and may differ when operations are actually ceased. At March 31, 2026 the Company reviewed its December 31, 2025 estimate that the cost of the machine and man hours probable to be needed to put its properties in the condition required by permits once operations are ceased. The March 31, 2026 estimated costs would be \$104,000 for the Golden Chest Mine property and \$224,000 for the New Jersey Mine and Mill. For purposes of the estimate, the Company evaluated the expected life in years and costs that, initially, are comparable to rates that it would incur at the present. An expected present value technique is used to estimate the fair value of the liability. This includes inflating the estimated costs in today's dollars using a reasonable inflation rate up to the date of expected retirement and discounting the inflated costs using a credit-adjusted risk-free rate. Upon initial recognition of the liability, the carrying amount of the related long-lived asset is increased by the same amount. The liability is accreted over time through periodic charges to earnings. In addition, the asset retirement cost is amortized over the life of the related asset. The Company is adding to the liability each year, and amortizing the asset over the estimated life, which decreases net income in total each year. Changes resulting from revisions to the timing or amount of the original estimate of undiscounted cash flows are recognized as either an increase or a decrease in the carrying amount of the liability for an asset retirement obligation and the related asset retirement cost capitalized as part of the carrying amount of the related long-lived asset. Upward revisions of the amount of undiscounted estimated cash flows are discounted using the current credit-adjusted risk-free rate. Downward revisions in the amount of undiscounted estimated cash flows are discounted using the credit-adjusted risk-free rate that existed when the original liability was recognized. The Company reviews, on an annual basis, unless otherwise deemed necessary, the asset retirement obligations. Separately, the Company accrues costs associated with environmental remediation obligations when it is probable that such costs will be incurred and able to be reasonably estimated.

Amortization of development costs is calculated using the units-of-production method over the expected life as per the Financial Accounting Standards Board ("FASB") Accounting Standards Codification 360-10-35-4. This includes the cost to define proven and probable reserves and measured and indicated resources accessible via the Main Access Ramp ("MAR"). Measured resources are 90-100% interpolated, and indicated resources 75-80% interpolated, using a 2 grams per tonne gold cut-off grade at the diluted minimum mining width. Conservative estimation parameters (three samples within 25 meters for measured, two within 50 meters for indicated) and economic factors ensure viability. Inferred resources are excluded to reduce uncertainty, and therefore, the volumes are risk-adjusted. Assumptions are regularly evaluated, with material deviations disclosed to ensure a systematic and rational cost allocation. More information on the Company's reserves and resources can be found in the Technical Report Summary For the Golden Chest Mine which was included as Exhibit 96.1 to the Company's Form 10-K filed with the Securities and Exchange Commission on March 23, 2026.

Highlights during the first quarter of 2026 include:

REE Exploration

- Exploration plans for the 2026 field season were finalized during the quarter. The bulk of the Company's REE exploration efforts are planned for high-grade prospects at both its Mineral Hill and Lemhi Pass projects. To support these programs, IDR has retained the help of a seasoned REE exploration geologist following his successful initial consulting stint with the Company in 2025.

Golden Chest/Operations

- At the Golden Chest, ore mined from underground stopes totaled approximately 11,290 tonnes with all of the tonnage coming from H-Vein stopes.
- During the quarter, a total of 193 meters of development was completed in the MAR and associated workings including an escapeway/ventilation raise. A quarterly record of 4,008 cubic meters of cemented rockfill ("CRF") backfill was placed during the quarter.
- For the quarter ended March 31, 2026, a total of 11,290 dry metric tonnes ("dmt") were processed at the Company's New Jersey Mill with a flotation feed head grade of 9.68 gpt gold and gold recovery of 92.1%.
- Some long lead items for the new mill at the Golden Chest were delivered such as a jaw crusher and a cone crusher. Additional underground mining equipment including two 4-yard LHDs were delivered to the mine during the first quarter.
- An exploration program consisting of surface and underground core drilling was continued during the first quarter at the Golden Chest. A total of 8,700 meters of drilling was completed at the Golden Chest targeting the Paymaster, the Red Star, Katie-Dora, and the H-vein.

Results of Operations

Idaho Strategic's financial performance during the quarter is summarized below:

- Revenue increased 99% to \$14,482,286 from \$7,278,536 for the three-month periods ended March 31, 2026 and 2025 respectively. The increase in revenue was 97% due to the increased average gold price realized on ounces sold which was \$4,702.04 in the first quarter of 2026 and \$2,848.74 in the first quarter of 2025. The remaining 3% of the increased revenue was from producing 334 more ounces of gold.
- Gross profit as a percentage of sales increased from 50.8% in the first quarter of 2025 to 66.1% in the first quarter of 2026.
- Exploration expense was almost unchanged in the first quarter of 2026 when compared to 2025. In the current quarter, the Company capitalized \$960,713 of core drilling costs at the Golden Chest, compared to \$0 in the first quarter of 2025.
- Operating income for the three-month period ended March 31, 2026 was \$7,582,160 which is an increase of 441.1% from operating income of \$1,401,254 in the first quarter of 2025. The increase is due to the increase in realized gold prices on ounces sold, while keeping cost increases as low as possible.
- Other income decreased \$44,247 from income of \$190,597 in the first quarter of 2025, to income of \$146,350 in the same period in 2026. The decrease was from one-time losses sustained when liquidating the Company's equity and mutual fund investments, which was slightly offset by increased interest income from US treasuries.
- Net income for the three-month period ended March 31, 2026 was \$6,369,190 compared to \$1,591,851 in 2025. The increase in net income is largely due to the increased realized gold price on ounces sold while also producing 334 more ounces of gold. The Company recognized a \$1,359,320 tax provision in the current quarter compared to \$0 in the first quarter of 2025.
- The consolidated net income for the three-month periods ended March 31, 2026 and 2025 included non-cash charges as follows: depreciation and amortization of \$713,385 (\$549,621 in 2025), gain on sale of equipment of \$632 (loss of \$239,898 in 2025), accretion of asset retirement obligation of \$5,221 (\$4,887 in 2025), loss on investment in equity securities of \$304,241 (\$0 in 2025), loss on investment in Buckskin of \$168 (gain of \$1,346 in 2025), stock-based compensation expense of \$138,641 (\$495,146 in 2025), accretion of discount on US treasury notes of \$53,768 (\$4,903 in 2025), and deferred tax liability of \$794,591 (\$0 in 2025).

[Table of Contents](#)

Non-Generally Accepted Accounting Principles (“Non-GAAP”) Financial Measures

Cash Costs and All In Sustaining Costs (“AISC”) Reconciliation to Generally Accepted Accounting Principles (“GAAP”)

Reconciliation of cost of sales and other direct production costs and depreciation, depletion, and amortization (GAAP) to cash cost per ounce and All-In Sustaining Costs (“AISC”) per ounce (non-GAAP).

The table below presents reconciliations between the most comparable GAAP measure of cost of sales and other direct production costs and depreciation, depletion, and amortization to the non-GAAP measures of cash cost per ounce produced and AISC per ounce produced for the Company’s gold production for the three-month periods ended March 31, 2026, and 2025. The cost per ounce calculations are based on ounces produced. Upon sale, the Company typically receives payment at an average rate of 94% of ounces produced after smelting and refining charges are deducted.

Cash cost per ounce is an important operating measure that is utilized to measure operating performance. AISC per ounce is an important measure that is utilized to assess net cash flow after costs for pre-development, exploration, reclamation, and sustaining capital. Current GAAP measures used in the mining industry, such as cost of goods sold do not capture all the expenditures incurred to discover, develop, and sustain gold production. Idaho Strategic calculates sustaining capital by including depreciation and amortization as an estimate of property, plant, and equipment wear and tear necessary to maintain production capacity, plus Golden Chest capitalized development costs, net of current period amortization, to reflect expenses for sustaining mine access and gold production.

	March 31,	
	2026	2025
Cost of sales and other direct production costs and depreciation, depletion, and amortization	\$ 4,917,388	\$ 3,580,450
Less depreciation, depletion, amortization and stock-based compensation	(799,222)	(854,755)
Change in inventory	(268,639)	(271,670)
Cash Cost	\$ 3,849,527	\$ 2,454,025
Exploration	1,389,349	1,371,433
Less non-gold exploration and stock-based compensation	(286,315)	(164,680)
Sustaining capital	2,067,486	624,244
General and administrative	223,027	237,018
Less stock-based compensation and other non-cash items	(1,201,722)	(406,789)
AISC	\$ 6,041,352	\$ 4,115,251
Divided by ounces produced	3,234	2,900
Cash cost per ounce	\$ 1,190.33	\$ 846.22
AISC per ounce	\$ 1,868.07	\$ 1,419.05

Cash cost per ounce for the three-month period ended March 31, 2026 increased \$344.11 per ounce as input costs increased slightly.

All in sustaining cost per ounce increased \$449.02 during the three-month period ended March 31, 2026 compared to the same period in 2025 due to an increase in sustaining capital related to core drilling at the Golden Chest Mine. Adjusted AISC per ounce without exploration expenses were \$1,527.00 and \$1,002.93 for the three-month periods ended March 31, 2026 and 2025, respectively, and is calculated as follows:

	March 31,	
	2026	2025
AISC	\$ 6,041,352	\$ 4,115,251
Less gold exploration costs	(1,103,034)	(1,206,753)
Adjusted AISC	4,938,318	2,908,498
Divided by ounces produced	3,234	2,900

Adjusted AISC per ounce

\$ 1,527.00 \$ 1,002.93

Financial Liquidity and Capital Resources

	For the Three-Months Ended March 31,	
	2026	2025
Net cash provided (used) by:		
Operating activities	\$ 8,786,197	\$ 2,414,492
Investing activities	439,963	(1,998,031)
Financing activities	1,675,979	(217,238)
Net change in cash and cash equivalents	10,902,139	199,223
Cash and cash equivalents, beginning of period	9,889,765	1,106,901
Cash and cash equivalents, end of period	<u>\$20,791,904</u>	<u>\$ 1,306,124</u>

The Company is currently producing profitably from underground at the Golden Chest Mine. Cash flows provided by operations have been sufficient to fund capital projects necessary to sustain production capacity, as well as invest in future growth initiatives. In the past, when cash flows from operations were not sufficient, the Company was successful in raising required capital from the sale of common stock. With working capital of \$50,311,812 at March 31, 2026, sufficient cash flows provided by operations, profitability, and potential equity sales and debt borrowings, management believes contractual obligations and capital requirements will be able to be met for the next 12 months.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for small reporting companies.

ITEM 4: CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

At March 31, 2026, the Company's President, who serves as Chief Executive Officer, and the Company's Vice President, who serves as Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), which disclosure controls and procedures are designed to insure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized, and reported within required time periods specified by the Securities and Exchange Commission rules and forms.

Based upon that evaluation, it was concluded that the Company's disclosure controls were effective as of March 31, 2026, to ensure timely reporting with the Securities and Exchange Commission. Specifically, the Company's corporate governance and disclosure controls and procedures provided reasonable assurance that required reports were timely and accurately reported in periodic reports filed with the Securities and Exchange Commission.

Changes in internal control over financial reporting

There was no material change in internal control over financial reporting in the quarter ended March 31, 2026.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Neither the constituent instruments defining the rights of the Company's securities filers nor the rights evidenced by the Company's outstanding common stock have been modified, limited or qualified.

There were no unregistered securities issued in the first quarter of 2026.

In the first quarter of 2025, 3,722 unregistered shares of common stock were issued for outstanding stock options via cashless exercise.

The Company relied on the transaction exemption afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, and Regulation D Rule 506(b). The common shares are restricted securities which may not be publicly sold unless registered for resale with the Securities and Exchange Commission or exempt from the registration requirements of the Securities Act of 1933, as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The Company has no outstanding senior securities.

ITEM 4. MINE SAFETY DISCLOSURES

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in exhibit 95 to this report.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits

- 3.1 [Amended and Restated Articles of Incorporation, incorporated by reference to the Company's Form 8-K as filed with the Securities and Exchange Commission on October 27, 2021](#)
- 3.2 [Amended and Restated By-laws of Idaho Strategic Resources, Inc., incorporated by reference to the Company's Form 8-K as filed with the Securities and Exchange Commission on October 27, 2021](#)
- 10.1 [Registrant's Grant of Options to Employees and Directors of the Company dated January 15, 2025, incorporated herein by reference to the Company's Form 8-K as filed with the Securities and Exchange Commission on January 17, 2025.](#)
- 10.2 [Sales Agreement, dated October 15, 2025, by and between the Company and Roth Capital Partners, LLC, incorporated by reference to the Company's S-3ASR as filed with the Securities and Exchange Commission on October 16, 2025.](#)
- 19* [Insider trading policy.](#)
- 31.1* [Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2* [Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1* [Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2* [Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 95* [Mine safety information listed in Section 1503 of the Dodd-Frank Act.](#)
- 101.INS* XBRL Instance Document
- 101.SCH* XBRL Taxonomy Extension Schema Document
- 101.CAL* XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF* XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB* XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE* XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IDAHO STRATEGIC RESOURCES, INC

By: /s/ John Swallow

John Swallow,
its: President and Chief Executive Officer
Date May 14, 2026

By: /s/ Grant Brackebusch

Grant Brackebusch,
its: Vice President and Chief Financial
Officer
Date: May 14, 2026