

Heliostar Announces Closing of \$3 Million Non-Brokered Private Placement

Vancouver, British Columbia–(Newsfile Corp. – August 2, 2022) – Heliostar Metals Limited (TSXV: HSTR) (OTCQX: HSTXF) (FSE: RGG1) (**“Heliostar”** or the **“Company”**) is pleased to announce that, further to its news releases dated June 23, 2022 it has closed its non-brokered private placement offering (the **“Offering”**). 12,020,000 units (each a **“Unit”**) of the Company were issued at a price of \$0.25 per Unit (the **“Offering Price”**) for gross proceeds of \$3,005,000.

About the Private Placement

Each Unit will consist of one common share in the capital of the Company (each a **“Common Share”**) and one common share purchase warrant (a **“Warrant”**). Each Warrant shall initially entitle the holder to purchase one additional Common Share at an exercise price of \$0.50 per Common Share until the date (the **“Transition Date”**) that is six months following the Closing Date. On the Transition Date, each outstanding Warrant shall automatically (without any need for notice or action) convert into a half-warrant (each, a **“Half-Warrant”**) and thereafter the holder will only be entitled to purchase one Common Share upon the exercise of two Half-Warrants at an aggregate exercise price of \$0.75 per Common Share. The Half-Warrants will expire eighteen months after the Transition Date.

In the Offering, the Company paid finders fees to three qualified finders, consisting of an aggregate amount of \$14,700 in cash and 58,800 non-transferable broker warrants (**“Broker Warrants”**). Each Broker Warrant is exercisable into one Share (each a **“Broker Warrant Share”**) at an exercise price of \$0.50 per Common Share until the Transition Date. On the Transition Date, each outstanding Warrant shall automatically (without any need for notice or action) convert into a Half-Warrant and thereafter the holder will only be entitled to purchase one Common Share upon the exercise of two Half-Warrants at an aggregate exercise price of \$0.75 per Common Share. The Half-Warrants will expire eighteen months after the Transition Date.

The Shares, any Warrant Shares issuable upon exercise of any of the Warrants and any Broker Warrant Shares issuable upon exercise of any of the Broker Warrants are subject to a four month and one-day restricted resale period expiring December 3, 2022 in accordance with the policies of the TSX Venture Exchange and securities laws applicable in Canada. In addition to Canadian resale restrictions, any of the securities sold to investors from other jurisdictions may be subject to additional resale restrictions, including those of the federal laws of the United States of America and any State or territory thereof.

The Company intends to use the net proceeds from the Offering to advance its Alaskan and Mexican projects, focusing primarily on a proposed drill program at Unga, as well as for

working capital and general corporate purposes.

Geologic Resource Partners LLC, a company wholly owned and controlled by George Ireland, a director, purchased 400,000 Units in the Offering, and the Offering is therefore considered to be a “related party transaction”, as defined in Multilateral Instrument 61-101, Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”) and Policy 5.9 of the TSX Venture Exchange, which require that the Company, in the absence of exemptions, obtain a formal valuation for, and minority shareholder approval of, the related party transaction. However, the Offering is exempt: (i) from the formal valuation requirement of MI 61-101 (and Policy 5.9) pursuant to the exemption contained in section 5.5(b) of MI 61-101 as none of the Company’s securities are listed on any of the markets specified in section 5.5(b) of MI 61-101, and (ii) from the shareholder approval requirement of MI 61-101 (and Policy 5.9) pursuant to the exemption contained in section 5.7(1)(a) of MI 61-101 because the fair market value of the securities sold to related parties in the Offering did not exceed 25% of the Company’s market capitalization.

None of the securities to be issued in the Offering have been or will be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), and none may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act.

About Heliostar Metals Ltd.

Heliostar is a junior exploration and development company with a portfolio of high-grade gold projects in Alaska and Mexico. The company’s flagship asset is the 100% controlled Unga Gold Project on Unga and Popof Islands in Alaska. The project hosts an intermediate sulfidation epithermal gold deposit, located within the district-scale property that encompasses 240km² across the two islands. Additional targets on the property include porphyry, high sulphidation and intermediate sulphidation epithermal veins. On Unga Island, priority targets include: the SH-1 and Aquila, both on the Shumagin Trend, the former Apollo-Sitka mine, which was Alaska’s first underground gold mine and the Zachary Bay porphyry gold-copper prospect. Gold mineralization at the Centennial Zone is located on neighbouring Popof Island within four kilometres of infrastructure and services at Sand Point.

In Mexico, the company owns 100% of three early stage epithermal projects in Sonora that are highly prospective for gold and silver. Cumaro forms part of the El Picacho district, while the Oso Negro and La Lola projects are also prospective for epithermal gold-silver mineralization.

For additional information please contact:

Charles Funk

Chief Executive Officer
Heliostar Metals Limited
Email: charles.funk@heliostarmetals.com

Rob Grey

Investor Relations Manager
Heliostar Metals Limited
Email: rob.grey@heliostarmetals.com

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

Forward-Looking Information. This release includes certain statements that may be deemed "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 "would", "may", "could" or "should" occur. Forward-looking statements in this press release include Heliostar's planned use of proceeds.. Although Heliostar believes that the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not a guarantee 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, weather, 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. Except as required by applicable securities laws, 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.

**THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR
FOR DISSEMINATION IN THE UNITED STATES OR TO U.S. PERSONS**

To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/132649>