

## Heliostar Presents Fourth Quarter 2024 Financial Results

**Vancouver, Canada, February 28, 2025** – Heliostar Metals Ltd. (TSX.V: HSTR, OTCQX: HSTXF, FRA: RGG1) (“Heliostar” or the “Company”) today reported financial results for the three months ended December 31, 2024 (“Q4 2024”), which corresponds to the third quarter of Heliostar’s fiscal reporting year 2025. The Company previously released its gold production for Q4 2024 (see News Release dated February 4, 2025)

Heliostar CEO, Charles Funk, commented, *“Q4 2024 was a strong start to production for Heliostar. From the close of the transaction on November 7, 2024, to the quarter end, our operating mines generated over C\$9.5M in cash flow. The Company’s cash position grew to C\$7.7M, and we made the first repayment of our acquisition debt, which has now been fully paid down. The Company also recognized a C\$90.5M accounting gain on the independent valuation of our Mexican assets, demonstrating the accretive nature of the transaction. We proceed into 2025 with a strengthened balance sheet, growing production and high-grade exploration results from Ana Paula and La Colorada. We are well set to build Heliostar further in 2025.”*

### **Q4 2024 Operational and Financial Highlights**

**Acquisition of Mexican Gold Assets.** On July 17, 2024, the Company entered into a binding agreement with Florida Canyon Gold Inc. (“FCGI”) to acquire (the “Acquisition”) a 100% interest in FCGI’s mining assets in Mexico (“Mexican Gold Assets”) for a consideration of US\$5 million. The acquired Mexican Gold Assets had recently been spun out from Argonaut Gold Inc. and included the La Colorada mine, the San Agustin mine, the El Castillo mine, and the Cerro de Gallo Project. In addition, as a consequence of the Acquisition, conditional option payments and commercial obligations of the Company for the Ana Paula Project and the San Antonio Project were extinguished. The closing of the transaction was subject to certain conditions, including approval of the TSX Venture Exchange and other consents and regulatory approvals, including approval from the Mexican Federal Economic Competition Commission. On November 7, 2024, the Company announced the successful fulfillment of the conditions precedent and completion of the Acquisition. The Acquisition transformed the Company from an exploration and development company into a gold production company with operating mines and a portfolio of mining development projects.

**Total gold production of 5,429 ounces in Q4 2024.** Following the Acquisition, between November 7, 2024, and December 31, 2024, the Company produced 5,429 ounces of gold. The gold production was realized from re-leaching of the heap leach piles at La Colorada and San Agustin mines, with some additional contribution from residual production from the leach pads at the El Castillo mine, which is currently in care and maintenance. The mining of new ore restarted at the La Colorada mine in January 2025, and,

subject to regulatory approval of a change of land use permit, the mining of new ore at the San Agustin mine will begin in 2025.

**Total Cash Costs of US\$1,241 per gold equivalent ounce (“GEO”) produced in Q4 2024.** Following the Acquisition, between November 7, 2024, and December 31, 2024, the combined cash costs (see “*Non-IFRS Measures*”) for the three producing operations was C\$1,755 per GEO sold (US\$1,241 per GEO sold). These unit operating costs were an improvement on the 2024 Guidance issued by the Company on November 14, 2024 (“2024 Guidance”) and resulted from higher gold production at La Colorada mine and operating cost reductions implemented by the Company.

**Total all-in-sustaining costs (“AISC”) of US\$1,477 per GEO sold in Q4 2024.** Following the Acquisition, between November 7, 2024, and December 31, 2024, the combined AISC (see “*Non-IFRS Measures*”) for the three producing mines was C\$2,089 per GEO sold (US\$1,477 per GEO sold), lower than the 2024 Guidance and resulted from improved gold production at the La Colorada mine and operating cost reductions implemented by the Company.

**Mine Operating Earnings of C\$9,562,172 in Q4 2024.** This was the Company’s first reporting period with metals production and the positive results reflected strong operational performance for the period between November 7, 2024, and December 31, 2024, as well as the Company benefiting from selling into a rising gold market.

**Net income attributable to shareholders of C\$84,442,649, or C\$0.41 per share, for Q4 2024.** Net income of C\$84,442,649 (C\$0.41 per share) for Q4 2024 compared to a net loss attributable to shareholders of C\$4,592,823 (-C\$0.03 per share) for Q4 2023. The results in Q4 2024 included a Gain on a Bargain Purchase of C\$90,453,747 based on an independent valuation of the Mexican Gold Assets and the elimination of option payments that the Company previously had on the Ana Paula Project and San Antonio Project. The valuation of these new assets and commercial benefits is provisional and unaudited and will be finalized for reporting fiscal year-end 2025, which ends on March 31, 2025.

**Strengthened financial position and liquidity:** On December 31, 2024, the Company had cash and cash equivalents of C\$7,727,945 and working capital (defined as current assets less current liabilities) of C\$51,969,760. Debt facilities of up to US\$10,000,000 arranged by the Company in Q3 2024 had a combined outstanding balance of US\$3,000,000 on December 31, 2024: All debt was fully repaid by February 13, 2025.

**Restart of mining at La Colorada mine.** Following the announcement of the Acquisition in July 2024, the Company identified a potential new resource at the Junkyard Stockpile, a historic waste rock storage facility at La Colorada. An evaluation of the Junkyard Stockpile was initiated in August, consisting of drilling, resource modelling, and metallurgical testing. A first-time disclosure of a Mineral Resource and Mineral Reserve estimate for the Junkyard Stockpile was included in the technical report prepared for the La Colorada mine published on January 13, 2025, and with an effective date of October 31, 2024. The mining of new ore restarted at the Junkyard Stockpile in January 2025.

**Drilling success at the El Creston pit at La Colorada mine.** On November 26, 2024, the Company announced the initial results from an ongoing drilling program started in Q4 2024. The program, which has included up to five drill rigs operational at one time, is designed to reduce the pre-strip requirement

to expand the El Creston pit, potentially converting previously assumed waste into ore. As of January 31, 2025, 85 drill holes and 12,822 meters had been completed. Results from the drill program will be used to prepare an updated mineral resource for El Creston and will be included in a new technical report planned to be produced in mid-2025.

**Continued drilling successes at the flagship Ana Paula Project.** In September 2024, the Company commenced a two-phase, 5,000-metre drill program at Ana Paula Project to test the east, west and down dip extensions of the High Grade Panel and the Parallel Panel targets. As of December 31, 2024, a total of 15 holes had been completed for a total of 3,356 meters. Selected drill results continued to be reported, including hole AP-24-317 with 87.8 metres @ 16.0 grams per tonne (g/t) gold, including 16.1 metres @ 71.8 g/t gold, and hole AP-24-315 with 125.9 metres @ 4.02 g/t gold including 23.6 metres @ 12.5 g/t gold. The holes grew the High Grade Panel to the north and down-dip, increased resource confidence and locally improved gold grades compared to the resource model.

**Technical Reports were produced for the La Colorada and San Agustin mines, and a Preliminary Economic Assessment (PEA) for the San Antonio Project.** The Company completed Mineral Resource and Mineral Reserve estimates and life-of-mine (“LOM”) plans for the La Colorada and for the San Agustin mines, and a PEA based on Mineral Resource estimates for the San Antonio Project, all of which were published on January 13, 2025.

### **Operational and Financial Results**

Results are reported for the three months ended December 31, 2024 (“Q4 2024”), which corresponds to the third quarter of Heliostar’s fiscal reporting year 2025. The Company has previously released its gold production for Q4 2024.

A summary of the Company’s consolidated operational and financial results for the reporting period is presented below:

Key Performance Metrics	Q4 2024	Q4 2023
<b>Operational</b>		
Gold produced	5,429	0
Gold sold	5,145	0
Gold equivalent ounces (“GEOs”) sold	5,277	0
Cost of sales	C\$1,849	0
Cash cost <sup>1</sup>	C\$1,755	0
All-in sustaining costs <sup>1</sup> (“AISC”)	C\$2,089	0
<b>Financial</b>		
Revenues	C\$19,555,806	C\$0
Mine Operating Earnings	C\$9,562,172	C\$0
Gain on bargain purchase	C\$90,453,747	C\$0
Exploration expenses	C\$2,812,403	C\$3,385,606
Net (Loss) Earnings	C\$84,442,649	C\$(4,592,823)
Cash and Cash Equivalents	C\$7,727,945	C\$752,894
Total assets	C\$174,694,017	C\$28,363,295
Working Capital <sup>1</sup>	C\$51,969,760	C\$(3,424,082)

1 - Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found in the Company's MD&A for Q4 2024, available on SEDAR+.

## **Operational Review**

### **Consolidated Production and Costs**

Q4 2024 was the Company's first reporting period with metals production.

Gold production of 5,429 ounces of gold for Q4 2024 was from the La Colorada mine, the San Agustin mine and the El Castillo mine. The combined gold production and GEO production were an improvement on the 2024 Guidance issued by the Company.

The combined cash costs for the three producing operations were C\$1,755 per GEO sold (US\$1,241 per GEO sold). The combined AISC for the three producing mines was C\$2,089 per GEO sold (US\$1,477 per GEO sold). The combined cash costs and AISC were an improvement on the 2024 guidance issued by the Company.

### **La Colorada Mine**

Operating results for Q4 2024 were as follows:

<b>La Colorada</b>		<b>Q4 2024</b>	<b>Q4 2024</b>
Gold produced	oz	1,640	1,640
Gold sold	oz	1,617	1,617
Gold equivalent ounces ("GEOs") sold	GEO	1,684	1,684
Cost of sales	\$/GEO sold	US\$ 1,434	C\$ 2,028
Cash cost <sup>1</sup>	\$/GEO sold	US\$ 1,329	C\$ 1,878
All-in sustaining costs <sup>1</sup> ("AISC")	\$/GEO sold	US\$ 1,805	C\$ 2,551

In late 2023, the previous owners of La Colorada placed the mine under care and maintenance, with metals production continuing from the re-leaching of residual leach pads. Since the Acquisition, between November 7, 2024, and the end of the reporting period, the mine has produced 1,640 ounces of gold. Total revenues of C\$6,231,261 were reported from sales of 1,617 ounces of gold.

For the period since the completion of the Acquisition to the end of the quarter, cash costs were C\$1,878 per GEO (US\$1,329 per GEO), which was significantly below the guidance of US\$2,200-US\$2,300. All-In Sustaining Costs ("AISC") were C\$2,551 per GEO (US\$1,805 per GEO), which was below the range of US\$2,400 – US\$2,500 per GEO, both due to higher gold production.

The Company completed Mineral Resource and Mineral Reserve estimates and an LOM plan for the La Colorada Operation. The technical report was published on January 13, 2025, with an effective date of October 31, 2024. The La Colorada technical report included the first-time disclosure of a Mineral Resource and Mineral Reserve estimate for the Junkyard Stockpile.

As of December 31, 2024, the Company is continuing re-leaching the residual leach pads. The mining of new ore restarted at the Junkyard Stockpile at La Colorada mine in January 2025. The Company announced production and cost guidance for 2025 from the La Colorada mine, published on February 4, 2025.

### **San Agustin Mine**

Operating results for the reporting quarter ending December 31, 2024, were as follows:

San Agustin		Q4 2024	Q4 2024
Gold produced	oz	3,567	3,567
Gold sold	oz	2,971	2,971
Gold equivalent ounces ("GEOs") sold	GEO	3,033	3,033
Cost of sales	\$/GEO sold	US\$ 1,418	C\$ 2,004
Cash cost <sup>1</sup>	\$/GEO sold	US\$ 1,364	C\$ 1,928
All-in sustaining costs <sup>1</sup> ("AISC")	\$/GEO sold	US\$ 1,572	C\$ 2,223

In September 2024, the previous owners of San Agustin placed the mine under care and maintenance, with metals production continuing from the re-leaching of residual leach pads. Since the acquisition of the mine on November 7, 2024, to December 31, 2024, the mine has produced 3,567 ounces of gold. Total revenues of C\$11,223,030 were reported from sales of 2,971 ounces of gold.

For the period since the Acquisition of the mine on November 7, 2024, to December 31, 2024, cash costs of C\$1,928 per GEO (US\$1,364 per GEO) were above the guidance range of US\$1,200-\$1,300 and AISC of C\$2,223 per GEO (US\$1,572 per GEO) were above the range of US\$1,400-US\$1,500 per GEO, due to lower gold production partially offset by and operating cost reductions implemented by the Company.

The Company completed a Mineral Resource and Mineral Reserve estimate and a LOM plan for the San Agustin mine, with a technical report published on January 13, 2025, with an effective date of November 30, 2024.

As of December 31, 2024, the Company is continuing re-leaching the residual leach pads. Subject to regulatory approval of a change of land use permit, the mining of new ore at the San Agustin mine will begin in 2025. The Company announced production and cost guidance for 2025 for the San Agustin mine was published on February 4, 2025.

### **El Castillo Mine**

Operating results for the reporting quarter ending December 31, 2024, were as follows:

El Castillo		Q4 2024	Q4 2024
Gold produced	oz	222	222
Gold sold	oz	557	557

Gold equivalent ounces ("GEOs") sold	GEO	560	560
Cost of sales	\$/GEO sold	US\$ 334	C\$ 472
Cash cost <sup>1</sup>	\$/GEO sold	US\$ 316	C\$ 447
All-in sustaining costs <sup>1</sup> ("AISC")	\$/GEO sold	US\$ 1,284	C\$ 1,815

In late 2022, the previous owners of El Castillo placed the mine under care and maintenance, with metals production continuing from the re-leaching of residual leach pads. Since the acquisition of the mine on November 7, 2024, to December 31, 2024, the mine has produced 222 ounces of gold. Total revenues of C\$2,101,514 were reported from sales of 557 ounces of gold.

From the Acquisition to the end of the reporting quarter, cash costs were C\$447 per GEO sold (US\$316 per GEO), while AISC was C\$1,815 per GEO sold (US\$1,284 per GEO). Cash Costs and AISC for the period from the Acquisition of the mine on November 7, 2024, to December 31, 2024, were in line with the guidance announced by the Company on November 14, 2024.

Reclamation expenditures at the El Castillo mine for the period November 7 to December 31, 2024, were C\$1,562,320, which included rinsing of the east leach pad, reforestation initiatives in the vicinity of the mine, pit lake modelling and studies addressing water quality. Further reclamation work will continue to be performed in 2025.

### **Ana Paula Project**

Exploration expenditures at the flagship Ana Paula Project were C\$1,798,246 in Q4 2024 (C\$1,125,639 in Q4 2023).

On September 17, 2024, the Company announced the commencement of a two-phase, 5,000-metre drill program at the Ana Paula Project to test the east, west, and down-dip extensions of the High Grade Panel and Parallel Panel targets. As of December 31, 2024, 15 holes had been completed, totalling 3,355.6 metres. Drilling included geotechnical and water testing of potential tailings facility locations.

Exceptional drill results continued to be reported from the Ana Paula Project. The results have included hole AP-24-317 with 87.8 metres @ 16.0 grams per tonne (g/t) gold, including 16.1 metres @ 71.8 g/t gold, and hole AP-24-315 with 125.9 metres @ 4.02 g/t gold including 23.6 metres @ 12.5 g/t gold. The holes grew the High Grade Panel to the north and down-dip, increased resource confidence, and locally improved gold grades compared to the resource model.

Drilling and technical trade-off studies will continue at Ana Paula. The Company is completing a Technical Report on Ana Paula in 2026 to allow for a construction decision shortly thereafter.

### **San Antonio Project**

The Company completed a PEA based on Mineral Resource estimates for the San Antonio Project, with a technical report published on January 13, 2025.

The San Antonio Project requires further development planning and engineering. All major environmental and other permits will need to be obtained before an investment decision can be considered by the Company. Based on the encouraging results from the San Antonio Project technical report: in 2025, the Company will conduct a strategic review of the Project with the objective of identifying and evaluating the next development steps and challenges. The Company will also consider additional work programs and alternative business possibilities to potentially add Project value to the San Antonio Project as presented in the PEA. This strategic review is expected to require 3-4 months to complete.

### **Cerro de Gallo Project**

The Cerro del Gallo Project requires further development planning and engineering. All major environmental and other permits will need to be obtained before an investment decision can be considered by the Company. In 2025, the Company will conduct a strategic review of the Project with the objective of identifying and evaluating the next development steps.

### **Funding Overview**

The Company secured funding for the purchase price of the Mexican Gold Assets, operating working capital requirements, general and administration costs, and other expenditures from a combination of different sources: private placements (for aggregate gross proceeds of C\$10,218,386, exercise of warrants (for aggregate gross proceeds of C\$1,569,384), new debt facilities, and free cash flow generated from the mining operations since July 11, 2024.

On November 7, 2024, the consolidated cash position in the entities purchased from FCGI was C\$5,980,958. As a condition of the acquisition of the Mexican Gold Assets, FCGI agreed that cash generated in respect of the Mexican Gold Assets until the closing date, less US\$5M in operating cashflow, would be for the benefit of the Company.

### **2025 Guidance**

On February 4, 2025, the Company published 2025 production and cost Guidance. In 2025, the Company expects to produce 31,000-41,000 GEOs at an AISC of US\$1,950-2,000 per GEO.

Project	Gold Production	Silver Production	GEO Production <sup>3</sup>	Cash Cost <sup>4</sup>	AISC <sup>4,5</sup>
	(Ounces)	(Ounces)	(Ounces)	(US\$ per GEO)	(US\$ per GEO)
La Colorada Mine	17,000-23,300	42,500-51,500	17,500-23,800	1,800-1,950	1,850-1,975
San Agustin Mine <sup>1</sup>	8,500-11,000	-	8,500-11,000	1,500-1,650	1,700-1,850
San Agustin Restart <sup>2</sup>	4,500-5,700	34,000-43,000	5,000-6,200	2,350-2,500	2,900-3,035
Consolidated	30,000-40,000	76,500-94,500	31,000-41,000	1,800-1,950	1,950-2,100



1,2,3,4,5 - Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found in the Company's MD&A for Q4 2024, available on SEDAR+.

**Non-IFRS Measures.** *This news release refers to certain financial measures, such as all-in-sustaining costs, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other companies and, accordingly, may not be comparable to such measures as reported by other companies. These measures have been derived from the Company's financial statements because the Company believes that they are of assistance in understanding the results of operations and its financial position. Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found in the Company's MD&A for Q4 2024, available on SEDAR+.*

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

**AISC.** *All-in Sustaining Costs ("AISC") more fully defines the total costs associated with producing precious metals. The AISC is calculated based on guidelines published by the World Gold Council (WGC), which were first issued in 2013. In light of new accounting standards and to support further consistency of application, the WGC published an updated Guidance Note in 2018. Other companies may calculate this measure differently because of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus growth capital. Note that with respect to AISC metrics within the technical reports, because such economics are disclosed at the project level, corporate general and administrative expenses were not included in the AISC calculations.*

### **Statement of Qualified Persons**

Gregg Bush, P.Eng., Mike Gingles, and Stewart Harris, P. Geo., Qualified Persons, as such term is defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects, have reviewed the scientific and technical information that forms the basis for this news release and has approved the disclosure



herein. Mr. Bush is employed as Chief Operating Officer of the Company, Mr. Gingles is employed as Vice President of Corporate Development, and Mr. Harris is employed as Exploration Manager.

### **About Heliostar Metals Ltd.**

Heliostar aims to grow to become a mid-tier gold producer. The Company is focused on increasing production and developing new resources at the La Colorada and San Agustin mines in Mexico, and on developing the 100% owned Ana Paula Project in Guerrero, Mexico.

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*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Cautionary Statement Regarding Forward-Looking Information**

*This news release includes certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" under applicable Canadian securities laws. When used in this news release, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "would", "could", "schedule" and similar words or expressions, identify forward-looking statements or information. These forward-looking statements or information relate to, among other things: the Company's goal of becoming a mid-tier producer, the Company's discipline and the free cashflow generation from our operating mines, all profits generated from operations to be reinvested directly into our Companies growth and this reinvestment will focus on expanding production and growing resources across our portfolio.*

*Forward-looking statements and forward-looking information relating to the terms and completion of the Facility, any future mineral production, liquidity, and future exploration plans are based on management's reasonable assumptions, estimates, expectations, analyses and opinions, which are based on management's experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances, but which may prove to be incorrect. Assumptions have been made regarding, among other things, the receipt of necessary approvals, price of metals; no escalation in the severity of public health crises or ongoing military conflicts; costs of exploration and development; the estimated costs of development of exploration projects; and the Company's ability to operate in a safe and effective manner and its ability to obtain financing on reasonable terms.*

*These statements reflect the Company's respective current views with respect to future events and are necessarily based upon a number of other assumptions and estimates that, while considered reasonable by management, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance, or achievements to be materially different from the results, performance or achievements*

*that are or may be expressed or implied by such forward-looking statements or forward-looking information and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: precious metals price volatility; risks associated with the conduct of the Company's mining activities in foreign jurisdictions; regulatory, consent or permitting delays; risks relating to reliance on the Company's management team and outside contractors; risks regarding exploration and mining activities; the Company's inability to obtain insurance to cover all risks, on a commercially reasonable basis or at all; currency fluctuations; risks regarding the failure to generate sufficient cash flow from operations; risks relating to project financing and equity issuances; risks and unknowns inherent in all mining projects, including the inaccuracy of reserves and resources, metallurgical recoveries and capital and operating costs of such projects; contests over title to properties, particularly title to undeveloped properties; laws and regulations governing the environment, health and safety; the ability of the communities in which the Company operates to manage and cope with the implications of public health crises; the economic and financial implications of public health crises, ongoing military conflicts and general economic factors to the Company; operating or technical difficulties in connection with mining or development activities; employee relations, labour unrest or unavailability; the Company's interactions with surrounding communities; the Company's ability to successfully integrate acquired assets; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves; stock market volatility; conflicts of interest among certain directors and officers; lack of liquidity for shareholders of the Company; litigation risk; and the factors identified under the caption "Risk Factors" in the Company's public disclosure documents. Readers are cautioned against attributing undue certainty to forward-looking statements or forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements or forward-looking information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements or information, other than as required by applicable law.*