



TRANSFORMATIVE MEXICAN GOLD PORTFOLIO ACQUISITION

April 12, 2023 The Gold Forum Europe

CAUTIONARY STATEMENT

This presentation contains certain statements that may be deemed “forward-looking statements”. All statements in this presentation, other than statements of historical fact, that address future operations, resource potential, exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward looking statements.

Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans” “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “NPV targets” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change, except as may be required by applicable law.

The Company's disclosure of technical or scientific information in this press release has been reviewed and approved by Stewart Harris, P.Geo., Exploration Manager for the Company. Mr. Harris is a Qualified Person as defined under the terms of National Instrument 43-101.

HELIOSTAR CORPORATE OVERVIEW

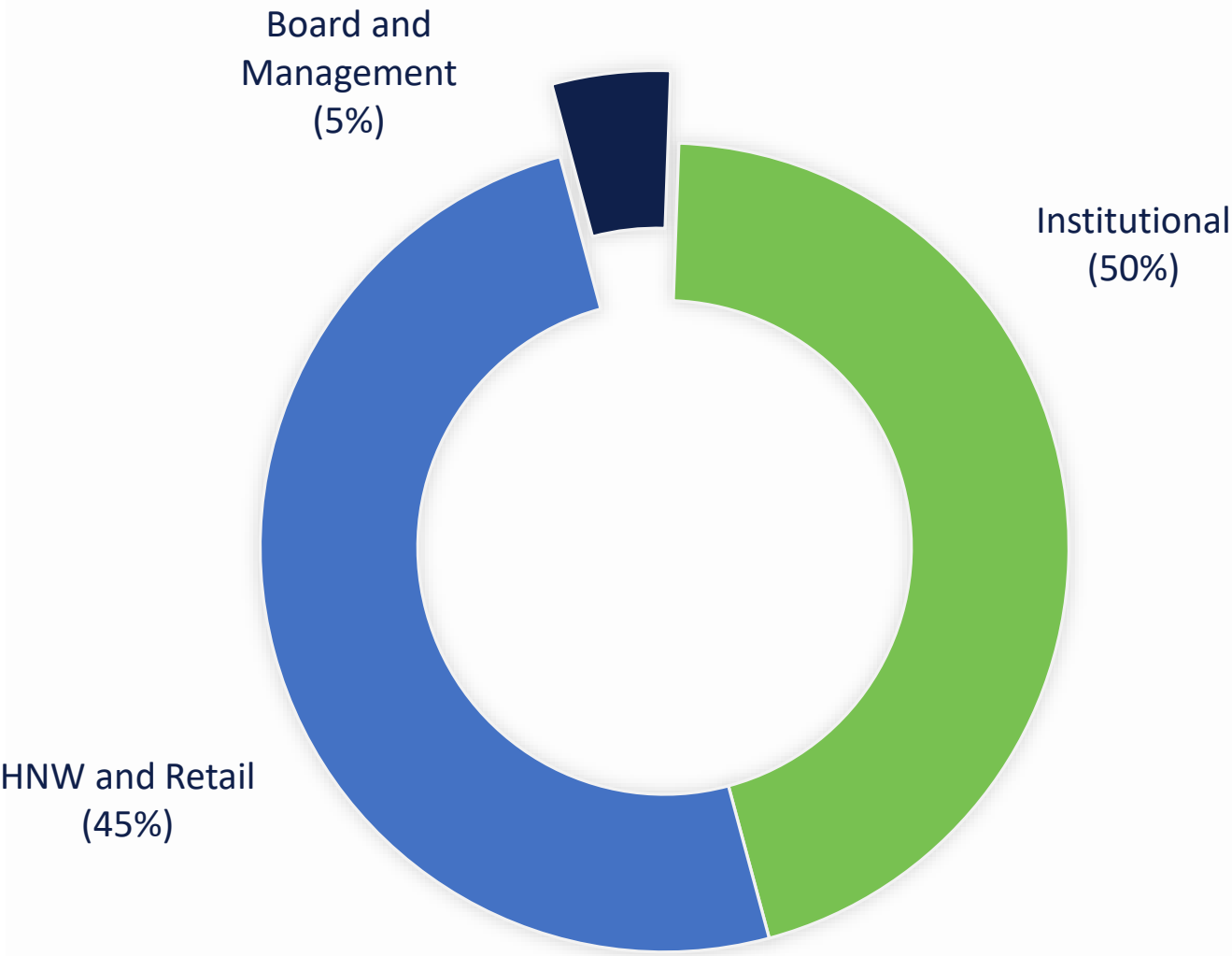
Capital Structure

Shares on Issue	147.8 M
Options and RSU's	14.4 M
Warrants	58.0 M
Fully Diluted	219.9 M
Cash	C\$6.8 M

Analyst Coverage

 ROTH Capital Partners	Mike Niehuser
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Share Structure



A TRANSFORMATIVE ACQUISITION

THE COMPANY

- Heliostar owns a gold portfolio of advanced gold deposits in Mexico and the USA. Key deposits include:
 - Ana Paula project (100% owned, subject to US\$20M in deferred milestones - US\$10M shares, US\$10M cash)
 - San Antonio project (An option to acquire 100%)
 - Unga (100% owned)

THE DEPOSITS

- **Ana Paula** 1.4Moz of gold (M&I) at 2.17 g/t gold
 - PFS completed in 2017 with post tax 34% IRR and US\$223M NPV at US\$1,250 per ounce gold price¹
 - Permitted for an Open Pit Mine
 - Previous operators have spent in excess of \$US75M on the project
- **San Antonio** 1.7Moz of gold (M&I) at 0.83 g/t gold
 - PEA completed in 2012 with post tax US\$206M NPV at US\$1,355 per ounce gold price²
- **Unga** 0.4Moz of gold (Inferred) at 13.8 g/t gold

A TRANSFORMATIVE ACQUISITION

OUR VISION

- Change the Ana Paula mine plan from an open pit to a high grade, underground gold mine
- Deliver re-scoping milestones (drilling results, mine sequencing, metallurgy and resource upgrade) to build from a conservative conceptual base case US\$234M NPV target (33% IRR) to a US\$428-589M NPV target (58-76% IRR)¹
- Reach construction decision in 18 months and commercial production in 3 years
- Unlock a three-stage growth pipeline
 1. Target expansion of the core High-Grade Panel to greater than 1 Million ounces
 2. Target growth of the overall Ana Paula Deposit to greater than 2 Million ounces
 3. Explore the entire 52,047 Hectare claim package to define full extent of Ana Paula's potential

THE STRUCTURE

- Heliostar has 147M shares outstanding with a post financing implied valuation of C\$34M
- Raised C\$20.4 (US\$15M) of which US\$10M will be paid to Argonaut Gold for the initial payment for Ana Paula
- Heliostar has a cash balance of C\$6.8M

ANA PAULA - Location and History

Location:

- Guerrero State, Mexico
- Located 20km NW of Torex Gold's operating Morelos Complex Mine (430-470koz gold production guidance in 2022)
- Located 30km NW of Equinox Gold's Los Filos Mine (155-170koz gold production guidance in 2022)

Infrastructure:

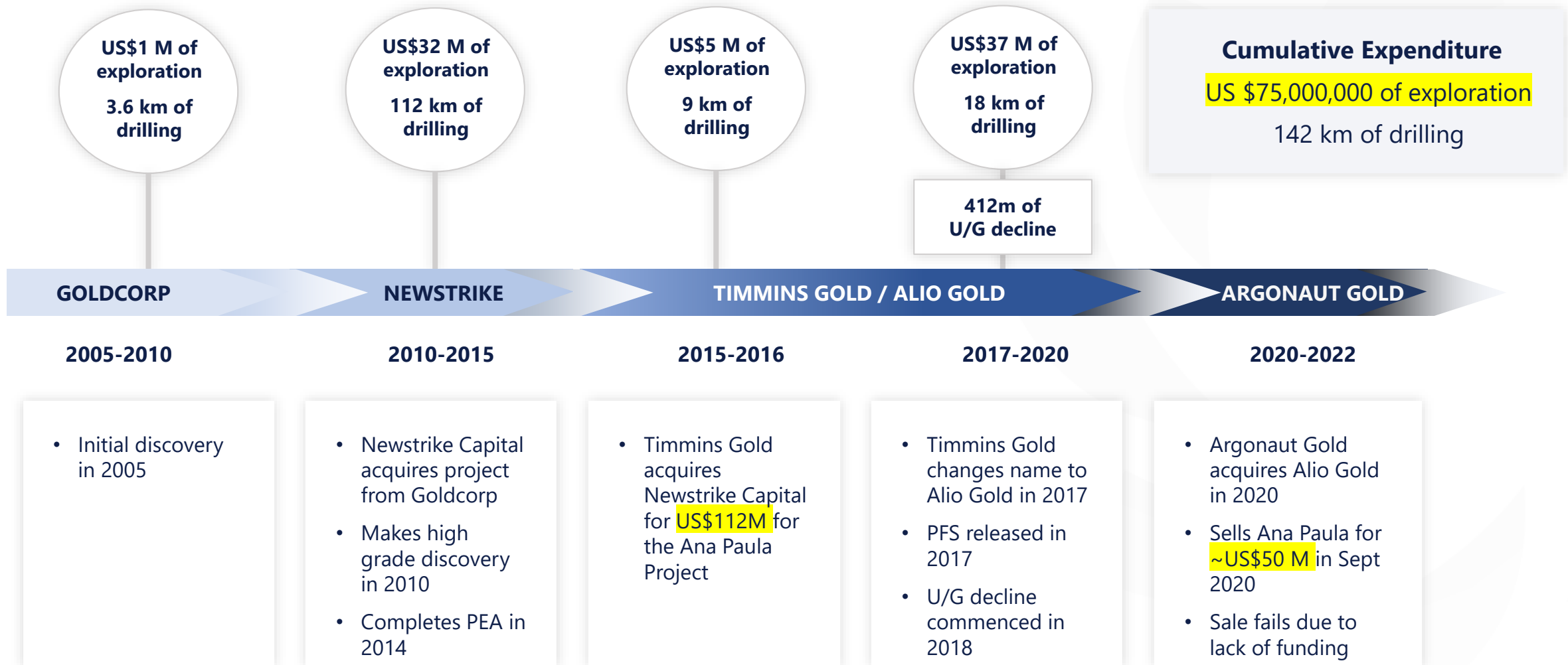
- Excellent road access
- Power connected to site
- 115 kV power line for plant located 2.5km from permitted location.
- 6 km from closest town of Cuetzala del Progreso
- 215 km to the Port of Acapulco
- 100% ownership of surface rights for mine



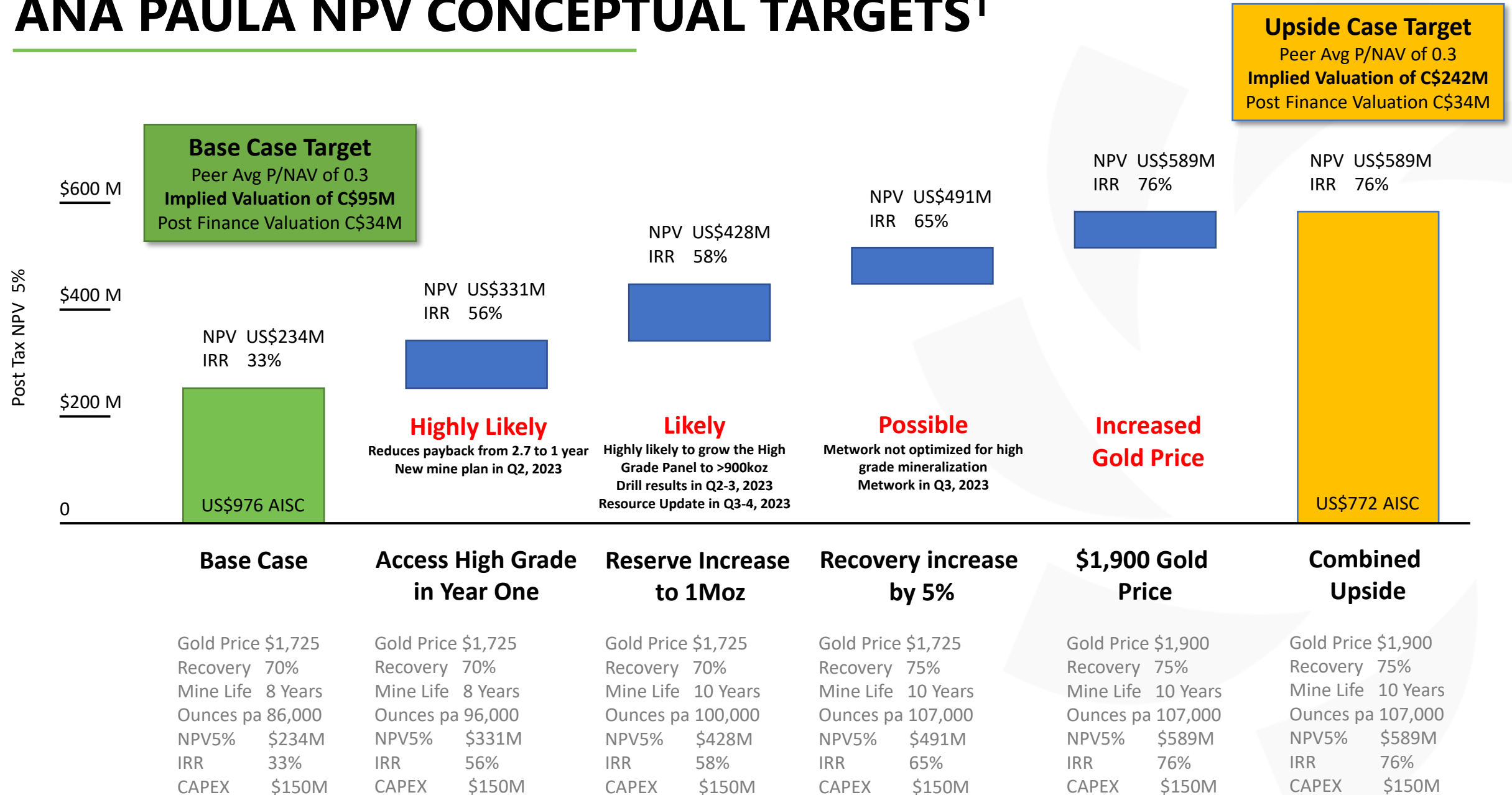
ANA PAULA - Site Layout



ANA PAULA - Project History

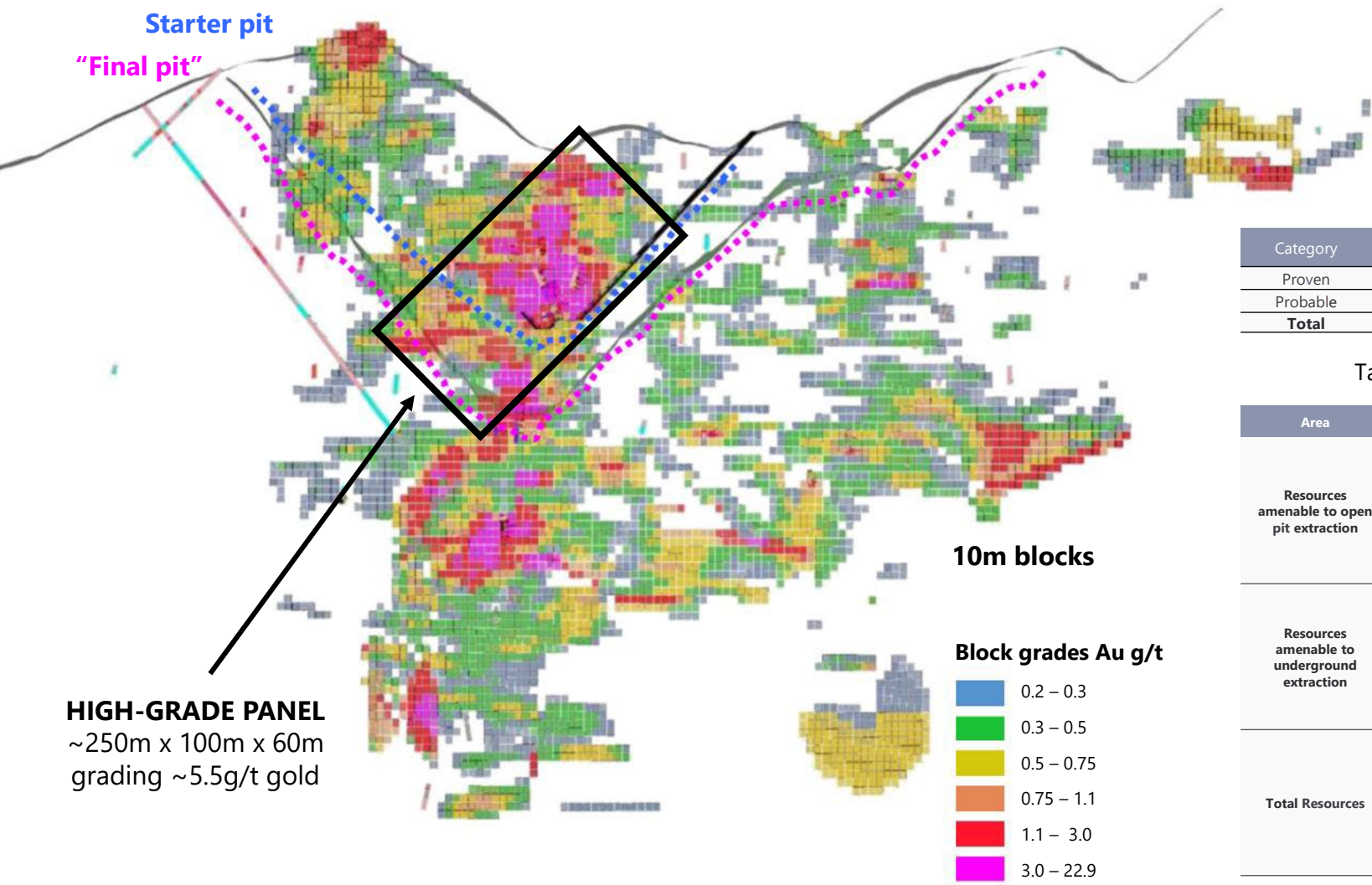


ANA PAULA NPV CONCEPTUAL TARGETS¹



1: NPV targets are conceptual in nature, the company is undertaking studies to estimate the economic potential of Ana Paula. Exchange ratio of USD:CAD is 0.77. All 2022 dated estimates have been modelled by Heliostar Metals with contributions on cost estimates from JDS Energy

ANA PAULA - Reserves and Resources



Significant drill hits include;

- 231m @ 7.5g/t gold,
- 120.8m @ 11.0g/t gold

Table 1-4: Proven and Probable Reserve – Ana Paula²

Category	Tonnes (kt)	Gold Grade (g/t)	Gold (ounces)	Silver Grade (g/t)	Silver (ounces)
Proven	6,533	2.62	550,000	5.31	1,115,000
Probable	6,907	2.12	471,000	5.13	1,139,000
Total	13,440	2.36	1,021,000	5.22	2,254,000

Table 1-3: Ana Paula Resource Statement Effective May 16, 2017²

Area	Category	Cut-off (Au g/t)	Tonnes	Au (g/t)	Gold (ounces)	Ag (g/t)	Silver (ounces)
Resources amenable to open pit extraction	Measured	0.6	7,541,000	2.43	590,000	5.1	1,236,000
	Indicated		10,491,000	1.79	605,000	4.8	1,629,000
	Measured & Indicated		18,032,000	2.06	1,195,000	4.9	2,865,000
	Inferred*		249,000	1.27	10,000	8.8	70,000
Resources amenable to underground extraction	Measured	1.65	41,000	2.07	2,800	4.3	6,000
	Indicated		2,925,000	2.81	264,000	4.2	398,000
	Measured & Indicated		2,967,000	2.80	266,700	4.2	404,000
	Inferred*		621,000	2.07	41,400	3.9	79,000
Total Resources	Measured	OP 0.6 and UG 1.65	7,582,000	2.43	592,800	5.1	1,242,000
	Indicated		13,416,000	2.01	869,000	4.7	2,027,000
	Measured & Indicated		20,998,000	2.17	1,461,800	4.8	3,269,000
	Inferred*		870,000	1.84	51,400	5.3	149,000

M&I resources are inclusive of P&P resources

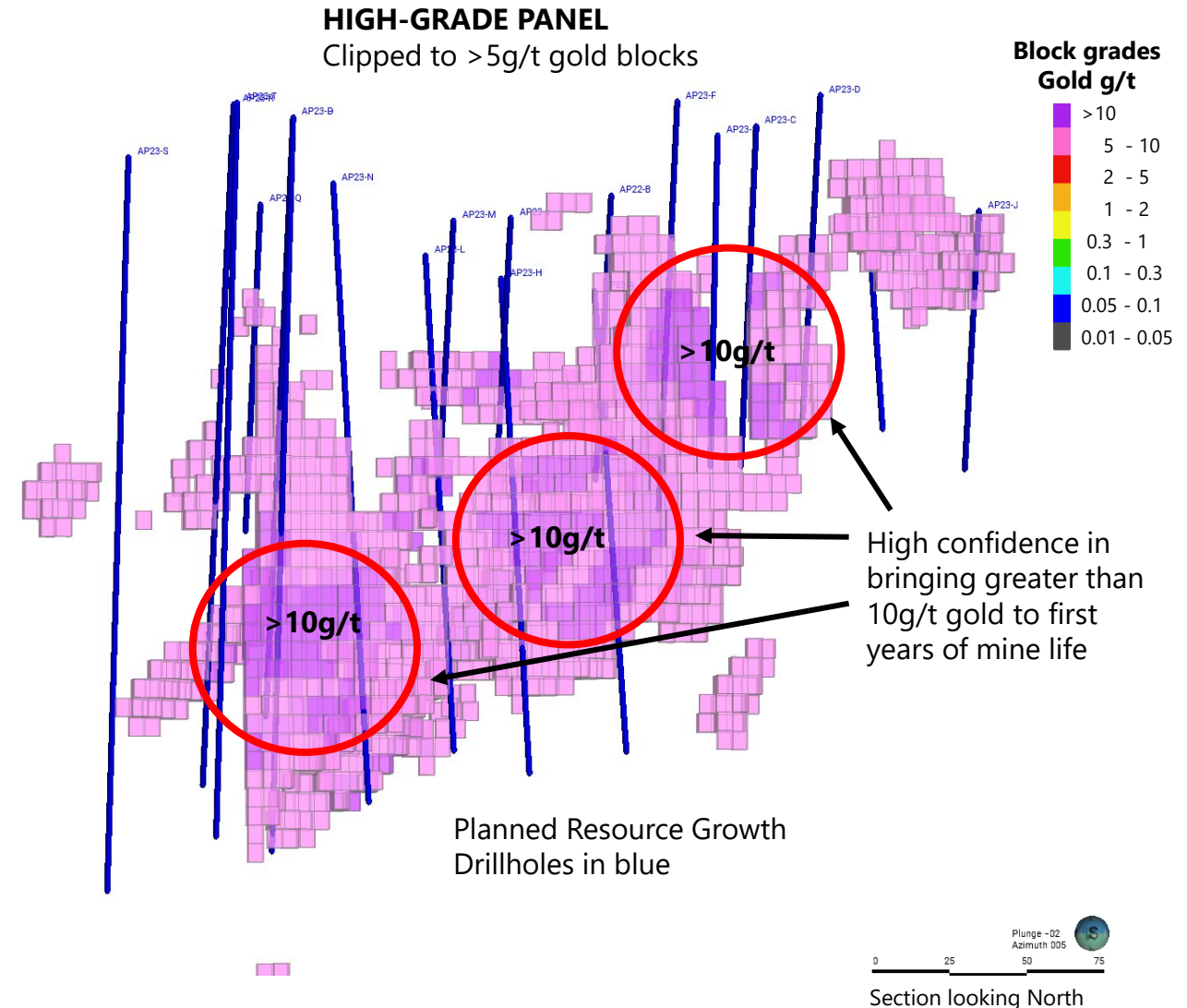
HIGH-GRADE PANEL – Underground Mine Sequencing

Reserve Details

- Magenta blocks with the resource model host gold mineralization greater than 10 grams per tonne (g/t)
- Each block is 5m x 5m x 6m in size
- Each magenta block contains a minimum of 130 ounces of gold
- Each block contains a minimum of US\$224,250 worth of gold at US\$1,725 per ounce
- An area of 20m x 20m x 24m is 64 blocks containing a minimum of \$14.3M worth of gold

Mine Sequencing

- Doubling the head grade in only year one would add US\$97M to the NPV Target (increasing IRR from 33% to 56%)
- Could reduce payback from 2.7 years to 1.0 year
- Sequencing to be undertaken during rescope with delivery in Q3, 2023



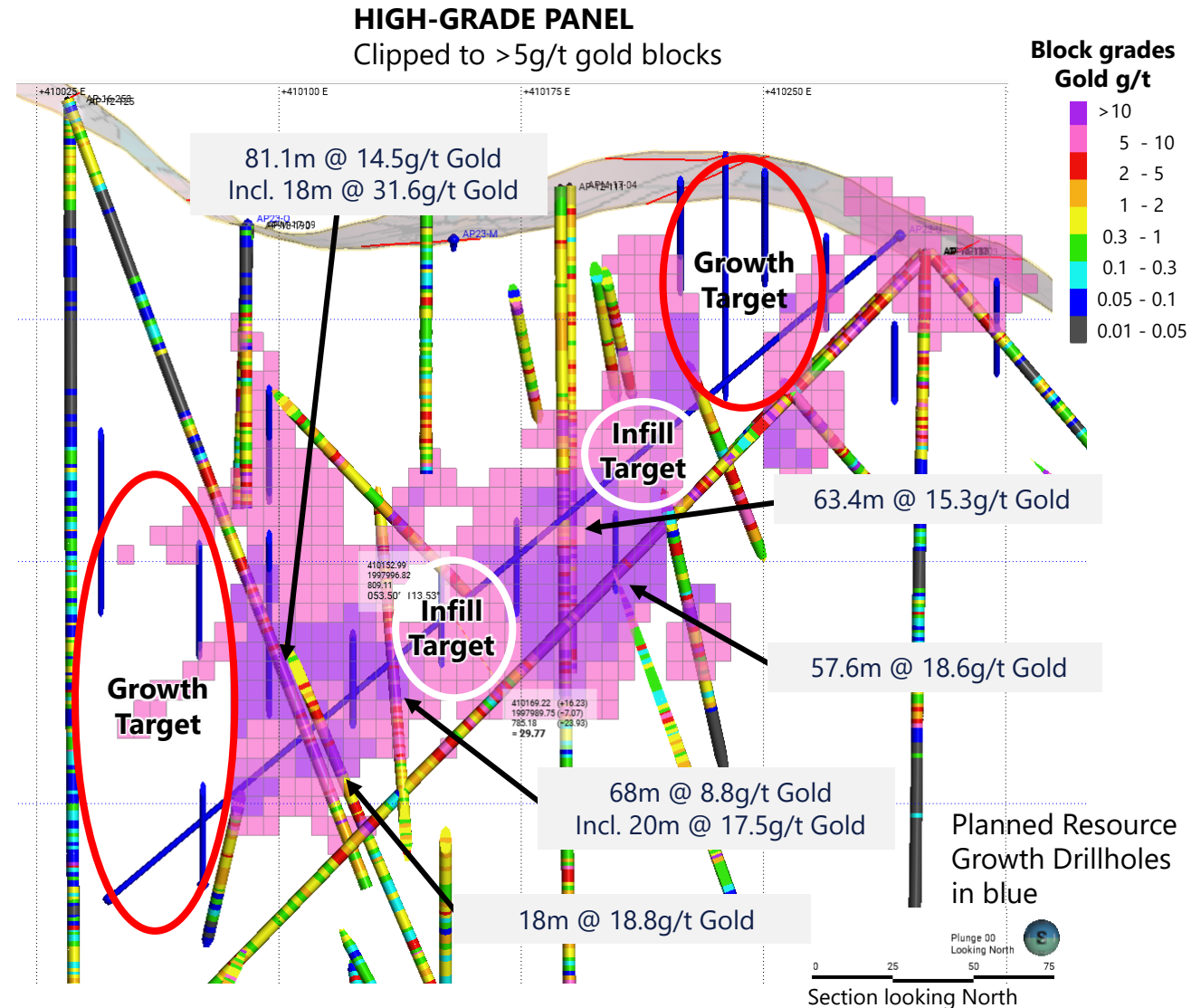
HIGH-GRADE PANEL - Resource Growth

Current Status

- The High-Grade Panel is approximately 250 metres long, 100 metres tall and 60 metres wide.
- At a 2g/t cut-off the grade is approximately 5.5 g/t gold
- Contains a currently estimated ~700,000-800,000 ounces of gold

Upside

- Gaps without drillholes are estimated to have low or no grade
- These areas will be infilled and if similar in grade to adjacent drilling will infill with high grade gold mineralization (red circles in image on right)
- Smaller gaps have grade estimated between holes that decreases due to appropriately conservative resource variography
- Infilling these gaps can lift lower grade blocks to above 10g/t by providing greater certainty with closer spaced drill intersections (white circles in image on right)
- Potential to increase the High-Grade Panel to 900,000-1,000,000 ounces of gold
- Drilling to commence immediately upon acquisition closing with results from Q2-3, 2023



ANA PAULA METALURGY - Plan and Upside

Current Status

- 2017 PFS proposes atmospheric oxidation to achieve 85% gold recoveries in open pit scenario
- Metallurgical assessment focused on lower grade material to support open pit mining. Minimal work has been undertaken on high grade mineralization
- 20% of gold in 2017 PFS is recoverable in a gravity circuit.
- Heliostar base case financial model assumes 70% recovery using a conventional circuit

Upside

- Potential exists for a higher percentage of gravity recoverable gold to occur with high grade mineralization. This could lift overall recoveries within the high-grade mineralization
- Upside exists to potentially improve recoveries with focus on re-grind optimization and pre-float carbon suppression not explored in 2017 PFS
- Each 5% increase in recoveries increases NPV by US\$45M above Heliostar base case
- Metwork program to be completed and reported in Q3, 2023



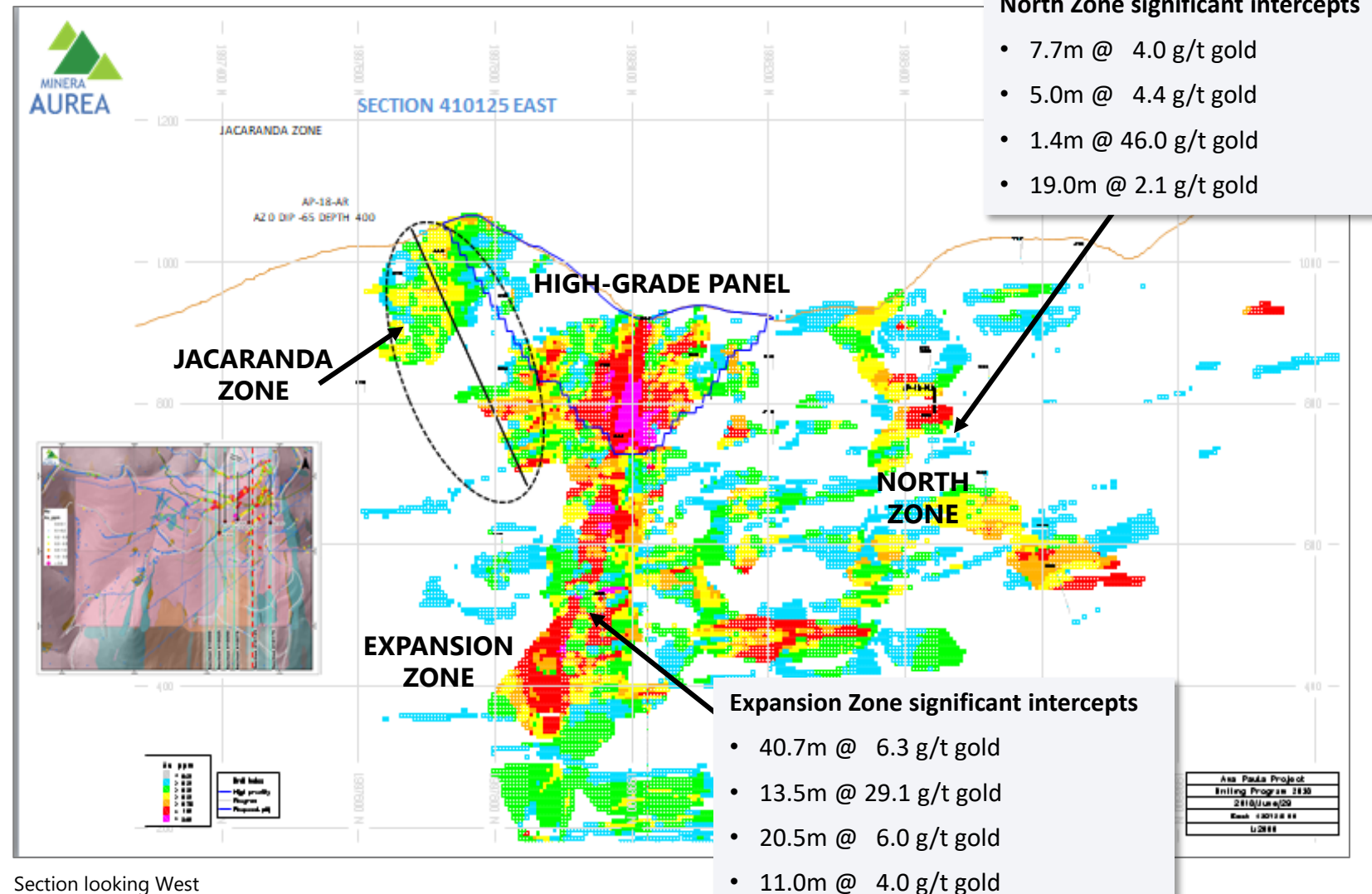
GREATER ANA PAULA RESOURCE - Growth

Current Status

- Ana Paula contains a measured and indicated resource of 1.4Moz of gold (M&I) at 2.17 g/t
- Within this resource the High-Grade Panel forms the largest, most consistent zone of high-grade gold
- The 2017 Resource contains 266,700 ounces of gold (M&I) at 2.8 g/t amenable to underground extraction beneath the open pit outline
- Multiple smaller higher-grade zones occur below and to the north of the High-Grade Panel

Upside

- Potential to expand the high-grade zones intersected in the Expansion and North Zones
- Potential to discover new high-grade panels within the halo
- Potential to grow M&I resources above 2M ounces of gold



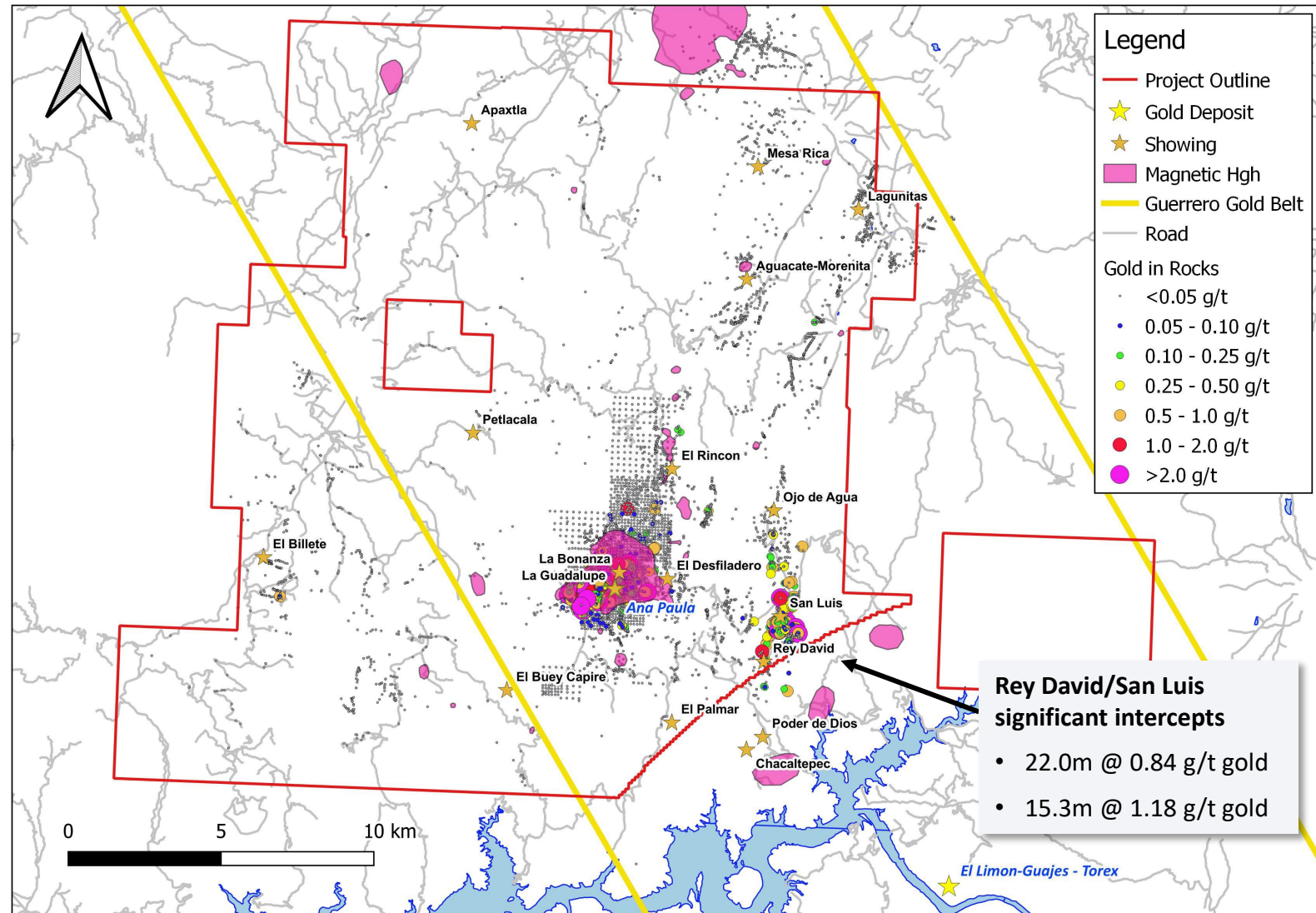
ANA PAULA DISTRICT - Upside in a major gold district

Current Status

- Extension of the Guerrero Gold Belt northwest of the Morelos Complex (El Limon-Guajes-Media Luna) and Los Filos (Filos-Bermejil) Mines
 - Morelos Complex: 6.9M M&I ounces grading 4.6 g/t gold equivalent
 - Los Filos: 5.4M P&P ounces grading 0.86 g/t gold and 7.9M M&I ounces grading 0.75g/t gold
- Ana Paula deposit has been the focus within the district since discovery

Upside

- Large gold in soils/gold in rock chips and geophysical target expanding outward from the Ana Paula resource
- Rey David/San Luis trend drill results define an emerging trend
- Multiple untested geochemical and geophysical targets with the 52,047 Hectare claim package



ANA PAULA - Development budget

Mine Building Timeline

0-6 Months

Scoping Study (C\$4.2M)

- 3,000-3,600 metres drilling program for resource expansion and met work samples
- Trade off analysis on open pit versus underground mine
- Complete mine sequencing for underground only scenario and feed into financial model
- Metallurgical program for optimized mine design
- Utilize JDS's project knowledge in a partnership with JDS Energy & Mining

6-18 Months

Feasibility Study (C\$10M)

- Complete Feasibility Study

18 Months

Construction Decision

- Finance construction
- Commence development
- Targeting production in H2, 2026

6-18 Months

Resource Growth

- Potential to test Extension Zone targets to grow resource below the High-Grade Panel
- Test North Zone and additional near mine targets

Beyond 18 Months

Regional Exploration

- Expand Rey David/San Luis trend
- Drill untested geochemical/geophysics targets

Resource Growth Timeline

HELIOSTAR – 2023 Catalysts

End of May:

First Drill Results

June-October:

Infill and Growth target Drill Results

June:

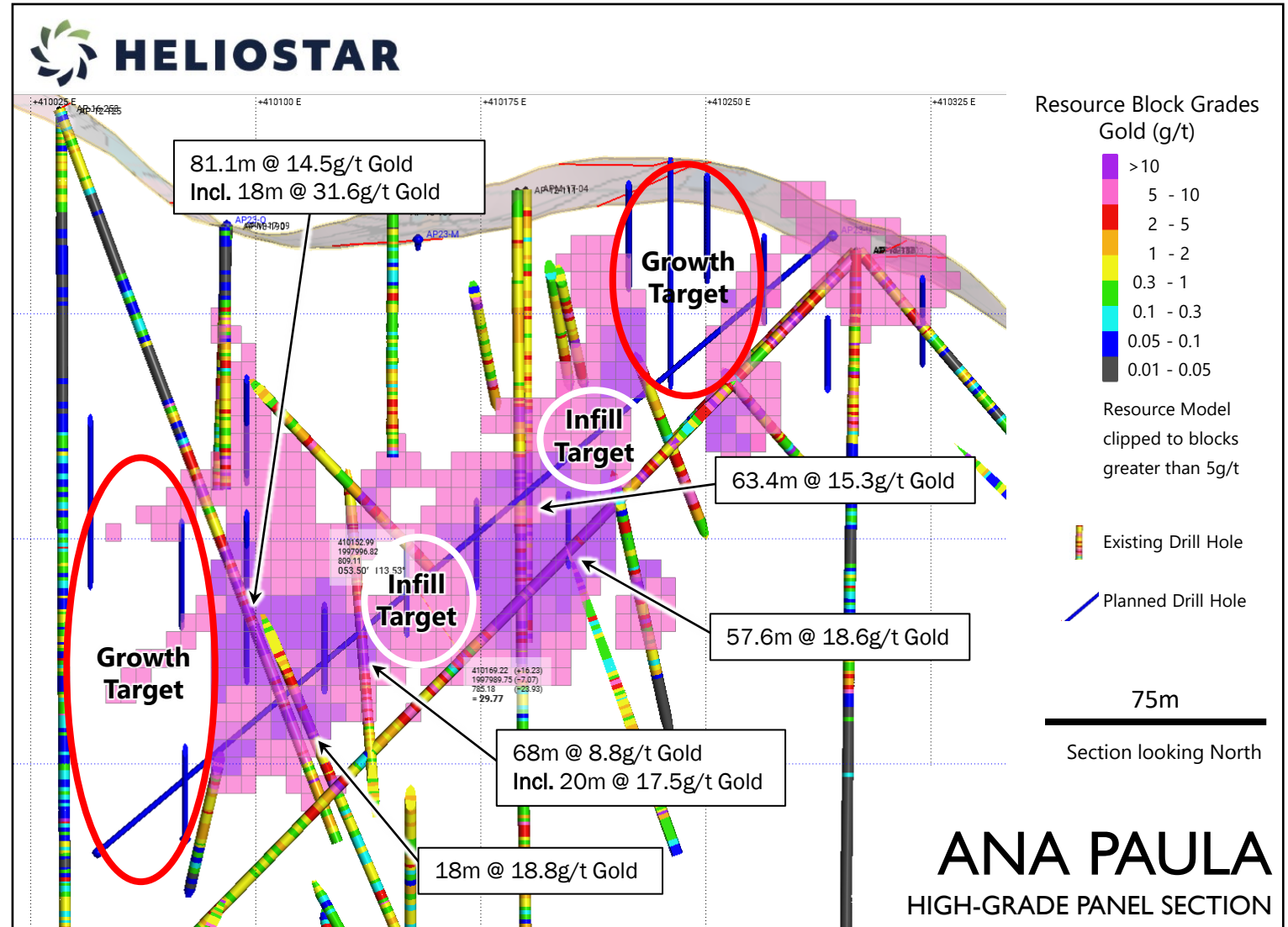
Underground mine design and impact on economics

September:

Metallurgy and mill flow sheet

November:

Updated Resource



HELIOSTAR LEADERSHIP



Charles Funk - CEO & Director

Over 15 years in Business Development and Exploration for companies including Newcrest Mining and OZ Minerals

Led the Panuco discovery for Vizsla Silver in 2020



Sam Anderson - VP Projects

20 years experience with 17 at Newmont in roles including Mine Geology Supt. and Senior Manager of Exploration BD

Significant roles at the Merian Mine in Suriname from resource stage, through studies, construction to steady state operation



Mahesh Liyanage - CFO

CA, CPA with 20 years experience including roles as CFO of Vizsla Silver, Orogen Royalties and Mirasol Resources



Rob Grey - Investor Relations Manager

15 years experience in Senior Communications positions with Extorre Gold Mines Ltd & Exeter Resources Corporation



Jacques Vaillancourt - Chairman

Investment Banker with 30 years experience. 20 years with BMO. Helped raise \$30B for natural resource sector



George Ireland - Director

Founder, CEO and CIO of Boston based Geologic Resource Partners LLC. Financier with over 40 years industry experience



Ken Booth - Director

CEO and Geologist with wide-ranging experience in company management and investment banking with Scotia, BMO & RBC



Dr. Alan Wilson - Director

PHD Economic Geologist with 30 years experience working for Rio Tinto, Billiton, Newcrest, Anglo American and Antofagasta

HELIOSTARS PORTFOLIO

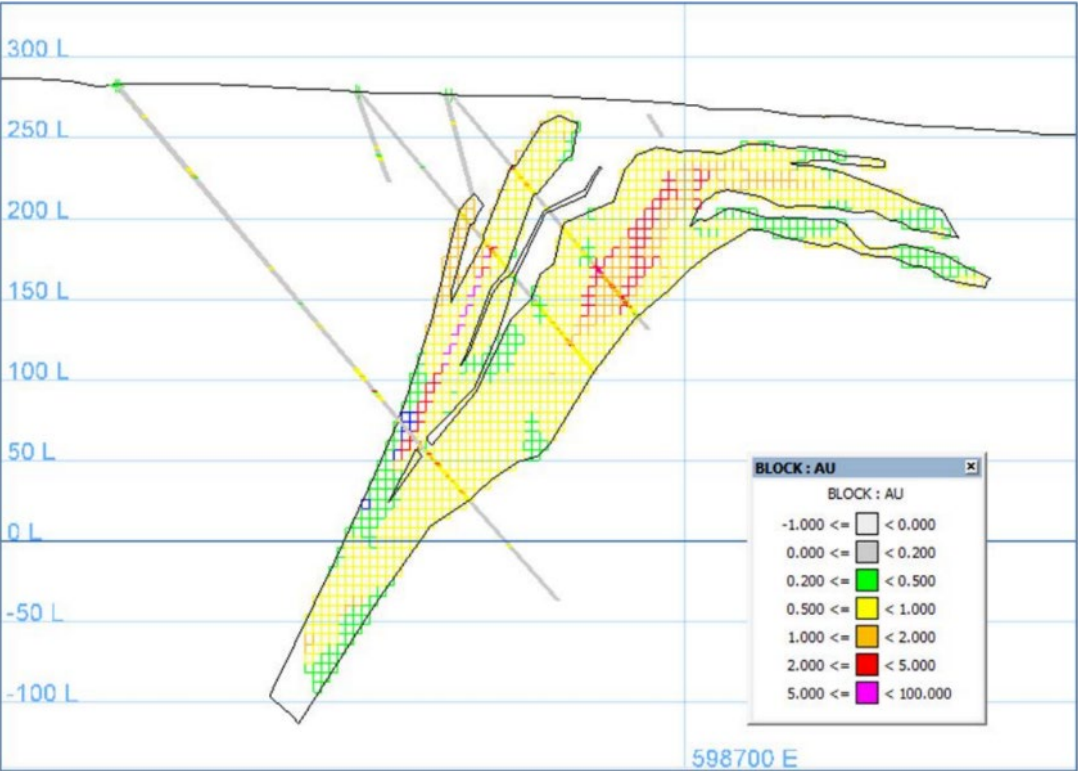
THE BUSINESS OF EXPLORATION

San Antonio – Baja California Sur, Mexico
Unga – Alaska, USA



SAN ANTONIO - Summary

- Argonaut acquired Pediment Gold in 2010 for C\$137 M principally for the San Antonio Deposit
- In 2019 Argonaut announced that the Mexican Environmental Authority had not approved its environmental permit due to its non-compatibility with a 2018 municipal zoning revision



Cross section (263950 North) through San Antonio Resource Model

Significant drill hits include;

- 88m @ 2.44 g/t gold
- 152m @ 1.64 g/t gold

Table 1: San Antonio Mineral Resources, at July 25, 2012¹

Area	Product	Class	Cut-off (Au g/t)	Tonnes (000's)	Au Grade (g/t)	Au Ounces
Total	Oxide/Transition	Measured	0.11	12,351	0.76	303,000
		Indicated	0.11	10,961	0.64	227,000
		M&I	0.11	23,312	0.71	530,000
	Sulphide	Measured	0.15	6,649	1.17	250,000
		Indicated	0.15	35,129	0.85	955,000
		M&I	0.15	41,778	0.90	1,205,000
	Oxide/Transition /Sulphide	Inferred	Mixed	4,257	0.27	37,000
		Inferred	Mixed	1,957	0.47	30,000
	All Types	Measured	Mixed	19,000	0.91	553,000
		Indicated	Mixed	46,090	0.80	1,182,000
		M&I	Mixed	65,089	0.83	1,735,000
		Inferred	Mixed	6,215	0.34	67,000

SAN ANTONIO - Economics

Economic Analysis from 2012 Technical Report on Resources¹

(\$1,355 per ounce gold price)

- Measured, Indicated and Inferred resources are included;
- A mine operating life of 15 years;
- An overall average metallurgical recovery rate of 63% Au over the LoM;
- A net operating cost of US\$553/Oz. Au;
- Capital costs of US\$97.5 million, comprising initial capital costs of US\$84.3 million, and
- Sustaining capital over the LoM of US\$13.2 million;
- Mine closure cost, included in the above estimates is US\$15.4 million;
- The analysis does not include provision for salvage value; and
- Operating costs are 43% of revenue

Table 20.2.2: Economic Results Pre-Tax as of September 1, 2012

Description	Value	Units	Units
Production Summary			
Waste Mined	173,414	kt	
Resource Mined	60,612	kt	
Oz-Au Refined	1,046	koz	
Avg. LOM Strip Ratio	3.1		
Avg Annual Production (Oz Au)	74	koz	
Estimate of Cash Flow			
Gross Income	\$1,349,671	000's	
Refining	(\$10,459)	000's	
Net Revenue	\$1,339,212	000's	
Operating Costs			
Mining	333,624	US\$/t-crushed	5.50
Processing	198,565		318.99
G&A	46,250		189.85
			44.22
Total Operating	\$578,439	\$9.54	\$553.06
Operating Margin	\$760,773	000's	
Initial Capital	\$84,309	000's	
LoM Sustaining Capital	\$13,201	000's	
Cash Flow Available for Debt Service	\$647,862	000's	
NPV 8%	\$293,815	000's	

Table 20.2.3 illustrates the effect on NPV if a 30% tax is applied to the economic model.

Table 20.2.3: Economic Results After-Tax as of September 1, 2012

Description	Value (US\$)
Operating Margin	760,773
Initial Capital	84,309
LoM Sustaining Capital	13,201
Income Tax	194,371
Cash Flow Available for Debt Service	453,129
NPV 8%	205,605

UNGA PROJECT



WHY UNGA

- **SIZE** Unga is a rare, world-class gold district, entirely in the hands of a junior company
- **GRADE** SH-1 Resource (13.8 g/t gold) and historic mining at Apollo (10.1 g/t gold)
- **UPSIDE** Only 54 holes outside of the SH-1 Resource on Unga Island before Heliostar in 2020



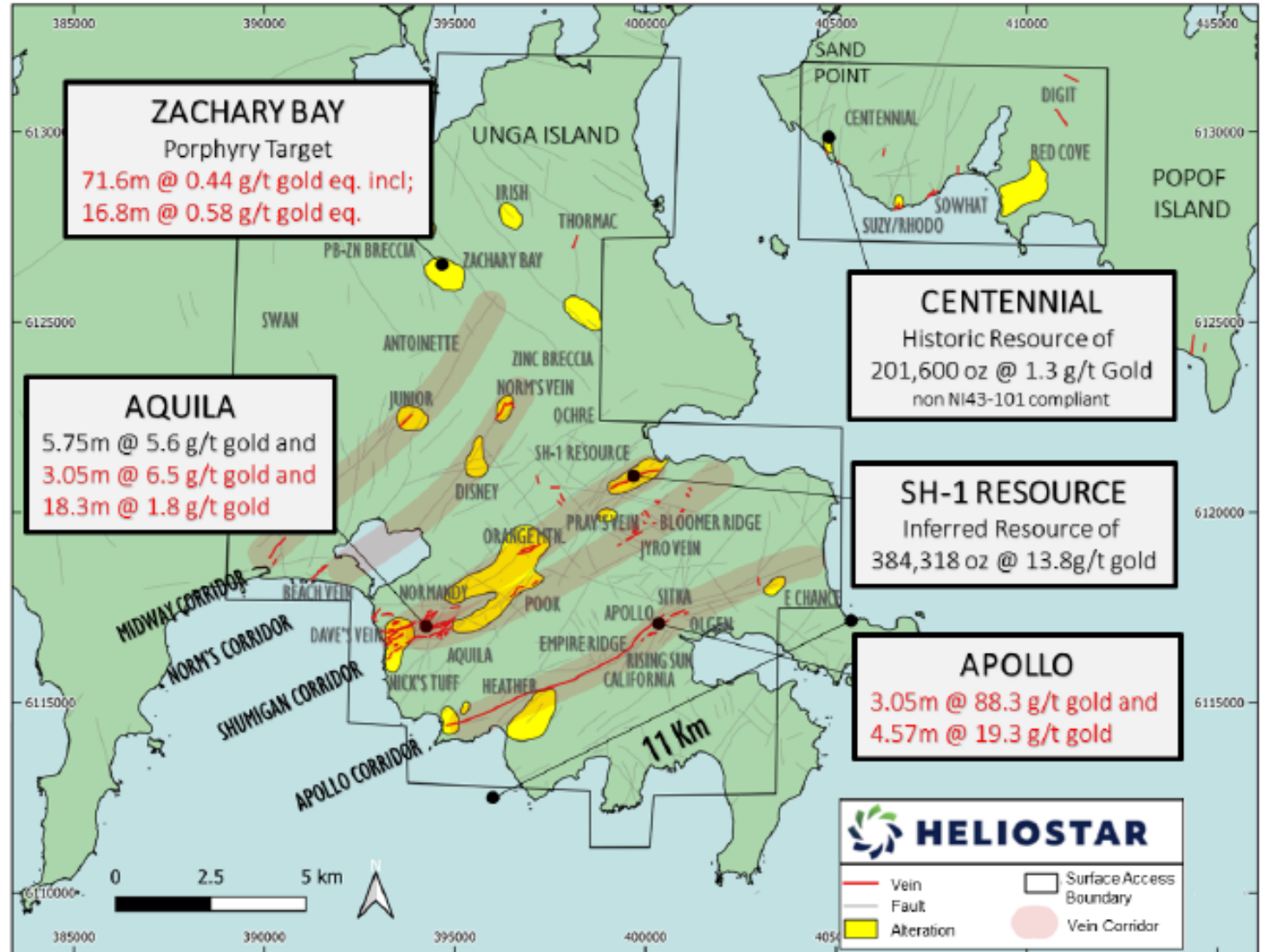
HELIOSTARS TIMELINE FOR UNGA

- 2020 – Define SH-1 Resource, **384,000 inferred ounces grading 13.8 g/t gold**
- 2021 – Expand project to a district scale (**Apollo: 3.05m at 88.3 g/t gold** and **4.57m at 19.3 g/t gold, Aquila: 3.05m at 6.5 g/t gold** and **18.3m @ 1.8 g/t gold**)
- 2022 – Paused exploration to prevent significant shareholder dilution in a bear market
- 2023 – **Commence Year Round Exploration.** Grow open intersections at Centennial, Aquila, Apollo and progress to update the resource targeting 1 million ounces of high-grade gold
- 2024 – Commence studies and permitting while growing gold footprint to 1-5 million ounces



UNGA PROJECT – 250 km² of upside

- 100% owned by Heliostar Metals
- High-grade gold occurs in NE trending veins. The company believes 3-5 Million ounces of gold is a credible target at Unga
- “Prior to Heliostar, only 54 holes have been drilled on Unga Island outside of the SH-1 Resource area in 135 years”
- Heliostar has drilled 10,001 metres since September 2020 with a focus on unlocking the district scale of the Unga project
- Lithocap gold and porphyry copper-gold targets also in the district
- Highlights of 2021 Program labelled in red



APPENDIX

THE BUSINESS OF EXPLORATION

TSX.V: HSTR / OTCQX: HSTXF / FRA: RGG1

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ANA PAULA DEAL TERMS

Heliostar can acquire a 100% interest in **Ana Paula** project for a total consideration of \$30,000,000 dollars (all dollars are United States Dollars) on the following terms;

- Heliostar will pay \$10,000,000 cash at closing - PAID
- Heliostar will issue \$5,000,000 of Heliostar shares on the earlier receipt of an extension to the current open-pit permit or granting of an underground mining permit
- Heliostar will pay \$2,000,000 cash on the earlier of completion of a Feasibility Study on Ana Paula (or July 1st, 2024)
- Heliostar will pay \$3,000,000 cash and \$2,000,000 in cash or shares on a construction decision to build a mine at Ana Paula. (If Heliostar has not reached a construction decision prior to July 1st, 2025, it will pay an annual cash payment to Argonaut of \$250,000 per annum from July, 1st, 2025 onwards)
- Heliostar will pay \$5,000,000 cash and \$3,000,000 in cash or shares upon declaring commercial production on Ana Paula
- Argonaut has the right, but not the obligation, to one board seat of Heliostar as a condition of the transaction closing

SAN ANTONIO DEAL TERMS

Heliostar has the option to acquire a 100% interest in the **San Antonio** project on the following terms (all dollars are United States Dollars) ;

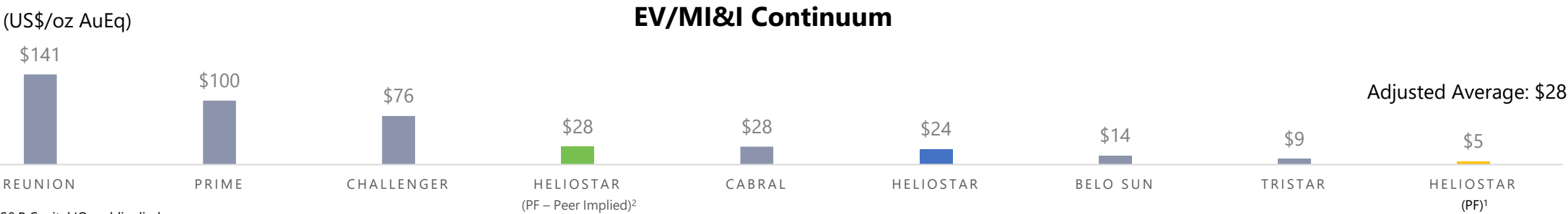
- Heliostar has a three year option agreement for 100% of the San Antonio project on successful granting of an environmental permit ("MIA") to advance the project
- Heliostar would pay all San Antonio related costs during the time of the option agreement
- Heliostar would commit to OECD compliance related to San Antonio permitting
- If Heliostar is able to get the San Antonio MIA during the time period of the option agreement, then Heliostar has an additional 18 month period to purchase the San Antonio project by:
 - Paying \$80M USD (up to half in shares) if the average gold price is below \$1,800 for the six months preceding Heliostar exercising the option, or
 - Paying \$120M USD (up to half in shares) if the average gold price is above \$1,800 but below \$2,000 for the six months preceding Heliostar exercising the option, or
 - Paying \$150M USD (up to half in shares) if the average gold price is above \$2,000 for the six months preceding Heliostar exercising the option, and
 - 2% NSR (subject to no other NSR burden on the claims)

COMPARISON TO SELECTED GOLD EXPLORERS AND DEVELOPERS

Gold Exploration and Development Companies Located in Latin America

Company	Market Cap.	Enterprise Value	Key Asset			Global Resource (AuEq)			EV/MI&I	P/NAV
			Name	Stage	Location	M&I	Inferred	M&I Grade		
	(C\$M)	(C\$M)				(Moz)	(Moz)	(g/t)	(US\$/oz AuEq)	(ratio)
Reunion Gold Corp.	\$273	\$212	Dorlin	Adv. Exploration	French Guiana	0.50	0.66	1.07	\$141	0.31x
Challenger Exploration Ltd.	\$182	\$166	Hualilan	Adv. Exploration	Argentina	0.64	1.04	1.46	\$76	0.33x
Prime Mining Corp.	\$160	\$139	Los Reyes	Adv. Exploration	Mexico	0.82	0.25	1.24	\$100	0.22x
Belo Sun Mining Corp.	\$150	\$128	Volta Grande	Feasibility	Brazil	5.20	1.64	1.04	\$14	0.34x
Bluestone Resources Inc.	\$110	\$96	Cerro Blanco	Feasibility	Guatemala	3.24	0.03	1.56	\$23	0.11x
Condor Gold Plc	\$56	\$51	La India	PEA	Nicaragua	1.16	1.19	3.99	\$17	na
Cabral Gold Inc.	\$39	\$34	Cuiu Cuiu	Adv. Exploration	Brazil	0.17	0.78	1.16	\$28	na
TriStar Gold Inc.	\$38	\$28	Castelo de Sonhos	PFS	Brazil	1.80	0.70	0.98	\$9	na
Low (25th Percentile)						0.60	0.56	1.07	\$16	0.22x
Mid (Adjusted Average)						1.19	0.87	1.22	\$28	0.30x
High (75th Percentile)						2.16	1.08	1.49	\$82	0.33x
Heliostar (Current)	\$13	\$12	Unga	Adv. Exploration	USA	-	0.40	14.21	\$24	na
Heliostar (PF) ¹	\$26	\$25	Ana Paula	Adv. Exploration	Mexico	3.20	0.49	1.44	\$5	na
Heliostar (PF - Peer Implied) ²	\$135	\$134	Ana Paula	Adv. Exploration	Mexico	3.20	0.49	1.44	\$28	na

Note: Market data as of July 21,2022; CAD/USD exchange rate of 0.77



Ana Paula NI 43-101 PFS Assumptions

Resource Estimate and Pit Optimization Assumptions

Under CIM definitions, Mineral Resources should have a reasonable prospect of economic extraction. A gold price of \$1,350/ounce and a silver price of \$17/ounce was used for the cut-off determination. For open pit resources, a cut-off of 0.6 g/t gold was used.

To further assess reasonable prospects of economic extraction, a Lerchs-Grossman optimized shell was generated to constrain the potential open pit material. Parameters used to generate this shell included:

- 49.5° overall slopes for the pit shell
- USD \$2.25/t mining, USD \$19/t milling, USD \$2.49/t G&A operating costs
- 88% gold recovery, and 30% silver recovery
- Gold price of \$1,350/ounce and \$17/ounce silver price
- Above criteria was applied to Measured, Indicated, and Inferred materials

To further assess reasonable prospects of economic extraction for the material below the resource constraining shell, a break-even cut-off of 1.65 g/t gold was selected based on the following parameters:

- USD \$36/t mining, USD \$19/t milling, USD \$2.49/t G&A operating costs
- 88% gold recovery and 30% silver recovery
- Gold price of \$1,350/ounce and \$17/ounce silver price
- Dilution considered for cut-off determination 5%
- Above criteria was applied to Measured, Indicated, and Inferred materials

Based on the geometry of the deposit, the material amenable to underground extraction will possibly be using a bulk mining method such as long-hole or modified Avoca mining method. The break-even cut-off stated above is only applicable to the material in the vicinity of the mineralized HALO due to increase in development cost reaching blocks further away. A mining plan does not exist for the material amenable to underground extraction; therefore, stope size, level spacing and other underground mining criteria have not yet been established.

Economic Assumptions

One metal price scenario was utilized to prepare the economic analysis. However a sensitivity analysis on the metal prices was completed and outlined in Section 22.8.

All costs, metal prices and economic results are reported in US dollars unless stated otherwise. LOM plan tonnage and grade estimates are demonstrated in Table 22-1. Mexican Peso exposure is estimated at 15%, the MXN:USD rate used is 18.59 :1.

Table 22-1: LOM Plan Summary		
Mine Life	Years	7.5
Total Reserve	M tonnes	13.4
Total Waste	M tonnes	36.5
Total Capitalized Waste	M tonnes	7.2
Total Mined	M tonnes	57.2
Strip Ratio (Operations)	w/o	2.81
Mining Rate (Maximum)	t/d	24,658
Plant Throughput (Maximum)	t/d	4,932
Pre-Strip/Capitalized Waste	M tonnes	7.2
Average Head Grades		
Au	g/t	2.36
Ag	g/t	5.22
Metal Produced		
Au	LOM k oz k oz/yr	868 116
Ag	LOM k oz k oz/yr	1,240 166

Economic factors include the following:

- Discount rate of five percent (sensitivities using other discount rates have been calculated for each scenario).
- Reclamation & Closure cost of \$8.8 million was considered.
- Nominal 2017 US dollars.
- Revenues, costs, taxes are calculated for each period in which they occur rather than actual outgoing/incoming payment.
- Results are presented on 100 percent ownership.
- No management fees or financing costs (equity fund-raising was assumed).
- Exclusion of all pre-development and sunk costs up to the start of detailed engineering (i.e. exploration and resource definition costs, engineering fieldwork and studies costs, environmental baseline studies costs, etc.).

Table 22-2 outlines the metal price assumptions used in economic analysis. This pricing used in the parameters established for mine planning were \$1,200/oz gold and \$16.00/oz silver.

The reader is cautioned that the gold prices used in this study are only estimates based on recent historical performance and there is absolutely no guarantee that they will be realized if the project is taken into production. The metal prices are based on many complex factors and there are no reliable long-term predictive tools.

San Antonio NI 43-101 Technical Report Assumptions

Resource Estimate and Pit Optimization Assumptions

The financial assumptions made at the time of optimization are detailed in Table 14.1.1.2.

Table 14.1.1.2: San Antonio Financial Assumptions

Pit Optimization Parameter	Type	Value
Mining Cost	Reference Mining Cost (\$/t)	1.45
Processing		
Rock Type	Process Name Rock type 1	Heap All oxidation types
Process Cost (US\$/crushed-t)	Material Selection Method Process Cost (\$/t processed) General and Administration (\$/t processed)	Cash Flow 3.09 0.63
Au Recoveries (%)	North Oxide/Transition	84
	North Sulfide	59
	Intermediate Oxide/Transition	53
	Intermediate Sulfide	53
	Las Colinas Oxide/Transition	49
	Las Colinas Sulfide	40
Revenue and Selling Cost		
	Au Units	oz
	Au Price(US\$/oz)	\$1,200
Royalty, Refining, Transport etc.		
	Au Selling Cost (US\$/oz)	3
Operational Scenario – Limits		
	Mining Limit	None
	Process Limit t/yr	4,000,000

Economic Assumptions

Based on a production rate of 4 Mt of resource being placed on heap leach pads, the price assumptions to determine revenue are detailed in Table 20.1.1.

Table 20.1.1: Market Inputs as of September 1, 2012

Parameter	US\$/oz	units
Avg. Life-of-mine Gold Price	\$1,355.00	/oz
Gold Refining	\$10.00	/oz
Gold Royalty	0%	No applicable NSR/oz included in PEA

The financial analysis results, shown in Table 20.2.1, indicate an NPV8% of US\$293 million on a pretax basis. Payback will be less than 1.5 years of production. The following provides the basis of the San Antonio LoM plan and economics:

- Measured, Indicated and Inferred resources are included;
- A mine operating life of 15 years;
- An overall average metallurgical recovery rate of 63% Au over the LoM;
- A net operating cost of US\$553/oz Au;
- Capital costs of US\$97.5 million, comprising initial capital costs of US\$84.3 million, and sustaining capital over the LoM of US\$13.2 million;
- Mine closure cost, included in the above estimates is US\$15.4 million;
- The analysis does not include provision for salvage value; and
- Operating costs are 43% of revenue.

Gold price assumptions are according to consensus of major bank going forward as outlined in the

Table 20.2.1.

Table 20.2.1: Gold Price Assumptions

Year	1	2	3	4	5+
US\$/oz Au	\$1,595	\$1476	\$1,346	\$1,292	\$1,250