



**HELIOSTAR METALS LIMITED**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the three months ended June 30, 2025 and 2024**

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## INTRODUCTION

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*This 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.*

*This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended June 30, 2025 and 2024, and the notes contained therein, which were prepared in accordance with IAS 34- Interim Financial Reporting of the 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, 2025, and 2024, for more complete financial information. The Company uses certain non-IFRS financial measures in this MD&A as described under "Non-GAAP Financial Measures." All dollar amounts are expressed in United States ("\$") dollars or Canadian ("C\$") dollars and tabular amounts are expressed in thousands of U.S. dollars unless otherwise indicated. All information contained in this MD&A is current and has been approved by the Board of Directors of the Company as of August 29, 2025, unless otherwise stated.*

*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*

## **BUSINESS OVERVIEW**

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Heliostar Metals Ltd. is the parent company of its subsidiary group (collectively, the "Company" or "Heliostar") and is a publicly traded corporation, incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is 1723-595 Burrard Street, Vancouver, BC, V7X 1J1. The Company is trading on the TSX Venture Exchange (TSX-V) under the trading symbol "HSTR" and on the OTCQX under the trading symbol "HSTXF."

The Company is engaged in gold and silver mining, exploration and related activities in Mexico and Alaska. The Company, through acquisition of Florida Canyon Gold Inc. ("FCGI") Mexican assets (refer to Note 5) during the year ended March 31, 2025, became the operator of the open pit La Colorada gold mine ("La Colorada") in Hermosillo, Mexico, and the open pit San Agustin gold mine ("San Agustin") in Durango, Mexico.

## **MAJOR CORPORATE & CORPORATE DEVELOPMENT MILESTONES DURING THE THREE MONTHS ENDED JUNE 30, 2025**

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- On April 24, 2025, the Company announced that it has appointed Mr. Stephen Soock as Vice President of Investor Relations and Development and Ms. Connie Lillico as Corporate Secretary. Mr. Soock has been in the mining industry for almost 20 years in both technical and capital markets roles. Ms. Lillico brings 20 years of experience working with publicly traded companies in the mining industry.
- On May 15, 2025, the Company announced additional results from an expanded 16,211 metre drilling program at the La Colorada Mine. Further on June 24, 2025, the company announced results from the Truckshop stockpile. La Colorada restarted production in early January 2025, and the current drill program is intended to expand the mineral reserves ahead of an updated technical report.

## **FINANCING**

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In the three months ended June 30, 2025, the Company issued 5,254,548 common shares upon the exercise of warrants, 422,082 upon exercise of stock options and 906,249 on RSU conversion, for proceeds of \$1.3 million.

## **ACQUISITION OF FCGI MINING ASSETS**

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On November 7, 2024, the Company acquired 100% of the issued and outstanding shares of FCGI Mexican subsidiaries, being the shares held by FCGI, directly or indirectly, in each of Minexson S.A. de C.V., Compañía Minera Pitalla S.A. de C.V., Minera Real del Oro S.A. de C.V., Mineral Sud California S.A. de C.V., Kings-San Antón S.A. de C.V. and Timmins GoldCorp Mexico S.A. de C.V., pursuant to a share purchase agreement dated July 16, 2024, between FCGI and Heliostar. On closing of the FCGI Transaction, the Company paid \$5.0 million.

The acquisition was completed in order to support the Company's growth strategy with multiple gold –producing assets and a strong pipeline for production growth.

The Company has determined that this transaction represents a business combination with the Company identified as the acquirer, as defined in IFRS 3 Business Combinations. The Company began consolidating the operating results, cash flows and nets assets of FCGI Mexican subsidiaries from November 7, 2024, onwards.

The determination of the fair value of assets acquired and liabilities assumed is based on a detailed valuation of FCGI Mexican subsidiaries' net assets, utilizing income, market, and cost valuation methods conducted with the assistance of an independent third party. The purchase price allocation for the FCGI Transaction was finalized during the current reporting period. All identifiable assets acquired and liabilities assumed have been measured at their fair values as of the acquisition date, in accordance with IFRS 3. No further measurement period adjustments are anticipated.

As part of the FCGI Transaction, Heliostar and FCGI entered into termination agreements for the Ana Paula acquisition agreement and San Antonio option agreement. On November 7, 2024, the contingent consideration payable on the earlier of the completion of a feasibility study for the Ana Paula project and January 1, 2025, and the account receivable balance were extinguished, resulting in a gain on extinguishment of transaction of \$1.8 million.

## Management's Discussion and Analysis

### For the three months ended June 30, 2025

Given the significant change in mining environment in Mexico between the purchase agreement on July 11, 2024, and the acquisition date of November 7, 2024, as well as additional reserves being identified around the time of the acquisition, the transaction resulted in a significant bargain purchase gain. Purchase price allocation was finalized during the year ended March 31, 2025.

Total consideration for the acquisition was valued at \$5.0 million and allocated as follows on November 7, 2024:

<b>Purchase Price Allocation</b>	<b>Final</b>
Cash consideration paid	\$ (5,000)
Assets & liabilities:	
Cash	4,313
Current assets (excluding cash)	50,210
Current liabilities	(15,903)
Other non-current assets	2,697
Non-current liabilities	(31,936)
Machinery & Equipment – El Castillo	481
Machinery & Equipment - San Agustin	11,692
Machinery & Equipment - La Colorada	4,810
Exploration and Evaluation - Cerro Del Gallo	590
Exploration and Evaluation - San Antonio	990
Mineral properties - San Augustin Mine	1,330
Mineral properties - La Colorada Mine	2,690
<b>Net assets acquired</b>	<b>31,964</b>
Unallocated Cost of Acquisition (Bargain Purchase Gain)	(26,964)
<b>Total assets allocated</b>	<b>\$ 5,000</b>

## OPERATING PERFORMANCE

The Company had no mine operations prior to November 7, 2024.

### Consolidated

A summary of the Company's consolidated financial and operating results for the three ended June 30, 2025 and 2024, are presented below:

		<b>Three months ended June 30,</b>	
		<b>2025</b>	<b>2024</b>
Gold produced	Oz	7,262	-
Silver produced	Oz	12,765	-
Gold sold	Oz	8,375	-
Gold equivalent ounces ("GEOs") sold	GEO	8,556	-
Cash cost <sup>1</sup>	\$ per GEO	1,413	-
All-in sustaining costs ("AISC") <sup>1</sup>	\$ per GEO	1,541	-
Revenues	\$	27,926	-
Mine operating earnings	\$	14,256	-
Net earnings (loss) before tax	\$	6,094	-
Earnings (loss) per share	\$	0.01	-
Weighted average shares outstanding (basic)		248,860,800	-

The Company had no metals production until acquisition of FCGI mining assets on November 7, 2024.

In the three months ended June 30, 2025, the Company produced 7,262 ounces of gold at its three mines. Consolidated AISC was \$1,756 per GEO.

#### La Colorada Operations

La Colorada is a 100% owned open pit mine in the state of Sonora, Mexico, which produces gold-silver doré ("La Colorada Operations"). The operating facilities include primary and secondary crushers with 13,000 tonnes per day ("tpd") capacity, conveyors, multi-lift single-use leach pads, a carbon absorption circuit (CIC), and a stripping and electro-winning circuit.

Operating results for the three months ended June 30, 2025 and 2024, were as follows:

		Three months ended June 30,	
		2025	2024
Gold produced	Oz	3,464	-
Silver produced	Oz	7,002	-
Gold sold	Oz	3,631	-
Gold equivalent ounces ("GEOs") sold	GEO	3,747	-
Cash cost <sup>1</sup>	\$/GEO	1,296	-
AISC <sup>1</sup>	\$/GEO	1,425	-

In the three months ended June 30, 2025, the Company was re-leaching the residual leach pads and mining the Junkyard Stockpile. Total revenues reported were \$12.0 million from 3,747 GEOs.

#### San Agustin Operations

San Agustin is a 100% owned open pit mine in the state of Durango, Mexico, which produces gold-silver doré ("San Agustin Operations"). The operating facilities include primary and secondary crushers with 30,000 tpd capacity, conveyors, multi-lift single-use leach pads, a carbon absorption circuit (CIC) and a Merrill Crowe plant. Loaded carbon is shipped to La Colorada Operations for carbon stripping and carbon regeneration.

Operating results for the three months ended June 30, 2025 and 2024, were as follows:

		Three months ended June 30,	
		2025	2024
Gold produced	Oz	3,564	-
Silver produced	Oz	5,609	-
Gold sold	Oz	4,595	-
Gold equivalent ounces ("GEOs") sold	GEO	4,660	-
Cash cost <sup>1</sup>	\$/GEO	1,529	-
AISC <sup>1</sup>	\$/GEO	1,597	-

In the three months ended June 30, 2025, the Company continued re-leaching of residual leach pads, with total revenues of \$ 14.9 million from sale of 4,660 GEOs.

#### El Castillo

El Castillo is a 100% owned open pit mine in the state of Durango, Mexico, under closure with some nominal gold production associated with remediation activities.

## Management's Discussion and Analysis

### For the three months ended June 30, 2025

Operating results for the three months ended June 30, 2025 and 2024, were as follows:

		Three months ended June 30,	
		2025	2024
Gold produced	Oz	234	-
Silver produced	Oz	154	-
Gold sold	Oz	149	-
Gold equivalent ounces ("GEOs") sold	GEO	150	-
Cash cost <sup>1</sup>	\$/GEO	782	-
AISC <sup>1</sup>	\$/GEO	2,679	-

In late 2022, the previous owners of El Castillo placed the mine under care and maintenance, with metals production continuing from re-leaching of residual leach pads. For the three months ended June 30, 2025, total revenues were \$0.5 million, from sales of 150 GEOs.

Reclamation expenditures at the El Castillo mine for the three months ended June 30, 2025, were \$nil; however, \$1.1 million was incurred in indirect reclamation expenditures for maintenance of land, permits and general expenses required to maintain the site in good standing.

<sup>1</sup>This is a Non-IFRS Measure; please see "Non-IFRS Measures" section.

## Non-GAAP Financial Measures

Management believes that the following non-GAAP financial measures will enable certain investors to better evaluate the Company's performance, liquidity, and ability to generate cash flow. These measures do not have any standardized definition under IFRS, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. *Other companies may calculate these measures differently.*

### Cash costs

The Company uses cash costs per ounce of metals sold to monitor its operating performance internally. The most directly comparable measure prepared in accordance with IFRS is cost of sales. The Company believes this measure provides investors and analysts with useful information about its underlying cash costs of operations. The Company also believes it is a relevant metric used to understand its operating profitability and ability to generate cash flow. Cash costs are measures developed by metals companies in an effort to provide a comparable standard; however, there can be no assurance that the Company's reporting of these non-IFRS financial measures are similar to those reported by other mining companies. They are widely reported in the metals mining industry as a benchmark for performance, but do not have a standardized meaning and are disclosed in addition to IFRS financial measures. Cash costs include production costs, refinery and transportation costs and extraordinary mining duty. Cash costs exclude non-cash depreciation and depletion and site share-based compensation.

### Mining cash costs

Mining cash costs are a preliminary measure used by management to assess cost of mining and processing minerals, excluding non-cash items, like depreciation, before determination of cash costs.

### AISC

All-in Sustaining Costs ("AISC") more fully defines the total costs associated with producing precious metals. The AISC is calculated based on guidelines published by the World Gold Council (WGC), which were first issued in 2013. In light of new accounting standards and to support further consistency of application, the WGC published an updated Guidance Note in 2018. Other companies may calculate this measure differently because of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus growth capital. Note that in respect of

# Management's Discussion and Analysis For the three months ended June 30, 2025

AISC metrics within the technical reports, because such economics are disclosed at the project level, corporate general and administrative expenses were not included in the AISC calculations.

## All-in costs

The Company uses All-in Costs to assess the total costs associated with producing precious metals, including growth (non-sustaining) capital expenditures and exploration and evaluation expenses. Other companies may calculate this measure differently because of differences in underlying principles and policies applied.

### Reconciliation from cost of sales to non-GAAP measures

		For the three months ended				For the three months ended			
		June 30, 2025				June 30, 2024			
		La Colorada	San Agustin	El Castillo	Consolidated	La Colorada	San Agustin	El Castillo	Consolidated
<b>Cost of sales</b>		\$ 5,254	\$ 8,309	\$ 107	\$ 13,670	\$ -	\$ -	\$ -	\$ -
Maintenance cost (indirect)		-	(199)	-	(199)	-	-	-	-
Depreciation		(70)	(860)	-	(930)	-	-	-	-
<b>Mining cash cost</b>	<b>A</b>	<b>5,184</b>	<b>7,250</b>	<b>107</b>	<b>12,541</b>	-	-	-	-
Add:									
Refining costs		53	85	13	151	-	-	-	-
Ag credits		(383)	(212)	(3)	(598)	-	-	-	-
<b>Total cash cost</b>	<b>B</b>	<b>\$ 4,854</b>	<b>\$ 7,123</b>	<b>\$ 117</b>	<b>\$ 12,094</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
General and administrative		342	128	41	512	-	-	-	-
Accretion relating to reclamation and rehabilitation		144	190	243	577	-	-	-	-
Sustaining capital expenditures		-	-	-	-	-	-	-	-
<b>Total All-in sustaining cost</b>	<b>C</b>	<b>\$ 5,340</b>	<b>\$ 7,441</b>	<b>\$ 401</b>	<b>\$ 13,183</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Exploration & evaluation expenses (non-sustaining)		625	163	3	1,916	-	-	-	-
Mine holding cost		-	-	1,102	1,102	-	-	-	-
<b>Total All-in cost</b>	<b>D</b>	<b>\$ 5,965</b>	<b>\$ 7,604</b>	<b>\$ 1,506</b>	<b>\$ 16,201</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GEOs sold</b>	<b>E</b>	<b>3,747</b>	<b>4,660</b>	<b>150</b>	<b>8,556</b>				-
<b>Mining cash cost</b>	<b>A</b>	<b>\$ 5,184</b>	<b>\$ 7,250</b>	<b>\$ 107</b>	<b>\$ 12,541</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total cash cost</b>	<b>B</b>	<b>\$ 4,854</b>	<b>\$ 7,123</b>	<b>\$ 117</b>	<b>\$ 12,094</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total All-in sustaining cost</b>	<b>C</b>	<b>\$ 5,340</b>	<b>\$ 7,441</b>	<b>\$ 401</b>	<b>\$ 13,183</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total All-in cost</b>	<b>D</b>	<b>\$ 5,965</b>	<b>\$ 7,604</b>	<b>\$ 1,506</b>	<b>\$ 16,201</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash cost per GEO sold</b>	<b>B/E</b>	<b>\$ 1,296</b>	<b>\$ 1,529</b>	<b>\$ 782</b>	<b>\$ 1,413</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>All-in sustaining cost per GEO sold</b>	<b>C/E</b>	<b>\$ 1,425</b>	<b>\$ 1,597</b>	<b>\$ 2,679</b>	<b>\$ 1,541</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>All-in cost per GEO sold</b>	<b>D/E</b>	<b>\$ 1,592</b>	<b>\$ 1,632</b>	<b>\$ 10,059</b>	<b>\$ 1,893</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## **DEVELOPMENT AND EXPLORATION**

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### **Mineral Properties**

#### **a) Ana Paula Project**

The Ana Paula Project is a 100%-owned, advanced-stage, gold development project located in the state of Guerrero, Mexico ("Ana Paula Project").

In April 2025, the Company announced an aggressive drill-out program with two drill rigs that will focus on:

- infill drilling with focus on converting inferred ounces to higher confidence categories for underground mining at the High Grade and Parallel Panels,
- testing the extent of satellite zones, and
- testing exploration targets North of the Parallel Panel.

The Company is developing a preliminary economic assessment that will be followed by a feasibility study.

#### **b) San Antonio Project**

The San Antonio Project is a 100%-owned gold development project in the state of Baja California Sur, Mexico. The property comprises 15 titled concessions covering 23,284 ha.

In the year ended March 31, 2025, the company completed an updated technical report for the San Antonio Project, published in January 2025; however, the project requires further development planning and engineering. All major environmental and other permits will need to be obtained before an investment decision can be considered by the Company. Based on the results from the San Antonio Project technical report, the Company is conducting a technical and strategic review of the Project with the objective of identifying and evaluating the next development steps and challenges. The strategic review to potentially add project value to the San Antonio Project has commenced and is expected to be complete by late 2025.

#### **c) Cerro del Gallo Project**

The Cerro del Gallo Project is a 100%-owned gold-silver development project in the Guanajuato state of Mexico, acquired as part of the FCGI assets on November 7, 2024. The property comprises 11 titled concessions covering 9,804 ha, and surface rights to land totalling 445 ha. An environmental permit for the project is pending.

The Company is undertaking further development planning, metallurgical test work and engineering required to update and make current the pre-feasibility study in 2025. All major environmental and other permits will need to be obtained before an investment decision can be considered by the Company.

#### **d) Unga Project, Alaska, USA**

The Unga gold-silver project covers 250 square kilometres on 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.

There has not been any significant drilling since 2021. Additional exploration work has commenced and drilling is planned for the second half of 2025.

## FINANCIAL RESULTS

	Three months ended June 30,	
	2025	2024
Revenues	\$ 27,926	\$ -
Cost of sales	(13,670)	-
Mine operating earnings	14,256	-
General and administrative expenses	(2,772)	(619)
Exploration	(1,916)	(1,502)
Stock based compensation	(398)	(167)
Net income (loss) before tax	6,094	(2,293)
Tax expense	(4,202)	-
Net income (loss)	1,892	(2,293)
Total assets	122,943	30,798
Working capital	51,687	(2,203)

### *Revenues*

The Company's 2025 revenues are from the La Colorada, San Agustin and El Castillo mines that were acquired on November 7, 2024. Gold production is primarily from re-leaching at the three mines and mining operations at La Colorada Junkyard.

### *Cost of sales*

The Company's 2025 costs of sales are for the La Colorada, San Agustin and El Castillo mines that were acquired on November 7, 2024.

### *General and administrative expenses*

General and administrative expenses of the company comprise of salaries, professional, regulatory, travel and other administrative fees. The significant increase in the three months ended June 30, 2025, is due to the regional offices and personnel in Mexico with the acquisition of FCGI's assets on November 7, 2024.

### *Exploration*

Exploration expense consisted of work performed primarily on the La Colorada, San Agustin, San Antonio and Ana Paula projects in the period, compared to primarily Ana Paula and San Antonio spending in prior year.

### *Tax expense*

Tax expense for the period represents current and deferred income tax and special mining duty in Mexico. Net income before tax for the period includes entities that have generated taxable income as well as those that incur losses; while tax expense is primarily due to Mexican operating entities with significant income and no remaining net operating losses, as well as changes in deferred tax assets and liabilities in the period.

### Liquidity and Capital Resources

The Company had 250,696,558 issued and outstanding common shares as of June 30, 2025 (March 31, 2025 – 244,113,685). As of August 27, 2025, the company had 250,978,267 issued and outstanding shares.

Management's Discussion and Analysis  
For the three months ended June 30, 2025

As at June 30, 2025, the Company had working capital of \$51.7 million (March 31, 2025 – \$41.4 million).

	Three months ended June 30,					
	2025			2024		
Cash Flow						
Cash used/provided by operating activities	\$	\$	584	\$	\$	(1,651)
Cash used by investing activities			-			-
Cash provided by financing activities			1,253			3,452
Effect on cash and cash equivalents of foreign exchange			681			22
Change in cash			2,518			1,823
Cash, beginning of the period			27,185			556
<b>Cash, end of the period</b>			<b>29,703</b>			<b>2,379</b>

As at June 30, 2025, cash totaled \$29.7 million, an increase of \$2.5 million from \$27.2 million as at March 31, 2025. The increase was primarily due a \$0.6 million inflow from operating activities and a \$1.3 million of proceeds from warrant and stock option exercises in the period.

Cash generated by operating activities was due to revenue generated from the production of the mines acquired in November 2024, compared to cash outflow in prior year.

Cash generated by financing activities was due to exercises of stock options and warrants, compared to a private placement in prior year period.

The Company's 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.

With the acquisition of the producing mines, management believes the equity needs of the business in the near term can be satisfied by cash generated by operations after servicing the necessary capital expenditures. 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 and debt facilities. 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.

Summary of Quarterly Results

Quarterly results for prior periods have been translated from Canadian to US dollars following the Company's change in presentation currency in the year ended March 31, 2025.

	June 30, 2025 Q1 2025	March 31, 2025 Q4 2024	December 31, 2024 Q3 2024	September 30, 2024 Q2 2024	June 30, 2024 Q1 2024	March 31, 2024 Q4 2023	December 31, 2023 Q3 2023	September 30, 2023 Q2 2023
Total revenues	\$ 27,926	\$ 22,742	\$ 13,832	\$ -	\$ -	\$ -	\$ -	\$ -
Profit/(Loss) for the period	1,892	(33,308)	60,410	(3,747)	(2,320)	(3,734)	(3,405)	(4,477)
Comprehensive Profit/(Loss)	2,745	(33,496)	59,565	(3,747)	(2,320)	(3,734)	(3,405)	(4,477)
Profit/(Loss) per share - basic	0.01	\$0.09	\$0.29	\$(0.02)	\$(0.01)	\$(0.02)	\$(0.02)	\$(0.03)
Total assets	122,943	117,226	121,518	21,272	22,502	20,932	23,939	22,310
Working capital	51,687	41,433	36,415	(4,409)	(1,121)	(2,527)	2,524	1,809

**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.

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

The Company has various commitments with local communities in the normal course of business, ranging in amounts and duration. The amount of commitments is uncertain due to the long-term nature of the agreements and no provision has been made in the financial statements.

**ACCOUNTING POLICIES, KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENT**

Accounting standards adopted during the period

The material accounting policies applied in the Company's condensed consolidated interim financial statements for the three months ended June 30, 2025, are the same as those applied in the Company's annual audited consolidated financial statements as at and for the year ended March 31, 2025.

Key sources of estimation uncertainty and judgement

The preparation of financial statements requires the Company to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management's judgment relate to the determination of mineral properties, estimated useful lives of plant and equipment, , impairment of non-current assets, reclamation and closure provisions, recognition of deferred tax assets and liabilities, and assumptions used in determining the fair value of share-based compensation.

**RISKS AND UNCERTAINTIES**

In the Company's MD&A filed on SEDAR July 29, 2025, in connection with the Company's 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	
	August 27, 2025	July 29, 2025
Common shares outstanding	250,978,267	250,759,858
Stock options	18,381,168	18,408,668
Restricted share units	2,636,254	2,636,254
Warrants	29,496,518	29,587,427
Fully diluted common shares outstanding	301,492,207	301,392,207

**PROPOSED TRANSACTIONS**

None.

**QUALIFIED PERSONS**

The technical information contained in this MD&A has been reviewed and approved by Samuel D. Anderson, CPG and Stewart Harris, P.Geo., 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.