

HELIOSTAR ANNOUNCES CLOSING OF UPSIZED \$7 MILLION OFFERING

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Vancouver, Canada, July 11, 2023 – HelioStar Metals Ltd. (TSXV: HSTR, OTCQX: HSTXF, FRA: RGG1) (the “**Company**” or “**HelioStar**”) is pleased to announce that it has closed its previously announced private placement offering (the “**Offering**”) for aggregate gross proceeds of approximately \$7,000,000.

Pursuant to the Offering:

- a total of 9,990,200 units of the Company (the “**Units**”) were offered at a price of \$0.37 per Unit (the “**Issue Price**”) by Clarus Securities Inc. (“**Clarus**”), as lead agent, on behalf of a syndicate of agents including PI Financial Corp. and Roth Canada, Inc. (collectively, the “**Agents**”) for gross proceeds of \$3,696,374 pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – *Prospectus Exemptions* (the “**Brokered Portion**”); and
- a total of 8,928,824 Units were offered directly by the Company at the Issue Price pursuant to a concurrent non-brokered private placement for additional gross proceeds of \$3,303,664.88 (the “**Non-Brokered Portion**”).

Each Unit is comprised of one common share in the capital of the Company (“**Common Share**”) and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder to purchase one Common Share for a period of 18 months, at an exercise price of \$0.50 for an initial period of six months, after which time the exercise price will increase to \$0.70 for the remaining term of the Warrant.

The Company intends to use the net proceeds of the Offering to continue the exploration and development work on its Ana Paula Project in Guerrero, Mexico, as well as general corporate working capital purposes.

The Units issued pursuant to the Brokered Portion are not subject to resale restrictions pursuant to applicable Canadian securities laws. The Units issued pursuant to the Non-Brokered Portion will be subject to the statutory hold period of four months and one day from the date of issuance in accordance with applicable Canadian securities laws. Closing of the Offering is subject to final approval of the TSX Venture Exchange (the “**TSXV**”).

As consideration for their services in connection with the Brokered Portion, the Company paid the Agents a cash commission of \$221,782.44 and a corporate finance fee of \$30,000 including HST. In addition, the Company issued to the Agents 599,412 non-transferable compensation options (the “**Compensation Options**”). Each Compensation Option entitles the holder to purchase one Common Share at the Issue Price for a period of 18 months.

The Company also paid a finder’s fee to 3L Capital Management, LLC (the “**Finder**”) in connection with a portion of the Non-Brokered Portion, consisting of a cash fee of \$41,400.78. In addition, the Company issued the Finder 111,894 non-transferable finder’s warrants (the “**Finder’s Warrants**”). Each Finder’s Warrant entitles the holder to purchase one Common Share at the Issue Price for a period of 18 months.

Certain insiders of the Company subscribed for an aggregate of 27,100 Units for gross proceeds of \$10,027 under the Non-Brokered Portion. Participation by insiders of the Company in the Non-Brokered Portion constitutes a related-party transaction as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The issuance of securities is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101 as the Common Shares are listed on the TSXV. The issuance of securities is also exempt from the minority approval requirements of Section 5.6 of MI 61-101 pursuant to Subsection 5.7(1)(b) of MI 61-101 as the fair market value was less than \$2,500,000.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and may not be offered or sold to, or for the account or benefit of, persons in the “United States” or “U.S. persons” (as such terms are defined in Regulation S under the U.S. Securities Act) absent registration under the U.S. Securities Act and all applicable state securities laws or compliance with an applicable exemption from such registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Stewart Harris, P.Geo., a Qualified Person, as such term is defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, has reviewed the scientific and technical information that forms the basis for this news release and has approved the disclosure herein.

About Heliostar Metals Ltd.

Heliostar is a junior mining company with a portfolio of high-grade gold projects in Mexico and Alaska.

The Company is focused on developing the 100% owned Ana Paula Project in Guerrero, Mexico. In addition, Heliostar is working with the Mexican government to permit the San Antonio Gold Project in Baja California Sur, Mexico. The Company continues efforts to explore the Unga Gold Project in Alaska.

The Ana Paula Project deposit contains proven and probable mineral reserves of 1,081,000 ounces of gold (630,000 proven and 451,000 probable ounces) at 2.38 grams per tonne (“**g/t**”) gold and 2,547,000 ounces of silver at 5.61 g/t silver (1,322,000 proven and 1,226,000 probable ounces). The project measured and indicated resources of 1,468,800 ounces of gold (703,800 measured and 765,000 indicated ounces) at 2.16 g/t gold and 3,600,000 ounces of silver (1,637,000 measured and 1,963,000 indicated ounces) at 5.3 g/t silver. The project is permitted for open-pit mining and contains significant existing infrastructure including a portal and a 412-metre-long decline.

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Cautionary Statement

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, the intended use of proceeds from the Offering, receipt of final approval of the TSXV, and the Company's objectives, goals or future plans. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. All statements that address future plans, activities, events or developments that the Company believes, expects or anticipates will or may occur are forward-looking information. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. When considering this forward-looking information, readers should keep in mind the risk factors and other cautionary statements in the Company's disclosure documents filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com. The risk factors and other factors noted in the disclosure documents could cause actual events or results to differ materially from those described in any forward-looking information. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Neither the 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 news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.