



HELIOSTAR

**TRANSFORMATIVE MEXICAN GOLD
PORTFOLIO ACQUISITION**

DECEMBER 2022

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” 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.

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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 LEADERSHIP



Charles Funk - CEO & Director

Led the Panuco discovery for Vizsla Silver in 2020.
Over 15 years in exploration for companies including Newcrest Mining



Jacques Vaillancourt - Chairman

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



Sam Anderson - VP Exploration

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



Dr. Alan Wilson - Director

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



Mahesh Liyanage - CFO

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



Ken Booth - Director

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



Rob Grey - Investor Relations Manager

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



George Ireland - Director

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

A TRANSFORMATIVE ACQUISITION

THE DEAL

- Heliostar will acquire a gold portfolio of advanced gold deposits from Argonaut Gold. Key deposits include:
 - 100% of Ana Paula project for US\$30M (\$10M cash upfront, \$20M deferred (\$10M shares, \$10M cash) until milestones achieved)
 - An option to acquire 100% of the San Antonio gold deposit

THE VISION

- Heliostar will emerge as a mid-tier gold producer
- Upon deal completion will have a resource base of 3.2 Moz in the M&I category and 0.5 Moz in the Inferred category
- Corporate aim of growing to a 500,000 ounce per year gold producer

THE DEPOSITS

- **Ana Paula** 1.4Moz of gold (M&I) at 2.17 g/t gold
- PFS completed with post tax 34% IRR and \$233M NPV at \$1,250 per ounce gold price¹
- Fully permitted for an Open Pit Mine
- **San Antonio** 1.7Moz of gold (M&I) at 0.83 g/t gold

THE STRATEGY

- Complete a Feasibility Study on Ana Paula within 18 months and commence construction
- Grow resource at Unga to greater than 1Moz of gold
- Permit San Antonio within three years to trigger option and proceed through feasibility study to construction

THE BUSINESS CASE

AN ACCRETIVE DEAL

- Upon closing Heliostar will have an EV of \$25M and a peer implied valuation (EV/MI&I) of \$103M
- Heliostar intends to spend \$10M within 18 months to complete a Feasibility Study ("FS") on Ana Paula and reach a construction decision
- Heliostar can deliver a FS on Ana Paula for as little as \$20 M within 18 months (including upfront acquisition capital)
- Heliostar plans to utilize equity, sale of royalties and/or convertible notes to fund the acquisition and Feasibility Study

SIGNIFICANT UPSIDE

- **Ana Paula** is a high margin deposit with an All In Sustaining Cost ("AISC") of \$524 per ounce gold in the 2017 PFS
- Deposit is open for expansion within a large 50,516-hectare land package
- Potential for both open pit and high grade underground development
- **San Antonio** is a very low cost option for three years to acquire a development permit
- Argonaut acquired Pediment Gold in 2010 for C\$137 M principally for the San Antonio Deposit
- **Unga** is an extremely high grade deposit (384,000 inferred ounces at 13.8 g/t gold) with significant exploration upside

COMPARISON TO SELECTED GOLD EXPLORERS AND DEVELOPERS

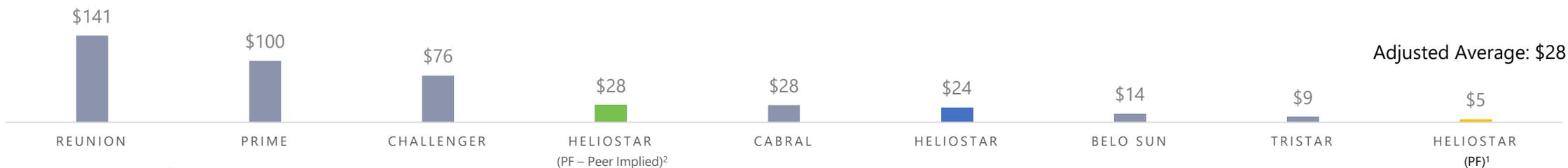
Gold Exploration and Development Companies Located in Latin America

Company	Market Cap. (C\$M)	Enterprise Value (C\$M)	Key Asset			Global Resource (AuEq)			EV/MI&I (US\$/oz AuEq)	P/NAV (ratio)
			Name	Stage	Location	M&I (Moz)	Inferred (Moz)	M&I Grade (g/t)		
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

(US\$/oz AuEq)

EV/MI&I Continuum



Source: S&P Capital IQ, public disclosure

Note: "Adjusted Average" is based on values that are within +/- one standard deviation from the mean and excludes Heliostar

1. Heliostar (PF) accounts for the cash payment of US\$10M for the Ana Paula and San Antonio asset purchases

2. Heliostar (PF - Peer Implied) is based on the peer group EV/MI&I adjusted average trading multiple

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 (160-180koz gold production guidance in 2022)

Infrastructure:

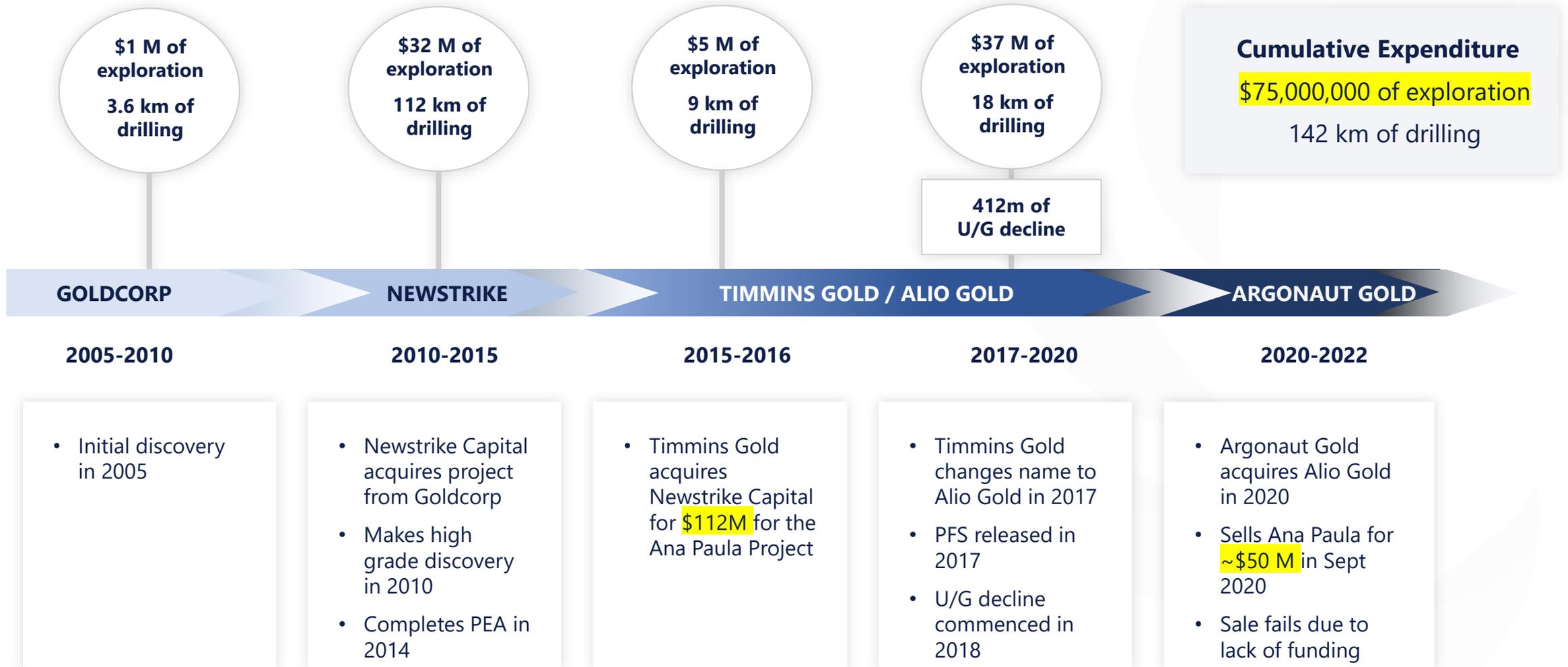
- Power connected to site
- 115 kV power line for plant located 2.5km from permitted location.
- Excellent road access
- 6 km from closest town of Cuetzala del Progreso
- 215 km to the Port of Acapulco



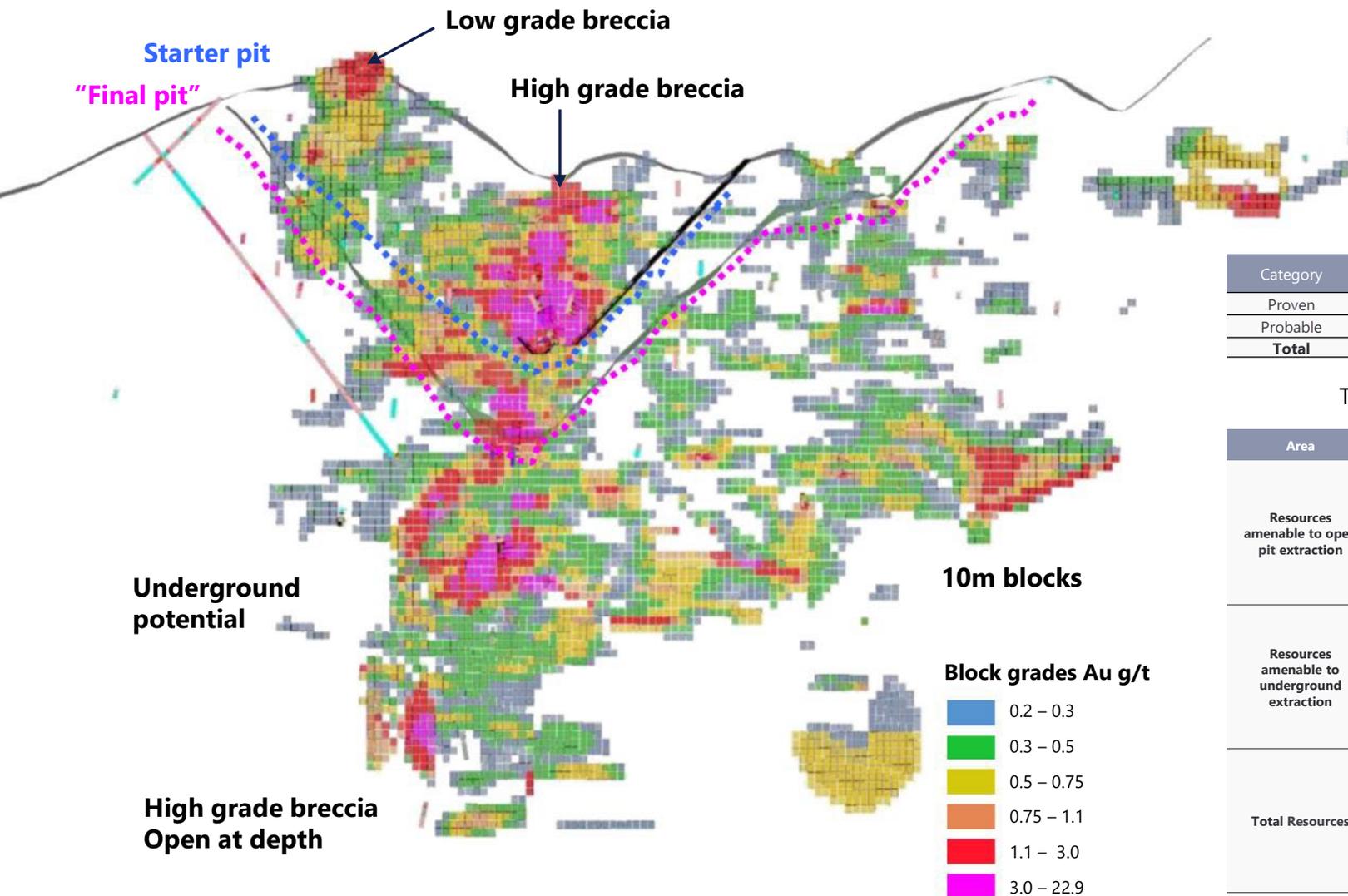
ANA PAULA – Site Layout



ANA PAULA – Project History



ANA PAULA - Reserves and Resources



Significant drill hits include;

- 231m @ 7.5g/t gold,
- 99.4m @ 10.8g/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

ANA PAULA - Development budget

0-6 Months

Scoping Study (\$3M)

- Drilling program for met work and resource confirmation
- Trade off analysis on open pit versus underground mine
- Metallurgical program for optimized mine design
- Utilize JDS's project knowledge in a partnership with JDS Engineering



6-18 Months

Feasibility Study (\$7M)

- Complete Feasibility Study



18 Months

Construction Decision

- Finance construction
- Commence development
- Targeting production in H2, 2025

KEY RISKS AND MITIGATIONS

ANA PAULA KEY RISKS

- **Jurisdiction:** Project located in Guerrero, Mexico
- **Metallurgy:** Partially Refractory Gold Mineralization

SAN ANTONIO KEY RISK

- **Permit:** Project is on hold due to unresolved permit application by Argonaut Gold

ANA PAULA SOLUTIONS

- **Jurisdiction:** Guerrero State is significantly safer to operate in than the public perception
- **Jurisdiction:** Project is located within 30km of two operating mines (Morelos Complex, Torex Gold and Los Filos, Equinox Gold) with track records of steady state operation
- **Metallurgy:** Conservative gravity circuit, sulfide flotation and Cyanide in Leach ("CIL") still has very strong NPV outcomes due to high grade gold core

SAN ANTONIO SOLUTIONS

- **Permit:** No payments unless a permit is successfully obtained
- **Permit:** Heliostar permitting team has a proven track record with Agnico Eagle in Jalisco and Vizsla Silver in Sinaloa

ANA PAULA – Economic Outcomes



Heliostar and JDS Energy (former operator at Ana Paula for Alio Gold) are coordinating on the offer, due diligence and advancing the project

Heliostar is exploring a range of simplified processing options with selective underground mining to lower risk and capital intensity

Summary of Economic Results	Units	2017 PFS Case (OP-Gravity/ AtmosOx/Leach)	Heliostar 2022 Case (U/G-Gravity/Leach)	Heliostar Upside Case* (U/G-Gravity/Leach)
Gold Price	US\$	1,250	1,725	2,000
Gold Recovery	%	85	70	70
Life of Mine (LOM)	Years	7.5	8	8
Avg Annual Gold Production	ounces	116,000	86,000	97,000
After-Tax NPV @ 5%	US\$M	223	220	430
	C\$M	289	285	559
After-Tax IRR	%	34	31	69
Payback	Years	2.3	2.8	0.9
Pre-Production Capital	US\$M	181	149	149
	C\$M	235	193	193

*Upside case contains higher gold price and double the average mined grade in year one only (8.62 g/t gold head grade compared to 4.31 g/t gold head grade)

HELIOSTAR PRE TRANSACTION

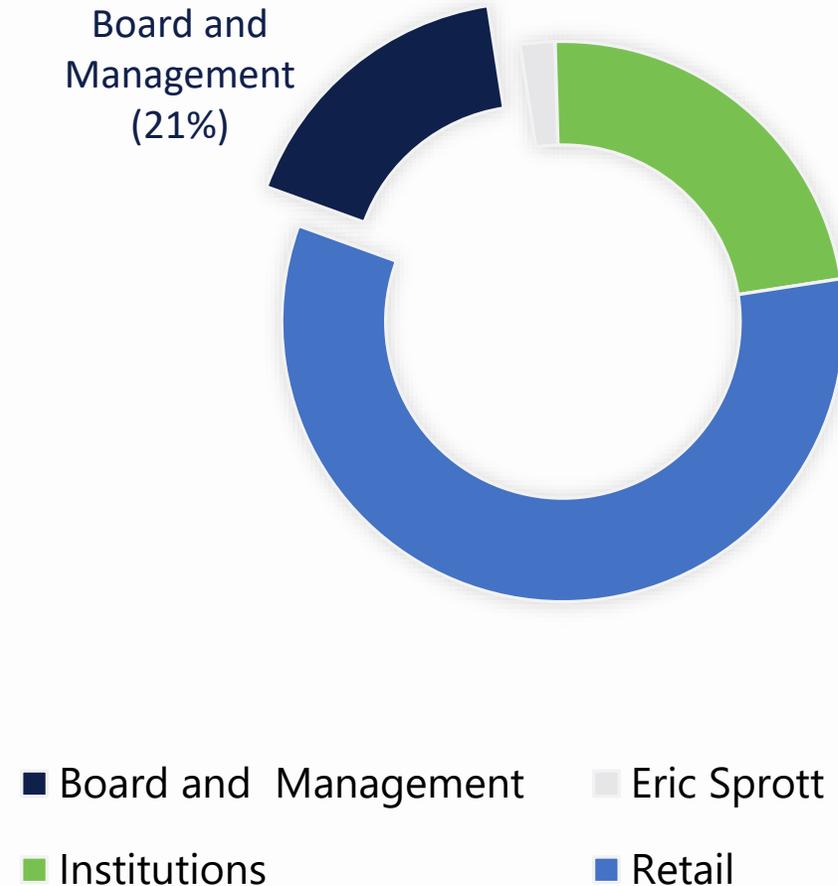
Capital Structure

Shares on Issue	55.0 M
Options Outstanding	3.5 M
Warrants	15.2 M
Fully Diluted	73.7 M
Cash	\$1.3 M

Analyst Coverage

	Michael Gray
	Mike Niehuser

Shares Structure

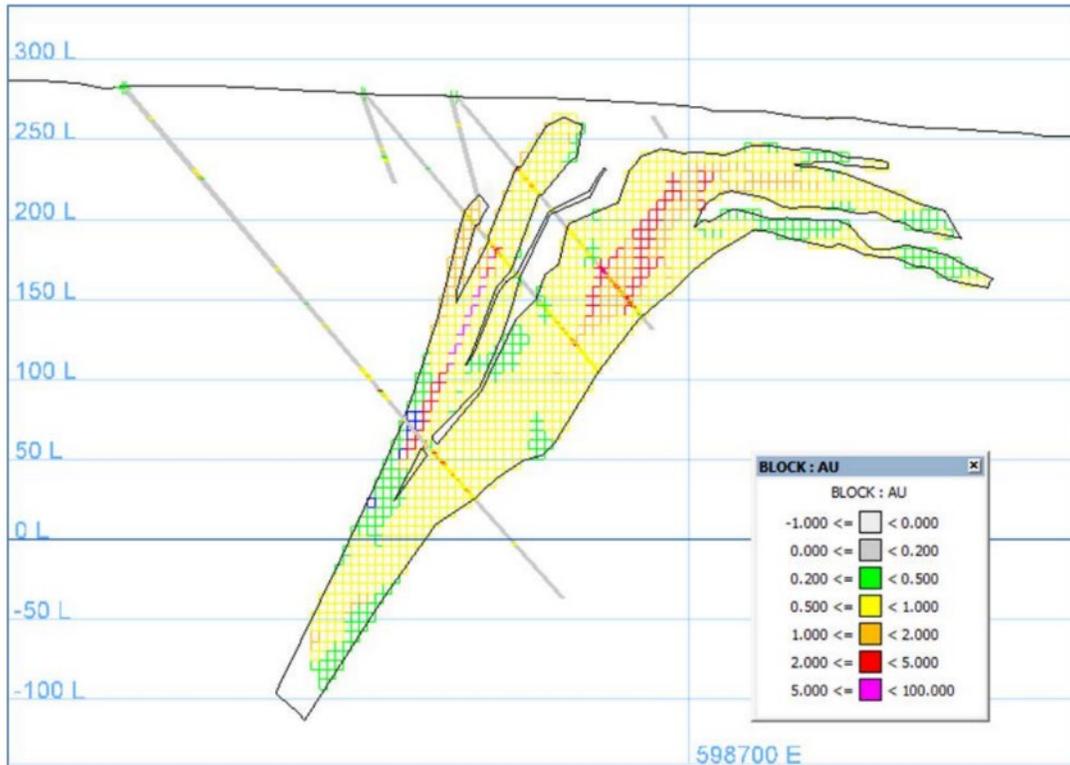


SAN ANTONIO - Summary

- 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

Significant drill hits include;

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



Cross section (263950 North) through San Antonio Resource Model

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

(\$1,500 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			
		US\$/t-crushed	US\$/oz-Au
Mining	333,624	5.50	318.99
Processing	198,565	3.28	189.85
G&A	46,250	0.76	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

APPENDIX

THE BUSINESS OF EXPLORATION

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

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Email

info@heliostarmetals.com

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
- 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)

HELIOSTARS CURRENT UNGA ASSET



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

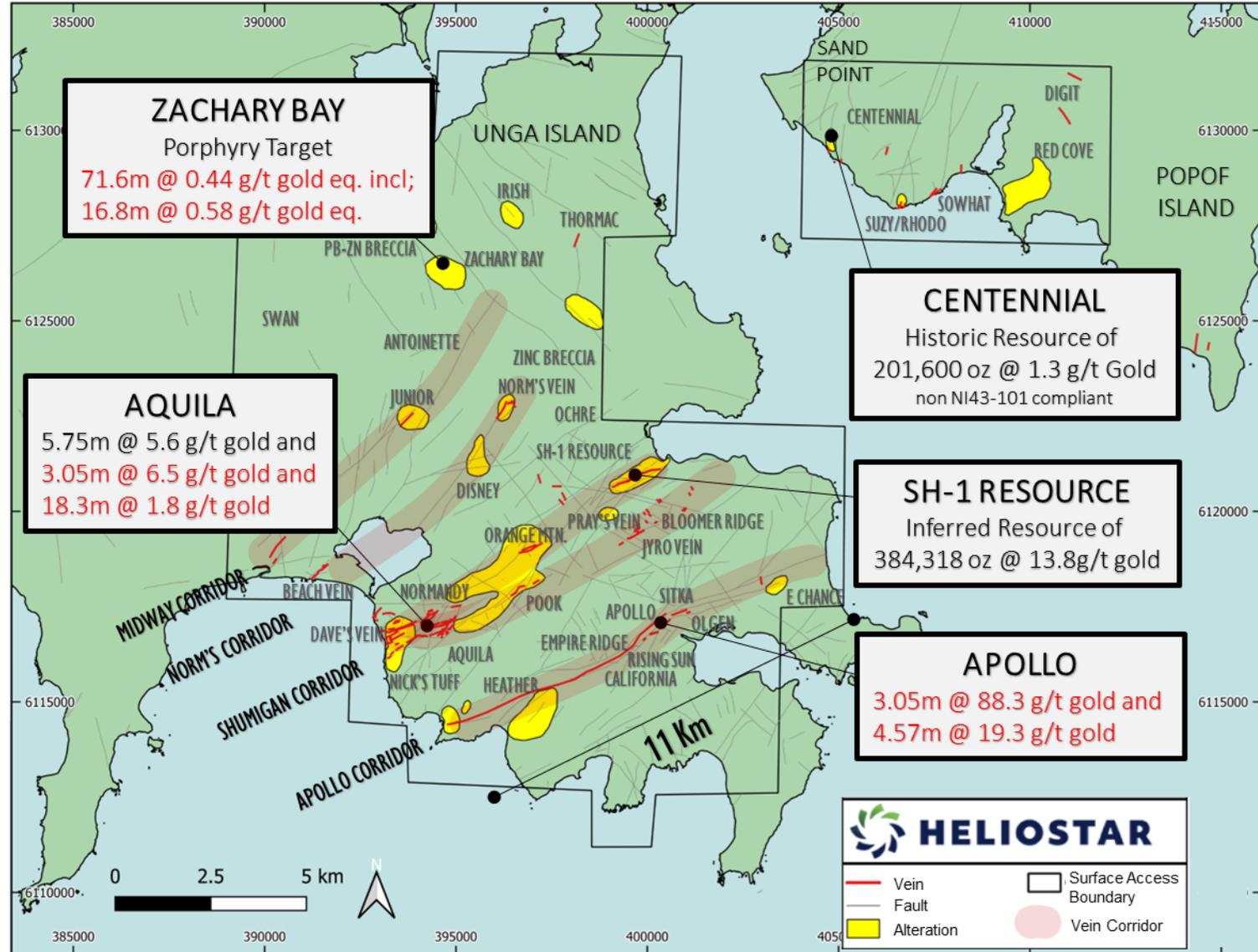


HELIOSTARS TIMELINE FOR UNGA

- 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



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	868
	k oz/yr	116
Ag	LOM k oz	1,240
	k oz/yr	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	\$1,476	\$1,346	\$1,292	\$1,250