MARCH 14, 2023

# Moving Ahead with Heliostar's Transformation to a Gold Developer!

Dear Investor,

Heliostar achieved several significant milestones over the last week.

- We upsized the financing from C$12.5 million to US$15.0 Million (C$20.4 million)
- Further we submitted all the required documentation to the exchange on Monday March 6th
- Yesterday, Monday March 13th, we received approval to close the financing
- Financing can now close on Thursday March 16th
- We expect to return to trading on the TSX-V in the coming days
- The feedback from PDAC was excellent. Many people we spoke to are excited about the resumption of work at Ana Paula
- Heliostar stood out as one of the only juniors who took advantage of the down market in 2022 to do M&A deals

### Financing

We chose to increase the financing thanks to significant interest in the Ana Puala acquisition and our plans to develop the asset. Our minimum was US$12.5M to acquire and re-scope the project. However US$15M provides a longer runway and additional working capital to buttress the company in 2023.

More significantly, highly respected institutional and high net worth investors saw the value created by the acquisition. Major shareholders now include Franklin Templeton, Eric Sprott and Adrian Day's Euro Pacific Fund.

### Returning to Trade

As we discussed in our last shareholder update, we completed an updated Preliminary Feasibility Study (PFS). We submitted this and the requisite carve-out financial statements and legal opinions to the exchange on Monday the 6th. This completed all the documentation required for the exchange approval of the Ana Paula acquisition.

More time-sensitive, it should allow for a return to trading in the coming days.

Trading will recommence on the TSX-V in Canada and then later on the OTC-QX in the US. The OTC has a slightly longer process that starts after TSX-V trading has recommenced.

Halting our stock and removing liquidity was a difficult decision for the management of the company. We did not take that lightly. However, we did it knowing we were making a transformational acquisition that adds tremendous value to our shareholders. We believe that Ana Paula can significantly improve shareholder returns over the coming years. Further, we endeavored to minimize the time of the halt. The updated PFS was completed in only three months (including Christmas)!

**PDAC**

PDAC appeared back to its usual stride post COVID. We did miss the warmth of last year's summer conference. But this year felt much like a normal PDAC. We caught up with shareholders to provide updates on our progress and 2023 plans. The main topic of conversation focused on the unusual combination of high commodity prices with low liquidity in equities. The recent flurry of mergers and acquisitions (M&A) in the space also attracted attention. The prevailing theory is that the M&A could solve the liquidity issue as the deals attract market attention to the sector.

I hadn't appreciated that Heliostar's acquisition of Ana Paula and option of San Antonio was one of the only junior M&A deals in 2022. This came up a number of times in conversations and meetings over the last few days. In 2022, we saw the bear market as an opportunity. We sought to use the poor sentiment to improve our company by acquiring large assets.

In our view, Heliostar's valuation upon completion of this acquisition creates the opportunity for outsized returns as we execute the plan to achieve our growth goals.

**Next Steps**

The priority is a resumption of trading. Then we will close the transaction for Ana Paula. And we will update the market on the Ana Puala re-scope program for 2023.

This will include significant milestones, including the commencement of a drill program, underground mine sequencing, metallurgy, and a resource update that each have the potentially to be significant catalysts.

We thank you for your continued support of Heliostar. If you have any questions, please email info@heliostarmetals.com and I will be happy to connect with you.

Sincerely,

Charles Funk - CEO