STONEGATE CAPITAL PARTNERS

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INDUSTRY: GOLD

RESEARCH UPDATE

HELIOSTAR METALS LTD. (TSXV: HSTR)

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Market Statistics in USD	
Price	$ 1.68
52 week Range	$0.91 - $2.52
Daily Vol (3-mo. average)	469,968
Market Cap (M)	$ 470.8
Enterprise Value (M)	$ 426.4
Shares Outstanding: (M)	279.5
Float (M)	231.2

Financial Summary in USD	
Cash (M)	$ 43.0
Cash/Share	$ 0.15
Debt (M)	$ -
Equity (M)	$ 111.3
Equity/Share	$ 0.40

Valuation in USD	
Valuation Range	$2.24 - $3.34
2027E Price Target	$ 2.79

COMPANY DESCRIPTION

Heliostar Metals Ltd. is a Canadian-domiciled gold company listed on the TSX Venture Exchange (TSXV: HSTR) and OTCQX (HSTXF). The Company transformed from an exploration-stage entity into a multi-asset gold producer through its November 2024 acquisition of Argonaut Gold's Mexican portfolio, which brought the producing La Colorada and San Agustin mines and the development-stage Cerro del Gallo and San Antonio projects into its portfolio. Heliostar's platform also includes Ana Paula, its flagship high-grade development asset, and Goldstrike, a 100%-owned U.S. development project in Utah with open-pit, heap-leach gold potential. Today, Heliostar controls a 100%-owned portfolio across Mexico and the U.S., anchored by two producing mines, a deeper development pipeline, and a stated goal of scaling toward mid-tier producer status by the end of the decade.

Company Updates

HSTR's Q2 results improved the forward setup by strengthening the operating cash-flow bridge to Ana Paula and clarifying producing-asset earnings capacity. San Agustin reaching steady state and low-cost La Colorada production supported record production and a record cash balance, while the q/q net income decline reflected the annual option grant, higher taxes and FX rather than weaker mine performance. Near-mine reserve growth should improve visibility beyond 2026, while Ana Paula's Expansion Zone provides potential upside beyond upcoming FS. Key markers remain reserve conversion, Veta Madre execution and Ana Paula permitting.

Producing Assets: Gold production increased 26% q/q to a record 14,803 oz, led by San Agustin, up 49% to 7,216 oz at steady state. Corner ore tonnes continue to reconcile above the reserve model; Management expects San Agustin to remain a key cash-flow contributor through 2H26, with positive ore reconciliation supporting production and mine-life extension potential. La Colorada produced 7,587 oz at $1,531/oz cash costs and $1,641/oz AISC. San Agustin should remain around Q2 steady-state levels q/q, while La Colorada should moderate in Q3 as residual leaching declines. Management expects La Colorada production around 1,300-1,400 oz/month through YE26 as injection leaching ramps, bridging production to Veta Madre. Capitalized waste stripping remains on track for August, with first ore targeted for late 2Q27.

Flagship Project: HSTR invested $5.6M at Ana Paula in Q2 on drilling, metallurgical testing and study work, while infill drilling supported resource conversion ahead of the Q2 2027 FS, including 99.8m at 10.9 g/t gold. The program targets reserves supporting a 10-year mine life. Underground permit submission is expected in early September/Q3, with approvals targeted around mid-2027. Management indicated deeper Expansion Zone will likely not be included in the FS despite mineralization below PEA mine plan, leaving potential upside. Decline work may slow into 2027 pending permitting feedback, though first gold remains targeted before YE28.

Exploration Portfolio: Veta Madre Plus targets approximately 20,000 additional ounces above the current 48k oz reserve, while San Agustin oxide mineralization extends more than 200 metres beyond the reserve boundary. Goldstrike adds 975k indicated and 90k inferred gold ounces; recent surface sampling returned up to 2.53% antimony and 0.61 g/t gold over 1.3m TW at Antimony Ridge and identified the new Antimony Knoll target 1.7km west. HSTR has commenced an initial ~1,500m RC drill program across both targets, with 852m in eight holes completed and assay results expected in Q4 2026

Outlook: HSTR maintained 2026 guidance of 50,000-55,000 gold ounces at $1,850-$1,950/oz cash costs and $2,025-$2,125/oz AISC. YTD cash costs of $1,630/oz remain below guidance and should rise into the full-year range, while $2,155/oz AISC is modestly above guidance; management expects full-year AISC at or near the upper end. Revenue was $56.5M and mine operating earnings $31.1M, while net income declined to $8.0M from $14.1M q/q. Cash rose to a record $43.0M despite the $10.0M Goldstrike payment, with no debt.

Valuation: When valuing HSTR we apply a EV/NAV range of 0.4x to 0.6x with a midpoint of 0.5x which results in a valuation of $2.30 to $3.37 with a mid-point of $2.84. When using an EV/Reserves valuation method we apply a multiple range of 50.0x to 100.0x with a midpoint of 75.0x which results in a valuation of $2.03 to $3.91 with a mid-point of $2.97. Our DCF model returns a valuation range of $2.36 to $2.71 with a mid-point of $2.52.

VALUATION

To help frame our valuation, we use a comp analysis of Heliostar assets as compared to peers as well as a discounted cash flow model.

Our DCF analysis relies on a range of discount rates between 12.25% and 12.75% with a midpoint of 12.50%. This arrives at a valuation range of $2.36 to $2.71 with a mid-point of $2.52.

Sensitivity Analysis:

Discount rate	Terminal Growth Rates 0.0%	0.5%	1.0%	1.5%	2.0%
12.00%	$2.55	$2.63	$2.72	$2.82	$2.92
12.25%	$2.46	$2.54	$2.62	$2.71	$2.81
12.50%	$2.38	$2.45	$2.52	$2.61	$2.70
12.75%	$2.30	$2.36	$2.43	$2.51	$2.60
13.00%	$2.22	$2.28	$2.35	$2.42	$2.50

Comparative Analysis
(all figures in $USD M, except per share information)

Name	Ticker	Price (1)	S/O	Mrkt Cap	EV	NAV (2)	Reserves (koz) (2)	EV/NAV	EV/Reserves
Integra Resources Corp.	ITR	$ 2.85	202.9	$ 577.4	$ 495.3	$ 751.0	$ 8.0	0.66x	61.7x
K92 Mining Inc.	KNT	$ 21.64	245.7	$ 5,316.0	$ 5,000.8	$ 680.5	$ 11.1	7.35x	451.2x
Lode Gold Resources Inc.	LOD	$ 0.30	62.0	$ 29.5	$ 34.3	$ 217.1	$ 1.7	0.16x	20.7x
McEwen Inc.	MUX	$ 20.27	61.4	$ 1,243.7	$ 1,280.4	$ 1,355.3	$ 1.0	0.94x	1265.8x
Osisko Gold Group Inc.	OGG	$ 2.92	305.8	$ 892.6	$ 678.5	$ 826.0	$ 7.0	0.82x	97.4x
Orvana Minerals Corp.	ORV	$ 1.79	136.6	$ 244.0	$ 313.7	$ 74.1	$ 3.2	4.24x	98.0x
Patagonia Gold Corp.	PGDC	$ 0.41	469.8	$ 191.0	$ 263.3	$ 57.2	$ 2.0	4.61x	131.3x
Scorpio Gold Corporation	TSXV: SGN	$ 0.24	303.0	$ 81.7	$ 76.4	$ 85.8	$ 1.2	0.89x	62.8x
Velocity Minerals Ltd.	VLC	$ 0.16	204.5	$ 32.7	$ 34.3	$ 30.1	$ 0.4	1.14x	86.3x
							Average	2.3x	252.8x
							Median	0.9x	97.4x
Heliostar Metals Ltd.	**HSTR**	**$ 1.68**	**279.5**	**$ 470.8**	**$ 426.4**	**$ 1,499.0**	**10.5**	**0.28x**	**40.6x**

(1) Previous day's closing price
(2) Estimates are from Capital IQ
All Values in USD at an exchange rate of $1.38 CAD/USD
Source: Company reports, CapitalIQ, Stonegate Capital Partners

Current Comps are trading at an EV/NAV of 0.9x at the median, compared to 0.3x for HSTR. The Company is also trading at an EV/Reserves of 40.6x, compared to comps of 97.4x at the median. Given the macro tailwinds, current and forecasted production capacity, expansion through the Goldstrike acquisition, and potential for further resource growth we believe this discount to comps is too steep.

When valuing HSTR we apply a EV/NAV range of 0.4x to 0.6x with a midpoint of 0.5x which results in a valuation of $2.30 to $3.37 with a mid-point of $2.84. When using an EV/Reserves valuation method we apply a multiple range of 50.0x to 100.0x with a midpoint of 75.0x which results in a valuation of $2.03 to $3.91 with a mid-point of $2.97. We believe that as production capacity continues to come online and as the Company continues to expand its resource reserves further re-rates will be in order.

EV/NAV	0.40x	0.50x	0.60x
NAV	1,499.0	1,499.0	1,499.0
TEV	599.6	749.5	899.4
Cash (USD $M)	43.0	43.0	43.0
Debt (USD $M)	-	-	-
Mrkt Cap	642.6	792.5	942.4
S/O	279.5	279.5	279.5
Price ($USD)	$ 2.30	$ 2.84	$ 3.37
CAD/USD Rate	$ 1.38	$ 1.38	$ 1.38
Price ($CAD)	**$ 3.17**	**$ 3.91**	**$ 4.65**

EV/Reserves	50.00x	75.00x	100.00x
Reserves	10.5	10.5	10.5
TEV	525.3	788.0	1,050.6
Cash (USD $M)	43.0	43.0	43.0
Debt (USD $M)	-	-	-
Mrkt Cap	568.4	831.0	1,093.7
S/O	279.5	279.5	279.5
Price ($USD)	$ 2.03	$ 2.97	$ 3.91
CAD/USD Rate	$ 1.38	$ 1.38	$ 1.38
Price ($CAD)	**$ 2.81**	**$ 4.10**	**$ 5.40**

DISCOUNTED CASH FLOW

Heliostar Metals Ltd.
Discounted Cash Flow Model
(in $M, except per share)

Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	13.7	114.6	236.3	279.0	329.2	395.1	454.4	516.6	581.2	645.1	709.6	745.1	767.4	
Operating Income	(7.6)	20.4	98.9	118.1	139.9	158.0	177.2	188.6	197.6	203.2	223.5	234.7	241.7	
Less: Taxes (benefit)	0.5	11.5	49.6	63.2	42.0	47.4	53.2	56.6	59.3	61.0	67.1	70.4	72.5	
NOPAT	(8.1)	9.0	49.3	54.8	97.9	110.6	124.0	132.0	138.3	142.2	156.5	164.3	169.2	
Plus: Depreciation & Amortization	2.3	6.2	7.1	8.4	8.2	7.9	9.1	10.3	11.6	12.9	14.2	14.9	15.3	
Plus: Changes in WC	(33.6)	(12.8)	(11.8)	(8.4)	(3.3)	(2.0)	(2.3)	-	0.3	3.2	3.5	3.7	3.8	
Less: Growth CapEx	-	-	-	(200.0)	(100.0)	(125.0)	(100.0)	(100.0)	-	-	-	-	-	
Less: Sustaining Capex	(0.5)	(13.5)	(11.8)	(14.0)	(11.6)	(11.9)	(11.4)	(12.9)	(8.7)	(9.7)	(10.6)	(7.5)	(7.7)	
Free Cash Flow	(39.9)	(11.2)	32.8	(159.1)	(8.7)	(20.3)	19.5	29.4	141.5	148.7	163.6	175.5	180.7	1,587.3
Discount period - months			6	18	30	42	54	66	78	90	102	114	126	
Discount period - years			0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	
Discount factor			0.94	0.84	0.74	0.66	0.59	0.52	0.47	0.41	0.37	0.33	0.29	
PV of FCF			30.9	(133.3)	(6.5)	(13.4)	11.5	15.4	65.8	61.5	60.1	57.3	52.5	460.9
Growth rate assumptions:														
Revenue		738.7%	106.3%	18.1%	18.0%	20.0%	15.0%	13.7%	12.5%	11.0%	10.0%	5.0%	3.0%	
Operating Income		-369.7%	384.1%	19.3%	18.5%	12.9%	12.1%	6.4%	4.8%	2.8%	10.0%	5.0%	3.0%	
EBITDA		-603.2%	298.6%	19.3%	17.2%	12.0%	12.3%	6.8%	5.2%	3.3%	10.0%	5.0%	3.0%	
Free Cash Flow		-71.8%	-392.1%	-585.1%	-94.5%	133.3%	-196.0%	50.9%	381.2%	5.1%	10.0%	7.3%	3.0%	
Margin assumptions:														
Operating Income	-55.5%	17.8%	41.9%	42.3%	42.5%	40.0%	39.0%	36.5%	34.0%	31.5%	31.5%	31.5%	31.5%	
D&A as a % of sales	16.8%	5.4%	3.0%	3.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
EBITDA	-38.7%	23.2%	44.9%	45.3%	45.0%	42.0%	41.0%	38.5%	36.0%	33.5%	33.5%	33.5%	33.5%	
Taxes	-6.3%	56.1%	50.1%	53.6%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
Changes in WC	-245.8%	-11.2%	-5.0%	-3.0%	-1.0%	-0.5%	-0.5%	0.0%	0.1%	0.5%	0.5%	0.5%	0.5%	
Capex as a % of sales	-4.0%	-11.8%	-5.0%	-5.0%	-3.5%	-3.0%	-2.5%	-2.5%	-1.5%	-1.5%	-1.5%	-1.0%	-1.0%	

Valuation:

Shares outstanding	279.5
PV of FCF	201.7
PV of Terminal Value	460.9
Enterprise Value	662.5
less: Net Debt	(43.0)
Estimated Total Value:	705.6
Est Equity Value/share:	**$2.52**
Price	$1.68

Sensitivity Analysis:

		Terminal Growth Rates				
		0.0%	0.5%	1.0%	1.5%	2.0%
Discount rate	12.00%	$2.55	$2.63	$2.72	$2.82	$2.92
	12.25%	$2.46	$2.54	$2.62	$2.71	$2.81
	12.50%	$2.38	$2.45	$2.52	$2.61	$2.70
	12.75%	$2.30	$2.36	$2.43	$2.51	$2.60
	13.00%	$2.22	$2.28	$2.35	$2.42	$2.50

Source: Company Reports; Stonegate Capital Partners

Business Overview

Heliostar Metals Ltd. is a Canadian-domiciled gold company listed on the TSX Venture Exchange (TSXV: HSTR) and OTCQX (HSTXF). The Company transformed from an exploration-stage entity into a multi-asset gold producer through its November 2024 acquisition of Argonaut Gold's Mexican portfolio, which brought the producing La Colorada and San Agustin mines and the development-stage Cerro del Gallo and San Antonio projects into its portfolio. Heliostar's platform also includes Ana Paula, its flagship high-grade development asset, and Goldstrike, a 100%-owned U.S. development project in Utah with open-pit, heap-leach gold potential. Today, Heliostar controls a 100%-owned portfolio across Mexico and the U.S., anchored by two producing mines, a deeper development pipeline, and a stated goal of scaling toward mid-tier producer status by the end of the decade, while prioritizing per-share growth and disciplined capital allocation.

Exhibit 1: Company Overview

Source: Company Reports

Having completed its first full year of gold production in 2025, Heliostar is now in its second year as a producer, positioning itself as a rare junior-to-producer transition story in the gold sector. Production is supported by La Colorada and San Agustin, with San Agustin now ramped into full operation and serving as a larger contributor to company-wide cash flow. Heliostar's growth will be driven by the staged development of Ana Paula, Cerro del Gallo, San Antonio, and Goldstrike, with operating cash flow supporting development and exploration requirements and project financing expected to supplement cash for Ana Paula construction. This integrated model of cashflow-supported development and disciplined growth is designed to reduce reliance on dilutive equity raises while accelerating the Company's path to mid-tier scale.

Projects Overview

La Colorada (Sonora):

La Colorada is a 100%-owned open-pit heap leach mine located in the prolific Sonora gold belt of northern Mexico, an established mining jurisdiction with year-round road access, grid power, and nearby labor pools. The asset hosts 376 thousand ounces of reserves grading 0.68 g/t and has been a core focus since its restart in January 2025. Following completion of Junkyard and other surface stockpile mining in 1Q26, near-term production is now supported by injection leaching while the Company advances the next phase of open-pit production at Veta Madre and Creston. The site includes existing crushing, leaching, and ADR plant infrastructure, minimizing capital requirements for expansion. Drilling has returned strong intercepts demonstrating higher-grade zones than currently modeled. Current work is focused on capitalized waste stripping at Veta Madre, finalizing the Veta Madre Plus expanded pit design, resource conversion, and testing underground potential beneath the Creston Pit, as well as exploration across the broader, undrilled land package. Management views La Colorada as a low-capex cornerstone asset that can generate stable cash flow to support its own growth as well as generate cash for Ana Paula build.

Exhibit 2: La Colorada Overview

Source: Company Reports

San Agustin (Durango):

San Agustin is a 100%-owned open-pit heap leach operation located in Durango State, Mexico, with established mine infrastructure, haul roads, and processing facilities inherited from Argonaut Gold. The mine has transitioned beyond residual-leach-only production, with mining, crushing, conveying, and stacking from the Corner Area recommenced in December 2025, first gold poured from newly stacked material in January 2026, and the operation ramping through 1Q26 before reaching steady state in 2Q26. The Corner Area study outlined a 68 thousand ounce reserve base and a 1.2-year mine life, with recoverable reserves estimated at approximately 44 thousand ounces of gold. At a gold price of US$3,000/oz, the plan implies attractive after-tax economics, including US$35 million NPV5%, 548% IRR, and approximately US$40 million of near-term cash flow on modest initial capital. San Agustin is positioned as a near-term cash-flow driver to help fund Heliostar's broader development pipeline, including Ana Paula.

Exhibit 3: San Agustin Overview

Source: Company Reports

Beyond the Corner Area, San Agustin hosts several oxide exploration targets with potential to significantly extend mine life. A 15,000–18,000m drill campaign remains ongoing in 2026, with step-out results extending roughly 200 metres beyond the current pit edge and showing similar grades, thicknesses, and starting depths to material currently being mined. Resource modelling and engineering are underway to support permitting and future extraction activities, with the objective of extending mine life. Additional sulfide targets include deep porphyry-style mineralization identified by prior drilling that provides longer-term exploration optionality, although management has not yet identified a favorable metallurgical pathway and any future sulfide development would represent a separate potential phase beyond the current oxide operation. The mine is strategically important as a near-term cash generator that can rapidly scale production with minimal capital.

Ana Paula (Guerrero):

Ana Paula is Heliostar's 100%-owned flagship development project, located in Guerrero's highly prospective Guerrero Gold Belt, with road access, grid power, and water infrastructure in place roughly 180 kilometers from Mexico's Pacific coast. The underground resource includes 742 thousand ounces of M&I resources grading 5.40 g/t gold and 514 thousand ounces of inferred resources grading 3.96 g/t gold, centered on a polymictic breccia body characterized by wide, continuous zones of high-grade mineralization. A recently announced PEA outlines a 1,800 tpd underground operation producing ~875,000 recovered ounces over a nine-year mine life, averaging roughly 101 thousand ounces per year at life-of-mine AISC of about US$1,000/oz and demonstrating robust project economics with strong leverage to higher gold prices. Current drilling and technical work are focused on resource conversion, expansion drilling, permitting, and feasibility work, with Heliostar targeting a Q2 2027 Feasibility Study, a potential construction decision in mid-2027, and initial Ana Paula production in 2H28. As of June 25, 2026, Heliostar had completed 95 holes and 32,678m as part of its

Exhibit 4: Ana Paula Overview

Source: Company Reports

ongoing 35,000m 2025–26 Ana Paula drill program, with drilling focused on defining additional mineralization near planned underground mine infrastructure and testing down-plunge extensions in the Expansion Zone.

Cerro del Gallo (Guanajuato):

Cerro del Gallo is Heliostar's 100%-owned, long-life gold-silver-copper development project located in the historic Guanajuato mining district of central Mexico. A recently completed 2025 Prefeasibility Study (PFS) outlines an open-pit heap-leach operation, supported by 2.27 million GEOs of Probable Reserves and a 15.3-year mine life producing 1.31 million GEOs, or ~86 koz GEOs per year. The project is expected to operate at an AISC of ~$1,390/GEO and cash costs of ~US$1,252/GEO, benefiting from a very low strip ratio, shallow oxide-dominant mineralization, grid power, and by-product copper and silver credits.

At a US$2,400/oz gold price, the PFS delivers a post-tax NPV5% of US$424.0 million, a 33.1% IRR, and a 2.3-year payback on ~US$195.3 million of initial capital, highlighting Cerro del Gallo's strong margins and capital efficiency. With an Indicated resource base of ~4.9 million GEOs supporting meaningful reserve growth and expansion potential, Cerro del Gallo is positioned to become Heliostar's second cornerstone production hub after Ana Paula, providing the scale needed to support the Company's long-term goal of becoming a 300,000+ GEO per year mid-tier gold producer.

San Antonio (Baja California Sur):

San Antonio is a 100%-owned gold project located in Baja California Sur, Mexico. The January 2025 PEA base case shows a US$399 million NPV5% and 40.7% IRR at US$1,900/oz gold, based on a conceptual ~79 thousand ounce per year open-pit heap leach operation over a 14-year mine life; at US$2,600/oz gold, the project shows a US$715 million NPV5% and 59% IRR. The project benefits from paved road access and nearby port infrastructure but requires state-level environmental permits, which have historically been challenging in Baja. Heliostar is undertaking a strategic review to optimize its development approach, sequencing the project after Ana Paula. San Antonio offers significant production scale and strong project economics, and its eventual permitting would provide Heliostar with an additional long-life development asset.

Unga (Alaska):

Unga is an early-stage gold-silver project located on Unga and Popof Islands off the coast of Alaska, covering approximately 250 square kilometers. The project contains multiple high-grade epithermal gold-silver targets, including the Shumagin deposit and Apollo-Sitka prospect, and hosts inferred resources of approximately 384 thousand gold ounces grading 13.8 g/t. While Unga remains non-core relative to Heliostar's Mexican production and development assets, recent work has refreshed the project's longer-term optionality. Heliostar completed an 892 line-kilometer helicopter-borne geophysical survey in July 2025 and commenced a 1,500m core drilling program in September 2025 targeting geological and geophysical targets at the Centennial prospect on Popof Island. The asset remains a potential future monetization, joint-venture, or exploration-upside candidate.

Goldstrike (Utah):

Exhibit 5: Goldstrike Overview

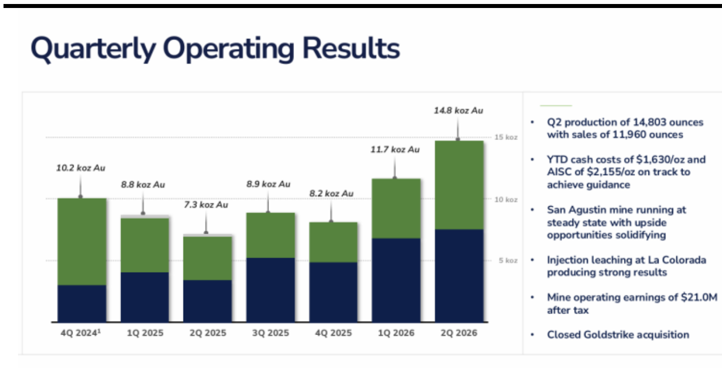
Source: Company Reports

Goldstrike is a 100%-owned U.S. development project in Washington County, Utah, acquired by Heliostar from Liberty Gold on April 24, 2026. The project is a past-producing, Carlin-style oxide gold system located in the Great Basin, roughly 50 kilometers northwest of St. George, and adds a second U.S. asset to Heliostar's portfolio. The updated Goldstrike resource includes 975 thousand indicated gold ounces grading 0.46 g/t and 90 thousand inferred gold ounces grading 0.31 g/t, with the deposit remaining shallowly drilled and open for resource expansion. Management is evaluating Goldstrike's sequencing within the broader development pipeline, along with processing and infrastructure plans, resource growth opportunities, and potential separation of the project's gold and critical minerals value streams. Antimony Ridge adds a strategic metals component to the asset, with surface sampling returning up to 2.53% antimony and 0.61 g/t gold over 1.3m TW and identifying a second target, Antimony Knoll, 1.7km to the west. Heliostar has commenced its first antimony-focused RC drilling program at Goldstrike, with 852m in eight holes completed from an initial ~1,500m program and results expected in Q4 2026.

Growth Drivers

Production and Cost Trajectory

Exhibit 6: Recent Results



Source: Company Reports

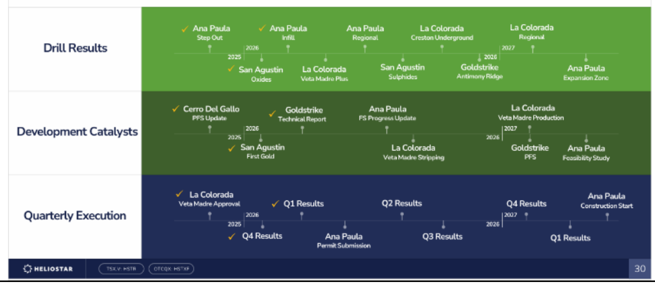
Heliostar targets production growth from approximately 33 thousand ounces in 2025 to 50–55 thousand ounces in 2026, with a visible organic pathway toward approximately 300 thousand ounces of annual production by 2030. Management's broader corporate ambition is to exceed 500 thousand ounces annually by the end of the decade, which would require additional growth, including M&A. Certain growth items, including San Agustin additions and Veta Madre Plus, remain potential scenarios that require further technical work, permitting, funding, and investment decisions.

Near-term growth is anchored by La Colorada and San Agustin, which are now providing the operating cash flow base to fund exploration and development across the portfolio. Ana Paula remains the primary step-change asset, with targeted initial production in 2H28 and a planned ramp toward more than 100 thousand ounces per year, while Cerro del Gallo represents the next major development stage after Ana Paula and is expected to help move Heliostar toward its longer-term mid-tier production target. Goldstrike adds incremental U.S. development optionality but should be framed as pipeline value rather than near-term production in the current growth bridge.

Leadership and Execution Capability:

A key enabler of this ambitious growth plan is Heliostar's leadership team, which combines mine-building depth with capital markets expertise. CEO Charles Funk (ex-Newcrest, Vizsla) is a seasoned exploration geologist with a track record of project discovery and value creation, while COO Gregg Bush (ex-Capstone, Equinox, Placer Dome) has decades of experience constructing and operating large-scale mines across the Americas. CFO Vitalina Lyssoun (ex-Gatos Silver, Endeavour Mining, BDO) provides deep public company finance expertise, and VP Projects Sam Anderson (ex-Newmont) is leading the execution of multiple studies across the company's portfolio. VP Investor Relations and Development Stephen Soock joined from Stifel, bringing institutional relationships and growth company strategy experience, while Corporate Secretary Connie Lillico previously held the same role at First Majestic. The team brings substantial mine-building, public-company and capital-markets experience. This depth provides relevant execution capability as Heliostar advances its project pipeline.

Exhibit 7: Company Milestones



Source: Company Reports

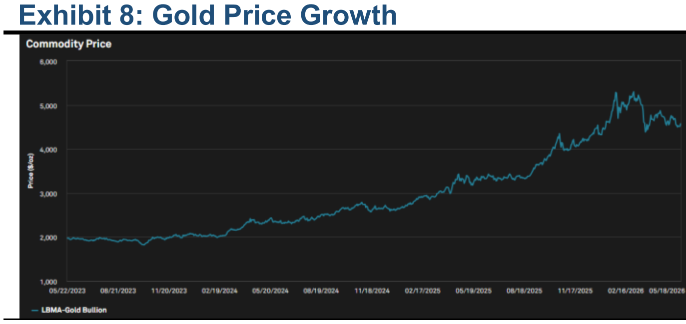
Strategic Re-rating Potential:

We believe surpassing the 150 thousand ounce threshold could support a market re-rating toward established mid-tier gold producer peers, many of which trade at materially higher EV/oz and EV/EBITDA multiples. By combining near-term cash generation with high-grade growth from Ana Paula and scale leverage from Cerro del Gallo, Heliostar is positioned to compress costs, expand margins, and build a multi-asset platform capable of sustaining production for decades. The Company's integrated model of cashflow-supported development and disciplined capital allocation is designed to reduce reliance on dilutive equity raises, supporting per-share value growth as ounces and free cash flow compound.

Market Overview

Heliostar's growth strategy is unfolding against a constructive gold market backdrop. Gold prices have remained resilient, reaching above US$5,400/oz earlier in 2026, supported by persistent global inflation, elevated geopolitical risk, and strong central bank demand. Long-term supply growth remains constrained by lengthy permitting timelines and reserve-replacement challenges, while investment demand has shifted toward developers capable of delivering new ounces into a tightening supply environment. Mexico, where Heliostar primarily operates, remains a premier gold jurisdiction with established infrastructure, skilled labor, and familiarity for North American capital markets. The combination of a supportive macro environment and the scarcity of near-term mid-tier growth stories creates an attractive window for Heliostar's transition from junior producer to multi-asset mid-tier operator. With consensus forecasts from institutions projecting strength in gold prices, Heliostar offers significant torque to further price appreciation.

Exhibit 8: Gold Price Growth



Source: S&P Capital IQ

In addition to the global macro tailwinds, Mexico is one of the world's leading gold producers and remains a highly attractive jurisdiction for mine development and investment. The country consistently ranks within the top 10 global gold-producing nations, with annual production of ~120–130 tonnes (3.8–4.2 Moz) and a deeply entrenched mining culture that directly contributes roughly 2.5% of national GDP. Mexico benefits from robust existing infrastructure—including roads, rail, ports, and a reliable power grid—as well as an experienced, lower-cost labor force and proximity to North American capital markets, which facilitates financing and offtake agreements.

The country's mining industry has a long history of stable operating conditions supported by federal-level permitting frameworks, mature service providers, and well-established legal and property rights. While there has been increased regulatory scrutiny on new projects in recent years, especially regarding environmental approvals at the state level, Mexico continues to attract substantial foreign direct investment and remains one of Latin America's established mining and exploration jurisdictions. The Guerrero Gold Belt, where Ana Paula is located, is home to major gold deposits such as Los Filos and Morelos, while states like Sonora, Durango, and Guanajuato—home to La Colorada, San Agustin, and Cerro del Gallo—have long-established mining industries and developed supply chains and logistics networks.

Exhibit 9: Production Potential

Source: Company Reports

This strong infrastructure base, supportive mining culture, and deep capital markets familiarity make Mexico a uniquely advantageous setting for Heliostar's multi-asset platform. As the Company transitions from junior producer to mid-tier operator, its focus on Mexico positions it to leverage these advantages while benefiting from the sector's scarcity of meaningful new gold projects.

Risks

As with any near-term producer, there are inherent risks associated with the Company's operations, financial condition, and the broader economic, commodity, and regulatory environments in which it operates. While Heliostar offers unparalleled leverage to gold and copper prices, several risks could impact the timing, economics, and ultimate value realization of its portfolio. Investors should carefully consider the following risk factors:

- **Commodity Price Volatility:** The Company's valuation and project economics are highly sensitive to gold prices. Although current fundamentals are supportive, a material decline in prices could reduce project returns. For example, economic analysis base cases were modeled at gold prices significantly lower than current spot; sustained weakness below these levels would erode the robust economics outlined.

- **Development and Financing Risk:** Heliostar's flagship Ana Paula project is expected to require approximately US$300 million in development capital, which management currently expects to fund through existing cash, operating cash flow and a project financing facility, with equity or strategic capital remaining potential alternatives if required. While the Company has demonstrated strong access to capital markets, there remains risk of shareholder dilution if equity is required at lower market valuations or if debt terms are less favorable than anticipated. Successful execution of the staged cashflow build from La Colorada and San Agustin will be critical to minimizing this dilution risk.

- **Permitting and Regulatory Risk:** Permitting remains a key gating factor for Heliostar's medium-term growth. While Ana Paula has existing permits associated with the prior open-pit concept, the current underground development plan requires underground mine and associated surface-infrastructure permitting targeted for submission in Q3 2026, which may introduce new review timelines and conditions. San Antonio, despite robust economics, requires state-level environmental approvals in Baja California Sur—a jurisdiction historically viewed as challenging for new mine permitting. Cerro del Gallo also requires federal environmental clearance before construction can commence. Any delays or denials could push out project timelines and capital deployment, affecting the consolidated production ramp.

- **Exploration Risk:** Several growth targets remain at the exploration or resource-definition stage. While initial drilling has demonstrated potential, there is no certainty that these projects will evolve into economic deposits. Exploration success rates in the industry are low, and failure to convert early-stage discoveries into defined resources could diminish growth optionality.

BALANCE SHEET

Heliostar Metals Ltd.
Consolidated Balance Sheets ($M at historical exchange rates per CapIQ)
Fiscal Year End: December

ASSETS	FY 2019	FY 2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26
Cash & cash equivalent	0.2	2.8	2.1	0.6	3.0	0.3	0.7	2.7	2.7	0.6	2.4	0.7	5.4	5.4	27.2	29.7	34.6	40.6	40.6	38.7	43.0
Short-term investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-
Marketable securities	1.2	2.1	0.1	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amounts receivable	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.1	0.1	0.1	9.3	9.3	5.6	11.5	11.8	12.9	12.9	28.4	15.2
Prepaid amounts and advances	0.1	0.6	0.4	0.4	1.7	1.5	1.2	0.9	0.9	0.1	0.1	0.2	17.1	17.1	2.0	2.5	3.2	4.1	4.1	8.2	6.5
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	22.5	22.5	25.5	25.8	28.3	28.4	28.4	34.8	45.2
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-	1.3	1.3	1.0	0.5	0.1	0.1	0.1	1.7	0.3
Total Current Assets	**1.5**	**5.6**	**2.7**	**1.1**	**4.8**	**2.0**	**2.0**	**3.7**	**3.7**	**0.8**	**2.6**	**1.0**	**55.7**	**55.7**	**61.3**	**70.0**	**77.9**	**86.2**	**86.2**	**111.9**	**110.2**
Investment in NV Gold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclamation bond	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exploration and evaluation assets	3.2	5.8	7.3	7.6	18.8	19.0	18.1	19.6	19.6	19.2	19.0	19.4	23.3	23.3	19.7	19.9	19.9	21.3	21.3	26.3	84.1
Receviables	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.3
Deferred income tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8	0.2	0.4	3.8	3.8	2.7	4.0
Plant and equipment	0.0	0.0	0.1	0.1	1.0	1.0	0.9	1.1	1.1	0.9	0.9	0.9	18.1	18.1	16.7	15.8	14.9	14.7	14.7	14.0	23.0
Mineral properties	-	-	-	-	-	-	-	-	-	-	-	-	24.4	24.4	4.4	4.4	5.8	9.2	9.2	8.2	-
Long-term prepaid amounts	-	-	-	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.2	12.7	11.0	10.3	10.3	2.3	2.3
Total Assets	**4.8**	**11.4**	**10.1**	**8.8**	**24.6**	**22.1**	**21.0**	**24.4**	**24.4**	**20.9**	**22.5**	**21.2**	**121.5**	**121.5**	**117.2**	**122.9**	**129.9**	**145.4**	**145.4**	**165.4**	**231.9**
LIABILITIES AND SHAREHOLDERS' EQUITY																					
Accounts payable and accrued liabilities	0.1	1.3	0.2	0.7	0.8	0.9	0.3	1.1	1.1	1.5	1.8	1.8	10.6	10.6	14.6	11.8	14.6	18.8	18.8	23.5	28.5
Income taxes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.6	2.6	13.3	11.3	11.3	9.8	16.5
Loan payable	-	-	-	-	-	-	-	-	-	-	-	1.7	3.0	3.0	-	-	-	-	-	-	-
Current portion of lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.4	0.4	0.1	0.1	0.0	-
Current portion of reclamation and closure cost provisions	-	-	-	-	-	-	-	-	-	-	-	-	5.7	5.7	3.4	3.4	2.8	7.1	7.1	8.6	10.2
Due to related parties	0.1	0.0	-	0.0	0.1	0.1	-	-	-	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	1.8	1.9	1.9	-	-	-	-	-	-	-	-	9.1
Total Current Liabilities	**0.2**	**1.4**	**0.2**	**0.7**	**0.9**	**1.0**	**0.3**	**1.1**	**1.1**	**3.3**	**3.7**	**5.4**	**19.5**	**19.5**	**19.9**	**18.3**	**31.2**	**37.2**	**37.2**	**41.9**	**64.3**
Long-term liabilities	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.5	0.3	0.2	0.6	0.6	0.5	-
Employee termination benefits	-	-	-	-	-	-	-	-	-	-	-	-	2.2	2.2	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0	-	-	-	-	-	-
Tax liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.0	8.8	-	-	-	-	-
Reclamation of closure cost provisions	-	-	-	-	0.1	0.1	0.3	0.3	0.3	0.4	0.4	0.4	20.5	20.5	23.6	26.2	26.7	26.2	26.2	24.6	23.4
Deferred payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.7	2.3	3.2	0.0	0.0	0.0	31.2
Consideration payable	-	-	-	-	1.7	1.7	1.7	1.8	1.8	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	0.9	0.9	1.1	1.2	1.0	1.0	1.0	1.0	1.7
Total Liabilities	**0.2**	**1.4**	**0.2**	**0.7**	**2.9**	**3.0**	**2.4**	**3.3**	**3.3**	**3.8**	**4.2**	**5.9**	**43.2**	**43.2**	**55.7**	**57.0**	**62.4**	**65.0**	**65.0**	**68.1**	**120.6**
Share capital	25.7	34.5	40.4	42.4	56.1	56.8	57.7	66.3	66.3	64.9	67.6	68.4	69.9	69.9	92.8	94.3	94.8	98.4	98.4	101.1	104.0
Accumulated other comprehensive gain/loss	-	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	(0.6)	(0.6)	0.0	0.9	0.6	0.7	0.7	0.6	0.5
Reserves	3.6	5.7	5.2	5.8	6.7	7.1	7.4	8.5	8.5	8.5	8.7	9.4	9.2	9.2	10.2	10.3	10.4	10.4	10.4	10.5	13.8
Deficit	(24.6)	(30.1)	(35.9)	(40.4)	(41.3)	(44.9)	(46.7)	(53.9)	(53.9)	(56.4)	(58.2)	(62.7)	(0.2)	(0.2)	(41.4)	(39.5)	(38.3)	(29.0)	(29.0)	(14.9)	(6.9)
Total Consolidated Equity	**4.6**	**10.0**	**10.0**	**8.0**	**21.7**	**19.1**	**18.6**	**21.1**	**21.1**	**17.1**	**18.3**	**15.3**	**78.4**	**78.4**	**61.5**	**65.9**	**67.5**	**80.4**	**80.4**	**97.4**	**111.3**
Total Liabilities and Shareholders' Equity	**4.8**	**11.4**	**10.1**	**8.8**	**24.6**	**22.1**	**21.0**	**24.4**	**24.4**	**20.9**	**22.5**	**21.2**	**121.5**	**121.5**	**117.2**	**122.9**	**129.9**	**145.4**	**145.4**	**165.4**	**231.9**

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Heliostar Metals Ltd.
Consolidated Statements of Income (in $M at historical exchange rates per CapIQ, except per share amounts)
Fiscal Year End: December

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Revenue	$ -	$ -	$ -	$ -	$ -	$ 13.7	$ 114.6	$ 54.4	$ 56.5	$ 62.9	$ 62.5	$ 236.3	$ 62.1	$ 68.6	$ 72.9	$ 75.4	$ 279.0
Total Revenues	**-**	**-**	**-**	**-**	**-**	**13.7**	**114.6**	**54.4**	**56.5**	**62.9**	**62.5**	**236.3**	**62.1**	**68.6**	**72.9**	**75.4**	**279.0**
Operating Expenses:																	
Cost of Sales	-	-	-	-	-	7.0	55.7	23.5	25.4	25.1	25.0	99.0	27.0	29.6	31.5	31.3	119.3
Gross Profit	**-**	**-**	**-**	**-**	**-**	**6.7**	**58.9**	**30.9**	**31.1**	**37.8**	**37.5**	**137.3**	**35.1**	**39.0**	**41.5**	**44.1**	**159.7**
General and Administrative	0.5	0.9	1.7	1.6	2.6	4.8	13.8	3.9	4.4	4.5	4.5	17.3	4.6	4.6	4.6	4.6	18.4
Exploration Expenses	0.7	3.2	6.1	2.5	8.0	8.1	15.6	4.6	2.0	3.3	3.5	13.3	4.0	4.0	4.3	4.3	16.5
Share-based Payments	0.2	1.8	(0.3)	0.5	1.8	1.4	1.4	0.4	3.5	0.5	0.5	4.8	0.5	2.0	0.5	0.5	3.5
Mine Holdings Cost	-	-	-	-	-	-	2.1	0.6	0.8	0.8	0.8	3.0	0.8	0.8	0.8	0.8	3.2
Reclamation Cost Adjustment	-	-	-	-	-	-	2.8	-	-	-	-	-	-	-	-	-	-
Impairment/other	-	-	-	-	-	-	2.7	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	1.4	5.9	7.5	4.6	12.4	14.3	38.4	9.5	10.6	9.1	9.3	38.4	9.9	11.4	10.2	10.2	41.6
Operating Income	**(1.4)**	**(5.9)**	**(7.5)**	**(4.6)**	**(12.4)**	**(7.6)**	**20.4**	**21.4**	**20.5**	**28.8**	**28.2**	**98.9**	**25.2**	**27.6**	**31.3**	**33.9**	**118.1**
Net Finance Expense	0.1	0.9	(1.1)	0.1	0.1	(0.7)	(38.6)	(0.4)	(1.3)	(1.3)	(1.3)	(4.2)	(1.3)	(1.3)	(1.3)	(1.3)	(5.0)
Foreign Exchange Gain (Loss)	(0.0)	0.0	(0.2)	(0.1)	(0.0)	(3.6)	5.5	1.3	(1.1)	-	-	0.2	-	-	-	-	-
Other gains/loses	-	-	-	(0.1)	(0.1)	(1.4)	2.9	0.8	(0.1)	-	-	0.7	-	-	-	-	-
Profit Before Taxes	**(1.3)**	**(5.0)**	**(8.8)**	**(4.8)**	**(12.4)**	**49.9**	**(9.7)**	**23.1**	**18.1**	**27.5**	**27.0**	**95.7**	**23.9**	**26.4**	**30.1**	**32.7**	**113.1**
Provision for Income Tax	(0.4)	-	-	-	-	(0.5)	(11.5)	(9.0)	(10.1)	(15.4)	(15.1)	(49.6)	(13.4)	(14.7)	(16.8)	(18.3)	(63.2)
Net Income	**(1.7)**	**(5.0)**	**(8.8)**	**(4.8)**	**(12.4)**	**49.5**	**(21.1)**	**14.1**	**8.0**	**12.1**	**11.9**	**46.1**	**10.5**	**11.6**	**13.3**	**14.4**	**49.8**
Basic EPS	**$ (0.01)**	**$ (0.02)**	**$ (0.28)**	**$ (0.10)**	**$ (0.09)**	**$ 0.24**	**$ (0.10)**	**$ 0.05**	**$ 0.03**	**$ 0.04**	**$ 0.04**	**$ 0.17**	**$ 0.04**	**$ 0.04**	**$ 0.05**	**$ 0.05**	**$ 0.17**
WTD Shares Out - Basic	300.1	251.9	31.9	47.0	135.1	207.6	207.6	271.5	278.7	281.5	284.3	279.0	287.2	290.0	292.9	295.9	291.5

Source: Company Reports, Stonegate Capital Partners estimates

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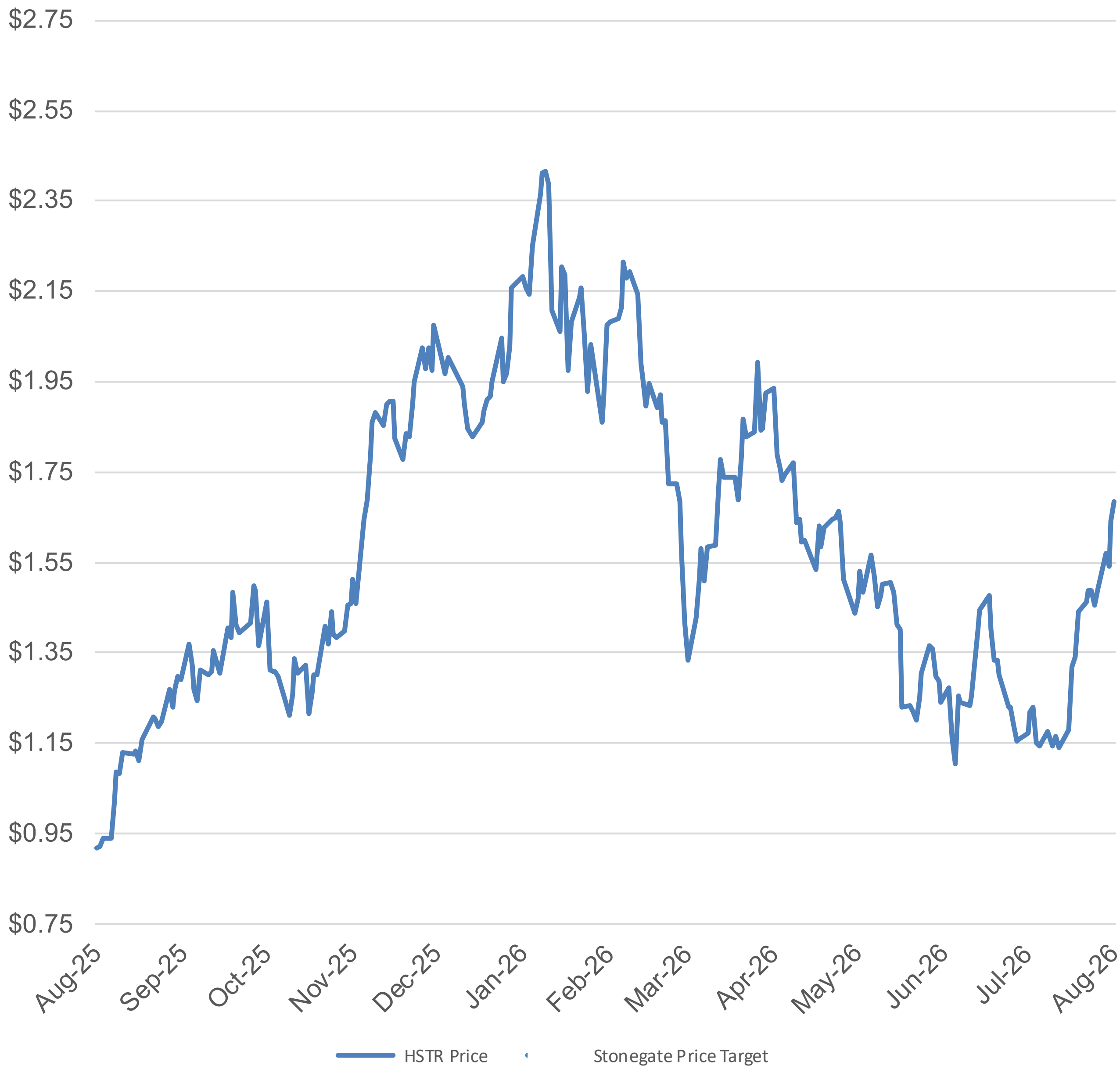
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HSTR Price
Stonegate Price Target