



HELIOSTAR METALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended September 30, 2025 and 2024

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INTRODUCTION

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

This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and six months ended September 30, 2025 and 2024, and the annual audited consolidated financial statements for the years ended March 31, 2025 and 2024, and the notes contained therein. The unaudited condensed consolidated interim financial statements were prepared in accordance with International Financial Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Company uses certain non-IFRS financial measures in this MD&A as described under "Non-GAAP Financial Measures." All dollar amounts are expressed in United States dollars ("\$\$") or Canadian dollars ("C\$") and tabular amounts are expressed in thousands of U.S. dollars unless otherwise indicated. All information contained in this MD&A is current and has been approved by the Board of Directors of the Company as of November 20, 2025, unless otherwise stated.

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

BUSINESS OVERVIEW

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

The Company is engaged in gold and silver mining, exploration and related activities in Mexico and Alaska. The Company, through acquisition of Florida Canyon Gold Inc. (“FCGI”) Mexican assets (refer to “Acquisition of FCGI Mining assets” below) during the year ended March 31, 2025, became the operator of the open pit La Colorada gold mine (“La Colorada”) in Hermosillo, Mexico, and the open pit San Agustin gold mine (“San Agustin”) in Durango, Mexico. The Company is also committed to advancing its flagship Ana Paula project in Guerrero, Mexico.

MAJOR CORPORATE ACTIVITIES & DEVELOPMENT MILESTONES DURING THE SIX MONTHS ENDED SEPTEMBER 30, 2025

- On April 24, 2025, the Company announced that it has appointed Mr. Stephen Sook as Vice President of Investor Relations and Development and Ms. Connie Lillico as Corporate Secretary. Mr. Sook has been in the mining industry for almost 20 years in both technical and capital markets roles. Ms. Lillico brings 20 years of experience working with publicly traded companies in the mining industry.
- On May 15, 2025, the Company announced additional results from an expanded 16,211 metre drilling program at the La Colorada Mine. Further on June 24, 2025, the Company announced results from the Truckshop stockpile. The Company restarted mine production La Colorada in early January 2025.
- On July 22, 2025, the Company announced the planned restart of mining operations at San Agustin in the second half of 2025. The mine is currently producing gold from residual leaching at the San Agustin Mine. The Company will increase production by mining the mineral reserve, principally in an area referred to as the Corner Area. This is a key milestone to unlock increased value from San Agustin.
- On September 10, 2025, the Company announced that it has been approved for graduation from Tier 2 to Tier 1 issuer status on the TSX Venture Exchange (the “TSXV”) effective September 12, 2025. The TSXV classifies issuers into different tiers based on various factors, including financial performance, stage of development, and available resources. Tier 1 is the TSXV’s highest designation and is reserved for more advanced companies with significant financial resources. This upgrade signifies the Company’s continued growth and its commitment to providing long-term value for its shareholders.

Major developments post September 30, 2025

- On October 6, 2025, the Company reported strong drill results from its Ana Paula gold project in Mexico, highlighting an 88.05 m grading 8.82 grams per tonne (“g/t”) gold including 35.5 m grading 13.03 g/t gold from 88.2 m. The drilling aims to upgrade inferred resources and support a feasibility study for a planned 100,000-ounce-per-year mine by 2028. A third drill rig has been added to accelerate progress. The Company’s revised drilling approach has revealed more continuous and higher-grade mineralization than previously recognized. Additional technical data is being collected to support mine design.
- On October 17, 2025, the Company announced the results of an updated study on the La Colorada Mine, which includes the results from the first two phases of drilling performed from November 2024 to March 2025 from the Company’s ongoing ~20,000-metre drilling campaign. The LOM plan in the La Colorada technical report is based on production from three deposits staged sequentially: continued production from the Junkyard

Stockpile, the Veta Madre pit expansion, and the El Crestón pit expansion. The LOM plan indicates an overall Probable Mineral Reserve of 376.2k ounces of gold (a decrease of 0.8k ounces of gold compared to the previous technical report due to mining depletion), with Veta Madre having a forecast mine life of 1.3 years and El Crestón a forecast mine life of 4.6 years, respectively. The La Colorada technical report will be released in November 2025.

- On October 31, 2025, the Company announced the Company's Chairman, Jacques Vaillancourt, and director Ken Booth will step down from their Board positions at the Annual General & Special Meeting scheduled on November 26th, 2025. Mr. James Perry is proposed to succeed Mr. Vaillancourt as Chairman and will be put forward for approval by the shareholders at the upcoming AGM. Mr. Perry has extensive mining and resources experience across Latin America and Australia. Mr. George Ireland will serve as an interim Audit Committee Chair.
- On November 6, 2025, the Company announced the results of a Preliminary Economic Assessment "PEA" for the Ana Paula project. Per the results of the PEA, the Company will proceed with the Feasibility Study. As of November 6, the Company has completed 10,909 metres of a 15,000m drilling program with assay results expected to be released every 4-6 weeks. Work is ongoing on a permit amendment to alter the previously granted open pit permits to include the lower-impact underground extraction plan. The Company expects to submit this amendment in Q1, 2026. The Company intends to continue working with project financing groups during 2026 with the aim of securing a project financing partner ahead of a potential construction decision for Ana Paula in the first half of 2027.

FINANCING

In the six months ended September 30, 2025, the Company issued 5,916,250 common shares upon the exercise of warrants, 766,250 upon exercise of stock options and 1,299,579 on RSU conversion, for proceeds of \$1.5 million.

ACQUISITION OF FCGI MINING ASSETS

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

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

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

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



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

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

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

OPERATING PERFORMANCE

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

Consolidated

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

		Three months ended September 30,		Six months ended September 30,	
		2025	2024	2025	2024
Gold produced	Oz	8,949	-	16,191	-
Silver produced	Oz	18,883	-	31,647	-
Gold sold	Oz	7,552	-	15,927	-
Gold equivalent ounces ("GEOs") sold	GEO	7,709	-	16,266	-
Cash cost ¹	\$ per GEO	1,500	-	1,492	-
All-in sustaining costs ("AISC") ¹	\$ per GEO	1,825	-	1,809	-
Revenues	\$	26,725	-	54,961	-
Mine operating earnings	\$	14,243	-	28,499	-
Net earnings (loss) before tax	\$	5,239	(3,770)	11,333	(6,063)
Earnings (loss) per share	\$	0.01	(0.02)	0.01	(0.03)
Weighted average shares outstanding (basic)		250,998,439	203,092,190	249,935,460	194,873,990

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

La Colorada

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

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

		Three months ended September 30,		Six months ended September 30,	
		2025	2024	2025	2024
Gold produced	Oz	5,311	-	8,775	-
Silver produced	Oz	14,636	-	21,638	-
Gold sold	Oz	4,122	-	7,753	-
Gold equivalent ounces (“GEOs”) sold	GEO	4,229	-	7,976	-
Cash cost ¹	\$/GEO	1,592	-	1,501	-
AISC ¹	\$/GEO	1,648	-	1,592	-

In the three and six months ended September 30, 2025, the Company was re-leaching the residual leach pads and processing the Junkyard Stockpile. Stacking the Junkyard stockpile ore is planned to continue into 2026 ahead of resumption of open pit mining. Total revenues reported for the three and six months ended September 30, 2025 are \$14.7 million and \$27.1 million from the sale of 4,229 GEOs and 7,976 GEOs, respectively.

San Agustin

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

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

		Three months ended September 30,		Six months ended September 30,	
		2025	2024	2025	2024
Gold produced	Oz	3,638	-	7,202	-
Silver produced	Oz	4,247	-	9,856	-
Gold sold	Oz	3,430	-	8,025	-
Gold equivalent ounces (“GEOs”) sold	GEO	3,480	-	8,140	-
Cash cost ¹	\$/GEO	1,389	-	1,495	-
AISC ¹	\$/GEO	1,587	-	1,625	-

In the three and six months ended September 30, 2025, the Company continued re-leaching of residual leach pads. Total revenues reported for the three and six months ended September 30, 2025 are \$12.1 million and \$27.1 million from the sale of 3,480 GEOs and 8,140 GEOs, respectively.

During the three months ended September 30, 2025, the Company received all necessary approvals to resume open pit mining and is on track to transition from residual leaching to stacking new ore on the leach pad in the last quarter of 2025.

El Castillo

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

In late 2022, the previous owners of El Castillo placed the mine under care and maintenance, with metals production continuing from re-leaching of residual leach pads. For the three months ended September 30, 2025, there was no GEO production or revenue. For the six months ended September 30, 2025, total revenues were \$0.5 million, from sales of 150 GEOs.

El Castillo had no residual gold production during the three months ended September 30, 2025. As the mine is in reclamation with no production, management does not consider this to be a sustaining operation and cash costs and AISC are no longer determined.

Reclamation expenditures at the El Castillo mine for the three and six months ended September 30, 2025, were \$0.6 million. In addition, \$1.4 million and \$0.3 million was incurred in indirect reclamation expenditures for maintenance of land, permits and general expenses required to maintain the site in good standing, in the three and six months ended September 30, 2025, respectively.

¹ This is a Non-IFRS measure; please see "Non-IFRS" measures section

Non-GAAP Financial Measures

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

Cash costs

The Company uses cash costs per gold equivalent ounce sold to monitor its operating performance internally. The most directly comparable measure prepared in accordance with IFRS Accounting Standards is cost of sales. The Company believes this measure provides investors and analysts with useful information about its underlying cash costs of operations. The Company also believes it is a relevant metric used to understand its operating profitability and ability to generate cash flow. Cash costs are measures developed by metals companies in an effort to provide a comparable standard; however, there can be no assurance that the Company's reporting of these non-GAAP 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 Accounting Standards 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. Production costs include mining, crushing, processing, and direct overhead at the operation sites.

Mining cash costs

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

All-in Sustaining Costs ("AISC")

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



All-in costs

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

Reconciliation from cost of sales to non-GAAP measures

	For the three months ended September 30, 2025				For the three months ended September 30, 2024			
	La Colorada	San Agustin	El Castillo	Consolidated	La Colorada	San Agustin	El Castillo	Consolidated
Cost of Sales	\$ 6,815	\$ 5,707	-	\$ 12,522	\$ -	\$ -	\$ -	\$ -
Maintenance cost (indirect)	-	(180)	-	(180)	-	-	-	-
Depreciation	(126)	(752)	-	(878)	-	-	-	-
Mining cash cost	A	6,689	4,775	-	11,464	-	-	-
Refining costs		43	60	-	103	-	-	-
Total Cash Costs¹	B	\$ 6,732	\$ 4,835	-	\$ 11,567	\$ -	\$ -	\$ -
General and administrative		95	393	-	488	-	-	-
Corporate general and administrative		-	-	-	1,263	-	-	-
Share based payments		-	-	-	315	-	-	-
Sustaining capital expenditures		-	104	-	104	-	-	-
Accretion relating to reclamation and rehabilitation		144	190	-	334	-	-	-
Total All-in sustaining costs	C	\$ 6,971	\$ 5,522	-	\$ 14,071	\$ -	\$ -	\$ -
Exploration & evaluation expenses (non-sustaining)		1,691	262	-	1,953	-	-	-
General and administrative costs not related to current operations		-	-	-	1,027	-	-	-
Other Exploration & evaluation expenses ²		-	-	-	3,434	-	-	-
Non-sustaining capital expenditures		-	77	-	77	-	-	-
Mine holding cost		-	-	347	347	-	-	-
Total All-in costs	D	\$ 8,662	\$ 5,861	\$ 347	\$ 20,909	\$ -	\$ -	\$ -
GEO's Sold	E	4,229	3,480	-	7,709			
Mining cash cost	A	\$6,689	\$4,775	-	\$11,464	\$ -	\$ -	\$ -
Total cash cost	B	\$6,732	\$4,835	-	\$11,567	\$ -	\$ -	\$ -
Total All-in sustaining costs	C	\$6,971	\$5,522	-	\$14,071	\$ -	\$ -	\$ -
Total All-in costs	D	\$8,662	\$5,861	\$347	\$20,909	\$ -	\$ -	\$ -
Cash cost per GEO sold	B/E	\$1,592	\$1,389	-	\$1,500	\$ -	\$ -	\$ -
All-in sustaining cost per GEO sold	C/E	\$1,648	\$1,587	-	\$1,825	\$ -	\$ -	\$ -
All-in cost per GEO sold	D/E	\$2,048	\$1,684	-	\$2,712	\$ -	\$ -	\$ -

¹ Management previously presented cash costs and AISC net of by-product revenues of \$0.4 million for La Colorada, \$0.2 million for San Agustin, and \$0.6 million on a consolidated basis for the three months ended September 30, 2025.

² Other exploration and evaluation expenses relate to Cerro del Gallo, San Antonio, Ana Paula, and Alaska

	For the six months ended September 30, 2025				For the six months ended September 30, 2024			
	La Colorada	San Agustin	El Castillo	Consolidated	La Colorada	San Agustin	El Castillo	Consolidated
Cost of Sales	\$ 12,069	\$ 14,016	\$ 107	\$ 26,192	\$ -	\$ -	\$ -	\$ -
Maintenance cost (indirect)	-	(379)	-	(379)	-	-	-	-
Depreciation	(196)	(1,612)	-	(1,808)	-	-	-	-
Mining cash cost	A 11,873	12,025	107	24,005	-	-	-	-
Refining costs	96	145	15	256	-	-	-	-
	B							
Total Cash Costs³	\$ 11,969	\$ 12,170	\$ 122	\$ 24,261	\$ -	\$ -	\$ -	\$ -
General and administrative ⁴	437	572	502	1,511	-	-	-	-
Corporate general and administrative	-	-	-	1,742	-	-	-	-
Share-based payments	-	-	-	713	-	-	-	-
Sustaining capital expenditures	-	104	-	104	-	-	-	-
Accretion relating to reclamation and rehabilitation	288	380	426	1,094	-	-	-	-
Total All-in sustaining costs	C \$ 12,694	\$ 13,226	\$ 1,050	\$ 29,425	\$ -	\$ -	\$ -	\$ -
Exploration and evaluation expenses (not sustaining)	1,691	262	-	1,953	-	-	-	-
General and administrative costs not related to current operations	-	-	-	2,055	-	-	-	-
Other exploration and evaluation expenses ²	-	-	-	6,374	-	-	-	-
Non-sustaining capital expenditures	-	77	-	77	-	-	-	-
Mine holding cost	-	-	1,449	1,449	-	-	-	-
Total All-in costs	D \$ 14,385	\$ 13,565	\$ 2,499	\$ 41,333	\$ -	\$ -	\$ -	\$ -
GEO's Sold	E 7,976	8,140	150	16,266				
Mining cash cost	A \$11,873	\$12,025	\$107	\$24,005	\$ -	\$ -	\$ -	\$ -
Total cash cost	B \$11,969	\$12,170	\$122	\$24,261	\$ -	\$ -	\$ -	\$ -
Total All-in sustaining costs	C \$12,694	\$13,226	\$1,050	\$29,425	\$ -	\$ -	\$ -	\$ -
Total All-in costs	D \$14,385	\$13,565	\$2,499	\$41,333	\$ -	\$ -	\$ -	\$ -
Cash cost per GEO sold	B/E \$1,501	\$1,495	\$815	\$1,492	\$ -	\$ -	\$ -	\$ -
All-in sustaining cost per GEO sold	C/E \$1,592	\$1,625	\$7,014	\$1,809	\$ -	\$ -	\$ -	\$ -
All-in cost per GEO sold	D/E \$1,804	\$1,666	\$16,692	\$2,541	\$ -	\$ -	\$ -	\$ -

³ Management previously presented cash costs and AISC net of by-product revenues, which are \$0.8 million for La Colorada, \$0.4 million for San Agustin, and \$1.1 million on a consolidated basis for the six months ended September 30, 2025. Cash costs and AISC for the three months ended June 30, 2025, including by-product revenues, would have been \$1,398 and \$1,527, respectively, for La Colorada and \$1,574 and \$1,653, respectively, for San Agustin.

⁴ In the three months ended June 30, 2025, AISC and AIC were both calculated without allocation of corporate G&A and share-based compensation. Including these costs would result in a consolidated AISC per GEO of \$1,769 and consolidated AIC per GEO of \$2,362 for the three months ended June 30, 2025.

DEVELOPMENT AND EXPLORATION

Mineral Properties

a) Ana Paula Project

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

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

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

As of September 30, 2025, the Company announced strong initial drill results from its 15,000-metre program at the Ana Paula gold project aimed at upgrading inferred resources and supporting a feasibility study. Notable intercepts include 88.1m grading 8.82 g/t gold including 35.5m grading 13.3 g/t gold, 30.2m grading 6.29 g/t gold and 14.75m grading 13.6 g/t gold, confirming consistent mineralization in the High Grade Panel. The Company has completed 37 holes totaling 10,909 metres, using a rotated drilling approach to better define the deposit. The Company continues to collect geotechnical and metallurgical data to support mine design.

b) San Antonio Project

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

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

c) Cerro del Gallo Project

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

The Company is undertaking further development planning and engineering required to update and make current the pre-feasibility study in 2025. All major environmental and other permits will need to be obtained before an investment decision can be considered by the Company. The Company plans to present the results from an updated technical report for the Cerro del Gallo Project in late 2025.

d) Unga Project, Alaska, USA

The Unga gold-silver project covers 250 square kilometres on neighbouring Unga and Popof Islands, near the Alaska Peninsula and approximately 900 kilometres southwest of Anchorage, Alaska. The property consists of two tracts of subsurface mineral tenure, one on Popof Island and the other on adjacent Unga Island. Both are 100% controlled by Heliostar under an exploration agreement and mining lease option with the Aleut Corporation (“AC”), an Alaska



Native Regional Corporation. These two tracts surround six State of Alaska mining claims at the Shumagin deposit and 16 patented U.S. federal mining claims at the Apollo-Sitka prospect, all owned 100% by Heliostar. The Company completed a helicopter-borne geophysical survey comprising 892 line-kilometres in July on Unga Island. In September, the Company commenced a 1,500 metre core drilling program testing geological and geophysical targets at the Centennial prospect on Popof Island in September. The Company expects final results from the geophysical program and the drill program in late 2025.

FINANCIAL RESULTS

	Three months ended September 30,		Six months ended September 30,	
	2025	2024	2025	2024
Revenues	\$ 26,765	\$ -	\$ 54,691	\$ -
Cost of sales	12,522	-	26,192	-
Mine operating earnings	14,243	-	28,499	-
General and administrative expenses	2,584	1,281	5,356	1,900
Exploration	6,411	1,865	8,327	3,367
Stock based compensation	315	629	713	796
Net income (loss) before tax	5,239	(3,770)	11,333	(6,063)
Tax expense	(3,983)	-	(8,185)	-
Net income (loss)	1,256	(3,770)	3,148	(6,063)
Total assets	129,881	28,714	129,881	28,714
Working capital	46,700	(6,617)	46,700	(6,617)

Revenues

The Company's revenues for the three and six months ended September 30, 2025 are from the La Colorada, San Agustin and El Castillo mines that were acquired on November 7, 2024. Gold production is primarily from re-leaching at the La Colorada and San Agustine mines, mining operations at La Colorada Junkyard, and nominal production from El Castillio under remediation activities

Cost of sales

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

General and administrative expenses

General and administrative expenses of the Company comprise of salaries, professional, regulatory, travel, insurance and other administrative fees. The significant increase in the three and six months ended September 30, 2025, is due to increased activity and personnel at the regional offices in Mexico following the acquisition of FCGI's assets on November 7, 2024.

Exploration

Exploration expense for the three and six months ended September 30, 2025 consisted of work performed primarily on the La Colorada, San Agustin, San Antonio, Unga, and Ana Paula projects in the period, compared to primarily Ana Paula and San Antonio spending in prior year. For the three and six months ended September 30, 2025, the Company incurred exploration expenditures of \$3,859 and \$4,610 at Ana Paula (2024: \$1,814 and \$3,032), \$297 and \$322 at Unga (2024: \$59 and \$70), \$1,066 and \$1,691 at La Colorada (2024: \$nil and \$nil), and \$546 and \$770 at San Antonio (2024: \$nil and \$239).

Tax expense

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

Liquidity and Capital Resources

The Company had 252,095,764 issued and outstanding common shares as of September 30, 2025 (March 31, 2025 – 244,113,685).

As of November 20, 2025 the Company had 256,580,955 issued and outstanding shares.

	Six months ended September 30,	
	2025	2024
Cash Flow		
Cash used/provided by operating activities	\$ 5,684	\$ (4,850)
Cash used/provided by investing activities	(229)	(85)
Cash used provided by financing activities	1,517	5,097
Effect on cash and cash equivalents of foreign exchange	419	1
Change in cash	7,391	163
Cash, beginning of the period	27,185	555
Cash, end of the period	34,576	718

As at September 30, 2025, cash totaled \$34.6 million, an increase of \$7.4 million from \$27.2 million as at March 31, 2025. The increase was primarily due to a \$5.7 million inflow from operating activities and a \$1.5 million of proceeds from warrant and stock option exercises in the period.

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

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

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

With the acquisition of the producing mines, management believes the equity needs of the business in the near term can be satisfied by cash generated by operations after servicing the necessary capital expenditures. Management believes it will be able to raise equity capital as required in the long-term, but recognizes the risks attached thereto. Historically the capital requirements of the Company have been met by equity subscriptions and debt facilities. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

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

Summary of Quarterly Results

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

	September 30, 2025 Q2 2025	June 30, 2025 Q1 2025	March 31, 2025 Q4 2024	December 31, 2024 Q3 2024	September 30, 2024 Q2 2024	June 30, 2024 Q1 2024	March 31, 2024 Q4 2023	December 31, 2023 Q3 2023
Total revenues	26,765	\$ 27,926	\$ 22,742	\$ 13,832	\$ -	\$ -	\$ -	\$ -
Profit/(Loss) for the period	1,256	1,892	(33,308)	60,410	(3,747)	(2,320)	(3,724)	(3,405)
Comprehensive Profit/(Loss)	982	2,745	(33,496)	59,565	(3,747)	(2,320)	(3,734)	(3,405)
Profit/(Loss) per share - basic	0.01	0.01	\$0.09	\$0.29	\$(0.02)	\$(0.01)	\$(0.02)	\$(0.02)
Total assets	129,881	122,943	117,226	121,518	21,272	22,502	20,932	23,939
Working capital	46,700	51,687	41,433	36,415	(4,409)	(1,121)	2,527	2,524

The Company's operations changed significantly following Acquisition of FCGI Mining Assets on November 7, 2024. Starting with the quarter ended December 31, 2024, the Company began generating revenue from its La Colorada and San Agustin mines.

Profit and loss in the quarters ended December 31, 2024, and March 31, 2025, had significant fluctuations due to recognition of gain on acquisition from preliminary and final purchase price allocation related to the FCGI Acquisition.

On a quarterly basis, the Company's revenues and profit/loss can be impacted by metal prices and production and sales volumes. While production volumes have been consistent over the last two quarters, they are dependent on the Company's mining operations.

CONTROLS EVALUATION

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") in accordance with the requirements of National Instrument 52-109. ICFR is a framework designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. DC&P are designed to provide reasonable assurance that material information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and to ensure that required information is gathered and communicated to the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as is appropriate to permit timely decisions regarding public disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

There have been no significant changes in the Company's internal controls over financial reporting in the three and six months ended September 30, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

OFF-BALANCE SHEET ARRANGEMENTS

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

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

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

ACCOUNTING POLICIES, KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENT

Accounting standards adopted during the period

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

Key sources of estimation uncertainty and judgement

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

RISKS AND UNCERTAINTIES

In the Company's MD&A filed on SEDAR July 29, 2025, in connection with the Company's annual financial statements (the "Annual MD&A"), management set out its discussion of the risk factors which are believed to be the most significant risks faced by Heliostar. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

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

	Issued and Outstanding	
	November 20, 2025	July 29, 2025
Common shares outstanding	256,580,955	250,759,858
Stock options	16,245,002	18,408,668
Restricted share units	2,242,924	2,636,254
Warrants	25,064,660	29,587,427
Fully diluted common shares outstanding	300,133,541	301,392,207

PROPOSED TRANSACTIONS

None.

QUALIFIED PERSONS

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

Cautionary Statements

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