



HELIOSTAR METALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED MARCH 31, 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 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 development 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".

DATE

This MD&A has been prepared based on information available to the Company as of July 23, 2024.

OVERVIEW

a) Company Mission and Focus

The Company's primary objective is to develop the Ana Paula Mining Project, which it wholly owns, in Guerrero, Mexico. Furthermore, Heliostar is planning to extend its footprint in Mexico through the acquisition of advanced stage producing mines.

With a strong focus on high-grade gold projects in the Americas, the company is actively progressing in multiple ventures. These include the Unga gold project in Alaska, USA, as well as the La Lola, Cumaro, and Oso Negro projects in Mexico.

The activity of the Company is generally dependent on the sources of capital and access to funding in the capital markets. The Company successfully maintains its business model as a gold explorer with active programs on its properties.

The Company has no substantial revenue and supports its operations through the sale of equity or assets such as mineral properties. The value of any mineral property is dependent upon the existence or potential existence of economically recoverable mineral reserves. See Section 1.15 "Risk Factors", below.

b) Major Operating Milestones During the Year Ended March 31, 2024

- On January 11, 2024, the Company filed a technical report in support of a mineral resource update on the Ana Paula Deposit in Guerrero, Mexico with the securities exchange.
- The Company acquired Aurea Mining and started re-scoping the Ana Paula Project gold deposit. The re-scoping is evaluating Ana Paula as a high-grade underground gold mine rather than open pit gold mine. The study is focused on the High-Grade Panel at the core of the Ana Paula Deposit and is anticipated to be completed over the next six months.
- As part of the rescoping, an infill and expansion drill program was completed at the Ana Paula Deposit in Mexico comprising 22 holes for a total of 4202.8 metres.
- Metallurgical and mine planning studies were also commenced as part of the rescoping plans.
- The Company has initiated a Preliminary Economic Assessment ("PEA") that is anticipated to be completed in the second half of the year.

OVERVIEW *(continued)***b) Mayor Operating Milestones During the Year Ended March 31, 2024** *(continued)*

- The Company will do a strategic acquisition of former Argonaut Gold Assets in Mexico in exchange for US\$5 million, payable on closing. This acquisition adds two producing mines, the San Agustin Mine and the La Colorada Mine, and two advanced development projects to the Company's portfolio. Improves Ana Paula Economics eliminating up to US\$20 million in contingent milestone payments on the Company's flagship Ana Paula Project. The Transaction is expected to close in October 2024.

c) Financial Position

As of March 31, 2024, the Company had working capital of \$(970,754) (2023 - \$5,278,222) and an accumulated deficit of \$76,438,296 (2023 - \$56,503,895). During the year ended on March 31, 2024, the Company incurred a comprehensive loss of \$19,934,401 (2023 - \$4,531,706) primarily due to the re-scoping of the Ana Paula Project in Mexico.

During the year, the Company incurred \$ \$13,867,046 (2023 - \$1,050,243) in exploration expenses and incurred \$5,688,102 (2023 - \$3,267,289) in general and administrative and overhead expenses.

d) Share Capital

- On July 11, 2023, the Company completed a private placement, issuing 18,919,024 units at \$0.37 per unit for approximately \$7,000,038 in gross proceeds.
- The Company issued 599,412 non-transferable compensation options to the agents at \$0.37 for a period of 18 months.
- On December 8, 2023, the Company issued 17,599,544 common shares upon the exercise of warrants, for gross proceeds of \$5,279,863.
- During December 2023, the Company granted 550,000 RSUs to directors and officers. The RSUs will vest in three equal annual installments commencing on the first anniversary of the grant date.

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);

ACQUISITION OF AUREA MINING *(continued)***Ana Paula** *(continued)*

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.

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 March 31, 2024, by approximately \$202,724.

As of March 31, 2024, the contingent payable provision has been re-valued to \$2,453,328, and the loss of \$145,082 has been recorded in the consideration payable revaluation loss for the year ended March 31, 2024 (March 31, 2023 - \$36,000).



ACQUISITION OF AUREA MINING (continued)

Ana Paula (continued)

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

Total consideration	
Cash payment	\$ 13,626,000
Transaction costs	452,699
Consideration payable	2,308,246
	\$ 16,386,945
Net identifiable assets (liabilities) acquired	
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)
Total	\$ 16,386,945

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)*

Subsequent to March 31, 2024, 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 a condition to closing of the transaction, the Company and FCGI will enter into an agreement eliminating:

- a. up to US\$20 million in contingent payments, which become payable to FCGI pursuant to the agreement under which the Company acquired the Ana Paula Project.
- b. up to US\$150 million in conditional option payments and the issuance of a 2% net smelter returns royalty on the San Antonio Project, which might have become payable pursuant to the agreement under which the Company acquired an option on the San Antonio Project.

SELECTED ANNUAL FINANCIAL INFORMATION

	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2022
Total revenues	\$ -	\$ -	\$ -
Net loss for the year	19,934,401	4,531,706	12,456,251
Comprehensive loss for the year	19,934,401	4,531,706	12,454,579
Loss per share (basic and diluted)	0.12	0.08	0.32
Total assets	28,363,295	33,687,802	12,159,795
Total long-term financial liabilities	-	-	-
Cash dividends declared – per share	N/A	N/A	N/A

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	117.0	163.0	46.0	13.4	Includes geotech sample. Note 2	
including	118.0	146.5	28.5	17.4	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)

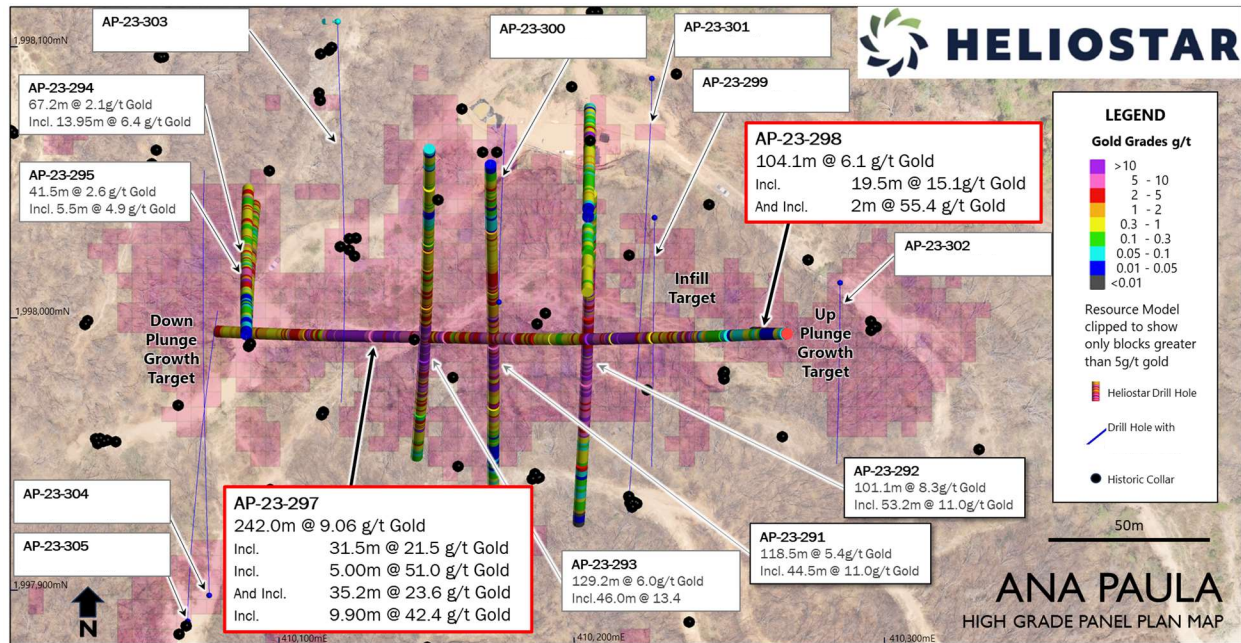


Figure 1: A plan map with the resource model from 2023 PFS highlighting the High Grade Panel (clipped to greater than 5g/t resource blocks). Heliostar results labelled with new holes in red boxes. Completed and ongoing holes are shown in blue, and Growth and Infill targets areas labelled.

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 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

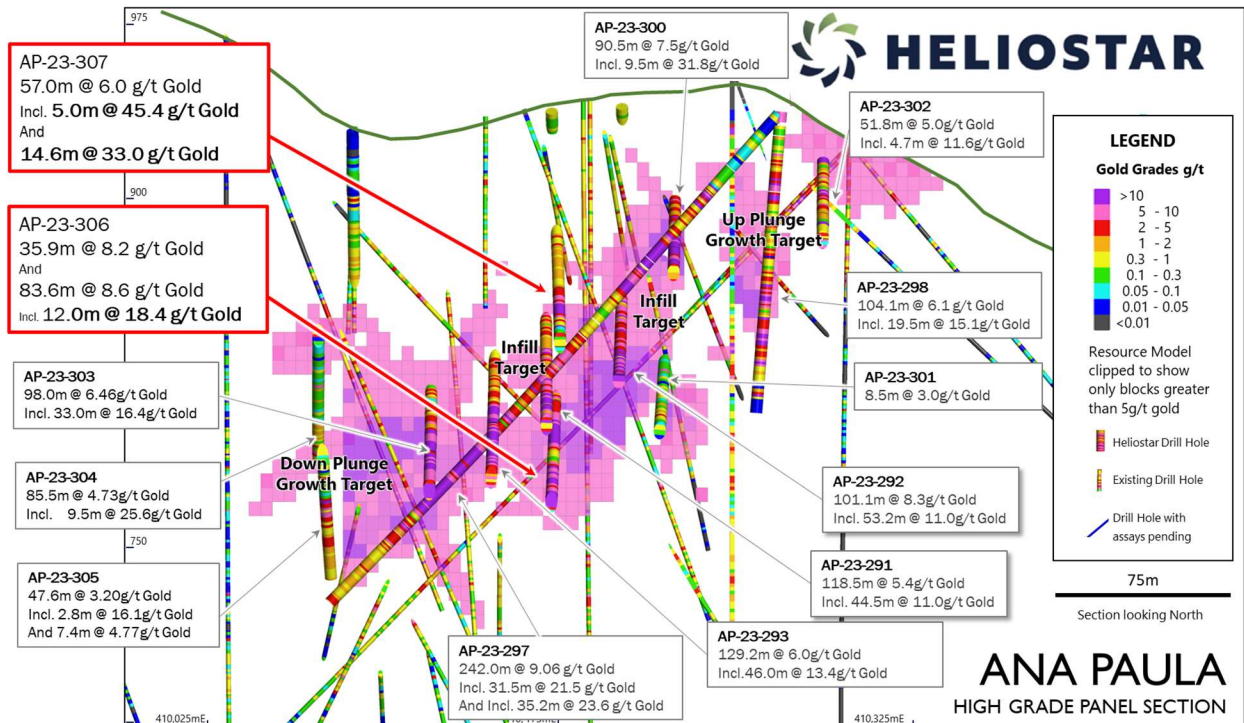


Figure 2: A section through the resource model from 2023 PFS highlighting the High Grade Panel (clipped to greater than 5g/t resource blocks). Heliostar results labelled. Results reported in this release in red boxes. Growth and Infill targets areas labelled.

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)

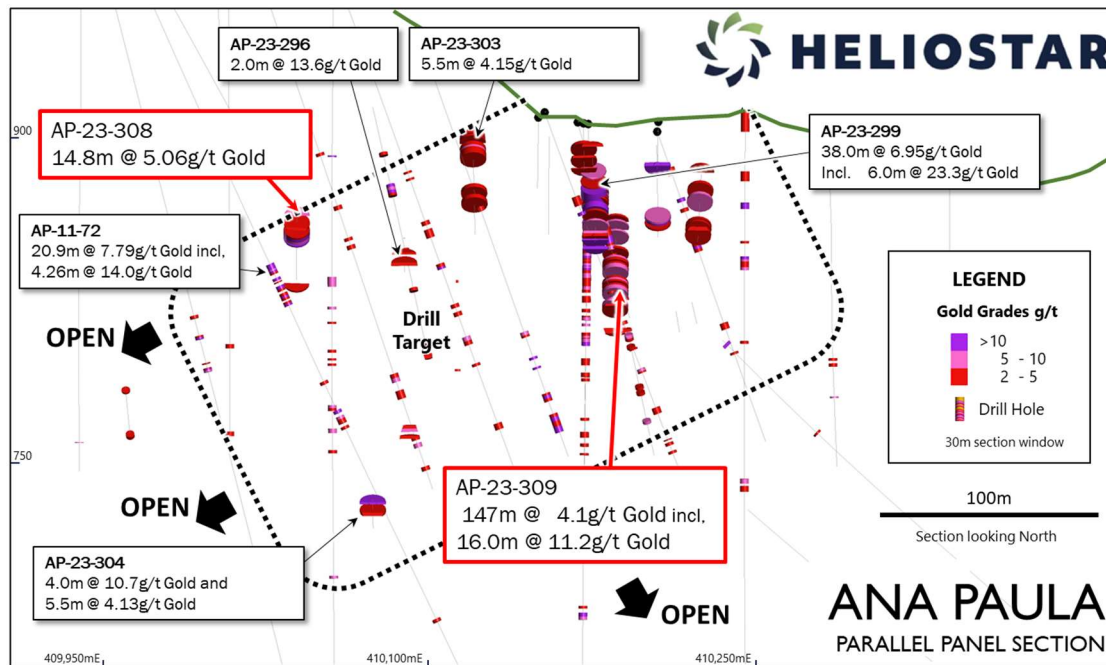


Figure 3: An East-West section Ana Paula highlighting the Parallel Panel target. Heliostar results labelled. Results reported in this release in red boxes.

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
Total Measured & Indicated	2.5	3.35	6.60	710,920
Inferred	2.5	3.28	4.24	447,512

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.



Results of Operation *(continued)*

b) San Antonio Project

The San Antonio Gold Project is an advanced stage, gold development project located in Baja California Sur State, Mexico. Development is currently paused due to a pending environmental permit. The Company will earn the option to acquire a 100% interest in the project by obtaining this permit.

A 2012 preliminary economic assessment completed by Argonaut reported measured and indicated mineral resources of 65,089,000 tonnes at 0.83 g/t gold for 1,735,000 ounces of gold and an inferred resource of 6,215,000 tonnes at 0.34 g/t gold for 67,000 ounces of gold. The project NPV8% from 2012 is \$293 million on a pre-tax basis, based on a \$1,500 per ounce gold price.

The preliminary economic assessment outlines the San Antonio Gold Project as a medium scale, open pit mine with an approximate 3:1 strip ratio. Processing is proposed to be by conventional heap leach of crushed ore.

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 km² 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.

Results of Operation (continued)
c) Unga Project, Alaska, USA (continued)

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).

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		700,000	(iii)
July 1, 2025	100,000		750,000	
July 1, 2026	110,000		850,000	
	\$710,000		\$5,000,000	

(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) Incurred

(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".

Results of Operation (continued)**c) Unga Project, Alaska, USA (continued)****SH-1 Resource**

On November 24th, 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.

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.

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.

Results of Operation (continued)**c) Unga Project, Alaska, USA (continued)**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 10: 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)

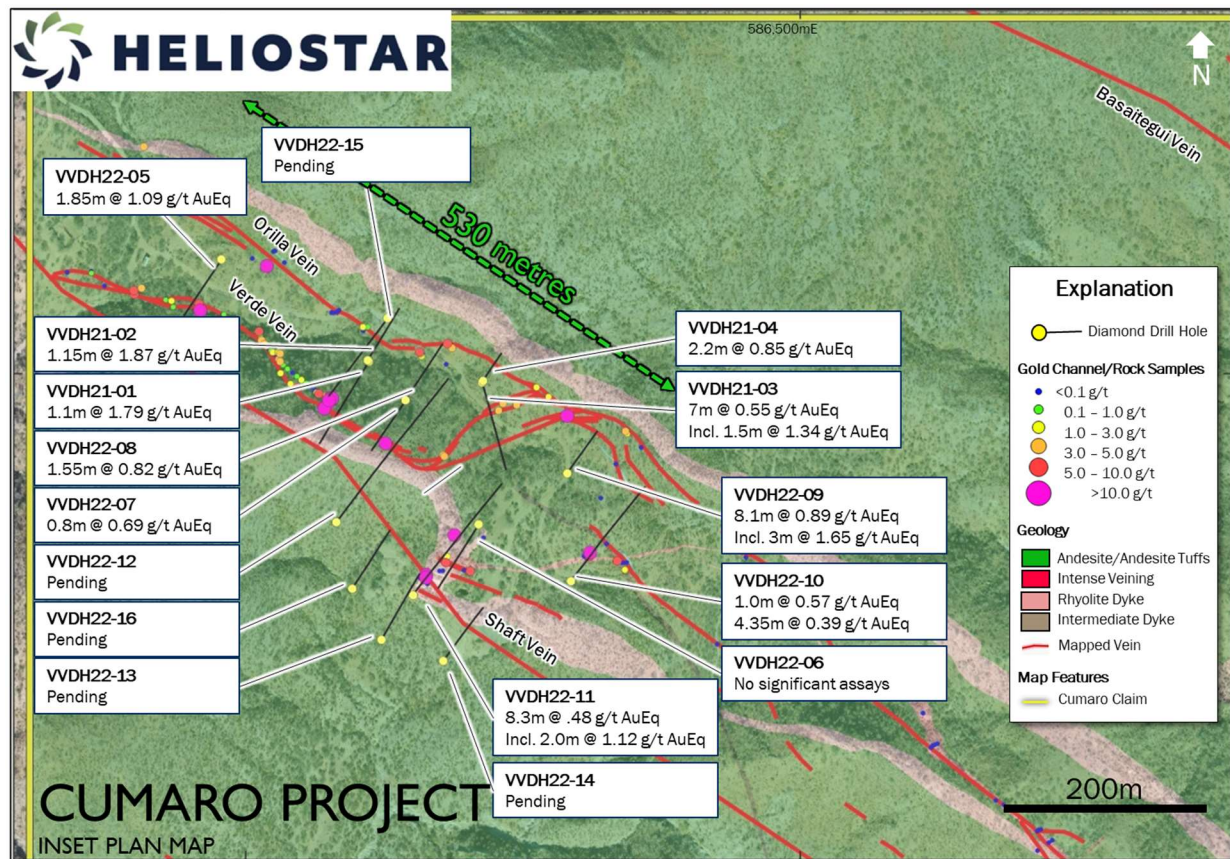


Figure 4: Drill results of the first 11 holes from the Verde Vein Corridor

QUALIFIED PERSONS

The technical information contained in this MD&A has been reviewed and approved by Samuel D. Anderson, CPG., Vice President of Projects and Stewart Harris, P.Geo., Exploration Manager of Heliostar who are Qualified Persons as defined in "National Instrument 43-101, Standards of Disclosure for Mineral Projects".



FINANCIAL RESULTS

For the year ended March 31, 2024, and March 31, 2023

For the year ended March 31, 2024 ("2024") compared with the year ended March 31, 2023 ("2023"):

During the year ended March 31, 2024, the Company incurred \$13,867,046 (2023 - \$1,050,243) 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 \$159,557 (2023 - \$ 28,841) and share-based compensation of \$1,906,211 (2023 - \$1,255,504), the Company's general and administrative expenses amounted to \$3,595,199 (2023 - \$1,982,944), an increase of \$1,612,255. The increase is mainly due to increase in (a) investor relations and marketing \$ 901,939 (2024 - \$1,521,684, 2023 - \$619,745); (b) office operations \$ 410,211 (2024 - \$ 851,251, 2023 - \$ 441,040), (c) professional fees \$ 262,036 (2024 - \$525,490, 2023 - \$263,454) and (d) regulatory fees \$32,538 (2024 - \$85,673; 2023 - \$53,135). The increase in investor relations and marketing expenses is aimed at bolstering the Company's market presence following the strategic acquisition of Aurea Mining. The increase in office operations expenses is primarily attributable to the inclusion of Aurea Mining's operations. The increase in professional fees is a result of higher accounting and legal costs due to the expansion of operations. The increase in regulatory fees is due to the re-listing on the OTCQX.

General and administrative expenses	Year ended March 31,		
	2024	2023	Variances
Directors' fees	\$ 63,670	\$ 79,507	\$ (15,837)
Insurance	58,061	60,645	(2,584)
Investor relations and marketing	1,521,684	619,745	901,939
Management fees	417,000	417,000	-
Office operations	851,251	441,040	410,211
Professional fees	525,490	263,454	262,036
Regulatory fees	85,673	53,135	32,538
Transfer agent	19,601	13,813	5,788
Travel and promotion	52,769	34,605	18,164
Total	\$ 3,595,199	\$ 1,982,944	\$ 1,612,255



FINANCIAL RESULTS *(continued)*

Operations *(continued)*

For the three months ended March 31, 2024 ("2024") compared with the three months ended March 31, 2023 ("2023"):

During the three months ended March 31, 2024, the Company incurred \$3,246,131 (2023 - \$253,133) 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 \$(21,027) (2023 - \$7,210) and share-based compensation of \$333,431 (2023 - \$834,457), the Company's general and administrative expenses amounted to \$903,004 (2023 - \$587,738), an increase of \$315,266. The increase is mainly due to increase in (a) investor relations and marketing \$130,562 (2024 - \$327,594, 2023 - \$197,032); (b) office operations \$143,210 (2024 - \$212,071, 2023 - \$75,544), and (c) professional fees \$89,040 (2024 - \$193,874, 2023 - \$104,834) The Company has increased its spending on investor relations and marketing with the goal of enhancing its market presence following the strategic acquisition of Aurea Mining. The increase in office operations expenses is primarily attributable to the inclusion of Aurea Mining's operations. Professional fees is a direct outcome of increased accounting and legal costs associated with the expansion of operations.

	Three months period ended March 31,		
General and administrative expenses	2024	2023	Variances
Directors fees	\$ 19,420	\$ 20,632	\$ (1,212)
Insurance	11,562	18,938	(7,376)
Investor relations and marketing	327,594	197,032	130,562
Management fees	104,253	133,584	(29,331)
Office operations	212,071	75,544	136,527
Professional fees	193,874	104,834	89,040
Regulatory fees	20,281	24,080	(3,799)
Transfer agent	4,455	5,800	(1,345)
Travel and promotion	9,494	7,294	2,200
Total	\$ 903,004	\$ 587,738	\$ 315,266



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.

	March 31, 2024 Q4	December 31, 2023 Q3	September 30, 2023 Q2	June 30, 2023 Q1	March 31, 2023 Q4	December 31 2022 Q3	September 30 2022 Q2	June 30, 2022 Q1
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$-
Loss for the period	(5,036,239)	(4,592,823)	(6,037,903)	(4,267,436)	(1,756,766)	(772,523)	(856,363)	(1,146,054)
Comprehensive Loss	(5,036,239)	(4,592,823)	(6,037,903)	(4,267,436)	(1,756,766)	(772,523)	(856,363)	(1,146,054)
Loss per share - basic	(0.03)	(0.02)	(0.02)	(0.03)	(0.03)	(0.01)	(0.02)	(0.03)
Total assets	28,363,295	32,286,232	30,089,562	29,840,724	33,682,802	11,877,914	12,383,968	11,074,778
Working capital	(3,424,082)	3,404,142	2,440,410	1,441,218	5,278,222	498,452	1,157,567	(999,178)

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 2022 can be attributed primarily to the fluctuations in exploration expenses, particularly in relation to the drill programs at the Unga and Cumaro projects, as well as stock-based compensation.

In the fiscal year 2023, differences between quarters are mainly a result of varying corporate activities. These include ongoing negotiations related to the acquisition of Aurea Mining and the comprehensive review of outcomes from prior exploration efforts.

The more substantial loss incurred during the fiscal year-end 2024 can be attributed to the additional operational costs associated with Aurea Mining and the rescoping of the Ana Paula project.

LIQUIDITY

As at March 31, 2024, the Company had working capital of \$(3,424,000) (March 31, 2023 – working capital of \$5,278,000). With respect to working capital, \$ 752,894 was held in cash (March 31, 2023 – \$4,129,232) while \$28,750 (March 31, 2023 – \$28,750) was held in short-term investments.

As of March 31, 2024, cash totaled \$752,894, a decrease of \$3,376,338 from \$4,129,232 as at March 31, 2023. The decrease was due to (a) \$14,804,884 used in operating activities, (b) \$85,751 used in investing activities and (c) \$ 11,514,297 provided by financing 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 favorable.

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.



COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of this MD&A the Company has no outstanding commitments.

CAPTIAL RESOURCES

The Company had 184,292,180 issued and outstanding common shares as of March 31, 2024 (March 31, 2023 – 147,773,612).

- On July 11, 2023, the Company issued 18,919,024 in connection with the closing of a private placement at \$0.37 per unit for approximately \$7,000,000 in gross proceeds. Out of the gross proceeds of the private placement, \$378,380 residual value was attributed to warrants.

Each unit includes one common share and half of a warrant. The warrant allows purchasing one common share at \$0.50 for the first six months until January 11, 2024, and then at \$0.70 for the remaining 18 months.

The Company paid \$221,782 cash broker fees and \$30,000 corporate finance fee in connection with the brokered portion of the financing.

The Company issued 599,412 non-transferable compensation options to the agents. Each compensation option entitles the holder to purchase one common share at \$0.37 for a period of 18 months. The Company recognized \$92,823 in share-based payments expense for the fair value of the compensation options granted to the agents.

In connection with the non-brokered portion of the financing, the Company paid \$41,400 finder's fees and issued 111,894 non-transferable finder's warrants to the finder. Each finder's warrant entitles the holder to purchase one common share at \$0.37 for a period of 18 months. The finders' warrants have a fair value of \$17,328 using the Black-Scholes Option Pricing Model.

- On December 8, 2023, the Company issued 17,599,544 common shares upon the exercise of warrants, for gross proceeds of \$ 5,279,863.

Under the early warrant exercise incentive program on December 8, 2023, holders that participated in the incentive program were entitled to receive one-third of one common share purchase warrant at an exercise price of \$0.40 for a period of two years following the date of the issuance of the incentive warrant. Pursuant to this program, the Company issued 5,866,504 incentive warrants.

- During the year ending March 31, 2024, 96,667 options expired, and no options were exercised. The fair value of the options granted was calculated using the Black-Scholes option pricing model with a risk-free interest rate of 2.91%, expected volatility of 160.38%, and zero expected dividend yield for 3.77 years expected life of options. For the year ended March 31, 2024, the Company recorded a total fair value of \$1,481,587 (March 31, 2023 - \$1,251,208) in share-based payments expense for the fair value of stock options granted and vested. There are 14,170,662 options outstanding as of March 31, 2024 (March 31, 2023 - 11,967,917).

CAPITAL RESOURCES *(continued)*

- During the year ending March 31, 2024, the Company granted 550,000 RSUs to directors and officers, 500,000 with at fair value of \$0.315 per RSU which is the value of a Heliostar common share on issuance day (December 5, 2023) and 50,000 with a fair value of \$0.29 which is the value of a Heliostar common share on issuance day (December 11, 2023). The total share-based compensation of the RSUs is valued at \$172,000 which will be realized as the RSUs vest. For the year ended March 31, 2024, the Company has recognised a fair value of \$424,624 (2023: \$4,300) for the RSUs.
- During the year ending March 31, 2024, 3,124,266 warrants expired, and 17,599,544 warrants were exercised, as mentioned previously. The fair value of the warrants issued was calculated using the Black-Scholes option pricing model with a risk-free interest rate of 4.46%, expected volatility of 95.05%, and zero expected dividend yield for 1.51 years expected life of warrants. The fair value of the finder's warrants issued during the period ended March 31, 2024, was \$17,328 (March 31, 2023: \$403,116). There are 52,762,863 warrants outstanding as of March 31, 2024 (March 31, 2022 – 58,048,763).

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.

TRANSACTIONS WITH RELATED PARTIES

(a) Due to related parties

As of March 31, 2024, \$37,715 (March 31, 2023 - \$195,635) 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.

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 year ended March 31, 2024, was \$1,826,881 (March 31, 2023 - \$1,155,739) and comprised of the following:

	Year ended	
	March 31, 2024	March 31, 2023
Senior executive fees and bonus	\$ 482,746	\$ 416,996
Non-executive directors' fees	63,670	79,507
Share-based compensation	1,280,465	659,236
	\$ 1,826,881	\$ 1,155,739

During the year ended March 31, 2024, senior executive fees include \$65,000 (2023 - \$65,000) paid to the Non-Executive Chairman. \$250,000 (2023 - \$250,000) paid to the CEO, and \$102,000 (2023 - \$102,000) paid to the CFO.



SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

During the year ended March 31, 2024, bonus include \$50,000 (2023 - \$nil) paid to the CEO, and \$15,750 (2023 - \$nil) 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.

FOURTH QUARTER

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.

PROPOSED TRANSACTIONS

On July 17, 2024 the Company entered into a binding agreement 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.

Pursuant to the transaction, the Company will acquire those FCGI subsidiaries which collectively own 100% of the following properties: La Colorada Mine, located in Sonora; San Agustin Mine (formerly the El Castillo Complex), San Agustin, El Castillo, located in Durango; Cerro del Gallo, located in Guanajuato; and San Antonio, located in Baja California Sur.

The Company will acquire the projects in exchange for US\$5 million, payable on closing.

As a condition to closing of the transaction, the Company and FCGI will enter into an agreement eliminating:

- a. up to US\$20 million in contingent payments, which become payable to FCGI pursuant to the agreement under which the Company acquired the Ana Paula Project, and
- b. up to US\$150 million in conditional option payments and the issuance of a 2% net smelter returns royalty on the San Antonio Project, which might have become payable pursuant to the agreement under which the Company acquired an option on the San Antonio Project.

The closing of the transaction is subject to certain conditions, including approval of the TSX Venture Exchange, other consents and regulatory approvals including approval from the Mexican Federal Economic Competition Commission, and the corporate entities holding the projects having net working capital of at least US\$2 million. Closing is not subject to any financing condition.

FCGI has agreed that the cash generated in respect of the projects until the Closing Date, less US\$5M in operating cashflow, will be for the benefit of the Company.

CRITICAL ACCOUNTING ESTIMATES

In the application of the Company's accounting policies, management is required to make judgments, estimates, and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

CRITICAL ACCOUNTING ESTIMATES (continued)

The following are the critical judgments and areas involving estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the Financial Statements.

Share-based payments

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 2. The fair value of stock options granted is measured using the Black-Scholes option pricing model, which was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's stock options have characteristics significantly different from those of traded options, and changes in the highly subjective input assumptions can materially affect the calculated values. The fair value of stock options granted using the Black-Scholes option pricing model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date, additional liability could result from audits by tax authorities. Where the outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Estimated Useful Lives and Depreciation of Equipment and Intangible asset

Depreciation of equipment and intangible assets is dependent upon estimates of useful lives based on management's judgment.

Reclamation and closure cost provisions

The Company's provisions for reclamation and closure costs represent management's best estimate of the present value of the future cash outflows required to settle the liabilities, which reflects estimates of future costs, inflation, movements in foreign exchange rates, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above estimates and assumptions can result in changes to the provisions recognized by the Company.

Fair value of assets and liabilities acquired

The cost of acquiring exploration and evaluation assets is capitalized and represents their fair value at the date of acquisition. The carrying values of Aurea Mining acquired by the Company are subject to estimates relating to the fair value of other assets and liabilities of Aurea Mining at the acquisition date.

Contingent consideration

The Company's accounting policy for contingent consideration involves making estimates and assumptions regarding future events or circumstances. These include assessing probabilities and timing of payments and applying discount rates to cash flows. These estimates are subject to change with new information.

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company and its wholly owned subsidiaries is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

CRITICAL ACCOUNTING ESTIMATES *(continued)*Going concern evaluation

As discussed on note 1, the Financial Statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these Financial Statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses, and the statement of financial position classifications used, and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as of March 31, 2024.

Exploration and evaluation assets

Management reviews the carrying value of the Company's exploration and evaluation assets on a quarterly basis or when there are indications that the carrying amount may not be recovered. The assessment of potential impairment involves judgment and considers various factors such as the Company's market capitalization, fluctuations in metal prices, property plans, and the results of exploration activities conducted so far. This evaluation also considers changes in the market or business environment, events that have affected the asset, and information obtained from internal reporting to determine if any indications of impairment exist.

Acquisitions

On acquisition of a set of assets and liabilities, management applies judgment in determining whether the set acquired includes the inputs and processes applied to those inputs necessary to constitute a business as defined in IFRS 3 – Business Combinations. Transactions accounted for as business combinations may result in goodwill, or a bargain purchase gain, and transaction costs are expensed. Transactions accounted for as asset acquisitions do not result in goodwill, or a bargain purchase gain, and transaction costs are capitalized as part of the assets acquired.

Based on an assessment of the relevant facts and circumstances, the Company concluded that the acquisition of Aurea Mining Inc. (Note 5) met the criteria for accounting as an asset.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments of the Company carried on the consolidated statements of financial position are carried at amortized cost except for marketable securities and short-term investments which are carried at fair value.

The fair value of the Company's marketable securities is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy.

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's marketable securities and short-term investments have been assessed on the fair value hierarchy described above and classified as Level 1.



FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS *(continued)*

Fair values of financial assets and liabilities

The Company's financial instruments include cash, short-term investments, marketable securities, amounts receivable, accounts payable and accrued liabilities, due to related parties, long-term liabilities, and consideration payable. Marketable securities and short-term investments are marked to fair value at each financial statement reporting date. Cash, amounts receivable, accounts payable, and accrued liabilities, and due to related parties approximate their fair value due to their short-term nature. Long-term liabilities and consideration payable are classified as financial liabilities at amortized cost using the effective interest rate method. Long-term liabilities and consideration payable approximate fair value as they are discounted using market rates interest.

Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of currency risk, other price risk, and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits while maximizing returns. The Company is not exposed to significant market risk.

Interest rate risk

Interest rate risk is the risk of losses that arise because of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

Currency risk

The Company's main property interests in Alaska, USA and Sonora, Mexico make it subject to foreign currency fluctuations which may adversely affect the Company's consolidated statements of financial position, consolidated statements of loss and comprehensive loss and consolidated statements of cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and the US Dollar and the Mexico pesos. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary liabilities of approximately \$138,869 denominated in US dollars and \$6,647,807 denominated in Mexican pesos. A 10% change in the absolute rate of exchange in the foreign currencies would have an effect of \$73,083 to the net loss.

Price risk

This risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken. Fluctuations in pricing may not be significant.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada, the United States and Mexico; accordingly, the Company believes it is not exposed to significant credit risk.

The Company's maximum exposure to credit risk is equal to the carrying amounts of cash, short-term investments, marketable securities and amounts receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company assessed liquidity risk as high and manages liquidity risk by preparing cash flow forecasts of upcoming cash requirements. As of March 31, 2024, the Company had a cash balance of \$752,894 to settle current liabilities of \$ 2,015,050.

OTHER REQUIREMENTS

RISKS AND UNCERTAINTIES

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditure made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditure is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain the commercial production stage are also very substantial. The following sets out the principal risks faced by the Company.

Exploration

The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to consider results to date. The revision, reduction, or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions, and sentiments are subject to change, both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price

The Company's exploration projects are primarily related to exploration for gold and other precious metals in Canada, Mexico and the USA. While these minerals have recently been the subject of significant price increases from levels prevalent earlier in the past, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in the Company's name, the underlying title holder must assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title.



OTHER REQUIREMENTS *(continued)*

RISKS AND UNCERTAINTIES *(continued)*

Aboriginal land claims

Canadian, Mexico and US Aboriginal rights may be claimed on properties or other types of tenure with respect to which mining rights have been conferred. The Company is aware of the mutual benefits afforded by cooperative relationships with indigenous people in conducting exploration activity and is generally supportive of measures established to achieve such cooperation. The risk of unforeseen aboriginal title claims also could affect existing exploration activities as well as potential development projects and possible future acquisitions and transfer of properties. While there is no existing claim to the Company's knowledge in respect of any of its properties, the advent of any future aboriginal land claims and the outcome of any aboriginal land claims negotiations cannot be predicted.

Financing

Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favorable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favorable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share price volatility and price fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel

The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition

Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Foreign countries and regulatory requirements

Currently, the Company's only non-Canadian properties are located in the United States. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk. Mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental



OTHER REQUIREMENTS *(continued)*

RISKS AND UNCERTAINTIES *(continued)*

Environmental and other regulatory requirements

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties. To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of net losses; accumulated deficit; lack of revenue from operations

The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.



OTHER REQUIREMENTS *(continued)*

RISKS AND UNCERTAINTIES *(continued)*

Critical accounting estimates

In the preparation of financial information, management makes judgments, estimates and assumptions that affect, amongst other things, the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value. Management's estimates of exploration, operating, capital and reclamation costs, if any, are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.

The Company also uses the Black-Scholes Option Pricing Model in relation to share-based payments. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

Increased Costs

Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to several factors, such as the results of ongoing exploration activities (positive or negative), changes in mineralisation encountered, and revisions to exploration programs, if any, in response to the foregoing. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors, officers and advisors of other companies involved in natural resource exploration and development. To the extent that such companies may participate in ventures with the Company, such directors and officers may have conflicts of interest in negotiating and concluding the terms of such ventures. Such other companies may also compete with the Company for the acquisition of mineral property rights. If any such conflict of interest arises, the Company's policy is that such director or officer will disclose the conflict to the board of directors and, if the conflict involves a director, such director will abstain from voting on the matter. In accordance with the Business Corporations Act (BC), the directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

Government Regulation

The Company operates in an industry that is governed by numerous regulations, including but not limited to, environmental regulations as well as occupational health and safety regulations. Most of the Company's mineral properties are subject to government reporting regulations. The Company believes that it is in full compliance with all regulations and requirements related to mineral property interest claims. However, it is possible that regulations or tenure requirements could be changed by the respective governments resulting in additional costs or barriers to the development of the properties. This would adversely affect the value of properties and the Company's ability to hold onto them without incurring significant additional costs. It is also possible that the Company could be in violation of, or non-compliant with, regulations it is not aware of.



OTHER REQUIREMENTS *(continued)*

RISKS AND UNCERTAINTIES *(continued)*

On April 21, 2023, the Mexican parliament's lower house voted to approve significant changes to the country's mining laws with the intention of avoiding overexploitation of natural resources (the "Proposed Mining Law Amendments"). It is uncertain whether the Proposed Mining Law Amendments will be enacted in the form approved by the lower house of parliament or at all. This MD&A does not take into account the Proposed Mining Law Amendments.

Military Conflict in Ukraine

The military conflict in Ukraine could lead to heightened volatility in the global financial markets, increased inflation, and turbulence in mining markets. More recently, in response to Russian military actions in Ukraine, several countries (including Canada, the United States, and certain allies) have imposed economic sanctions and export control measures and may impose additional sanctions or export control measures in the future, which have and could in the future result in, among other things, severe or complete restrictions on exports and other commerce and business dealings involving Russia, certain regions of Ukraine, and/or particular entities and individuals. While the Company does not have any direct exposure or connection to Russia or Ukraine, as the military conflict is a rapidly developing situation, it is uncertain how such events and any related economic sanctions could impact the global economy. Any negative developments in respect thereof could have an adverse effect on the Company's business, operations, financial condition, and the value of the Company's securities.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls and procedures. Due to its inherent limitations, internal control over financial reporting and disclosure may not prevent or detect all misstatements. Further, the effectiveness of internal control is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may change. There were no changes in our internal controls over financial reporting during the year period ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Legal proceedings

As at the year-end and the report date, there were no legal proceedings against or by the Company.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company completed an impairment analysis as of March 31, 2024, and concluded that no impairment charge was required because:

- the Company capitalized only the property acquisition costs and expense all its exploration expenditures;
- there have been no significant changes in the legal factors or climate that affect the value of the properties in Alaska and Mexico;
- all properties in Alaska and Mexico remain in good standing; and
- the Company intends to continue its exploration and development plans on the properties.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The consolidated financial statements present the significant components of general and administrative expenditures. Significant components of mineral property expenditures are included in Section Results of Operations.



OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 185,031,761 issued and outstanding common shares. In addition, the Company has 14,267,329 outstanding stock options that expire through December 11, 2028, and 52,762,863 common share purchase warrants that expire through March 26, 2026. Details of issued share capital are included in Note 14 of the audited consolidated financial statements for the years ended March 31, 2024, and 2023.

OTHER INFORMATION

All technical reports on material properties, press releases, and material change reports are filed on SEDAR at www.sedarplus.ca.