HELIOSTAR METALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022

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 900-885 West Georgia Street, Vancouver, BC, V6C 3H1. 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 15, 2022, 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 interim consolidated financial statements and the related notes for the six months ended September 30, 2022, and the Company's audited consolidated financial statements for the year ended March 31, 2022, and the related notes thereto. The audited consolidated financial statements, unaudited condensed interim consolidated 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, and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

MAJOR OPERATING MILESTONES DURING THE SIX MONTHS ENDED SEPTEMBER 30, 2022:

- The Company completed a private placement of $3,005,000 which was closed on August 2, 2022
- The Company completed a 5,000-metre drill program at the Cumaro property in Mexico, reported Maiden Drilling results on February 28, 2022, and is reviewing the results of this program.
- The Company has completed geological data compilation and analysis in anticipation of a drill program to follow up on open gold intercepts from the 2021 drill program and other priority drill targets at the Unga property in Alaska.

EXPLORATION AT THE UNGA PROJECT

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.

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EXPLORATION AT THE UNGA PROJECT *(Continued)*

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.

The Company continues to follow precautionary measures on its projects in Alaska and Mexico to manage and respond to the risks associated with COVID-19. These include following guidance and directives as updated by federal, regional, and local health authorities in respect of general and site-specific protocols.

EXPLORATION AT MEXICAN PROPERTIES

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

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$25,000 on signing (paid); US$50,000 after 6 months (paid); and US$100,000 after 18 months. The December 15, 2021, payment was re-negotiated and settled for US$75,000 on September 13, 2021, 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 at any time.

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, 2021; and US$25,000 by March 25, 2022. 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.

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. Neither area of the Cumaro project has been tested by drilling. However, 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 April 6, 2021, the Company announced the results of a mapping and sampling program at the Cumaro property which included 390 g/t silver over 1.0 metres.

EXPLORATION AT MEXICAN PROPERTIES (Continued)

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 grams per tonne ("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 x 48.23) + (Ag_g/t x 0.6431) + (Pb_ppm x 0.0019) + (Zn_ppm x 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 gold-equivalent ("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

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.

On January 12, 2021, 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:

- VVDH22-09 which returned
  - 0.89 g/t Aueq over 8.1 metres including,
  - 1.65 g/t Aueq over 3.0 m
- VVDH21-02 which returned
  - 1.87 g/t Aueq over 1.15 m
- VVDH21-01 which returned
  - 1.79 g/t Aueq over 1.1 m
- Note: True thickness is estimated at 64-94% of drilled lengths. Gold equivalent is calculated with a gold:silver ratio of 1:75.

INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

The Company had 55,046,340 issued and outstanding common shares as of September 30, 2022 (March 31, 2022 – 43,026,340).

On August 2, 2022, the Company closed a non-brokered private placement where it issued 12,020,000 units at $0.25 per unit for gross proceeds of $3,005,000.

Each unit consists of one common share and one common share purchase warrant ("Warrant'). Each Warrant is exercisable for one common share at an exercise price of $0.50 for a period of 6 months following the closing date (the "Transition Date"). On the Transition Date, each outstanding Warrant shall automatically (without any need for notice or action) convert into a half-warrant (each, a "Half-Warrant") and thereafter the holder will only be entitled to purchase one Common Share upon the exercise of two Half-Warrants at an aggregate exercise price of $0.75 per Common Share. The Half-Warrants will expire eighteen months after the Transition Date.

In connection with the financing, the Company paid $14,700 cash broker fees and issued 58,800 broker warrants ("Broker Warrants"). Each Broker Warrant is exercisable into one Share at an exercise price of $0.50 per Common Share until the Transition Date. On the Transition Date, each outstanding Warrant shall automatically (without any need for notice or action) convert into a Half-Warrant and thereafter the holder will only be entitled to purchase one Common Share upon the exercise of two Half-Warrants at an aggregate exercise price of $0.75 per Common Share. The Half-Warrants will expire eighteen months after the Transition Date. The Broker Warrants have a fair value of $5,078 using the Black-Scholes Option Pricing Model. The Company also incurred an additional $27,141 share issue costs.

No options were granted or exercised during the period ended September 30, 2022.

12,020,000 warrants and 58,800 broker warrants were issued in relation to the private placement during the period ended September 30, 2022.

The Company's current treasury and the future cash flows from equity issuances and the potential exercise of finders' warrants and options, along with the planned developments within the Company will allow its exploration to continue throughout fiscal 2023. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at September 30, 2022, the Company had working capital of $1,157,566 (March 31, 2022 – surplus of $8,000).

As at September 30, 2022, cash totaled $1,313,510, an increase of $130,464 from $1,183,046 as at March 31, 2022. The increase was due to (a) $2,963,158 in financing activities proceeds offset by (b) $2,845,023 used in operating activities and (c) $144,671 spent in net resource property expense.

On August 2, 2022, the Company closed a private placement and issued 12,020,000 Units at a price of $0.25 per Unit for gross proceeds of $3,005,000.

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.

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INTERIM PERIOD FINANCIAL CONDITION (Continued)

Liquidity (Continued)

The COVID-19 pandemic has not resulted in any material impact on operations and the Company currently does not expect it will impact its 2022 exploration activities. Preventative measures are in place to ensure the well-being of employees and contractors and no risks were noted at the end of the reporting period. Management continues to monitor the situation at the site and corporate office to identify any issues that may affect operational or financial reporting activities.

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.

Operations

For the six months ended September 30, 2022 ("2022") compared with the six months ended September 30, 2021 ("2021"):

During the six months ended September 30, 2022, the Company incurred $500,713 (2021 - $5,994,269) in resources property expense.

Excluding the non-cash depreciation of $14,421 (2021 - $22,262) and share-based compensation of $340,617 (2021 - $565,825), the Company's general and administrative expenses amounted to $997,883 (2021 - $984,072), an increase of $13,761. The increase was mainly due to increase in (a) office operations $104,733 (2022 – $256,595; 2021 - $140,865) because of increased in salaries and wages with the team focusing on administrative efforts; (b) insurance $16,891 (2022 - $29,444; 2021 - $12,553) because of insurance cost increase; (c) professional fees $6,389 (2022 - $106,640; 2021 - $100,251) due to increase in consulting fees. These were offset by a decrease in investor relation expenses of $118,081 (2022 - $318,919; 2021 - $439,826), as a result of the reduced corporate activities while the Company reviewed the results of previous exploration efforts.

General and administrative expenses	Period ended September 30 2022	2021	Variances
Directors fees	$ 44,125	$ 39,437	4,688
Insurance	29,444	12,553	16,891
Investor relations	321,745	439,826	(118,081)
Management fees	208,500	209,323	(823)
Office operations	245,598	140,865	104,733
Professional fees	106,640	100,251	6,389
Regulatory fees	19,764	24,507	(4,743)
Rent	13,364	13,364	-
Transfer agent	6,065	3,114	2,951
Travel and promotion	2,588	832	1,756
Total	$ 997,833	$ 984,072	13,761

INTERIM PERIOD FINANCIAL CONDITION (Continued)

Summery 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.

	September 30 2022 Q2	June 30, 2022 Q1	March 31, 2022 Q4	December 31, 2021 Q3	September 30, 2021 Q2	June 30, 2021 Q1	March 31, 2021 Q4	December 31, 2020 Q3
Total revenues				-	-	-	-	1,475,000
Loss for the period	(856,363)	(1,146,054)	(3,347,586)	(1,546,887)	(2,862,080)	(4,699,598)	(1,909,637)	(2,846,547)
Comprehensive Loss	(856,363)	(1,146,054)	(3,390,208)	(1,783,816)	(2,879,380)	(4,401,175)	(1,354,889)	(2,789,142)
Loss per share - basic	(0.02)	(0.03)	(0.09)	(0.04)	(0.09)	(0.17)	(0.05)	(0.09)
Total assets	12,383,968	11,074,778	12,159,795	13,682,786	11,526,081	14,016,495	13,124,632	14,246,913
Working capital	1,158,000	(999,000)	8,167	3,458,783	894,980	3,468,343	2,723,988	5,277,641

The Company continues its efforts to expand its exploration programs in Unga and Mexican projects and incurs losses. The variance between the quarters is mainly due to the fluctuation of exploration expenses and stock base compensation. The loss in the first quarter of this fiscal year is smaller due to reduced exploration expenditure and corporate activities. The loss in the current quarter is due to the management team's increased focus on administrative and reviewing 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, 2022, $48,726 (March 31, 2022 - $61,854) 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. 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 six months ended September 30, 2022, was $403,852 (September 30, 2021 - $466,829) and comprised of the following:

	Three months ended		Six months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Senior executive fees	$ 104,250	$ 104,250	$ 208,500	$ 208,500
Non-executive directors fees	22,062	19,062	44,125	39,437
Share-based compensation	70,332	98,656	151,227	218,892
	$ 196,644	$ 221,968	$ 403,852	$ 466,829

During the three months ended September 30, 2022, the Company incurred the following related party transactions:

- Charles Funk (CEO), for CEO services of $62,500 for the three months ended September 30, 2022 (2021 – $62,500) and $125,000 for the six months ended September 30, 2022 (2021 – $125,000).
- Mahesh Liyanage (CFO), for CFO services of $25,500 for the three months ended September 30, 2022 (2021 – $25,500) and $51,000 for the six months ended September 30, 2022 (2021 – $51,000).
- Jacques Valliancourt (Executive Chairman and Director), for his services of $16,250 for the three months ended September 30, 2022 (2021 – $16,250) and $32,500 for the six months ended September 30, 2022 (2021 – $32,500).

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 26, 2022, 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 15, 2022	September 30, 2022
Common shares outstanding	55,046,340	55,046,340
Stock options	3,543,334	3,543,334
Warrants	14,274,334	15,203,066
Fully diluted common shares outstanding	72,864,008	73,792,740

QUALIFIED PERSON

The technical information contained in this MD&A has been reviewed and approved by Stewart Harris, P.Geo. of Heliostar who is a Qualified Person 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.