



**HELIOSTAR METALS LIMITED**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024, and 2023**



## INTRODUCTION

*This is Management's Discussion and Analysis ("MD&A") for Heliostar Metals Limited ("Heliostar" or the "Company") was prepared to conform to National Instrument 51-102F1 and was approved by the Board of Directors prior to its release. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Forward-Looking Statement disclaimer included with this MD&A.*

*The audited consolidated financial statements and MD&A are presented in Canadian dollars, unless otherwise indicated, and have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The statements and any summary of results presented in the MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Please consult the audited consolidated financial statements for the years ended March 31, 2024, and 2023, for more complete financial information.*

*All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via [www.sedarplus.ca](http://www.sedarplus.ca) and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties*



## OVERVIEW AND INTRODUCTION

Heliostar Metals Ltd. (“Heliostar” or the “Company”) is an exploration stage company engaged in the acquisition, exploration, and development of mineral properties in North America. The Company is incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is 1723-595 Burrard Street, Vancouver, BC, V7X 1J1. The Company is focused on High-Grade Gold Projects. The Company is currently listed on the TSX Venture Exchange under the symbol “HSTR” and on the OTCQX under the trading symbol “HSTXF”.

This MD&A is dated November 19, 2024, and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the six months ended September 30, 2024, and the Company’s audited consolidated financial statements for the year ended March 31, 2024, and the related notes thereto. The audited consolidated financial statements, unaudited condensed consolidated interim financial statements, and MD&A - Quarterly Highlights have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The statements and any summary of results presented in the MD&A - Quarterly Highlights were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

All of the Company’s public disclosure filings, including its most recent management information circular, material change reports, press releases, and other information, may be accessed via [www.sedar.com](http://www.sedar.com), and readers are urged to review these materials, including the technical reports filed with respect to the Company’s mineral properties.

## MAJOR OPERATING MILESTONES FROM APRIL 1, 2024 TO THE DATE OF THIS MD&A.

- On August 22, 2024, the Company entered into a purchase contract with Ocean Partners USA, Inc. From the date of the purchase contract until December 31, 2025, the Company has the right to request an advance payment of up to US\$5 million in three equal monthly tranches. Each tranche of the advance payment must be repaid before a subsequent tranche can be drawn. The advance payment is subject to a fee equal to three months CME Term SOFR Reference Rates plus 4%. The Company received a first tranche of US\$1,667,000 on August 30, 2024, and made a first tranche repayment including the accrued interest as of the repayment date on the loan, subsequent to September 30, 2024.
- On November 6, 2024, the Company acquired US\$5 million from Deans Knight Capital Management Ltd. (“DK”) to close the acquisition of Florida Canyon Gold Inc. The loan from DK bears annual interest of 15% annually and matures on November 30, 2026.
- On November 8, 2024, the Company announced completion of the acquisition of a 100% interest in all of Florida Canyon Gold Inc.’s (“FCGI”) mining assets in Mexico for cash consideration of US\$5,000,000. The assets include the San Agustin mine (formerly the El Castillo Complex), La Colorada mine, Cerro del Gallo project, and San Antonio project. The projects being acquired were recently spun out from Argonaut Gold Inc.
- On October 16, 2024, the Company announced that it has closed a non-brokered private placement of 10,000,000 units at a price of \$0.60 per unit for gross proceeds of \$6,000,000. The Company advised that Eric Sprott, through 2176423 Ontario Ltd., subscribed for the entire Private Placement. Each unit consists of one common share in the capital of the Company and one-half of one non-transferable common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder thereof to purchase one additional Common Share (each, a “Warrant Share”) at an exercise price of \$0.90 per Warrant Share for a period of 24 months following the closing date of the private placement.



## FINANCING

On June 21, 2024, the Company completed the initial tranche of its non-brokered private placement offering of 16,904,585 units at \$0.265 per unit for approximately \$4,479,715 in gross proceeds. The Company also paid finder's fees in connection with a portion of the financing, consisting of a cash fee of \$200,000. In addition, the Company issued the finders 554,718 non-transferable finder's warrants. Each Finder's Warrant entitles the holder to purchase one Share at a price of \$0.265 for a period of 12 months.

On August 8, 2024, the Company completed the final tranche of its non-brokered private placement offering of 16,904,585 units at \$0.265 per unit for approximately \$499,790 in gross proceeds.

During September 2024, the Company issued 423,794 common shares upon the exercise of warrants, for gross proceeds of \$ 127,138. Subsequent to September 30, 2024, the Company issued 4,145,894 common shares upon the exercise of warrants, for gross proceeds of \$1,244,905.

## ACQUISITION OF AUREA MINING

### *Ana Paula*

On March 28, 2023, the Company acquired 100% of the issued and outstanding shares of Aurea Mining Inc. ("Aurea Mining"), a wholly owned subsidiary of Argonaut Gold Inc. ("Argonaut"), a publicly traded company listed on the Toronto Stock Exchange. Aurea Mining's wholly owned subsidiary Minera Aurea, S.A. de C.V. ("Minera Aurea") holds a 100% indirect interest in the Ana Paula project.

For accounting purposes, the acquisition has been recorded as an asset acquisition as Aurea Mining did not meet the definition of a business, as defined in IFRS 3 Business Combinations.

On September 1, 2023, the Company signed an agreement with Argonaut which amend certain provisions in the purchase consideration.

Purchase consideration includes the following:

1. a US\$10 million (\$13,626,000) payment on closing (paid);
2. On the earlier of (a) receiving an extension to the existing Ana Paula open-pit mining permit and (b) the granting of a new underground mining permit, the issuance to Argonaut of such number of common shares in the capital of the Company (each, a "Heliostar Share") as is equal to US\$5.0 million divided by the Volume-Weighted Average Price ("VWAP") of the Heliostar Shares for the ten trading days ending on the last trading day immediately prior to the date of award of the earlier of the permits referenced (March 31, 2023: US\$5.0 million divided by the Heliostar share price of \$0.25).
3. On the earlier of (a) the date of completion of a feasibility study for the Ana Paula project and (b) January 1, 2025 (March 31, 2023: July 1, 2024), a cash payment to Argonaut of US\$2.0 million.
4. On the date that the Company announces a construction decision for the Ana Paula project it will pay Argonaut a cash payment of US\$3.0 million and US\$2.0 million in cash or Heliostar Shares at a price equal to the Volume-Weighted Average Price ("VWAP") of the Heliostar Shares for the ten trading days immediately prior to the announcement of the construction decision; and
5. If the Company doesn't announce mine construction at the Ana Paula Project by July 1, 2025, they must make annual payments of US\$300,000 to Argonaut. Alternatively, they can issue Heliostar Shares equal to US\$300,000 divided by VWAP of Heliostar Shares. However, if construction is delayed due to permit issues, no payments are required. Any payments made will be credited towards the US\$5.0 million payment required on the commencement of commercial production.
6. On the date that the Company commences commercial production at the Ana Paula project, it will pay Argonaut an additional US\$5.0 million in cash and US\$3.0 million in cash or Heliostar Shares at a price equal to the VWAP of the Heliostar Shares for the ten trading days immediately prior to the announcement of commercial production.



## ACQUISITION OF AUREA MINING (continued)

Consideration payable is comprised of the US\$2.0 million payable due on the earlier of completion of a feasibility study and January 1, 2025.

The pre-tax discount rate applied to the consideration payable calculation is 12%, which represents the current market assessment of the risk specific to the Company, taking into consideration the time value. A 10% decrease/increase in the discount rate would increase/decrease the consideration payable balance as of September 30, 2024, by approximately \$302,497.

As of September 30, 2024, the contingent payable provision has been re-valuated to \$2,593,109, and the loss of \$12,389 has been recorded in the consideration payable revaluation loss for the six-month period ended September 30, 2024 (September 30, 2023 - \$139,650).

Net identifiable assets (liabilities) acquired in the acquisition of Ana Paula are identified as follows:

<b>Total consideration</b>	
Cash payment	\$ 13,626,000
Transaction costs	452,699
Consideration payable	2,308,246
	<b>\$ 16,386,945</b>
<b>Net identifiable assets (liabilities) acquired</b>	
Cash and cash equivalents	\$ 18,016
Prepaid expenses and deposits	45,028
Property, plant, and equipment	1,259,766
Exploration and evaluation assets	15,489,131
Accounts payable and accrued liabilities	(68,381)
Other long-term liabilities	(168,717)
Asset retirement obligation	(187,898)
<b>Total</b>	<b>\$ 16,386,945</b>

### **San Antonio Option Agreement**

In December 2022, the Company entered into an Option Agreement with Argonaut with an amendment in February 2023, whereby the Company has been granted the option to acquire a 100% interest in and to Argonaut's San Antonio project, located in Baja California Sur, Mexico. The term of the Option Agreement is for a three-year period, provided, however, the term may be extended for an additional 18-months in the event the Company is able to successfully acquire the required environmental permits to advance the San Antonio gold project. The consideration payable upon exercise of the option is summarized below:

1. A cash payment to Argonaut of US\$80 million in the event the average gold price is below \$1,800 per ounce for the six months preceding the Company exercising the option; or
2. A cash payment to Argonaut of US\$120 million in the event the average gold price is between \$1,800 per ounce to \$2,000 per ounce for the six months preceding the Company exercising the option; or
3. A cash payment to Argonaut of US\$150 million in the event the average gold price is above \$2,000 per ounce for the six months preceding the Company exercising the option; and
4. Granting Argonaut a 2% NSR royalty in the event of exercise of the option (capped at 2% for claims with existing NSR considerations).



#### **ACQUISITION OF AUREA MINING** *(continued)*

The Company entered into a binding agreement on July 17, 2024, with Florida Canyon Gold Inc. ("FCGI") to acquire a 100% interest in all of FCGI's mining assets in Mexico for consideration of US\$5 million. The projects being acquired were recently spun out from Argonaut Gold Inc.

As part of the completion of the acquisition of a 100% interest in all of Florida Canyon Gold Inc.'s ("**FCGI**") mining assets in Mexico, Heliostar and FCGI entered into an agreement eliminating the outstanding US\$20 million of contingent payments payable by Heliostar to FCGI pursuant to the agreement under which Heliostar previously acquired the Ana Paula project. Further, up to US\$150 million in conditional option payments and the issuance of a 2% net smelter returns royalty on the San Antonio project have been eliminated.

**RESULTS OF OPERATION**
**Mineral Properties**
**a) Ana Paula Project**

The Ana Paula Gold Project is an advanced-stage, gold development project located in Guerrero State, Mexico. A 2024 mineral resource estimate completed by the Company at Ana Paula measured and indicated (M&I) mineral resources considered amenable to underground mining to include 710,920 oz gold (3,350,000 tonnes at 6.60 g/t gold) and inferred resources of 447,512 oz gold (3,280,000 tonnes at 4.24 g/t gold).

On April 3, 2023, the Company announced the commencement of a re-scoping study of the project that would determine the optimal balance between open pit and underground mining methods. The re-scoping study would include mine engineering, geotechnical studies, resource modeling and metallurgical studies.

On April 19, 2023, the Company announced the commencement of a 3,000 to 3,600 metre drill program at Ana Paula in support of the re-scoping study.

On May 23, 2023, the Company announced the results from the first two holes of the drill program at Ana Paula. Drill results included:

- Hole AP-23-291 which returned:  
5.44 grams per tonne (g/t) gold over 118.55 metres including,  
11.0 g/t gold over 44.5 metres and including,  
48.5 g/t gold over 4.0 metres.
- Hole AP-23-292 which returned:  
8.35 g/t gold over 101.1 metres, including  
11.0 g/t gold over 53.2 metres

Hole ID	From (metres)	To (metres)	Interval (metres)	Gold (g/t)	Comment
AP-23-291	40.45	159.0	118.55	5.44	Includes geotech sample. Note 1
including	90.0	134.5	44.5	11.0	Includes geotech sample. Note 1
and including	130.5	134.5	4.0	48.5	
AP-23-292	43.88	145.0	101.12	8.35	Includes geotech samples. Note 2
Including	90.0	143.2	53.2	11.0	Includes geotech sample. Note 3

**Table 1: Significant Drill Intersections**

- 1 includes 0.5 metres of sample removed for geotechnical studies and assumed to have 0 g/t
- 2 includes 2.86 metres of samples removed for geotechnical studies and assumed to have 0 g/t
- 3 includes 0.5 metres of sample removed for geotechnical studies and assumed to have 0 g/t

**Results of Operation (continued)**
**a) Ana Paula Project (continued)**

On June 12, 2023, the Company announced the results from four additional holes of the drill program at Ana Paula. Drill results included:

- Hole AP-23-293
  - 129.2 metres @ 6.0 g/t gold including;
  - 46.0 metres @ 13.4 g/t gold including;
  - 28.5 metres @ 17.4 g/t gold
- Hole AP-23-294
  - 13.95 metres @ 6.4 g/t gold;

Hole ID	From (metres)	To (metres)	Interval (metres)	Au (g/t)	Comment	Target
AP-23-293	55.5	184.7	129.2	6.0	Includes geotech sample. Note 1	Infill Target
including	<b>117.0</b>	<b>163.0</b>	<b>46.0</b>	<b>13.4</b>	Includes geotech sample. Note 2	
including	<b>118.0</b>	<b>146.5</b>	<b>28.5</b>	<b>17.4</b>	Includes geotech sample. Note 2	
AP-23-294	31.3	98.5	67.2	2.1	Includes geotech samples. Note 3	Above Panel
including	31.3	45.25	13.95	6.4		
AP-23-295	76.5	118.0	41.5	2.6	Includes geotech samples. Note 4	Above Panel
including	85.5	91.0	5.5	4.9		
and	103.0	111.0	8.0	3.7		
AP-23-296	73.5	99.5	26.0	1.9		Above Panel
including	94.5	96.5	2.0	13.6		

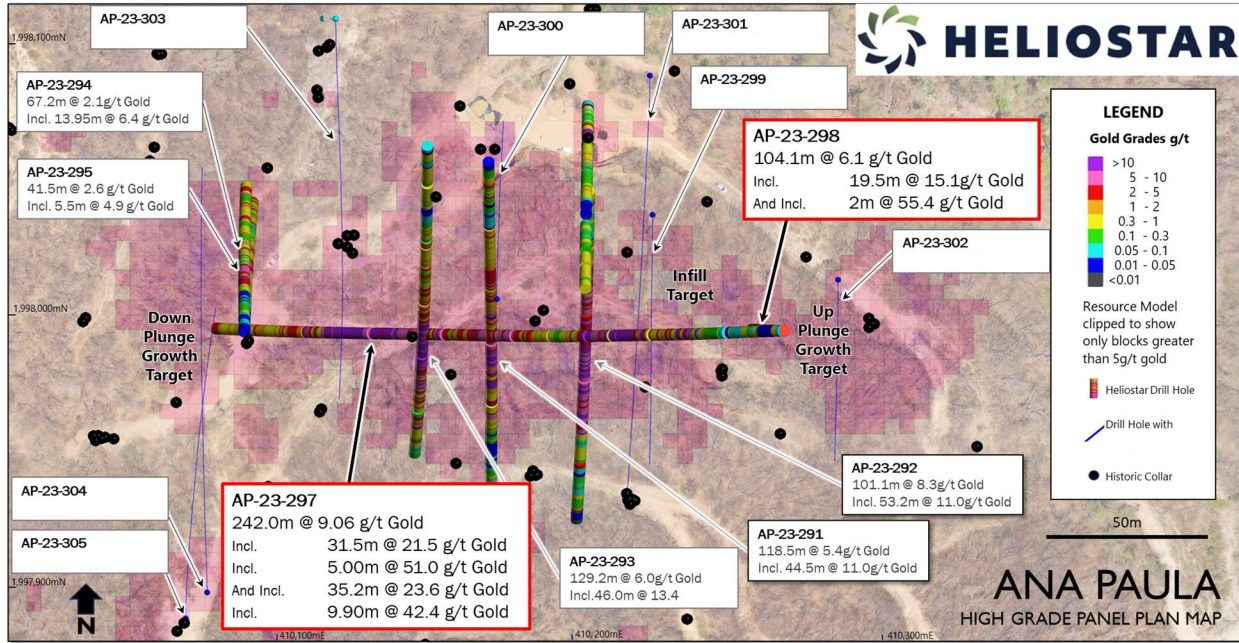
**Table 2: Significant Drill Intersections**

- 1 includes 2.29 metres of sample removed for geotechnical studies and assumed to have 0 g/t
- 2 includes 0.57 metres of samples removed for geotechnical studies and assumed to have 0 g/t
- 3 includes 0.5 metres of sample removed for geotechnical studies and assumed to have 0 g/t
- 4 includes 0.51 metres of sample removed for geotechnical studies and assumed to have 0 g/t

On July 18, 2023, the Company announced the results from two additional holes of the drill program at Ana Paula. Drill results included:

- Hole AP-23-297
  - 241.95 metres @ 9.06 g/t gold including
  - 31.5 metres @ 21.5 g/t gold including
  - 5.00 metres @ 51.0 g/t gold and including
  - 35.2 metres @ 23.6 g/t gold including
  - 9.90 metres @ 42.4 g/t gold
- Hole AP-23-298
  - 104.1 metres @ 6.14 g/t gold including
  - 19.5 metres @ 15.11 g/t gold
  -



**Results of Operation (continued)**
**a) Ana Paula Project (continued)**


**Figure 1:** A plan map with the resource model from 2023 PFS highlighting the High Grade Panel (clipped to greater than 5g/t resource blocks). Heliostar results labelled with new holes in red boxes. Completed and ongoing holes are shown in blue, and Growth and Infill targets areas labelled.

Hole ID	From (metres)	To (metres)	Interval (metres)	Au (g/t)	Comment
AP-23-297	43.05	285.0	241.95	9.06	Includes 12.0 metres internal dilution and geotech samples. Note 1
including	70.5	102.0	31.5	21.5	Includes geotech samples. Note 1
and including	97.0	102.0	5.0	51.0	
including	194.5	229.7	35.2	23.6	
including	212.1	222.0	9.9	42.4	
AP-23-298	17.9	122.0	104.1	6.14	Includes geotech samples. Note 2
including	28.5	48.0	19.5	15.1	Includes geotech samples. Note 2

**Table 3: Significant Drill Intersections**

- 1 includes 2.55 metres of sample removed for geotechnical studies and assumed to have 0 g/t
- 2 includes 1.03 metres of samples removed for geotechnical studies and assumed to have 0 g/t

**Results of Operation (continued)**
**a) Ana Paula Project (continued)**

On August 3, 2023, the Company announced an update on progress on re-scoping of the current Pre-Feasibility (“PFS”) Study at the Company’s Ana Paula Project. The Company is evaluating three underground mining scenarios, with different cut-off grades and mining rates, that are being advanced for more detailed evaluation and comparison.

On August 9, 2023, the Company announced the results from four additional holes of the drill program at Ana Paula. Drill results included:

- Hole AP-23-299
  - 11 metres @ 15.8 g/t gold
- Hole AP-23-300
  - 72.0 metres @ 8.0 g/t gold including
  - 9.5 metres @ 31.8 g/t gold
- Hole AP-23-302
  - 52 metres @ 5.0 g/t gold

Hole ID	From (metres)	To (metres)	Interval (metres)	Au (g/t)	Comment
AP-23-299	63.0	101.0	38.0	6.95	Includes geotech samples. Note 1
including	72.5	83.5	11.0	15.8	
including	72.5	78.5	6.0	23.3	
AP-23-300	15.5	18.2	2.7	32.1	
and	30.5	102.5	72.0	7.96	Includes geotech samples. Note 2
including	55.0	64.5	9.5	31.8	Includes geotech samples. Note 3
AP-23-301	29.0	37.5	8.5	3.02	
including	36.0	37.5	1.5	9.51	
and	52.2	53.2	1.0	6.46	
and	104.5	106.0	1.5	5.86	
AP-23-302	1.5	53.26	51.8	5.01	Includes geotech samples. Note 4
including	19.5	24.22	4.72	11.6	
and	68.95	86.55	17.6	2.63	
including	73.14	74.5	1.36	21.4	

**Table 4: Significant Drill Intersections**

- 1 includes 0.40 metres of sample removed for geotechnical studies and assumed to have 0 g/t gold
- 2 includes 0.82 metres of samples removed for geotechnical studies and assumed to have 0 g/t gold
- 3 includes 0.40 metres of samples removed for geotechnical studies and assumed to have 0 g/t gold
- 4 includes 0.87 metres of samples removed for geotechnical studies and assumed to have 0 g/t gold

**Results of Operation (continued)**
**a) Ana Paula Project (continued)**

On September 6, 2023, the Company announced the results from three additional holes of the drill program at Ana Paula. Drill results included:

- Hole AP-23-303
  - 98.0 metres @ 6.46 g/t gold including
  - 33.0 metres @ 16.4 g/t gold
- Hole AP-23-304
  - 85.5 metres @ 4.73 g/t gold including
  - 9.5 metres @ 25.6 g/t gold

Hole ID	From (metres)	To (metres)	Interval (metres)	Au (g/t)	Comment
AP-23-303	44.0	108.0	64.0	1.31	Includes geotech samples. Note 1
and	118.0	216.0	98.0	6.46	Includes geotech samples. Note 2
including	174.5	207.5	33.0	16.39	Includes geotech samples. Note 2
AP-23-304	186.0	271.5	85.5	4.73	Includes geotech samples. Note 3
including	212.0	221.5	9.5	25.56	
AP-23-305	111.0	158.6	47.6	3.20	Includes geotech samples. Note 4
including	133.3	134.3	1.0	22.9	
and including	155.8	158.6	2.8	16.15	
and	212.0	245.1	33.1	2.14	Includes geotech samples. Note 5.
including	213.4	220.8	7.4	4.77	Includes geotech samples. Note 6.

**Table 5: Significant Drill Intersections**

- 1 includes 0.52 metres of sample removed for geotechnical studies and assumed to have 0 g/t gold
- 2 includes 0.55 metres of samples removed for geotechnical studies and assumed to have 0 g/t gold
- 3 includes 0.45 metres of samples removed for geotechnical studies and assumed to have 0 g/t gold
- 4 includes 0.56 metres of samples removed for geotechnical studies and assumed to have 0 g/t gold
- 5 includes 1.06 metres of samples removed for geotechnical studies and assumed to have 0 g/t gold
- 6 includes 0.41 metres of samples removed for geotechnical studies and assumed to have 0 g/t gold

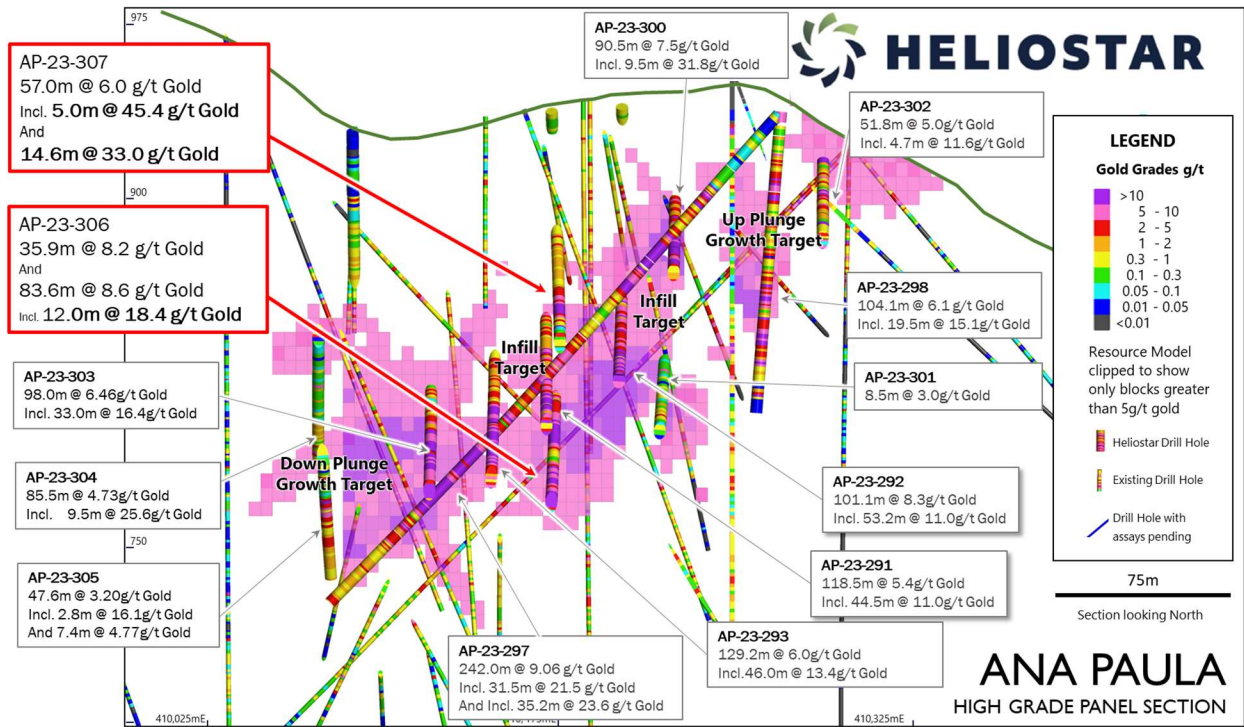
On September 7, 2023, the Company announced the definition of drill targets at the Parallel Panel, The Deep Expansion Zone, the West Breccia and San Luis. The Company also announced amended terms to the Ana Paula purchase agreement.

On September 25, 2023, the Company announced the results from two additional holes of the drill program at Ana Paula. Drill results included:

- Hole AP-23-306
  - 35.9 metres @ 8.17 g/t gold
  - 83.6 metres @ 8.57 g/t gold including
  - 63.0 metres @ 10.4 g/t gold

**Results of Operation (continued)**
**a) Ana Paula Project (continued)**

- Hole AP-23-307
  - 57.0 metres @ 6.03 g/t gold including
  - 5.0 metres @ 45.4 g/t gold
  - 14.6 metres @ 33.0 g/t gold



**Figure 2:** A section through the resource model from 2023 PFS highlighting the High Grade Panel (clipped to greater than 5g/t resource blocks). Heliostar results labelled. Results reported in this release in red boxes. Growth and Infill targets areas labelled.

**Results of Operation (continued)**
**a) Ana Paula Project (continued)**

Hole ID	From (metres)	To (metres)	Interval (metres)	Au (g/t)	Comment
AP-23-306	27.5	63.4	35.9	8.17	Parallel Panel Target Includes geotech samples. Note 1
Including	51.6	63.4	11.8	13.55	Includes geotech samples. Note 2
And	82.5	166.1	83.6	8.57	Includes geotech samples. Note 3
Including	102.2	165.2	63.0	10.41	Includes geotech samples. Note 4
Including	122.2	134.2	12.0	18.36	
AP-23-307	36.0	93.0	57.0	6.03	Includes geotech samples. Note 5
Including	76.75	81.75	5.0	45.44	
And	125.0	139.6	14.6	32.98	Includes geotech samples. Note 6
And	125.0	139.6	14.6	18.60	When cut to 100g/t gold

**Table 6: Significant Drill Intersections**

- 1 includes 0.92 metres of sample removed for geotechnical studies and assumed to have 0 g/t gold
- 2 includes 0.39 metres of sample removed for geotechnical studies and assumed to have 0 g/t gold
- 3 includes 0.93 metres of sample removed for geotechnical studies and assumed to have 0 g/t gold
- 4 includes 0.57 metres of sample removed for geotechnical studies and assumed to have 0 g/t gold
- 5 includes 0.40 metres of sample removed for geotechnical studies and assumed to have 0 g/t gold

On October 3, 2023, the Company announced metallurgical bottle roll results from eight composites selected from drill holes completed in the 2023 Ana Paula drill campaign. Gold recovery averaged 80.4% for seven of the eight samples using a primary grind size of approximately 80% passing 75 microns and CIL extraction. Gold recoveries ranged from 74.6% to 88.1% for the seven samples. One composite was an outlier and returned a 28% gold recovery at a 75-micron grind size using CIL extraction. This sample represents an area in the footwall to the High Grade Panel that has a lower overall grade than the other samples at 2.48 grams per tonne (g/t) gold. Gold recovery to gravity concentrates averaged 47% for the same seven of eight samples.

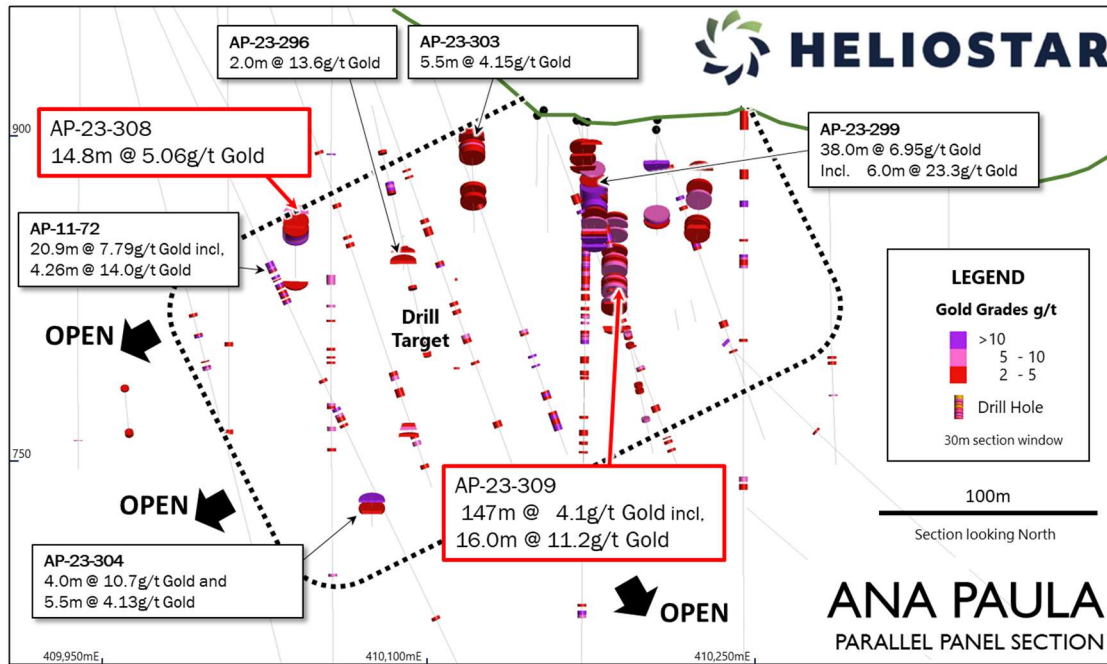
**Results of Operation (continued)**
**a) Ana Paula Project (continued)**

Composite	CIL Bottle Roll (75µm)			Gravity Recovery		Comment
	Au Recovery (%)	Calculated Head Gold (g/t)	Direct Head Gold (g/t)	Gold Recovery (%)	Mass Pull (%)	
AuBOT23-01	79.4	8.19	6.51	51	0.03	Centre of High Grade Panel
AuBOT23-02	78.3	8.21	8.54	35	0.05	East within High Grade Panel
AuBOT23-03	27.7	2.55	2.48	16	0.03	Footwall to High Grade Panel
AuBOT23-04	75.4	13.92	13.69	31	0.02	Centre-West of High Grade Panel
AuBOT23-05	88.1	9.82	11.29	69	0.02	Granodiorite Rocktype
AuBOT23-06	74.6	13.84	13.53	53	0.03	Limestone/Hornfels/Skarn Rocktype
AuBOT23-07	86.8	17.00	14.78	51	0.02	Down-plunge within High Grade Panel
AuBOT23-08	80.4	21.26	18.25	40	0.02	Up-plunge within High Grade Panel

**Table 7:** Composite identification and gold recovery by process

On November 8, 2023, the Company announced the results from results from two diamond drill holes at the Parallel Panel target at the Ana Paula Project. Drill results included:

- Hole AP-23-308
  - 14.8 metres @ 5.06 g/t gold in the Parallel Panel
- Hole AP-23-309
  - 147.05 metres @ 4.13 g/t gold including
  - 16.0 metres @ 11.2 g/t gold in the Parallel Panel.

**Results of Operation (continued)**
**a) Ana Paula Project (continued)**


**Figure 3:** An East-West section Ana Paula highlighting the Parallel Panel target. Heliostar results labelled. Results reported in this release in red boxes.

Hole ID	From (metres)	To (metres)	Interval (metres)	Au (g/t)	Comment
AP-23-308	112.95	127.7	14.75	5.06	Parallel Panel Target
Including	122.4	127.7	5.3	11.7	Parallel Panel Target
And	157.0	175.1	18.1	2.3	Parallel Panel Target
AP-23-309	37.5	184.55	147.05	4.13	Parallel and High Grade Panel
Including	76.0	92.0	16.0	11.2	Parallel Panel
And Including	112.4	119.4	7.0	14.5	High Grade Panel
And Including	153.5	162.1	8.6	8.70	High Grade Panel

**Table 8:** Significant Drill Intersections

On November 27, 2023, the Company announced the results of an updated mineral resource estimate for the Ana Paula Project. The updated mineral resource update is tabulated below.

**Results of Operation (continued)**
**a) Ana Paula Project (continued)**

Classification	Cutoff Gold Grade (g/t)	Tonnes (Mt)	Average Gold Grade (g/t)	Contained Gold (Ounces)
Measured	2.5	1.11	8.97	320,204
Indicated	2.5	2.24	5.42	390,716
<b>Total Measured &amp; Indicated</b>	<b>2.5</b>	<b>3.35</b>	<b>6.60</b>	<b>710,920</b>
<b>Inferred</b>	<b>2.5</b>	<b>3.28</b>	<b>4.24</b>	<b>447,512</b>

**Table 9: Ana Paula Project High Grade Mineral Resource Estimate (2.5 g/t cutoff grade)**

**Notes:**

- The classification of the Updated Mineral Resource Estimate into measured, indicated and inferred mineral resources is consistent with current 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves.
- Mineral resources are not mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.
- All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
- All mineral resources are presented undiluted and in situ, constrained by continuous 3D solid models, and are considered to have reasonable prospects for eventual economic extraction.
- Heliostar Metals envisions that the Ana Paula deposit may be mined using underground mining methods. Mineral resources are reported at a cutoff grade of 2.5 g/t gold. The mineral resource grade blocks were quantified above the base case cutoff grade, below surface and within the constraining mineralized wireframes.

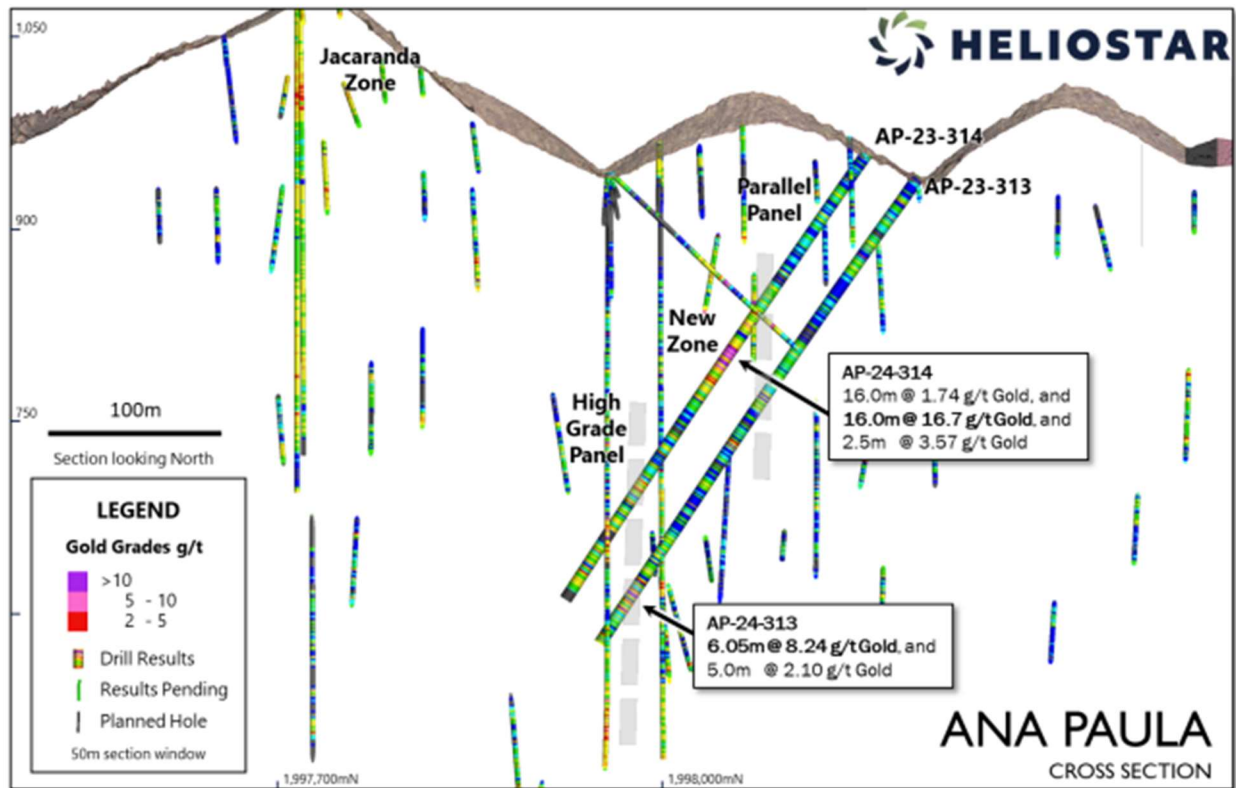
On February 1, 2024, the Company announced an update on the potential to advance the underground decline and complete test mining to process a bulk sample from the Ana Paula deposit.

On September 17, 2024, the Company announced the commencement of a two-phase, 5,000 metre drill program at Ana Paula.

On October 28, 2024, the Company announced the results from results from the first two diamond drill holes of the 2024 drill program at the Ana Paula Project. Drill results included:

- Hole AP-24-313
  - 6.05 metres @ 58.24 g/t gold in the Parallel Panel
- Hole AP-24-314
  - 16.0 metres @ 16.7 g/t gold and



**Results of Operation (continued)**
**a) Ana Paula Project (continued)**


**Figure 4:** An east-west cross-section through the deposit showing drill results from the table below.

**Drilling Results Table**

HoleID	From (metres)	To (metres)	Interval (metres)	Au (g/t)	Comment
AP-24-313	388.5	394.55	6.05	8.236	Parallel Panel Target
And	431.0	436.0	5.0	2.104	Parallel Panel Target
AP-24-314	148.0	164.0	16.0	1.742	Parallel Panel Target
And	182.0	198.0	16.0	16.73	Parallel and High Grade Panel
And	314.5	317.0	2.5	3.572	Parallel Panel

**Table 10:** Significant Drill Intersections



## Results of Operation *(continued)*

### **b) Florida Canyon Gold Inc. and the projects in Mexico**

Heliostar has entered into a binding agreement to acquire a 100% interest in four projects in Mexico:

- La Colorada Mine, located in Sonora, producing gold from residual leaching of gold while on care and maintenance (the “La Colorada Mine”);
- San Agustin Mine (formerly the El Castillo Complex), an open pit heap leach gold mine, San Agustin, and a closed open pit heap leach gold mine, El Castillo, located in Durango (the “San Agustin Mine”);
- Cerro del Gallo, an advanced gold development project located in Guanajuato (the “Cerro del Gallo Project”); and
- San Antonio, an advanced gold development project located in Baja California Sur (the “San Antonio Project”).

- i. The San Agustin Mine is a gold-silver open pit and heap leach mining operation in the State of Durango. The property comprises nine titled concessions covering 5,884 hectares (“ha”). The facilities include an open pit, two crushing plants with a combined total 30,000 tonnes per day (“tpd”) capacity, conveyors, multi-lift leach pads, a carbon-in-column and a small Merrill Crowe plant. The San Agustin Mine maintains water rights of 1,000,000 m<sup>3</sup>/year from one underground aquifer. Operations at the San Agustin Mine began in 2017. Up to March 2024, the mine has produced 383,598 ounces of gold and 1,911,648 ounces of silver (2017-2024). The San Agustin Mine is currently in operation with 7,568 ounces of gold and 39,319 ounces of silver produced in 1Q 2024.

All technical information on the San Agustin Mine is based on a technical report entitled “San Agustin Gold/Silver Mine NI 43-101 Technical Report” with an effective date of May 15, 2024, filed on SEDAR by Argonaut on May 29, 2024 (the “San Agustin Technical Report”). To the best of Heliostar’s knowledge, information, and belief, the San Agustin Technical Report is considered current pursuant to National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and there is no new material scientific or technical information that would make the disclosure of the mineral resources, mineral reserves or results of the San Agustin Technical Report inaccurate or misleading.

While the Company considers the San Agustin Technical Report to be current, it plans to prepare an updated technical report based on its revised approach to developing the San Agustin Mine and will file such technical report within 180 days of the July 17, 2024 news release.

The San Agustin Mine operates as part of the same mining complex with the nearby El Castillo gold mine. Mining activities at the El Castillo mine were suspended by Argonaut in December 2023 and reclamation activities have commenced.

- ii. The La Colorada Mine is a gold-silver open pit and heap leach mining operation in the State of Sonora. The property comprises 41 titled concessions covering 10,085 ha. The facilities include three open pits, a three-stage crushing plant with 12,000 tpd capacity, conveyors, multi-lift single-use leach pads, a carbon absorption circuit and a stripping and electro-winning circuit. The La Colorada Mine operates a separate circuit to process loaded carbon received from the San Agustin Mine. Operations at the La Colorada Mine restarted in 2012. As of December 31, 2023, the mine has produced 485,640 ounces of gold and 1,680,197 ounces of silver (2012-2023). The mine is currently re-leaching with 3,922 ounces of gold and 6,848 ounces of silver produced in 1Q 2024.



**Results of Operation** *(continued)*

**b) Florida Canyon Gold Inc. and the projects in Mexico** *(continued)*

All technical information on the La Colorada Mine is based on a technical report entitled “La Colorada Gold/Silver Mine NI 43-101 Technical Report” with an effective date of October 1, 2021, filed on SEDAR by Argonaut on February 14, 2022 (the “La Colorada Technical Report”). To the best of Heliostar’s knowledge, information, and belief, the La Colorada Technical Report is considered current pursuant to NI 43-101 and there is no new material scientific or technical information that would make the disclosure of the mineral resources, mineral reserves or results of the La Colorada Technical Report inaccurate or misleading.

While the Company considers the La Colorada Technical Report to be current, it plans to prepare an updated technical report based on its revised approach to developing the La Colorada Mine and will file such technical report within 180 days of the July 17, 2024 news release.

- iii. The San Antonio Project is a gold development project in the State of Baja California Sur. The property comprises 15 titled concessions covering 46,328 ha. An environmental permit for the project is pending.

The San Antonio Project hosts a measured and indicated mineral resource estimate of 1,735,000 ounces of gold (553,000 measured and 1,182,000 indicated ounces) at 0.83 g/t gold in 65,090,000 tonnes and an inferred resource of 67,000 ounces of gold at 0.34 g/t gold in 6,215,000 tonnes (Source: San Antonio Technical Report, as defined below).

All technical information on the San Antonio Project is based on a technical report entitled “NI 43-101 Technical Report on Resources San Antonio Project” with an effective date of September 1, 2012, filed on SEDAR by Argonaut Gold on October 15, 2012 (the “San Antonio Technical Report”). To the best of Heliostar’s knowledge, information, and belief, the San Antonio Technical Report is considered current pursuant to NI 43-101 and there is no new material scientific or technical information that would make the disclosure of the mineral resources or results of the San Antonio Technical Report inaccurate or misleading.

While the Company considers the San Antonio Technical Report to be current, it plans to prepare an updated technical report based on its revised approach to developing the San Antonio Project and will file such technical report within 180 days of the July 17, 2024 news release.

- iv. The Cerro del Gallo Project is a gold-silver development project in the State of Guanajuato. The property comprises 14 titled concessions covering 15,276 ha, and surface rights to land totalling 445 ha. An environmental permit for the project is pending.



## Results of Operation *(continued)*

### c) Unga Project, Alaska, USA

The Unga gold-silver project covers 250 square kilometers of neighbouring Unga and Popof Islands, near the Alaska Peninsula and approximately 900 kilometres southwest of Anchorage, Alaska. The property consists of two tracts of subsurface mineral tenure, one on Popof Island and the other on adjacent Unga Island. Both are 100% controlled by Heliostar under an exploration agreement and Mining Lease option with the Aleut Corporation ("AC"), an Alaska Native Regional Corporation. These two tracts surround six State of Alaska mining claims at the Shumagin deposit and 16 patented U.S. federal mining claims at the Apollo-Sitka prospect, all owned 100% by Heliostar.

Significant drill intersections were returned from 2021 drilling at the Zachary Bay, Aquila and Sitka prospects and extensions of the past-producing Apollo Mine. The Company is planning follow-up drill programs at these targets in addition to the Centennial prospect on Popof Island and the SH-1 Deposit.

Heliostar is the first exploration company to consolidate the land of the Unga Project, allowing for comprehensive district-scale exploration. The Company controls 100% of the 250 km<sup>2</sup> underexplored Unga Gold Project, known as an intermediate sulphidation epithermal district with multiple high-grade vein fields and disseminated mineralized systems capable of yielding significant mineralization. The Unga Gold Project refers collectively to the entire land package on Unga and Popof Islands located in the Shumagin Islands approximately 950 kilometres southwest of Anchorage, Alaska. Unga Island hosts the past producing high grade Apollo-Sitka gold mine which was the first underground gold mine in Alaska. Unga Island hosts multiple distinct gold zones with SH-1 deposit the most advanced, hosting an inferred resource of 384,318oz of gold at an average grade of 13.8g/t Au.

The project is accessible and positioned at 55° North latitude, conducive to a low-cost year-round operation. Neighboring Popof Island is the local infrastructure hub, with a one-mile-long public paved airstrip servicing routine flights from Anchorage, and an active deep-water port that receives regular cargo ships from Fife, Washington.

On July 1, 2019 (amended on August 29, 2019), the Company signed an exploration agreement with option to lease with The Aleut Corporation ("TAC") (the "Agreement"). The Agreement provides for an exploration license with a follow-on 20-year extendable mining lease on TAC's lands which form part of Heliostar's "Unga Project" on Unga and Popof Islands located at the centre of the Aleutian Arc. The Agreement runs for a period of eight (8) years allowing Heliostar to conduct sub-surface work including drilling, trenching and sampling which permits the Company to advance the numerous mineral showings on the islands which number in excess of 38 distinct prospects including the SH-1 Zone (formerly the Shumagin Zone).



**Results of Operation** *(continued)*

**c) Unga Project, Alaska, USA** *(continued)*

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

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

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

(b) The first year's year begins from July 1, 2019. Subsequent option years commence on January 1 and end December 31.

(i) Paid

(ii) Incurred

(iii) Partially incurred

The Company is currently negotiating the renewal of a surface access agreement with The Shumagin Corporation ("TSC"). The agreement provides access to the Company's mineral exploration license underlain by TSC's property which forms part of the Company's "Unga Project".

**SH-1 Resource**

On November 24<sup>th</sup>, 2020, the Company filed an amended and restated mineral resource estimation that comprised a maiden National Instrument 43-101-compliant resource within a portion of the SH-1 zone. The report has been filed on [www.sedar.com](http://www.sedar.com).

This resource derives from the centre of the SH-1 Zone which has been traced by diamond drilling for a total of 1.7 km of strike. SH-1 is a high-grade gold zone and displays all the features of an intermediate sulphidation system including bonanza gold grades and crustiform vein textures. It is one of several known, high-grade gold occurrences on the Shumagin vein corridor. The resource cut-off grade was based on a gold price of US\$1,450/ounce and preliminary metallurgical testing that yielded recovery rates of 87.8% for gold.

- The inferred resource is contained in 866,015 tonnes at a 3.5 g/t Au cut-off consisting of: 384,318 oz of Gold at an avg. grade of 13.8 g/t Au; and 986,321 oz of Silver at an avg. grade of 35.4 g/t Ag.
- The mineralization outcrops at surface for 450 metres (m) along strike and has been drilled to 310 metres down dip at the eastern end the 9.5 kilometre (km) long Shumagin Trend.
- The SH-1 Zone's mineralization remains open at depth.



## Results of Operation *(continued)*

### c) Unga Project, Alaska, USA *(continued)*

Further drilling was completed at SH-1 in 2020 and delivered robust widths and high grades as the company expanded on the historical drilling, particularly in holes SH20-03 and SH20-04.

On May 13, 2021, the Company announced the commencement of the 2021 exploration program at Unga. The exploration program comprised three drills testing the SH-1 resource, the historic Apollo-Sitka Mine, the Aquila prospect and district-scale opportunities.

#### Apollo

The historic Apollo Mine produced approximately 130,000 ounces of gold at an estimated grade of 10 g/t. Ore is reported to have been mined from three closely spaced, parallel veins. The Apollo vein transitions from gold rich at shallow levels to gold with silver and base metals at depth.

The company completed seven holes in 2020 and 21 holes in 2021 at the former Apollo-Sitka Mine. Drilling has intersected at least three parallel veins between Apollo Shaft 2 and the Sitka Mine, and it remains open to depth and along strike.

#### Aquila

The Aquila target is a newly prioritized zone at the Unga project and is interpreted as on the same structure as the SH-1 resource, but 6 kilometres to the southwest. In this area, gold mineralization outcrops over 750 metres along strike. The company completed five holes in 2020 and 13 holes in 2021 at the Aquila target.

#### Unga Regional Targets

In addition to the priority projects, Unga hosts many additional high-grade gold vein, bulk-tonnage gold and porphyry copper-gold targets. Company geologists advanced and drilled the Zachary Bay and Orange Mountain targets in the 2021 drilling program.

### d) Heliodor Metals Ltd and the projects in Mexico

HelioStar owns 100%, or has the option to acquire a 100% interest in three properties in the northern portion of Mexico's Sonora state:

- i. The Oso Negro project is an early-stage intermediate sulphidation epithermal vein system prospect within a 1,275-hectare concession. The project has high grades but has never been drilled. The Company has an option to acquire 100% interest in this property by making the following payments: US\$50,000 after 6 months (paid); and US\$100,000 after 18 months (December 15, 2022). The December 15, 2022, payment was re-negotiated and settled for US\$75,000 on September 13, 2022, as the final payment to acquire the property. The project is subject to a 1% net smelter royalty that the Company can buy for US\$500,000.
- ii. The La Lola project comprises a large, 5,400-hectare land package that is prospective for low-sulphidation epithermal systems. The project contains the La Barra vein, which extends for five km and is as wide as 40 metres. The Company has an option to acquire 100% interest in this property by making the following payments: US\$12,500 on signing (paid); US\$25,000 by March 25, 2022 (paid); and US\$25,000 by March 25, 2023 (paid). The project is subject to a 2% net smelter royalty that the Company can buy 1% of such for US\$1,750,000 at any time.

**Results of Operation (continued)****d) Heliodor Metals Ltd and the projects in Mexico (continued)**

- iii. The Cumaro project is a low-sulphidation vein field with outcropping gold bearing veins in the western portion of the property. Gold values in veins include 12.6 g/t Aueq over 5.0 metres and 13.1 g/t Aueq over 1.75 metres. The eastern half of the property is interpreted to be a higher-level exposure of the same system that was preserved when the eastern block was down dropped by faulting. As such, gold mineralization in veining may be preserved at depth. Historic production in the western area of the vein field indicates excellent widths and grades while very little exploration has been undertaken on the eastern extension at Cumaro. The Company has a 100% interest in this property. The project is subject to a 2% net smelter royalty that the Company can buy 1% of such for US\$1,000,000 at any time.

On June 3, 2021, the Company announced the results from a mapping and sampling program at the Oso Negro property. Highlights included multiple high-grade channel and grab samples at the Prospecto Vein:

- 1,428 g/t silver equivalent (“AgEq”) over 1.2 metres
  - 588 g/t AgEq over 1.8 metres
  - 362 g/t AgEq over 2.4 metres
  - 360 metres of strike with an average width of 1.3 metres and weighted average grade of 420 g/t silver equivalent.
- Note: Silver-equivalent =  $((Au\_g/t \times 48.23) + (Ag\_g/t \times 0.6431) + (Pb\_ppm \times 0.0019) + (Zn\_ppm \times 0.0021)) / 0.6431$ . Metal price assumptions are USD\$1,500 per ounce gold, USD\$20 per ounce silver, USD\$0.85 per pound lead and USD\$0.95 per pound zinc.

In addition, the Company announced the staking of a new claim at the property, the Angel de Plata 2 claim.

On September 28, 2021, the Company announced the results from a mapping and sampling program at the Cumaro property. Highlights included multiple high-grade gold and silver samples from three closely spaced veins along the Verde Vein Corridor and highlights included;

- 12.6 g/t Aueq (10.3 g/t gold and 168 g/t silver) over 5.0 metres.
  - 13.1 g/t Aueq (11.5 g/t gold and 125 g/t silver) over 1.75 metres
  - 9.57 g/t Aueq (8.35 g/t gold and 92 g/t silver) over 2.1 metres
  - 5.49 g/t Aueq (4.68 g/t gold and 61 g/t silver) over 3.0 metres
  - 13.6 g/t Aueq (11.9 g/t gold and 130 g/t silver) over 1.65 metres
  - 4.05 g/t Aueq (2.65 g/t gold and 105 g/t silver) over 5.9 metres
- Note: Widths are true thicknesses and gold equivalent is calculated with a gold:silver ratio of 1:75.

On December 8, 2021, the Company announced the commencement of a 5,000-metre drill program at the Cumaro property. The program was slated to drill the Verde target and the Basaitegui and Palmita Vein Corridors.

**Results of Operation (continued)**
**d) Heliodor Metals Ltd and the projects in Mexico (continued)**

On January 12, 2022, the Company announced the resumption of the drill program at the Cumaro property. A total of 427.5 metres had been drilled in December at the Verde target before a break for the holidays. Veining was intersected in all four holes.

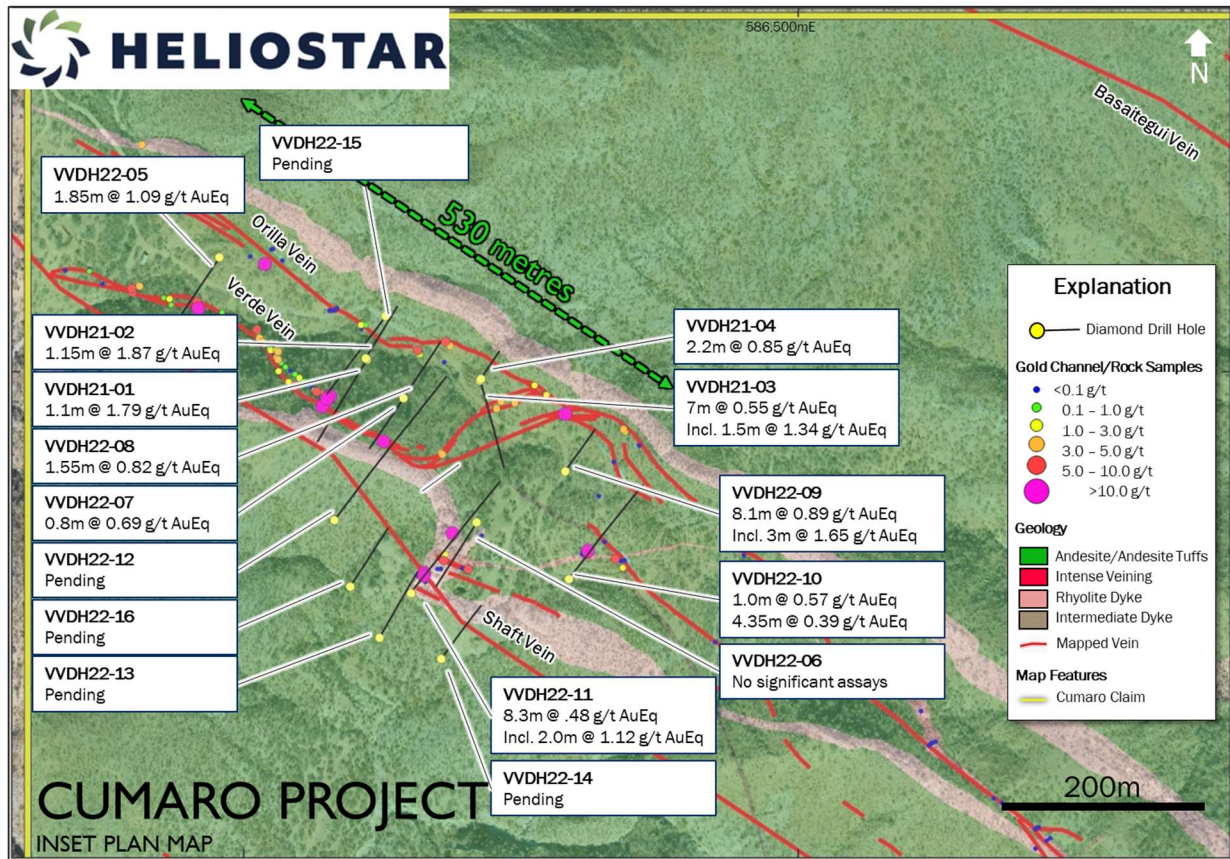
On February 28, 2022, the Company announced the results from the first eleven holes drilled at the Verde target. Results were still pending for five additional holes at Verde and for six holes at the Dos Amigos and Palmita vein targets. Highlights included:

- VVDH21-01 which returned
  - 1.79 g/t Aueq over 1.1 m
- VVDH21-02 which returned
  - 1.87 g/t Aueq over 1.15 m
- VVDH22-09 which returned
  - 0.89 g/t Aueq over 8.1 metres including,
  - 1.65 g/t Aueq over 3.0 m

Drillhole	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)	AuEq (g/t)
VVDH21-01	84.15	85.25	1.10	1.21	43.7	1.79
VVDH21-02	22.30	23.45	1.15	1.48	29.5	1.87
VVDH21-03	71.00	78.00	7.00	0.47	6.1	0.55
including	76.50	78.00	1.50	1.20	10.6	1.34
VVDH21-04	17.10	19.30	2.20	0.58	20.1	0.85
VVDH22-05	60.15	62.00	1.85	0.73	27.1	1.09
including	60.15	60.90	0.75	1.08	26.0	1.42
VVDH22-07	45.70	46.50	0.80	0.55	10.5	0.69
VVDH22-08	51.60	53.15	1.55	0.72	7.5	0.82
VVDH22-09	29.00	37.10	8.10	0.71	13.8	0.89
including	34.10	37.10	3.00	1.42	17.4	1.65
VVDH22-10	30.00	31.0	1.00	0.45	9.5	0.58
VVDH22-10	46.00	47.20	1.20	0.37	3.3	0.41
VVDH22-10	97.00	101.35	4.35	0.35	3.3	0.39
VVDH22-11	11.20	12.70	1.50	0.76	36.2	1.24
VVDH22-11	156.80	165.10	8.30	0.47	0.8	0.48
including	156.80	158.80	2.00	1.11	1.1	1.12

**Table 11:** Significant intervals of the first 11 drillholes returned from the Cumaro program. True thickness is estimated at 64-94% of drilled lengths. Gold equivalent is calculated with a gold:silver ratio of 1:75.



**Results of Operation (continued)**
**d) Heliodor Metals Ltd and the projects in Mexico (continued)**


**Figure 5:** Drill results of the first 11 holes from the Verde Vein Corridor

i.



## INTERIM PERIOD FINANCIAL CONDITION

### Capital Resources

The Company had 204,246,140 issued and outstanding common shares as of September 30, 2024 (March 31, 2024 – 184,292,180).

On June 21, 2024, the Company completed the initial tranche of its non-brokered private placement offering of 16,904,585 units at \$0.265 per unit for approximately \$4,479,714 in gross proceeds. The Company also paid finder's fees in connection with a portion of the financing, consisting of a cash fee of \$201,000. In addition, the Company issued the finders 554,718 non-transferable finder's warrants. Each Finder's Warrant entitles the holder to purchase one Share at a price of \$0.265 for a period of 12 months.

On August 8, 2024, the Company completed the final tranche of its non-brokered private placement offering of 16,904,585 units at \$0.265 per unit for approximately \$499,790 in gross proceeds.

During September 2024, the Company issued 423,794 common shares upon the exercise of warrants, for gross proceeds of \$ 127,138.

### Liquidity

As at September 30, 2024, the Company had negative working capital of \$(5,952,000) (March 31, 2024 – negative working capital of \$(3,424,000)). With respect to working capital, \$971,541 was held in cash (March 31, 2024 – \$752,894) while \$28,750 (March 31, 2024 – \$28,750) was held in short-term investments. Negative working capital is driven by loan payable for \$2,267,202 and consideration payable for \$2,593,109

As at September 30, 2024, cash totaled \$971,541, an increase of \$218,647 from \$752,894 as at March 31, 2024. The increase was due to (a) \$ 6,963,265 provided by financing activities, (b) \$6,628,195 used in operating activities, and (c) \$116,423 used in investing activities.

Actual future funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activity and foreign exchange fluctuations.

Management believes it will be able to raise equity capital as required in the long-term, but recognizes the risks attached thereto. Historically the capital requirements of the Company have been met by equity subscriptions. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

The Company faces ongoing risks related to global inflation and foreign exchange rate volatility. It remains vigilant in monitoring these risks and will implement necessary measures promptly. Additionally, the current economic environment introduces greater uncertainty in near-term metal prices, exchange rates, discount rates, and other key assumptions used in the Company's accounting estimates. Any changes to these assumptions could have a significant impact on the Company's accounting estimates.



**INTERIM PERIOD FINANCIAL CONDITION** (continued)

Operations

For the six months ended September 30, 2024 (“2024”) compared with the six months ended September 30, 2023 (“2023”):

During the six months ended September 30, 2024, the Company incurred \$ \$4,599,948 (2023 - \$7,235,309) in resources property expenses. The decrease is due to drilling and exploration costs on the Ana Paula project having been deferred.

Excluding the non-cash depreciation of \$66,141 (2023 - \$77,960) and share-based compensation of \$1,087,295 (2023 - \$965,335), the Company’s general and administrative expenses amounted to \$2,530,716 (2023 - \$1,737,373), an increase of \$793,343. The increase is mainly due to increase in (a) business development \$451,140 (2024 - \$451,140, 2023 - \$Nil); (b) professional fees \$546,049 (2024 - \$713,766; 2023 - \$167,717), (c) office operations \$181,294 (2024 - \$457,706; 2023 - \$276,412). The increase in business development expenses, as well as professional fees, is primarily due to the due diligence work and financial advisory services related to the acquisition of FCGI’s mining assets in Mexico, including the arrangement of the debt facilities to support the transaction. Office operations expenses increased due to higher costs for office services and rent.

	<b>Six months period ended September 30,</b>		
<b>General and administrative expenses</b>	<b>2024</b>	<b>2023</b>	<b>Variances</b>
Business development	\$ 451,140	\$ -	\$ 451,140
Directors’ fees	39,000	29,500	9,500
Insurance	39,979	30,388	9,591
Investor relations and marketing	572,311	944,160	(371,849)
Management fees	208,500	208,500	-
Office operations	457,706	276,412	181,294
Professional fees	713,766	167,717	546,049
Regulatory fees	27,906	48,265	(20,359)
Transfer agent	6,881	9,395	(2,514)
Travel and promotion	13,527	23,036	(9,509)
<b>Total</b>	<b>\$ 2,530,716</b>	<b>\$ 1,737,373</b>	<b>\$ 793,343</b>



**INTERIM PERIOD FINANCIAL CONDITION** (continued)

Operations (continued)

For the three months ended September 30, 2024 (“2024”) compared with the three months ended September 30, 2023 (“2023”):

During the three months ended September 30, 2024, the Company incurred \$2,520,374 (2023 - \$4,284,878) in resources property expenses. The significant increase is due to drilling and exploration costs on the Ana Paula project.

Excluding the non-cash depreciation of \$33,071 (2023 - \$38,980) and share-based compensation of \$855,927 (2023 - \$543,870), the Company’s general and administrative expenses amounted to \$1,705,610 (2023 - \$637,824), an increase of \$1,067,786. The increase is mainly due to increase in (a) business development expenses \$285,283 (2024 - \$285,283, 2023 - \$Nil); (b) professional fees \$545,782 (2024 - \$639,436; 2023 - \$93,654), (c) office operations \$176,043 (2024 - \$318,236; 2023 - \$142,193). The increase in business development expenses, as well as professional fees, is primarily due to the due diligence work and financial advisory services related to the acquisition of FCGI’s mining assets in Mexico, including the arrangement of the debt facilities to support the transaction. Office operations expenses increased due to higher costs for office services and rent.

	<b>Three months period ended September 31,</b>		
<b>General and administrative expenses</b>	<b>2024</b>	<b>2023</b>	<b>Variances</b>
Business development	\$ 285,283	\$ -	\$ 285,283
Directors’ fees	19,500	14,750	4,750
Insurance	24,526	16,436	8,090
Investor relations and marketing	280,895	222,949	57,946
Management fees	104,250	104,250	-
Office operations	318,236	142,193	176,043
Professional fees	639,436	93,654	545,782
Regulatory fees	19,061	32,053	(12,992)
Transfer agent	4,175	3,952	223
Travel and promotion	10,248	7,587	2,661
<b>Total</b>	<b>\$ 1,705,610</b>	<b>\$ 637,824</b>	<b>\$ 1,067,786</b>



## INTERIM PERIOD FINANCIAL CONDITION (continued)

### Summary of Quarterly Results

Selected quarterly information for each of the eight most recently completed financial periods is set out below. All results were compiled using IFRS.

	June 30, 2024 Q1 2025	March 31, 2024 Q4 2024	December 31, 2023 Q3 2024	September 30, 2023 Q2 2024	June 30, 2023 Q1 2024	March 31, 2023 Q4 2023	December 31 2022 Q3 2023	September 30 2022 Q2 2023
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss for the period	(5,111,055)	(3,174,870)	(4,592,823)	(6,037,903)	(4,267,436)	(1,756,766)	(772,523)	(856,363)
Comprehensive Loss	(5,111,055)	(3,174,870)	(4,592,823)	(6,037,903)	(4,267,436)	(1,756,766)	(772,523)	(856,363)
Loss per share - basic	(0.04)	(0.08)	(0.02)	(0.02)	(0.03)	(0.03)	(0.01)	(0.02)
Total assets	28,714,578	30,798,131	32,286,232	30,089,562	29,840,724	33,682,802	11,877,914	12,383,968
Working capital	\$(5,951,855)	\$(1,534,268)	\$3,404,142	\$5,278,222	\$(5,951,855)	\$5,278,222	\$ 498,452	\$1,157,567

The Company's strategic focus on expanding its exploration programs in both Unga and Mexican projects has led to incurred losses. The variation observed during the fiscal year 2024 can be attributed primarily to the fluctuations in exploration expenses, particularly in relation to the drill programs at Ana Paula project, as well as stock-based compensation.

In the fiscal year 2024, differences between quarters are mainly a result of varying corporate activities. These include negotiations related to the acquisition of all of Florida Canyon Gold Inc. mining assets in Mexico, and the comprehensive review of outcomes from prior exploration efforts.

### **OFF-BALANCE SHEET ARRANGEMENTS**

As a policy, the Company does not enter into off-balance sheet arrangements with special-purpose entities in the normal course of business, nor does it have any unconsolidated affiliates.

### **SIGNIFICANT RELATED PARTY TRANSACTIONS**

#### (a) Due to related parties

As of September 30, 2024, \$21,030 (March 31, 2024 - \$49,168) was payable to the management of the Company as part of their management fees.

#### (b) Key management compensation

Key management consists of the Company's directors and officers. Key management personnel include those people who have 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 members of the Company's Board of Directors and corporate officers.



**SIGNIFICANT RELATED PARTY TRANSACTIONS** (continued)

In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. The aggregate value of compensation with key management for the period ended September 30, 2024, was \$1,035,288 (September 30, 2023 - \$743,445) and comprised of the following:

	Three months ended		Six months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Senior executive fees	\$ 161,750	\$ 104,250	\$ 323,500	\$ 208,500
Non-executive directors' fees	19,500	14,750	39,000	29,500
Share-based compensation	492,977	254,254	672,788	505,445
	<b>\$ 674,227</b>	<b>\$ 373,254</b>	<b>\$ 1,035,288</b>	<b>\$ 743,445</b>

During the six months ended September 30, 2024, senior executive fees include \$32,500 (2023 - \$32,500) paid to the Executive Chairman. \$125,000 (2023 - \$125,000) paid to the CEO. \$115,000 (2023 – Nil) paid to the COO, and \$51,000 (2023 - \$51,000) paid to the CFO.

The above transactions are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

**COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES**

As of the date of the MD&A, the Company had no outstanding commitments.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

**RISK FACTORS**

In the Company's MD&A filed on SEDAR July 24, 2024, in connection with our annual financial statements (the "Annual MD&A"), management set out its discussion of the risk factors which are believed to be the most significant risks faced by Heliostar. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.



## DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data:

	Issued and Outstanding	
	November 19, 2024	March 31, 2024
Common shares outstanding	218,558,700	184,292,180
Stock options	18,209,329	14,170,662
Warrants	47,708,487	52,762,863
Fully diluted common shares outstanding	284,476,516	251,225,705

## QUALIFIED PERSON

The technical information contained in this MD&A has been reviewed and approved by Samuel D. Anderson, CPG and Stewart Harris, P.Geol., Gregg Bush, P.Eng. and Mike Gingles of Heliostar who are Qualified Persons as defined in "National Instrument 43-101, Standards of Disclosure for Mineral Projects".

### Cautionary Statements

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.