

Heliostar Completes Acquisition of Ana Paula

Vancouver, Canada, March 28, 2023 – Heliostar Metals Limited (TSX.V: HSTR, OTCQX: HSTXF, FRA: RGG1) (“**Heliostar**” or the “**Company**”) is pleased to announce that the Company has closed its transaction with Argonaut Gold Inc. (“**Argonaut**”) in which it has acquired, indirectly, the Ana Paula Gold Project (the “**Ana Paula Gold Project**”). Heliostar now holds a 100% interest in the Ana Paula Gold deposit in Mexico (the “**Transaction**”).

Heliostar CEO, Charles Funk commented, “*Heliostar is now the owner of the Ana Paula Gold deposit, a 1.4-million-ounce resource (M&I) with a PFS and permits for open pit mining. The transaction has added advanced gold ounces to our company for significantly less than the cost to drill, define and permit them. In the coming months, the Company’s re-scope has the potential to deliver wide, high grade drill results, that in conjunction with mining and metallurgical studies can significantly increase the NPV of a mine at Ana Paula. We look forward to delivering on these re-rating steps in 2023*”.

Ana Paula Gold Project¹

- Ana Paula is permitted for an open pit mine with measured and indicated (M&I) mineral resources of 1.46 Moz gold at 2.17 g/t gold and 3.27 Moz silver at 4.8 g/t silver.
- Proven and probable mineral reserves of 1,021,000 ounces of gold at 2.36 g/t gold and 2,254,000 ounces of silver at 5.22 g/t silver.
- High grade gold project with potential to be an open pit or underground mine.
- Estimated US\$75,000,000 of historic exploration and development expenses.
- Existing mine infrastructure including a 412 metre long decline in place.
- 142,000 metres of drilling in 333 holes.

For additional information on the Transaction and the Ana Paula Gold Project, please see the Company’s news releases dated December 5, 2022, January 17, 2023, March 3, 2023, and March 17, 2023 filed under the Company’s profile on [SEDAR](#).

Acquisition Summary

On December 5, 2022, Heliostar entered into a share purchase agreement, as amended (the “**Purchase Agreement**”) with Argonaut for the sale of all of the issued and outstanding shares of Aurea Mining Inc. (“**Aurea Mining**”), a wholly-owned subsidiary of Argonaut, which through Aurea Mining’s wholly-owned subsidiary Minera Aurea S.A. de C.V. (“**Minera Aurea**”), holds a 100% indirect interest in and to Ana Paula. Pursuant to the terms of the Share Purchase Agreement, Heliostar acquired all the issued and outstanding shares of Aurea Mining in consideration for a cash payment to Argonaut of US\$10,000,000 at closing (the “**Cash Consideration**”) and, in addition to the Cash Consideration, Heliostar also agreed that:

- On the earlier of receiving an extension to the existing Ana Paula Gold Project open-pit mining permit and the granting of a new underground mining permit, the issuance of such number of common shares in the capital of Heliostar (each, a “**Heliostar Share**”) as have an aggregate value of US\$5,000,000 to Argonaut divided by the volume weighted average closing price (“**VWAP**”) of the Heliostar Shares for the ten trading days ending on the last trading day immediately prior to the date of the Purchase Agreement;

-
- On the earlier of (a) the date of completion of a feasibility study for the Ana Paula Gold Project and (b) July 1, 2024, a cash payment to Argonaut of US\$2,000,000;
 - On the date that Heliostar announces a construction decision for the Ana Paula Gold Project, it will pay to Argonaut an additional cash payment of US\$3,000,000 and US\$2,000,000 in cash or Heliostar Shares at a deemed price equal to the VWAP of the Heliostar Shares for the ten trading days immediately prior to announcement of the construction decision; and
 - On the date that Heliostar commences commercial production at the Ana Paula Gold Project, it will pay to Argonaut an additional US\$5,000,000 in cash and US\$3,000,000 in cash or Heliostar Shares at a deemed price equal to the VWAP of the Heliostar Shares for the ten trading days immediately prior to announcement of the commercial production.
 - All contingent Heliostar Share issuances noted above are subject to a minimum deemed price of \$0.24 per Heliostar Share.

Statement of Qualified Person

Stewart Harris, P.Geol., a Qualified Person, as such term is defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”), has reviewed the scientific and technical information that forms the basis for this news release and has approved the disclosure herein. Historical information contained in this news release cannot be relied upon as Stewart Harris has not prepared nor verified such information.

About Heliostar Metals Ltd.

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

Upon completion of the Transaction, the Company intends to focus 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 Sur, Mexico. The Company continues efforts to expand the resource at the Unga Gold Project in Alaska, United States of America.

The Ana Paula Project deposit contains proven and probable mineral reserves of 1,021,000 ounces of gold at 2.36 grams per tonne (“g/t”) gold and 2,254,000 ounces of silver at 5.22 g/t silver. Ana Paula hosts measured and indicated resources of 1,461,800 ounces of gold at 2.17 g/t gold and 3,269,000 ounces of silver at 4.8 g/t silver. A Preliminary Feasibility Study was completed in 2017 and the asset is permitted for open-pit mining.¹ The asset contains significant existing infrastructure including a portal and 412 metre long decline.

San Antonio is a high-grade oxide gold deposit containing measured and indicated mineral resources of 1,735,000 ounces of gold at 0.83 g/t gold. A Preliminary Economic Assessment for Argonaut was completed in 2012.

Unga is an advanced vein district containing the SH-1 gold deposit within a large, prospective vein field. SH-1 contains inferred minerals resources of 384,000 ounces of gold at 13.8 g/t gold.

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

Sources

1. Alio Gold Inc., Ana Paula Gold Project NI 43-101 Technical Report Amended Preliminary Feasibility Study with effective date 16 May 2017.

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.

This news release contains forward-looking information which is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ from those projected in the forward-looking statements. Forward looking statements in this press release include, but are not limited to, statements regarding the Company's ability to deliver wide, high grade drill results, the production of a new underground mine plan and an improved resource estimate, and the production of a feasibility study with a significantly increased NPV, simpler mill design and a much higher profit margin versus production cost, and general statements regarding the future plans for Heliostar's business and objectives as well as any anticipated timelines related thereto. These forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Risks that could change or prevent these statements from coming to fruition include, but are not limited to, the Company achieving high grade drill results, the production of a new underground mine plan and an improved resource estimate, and the production of a feasibility study with a significantly increased NPV, simpler mill design and a much higher profit margin versus production cost; general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; and other risks outside of the Company's control. Further, the ongoing COVID-19 pandemic, labour shortages, high energy costs, inflationary pressures, rising interest rates, the global financial climate and the conflict in Ukraine and surrounding regions are some additional factors that are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position, and future prospects. Collectively, the potential impacts of this economic environment pose risks that are currently indescribable and immeasurable. Readers are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly, are cautioned not to put undue reliance on forward-looking statements due to the inherent

uncertainty of such statements. These forward-looking statements are made as of the date of this news release and, unless required by applicable law, the Company assumes no obligation to update these forward-looking statements.