

HELIOSTAR METALS LTD.
("HSTR" or the "Company")

INSIDER TRADING POLICY

To ensure that the Company is operating to industry standards, it has established and adopted an Insider Trading policy (the "**Policy**") for all directors, officers, employees and consultants of the Company (the "**Insiders**") with access to non-public Company information.

Within the policy there will be times when management will institute blackout periods for any trading in HSTR shares applicable to all directors, officer, employees and consultants with access to non-public Company information.

The Rules and Regulations of the Company's Insider Trading Policy are as follows:

MATERIAL NON-PUBLIC INFORMATION AND TIPPING

Prohibited Disclosure

The Insiders are prohibited by law from disclosing material (non-public) information about the Company to third parties (otherwise known as "**tipping**") before its public disclosure and dissemination by the Company. Therefore, all Insiders should exercise care when speaking with other personnel who do not have a "*need to know*" and when communicating with family, friends and others who are not associated with the Company, even if they are also subject to this Policy. To avoid even the appearance of impropriety, the Insider is to show caution when discussing the Company's business, or prospects, or from making recommendations about buying or selling HSTR securities or the securities of other companies with which HSTR has a relationship. This concept of unlawful tipping includes passing on information to friends, family members or acquaintances under circumstances that suggest that the Insider was trying to help them make a profit or avoid a loss.

In an effort to prevent unauthorized disclosure of Company information, the Insider is prohibited from posting or responding to any posting on or in Internet message boards, chat rooms, discussion groups, or other publicly accessible forums, with respect to the Company. The Insider is to keep in mind that any inquiries about the Company should be directed to the Chairman or the President.

Disclosure of material (non-public) information in the necessary course of business may be permitted in limited situations if the person receiving the information understands both that it must be kept confidential (which should be confirmed in writing in appropriate circumstances) and that they cannot buy or sell HSTR securities until the information has been generally disclosed. If this situation is to arise, the Insider must contact the Corporate Secretary if they believe any such disclosure is appropriate under the circumstances and must receive prior written approval from the Corporate Secretary before making such disclosure.

What is "Material Information?"

In all cases, the Insiders are responsible for determining whether or not information that is in their possession from time to time is considered material information under applicable securities laws. In this Policy, "**material information**" is any information that a reasonable investor would consider important in a decision to buy, hold or sell the Company's securities, or that affects, or would reasonably be expected to affect, the market price or value of HSTR's securities (or, in the

case of information about another company, such other company's securities), whether it is positive or negative.

Material information includes both material facts and material changes. A "*material fact*" is a fact that significantly affects or would reasonably be expected to have a significant effect on, the market price or value of HSTR's securities. A "*material change*" is a change in HSTR business, operations or capital that would reasonably be expected to have a significant effect on the market price or value of HSTR securities. The decision to implement such a change may itself be a material change if the decision is made by a director or senior officer that believes that HSTR Board of Directors (the "**Board**") will likely confirm the decision.

There is no "bright-line" test or "one-size-fits-all" standard for assessing materiality. Rather, materiality is based on an assessment of all of the facts and circumstances, and it is often evaluated by enforcement authorities with the benefit of hindsight.

When is Information "Non-Public"?

Information is considered to be "*non-public*" until certain conditions have been satisfied. In order for information to be considered to have been disclosed to the public, it is necessary to (a) disseminate the information widely and (b) afford the investing public sufficient time to absorb the information (typically at least 24 hours, unless the Insider has been advised otherwise). Information generally would be considered widely disseminated if it has been disclosed through newswire.

TRADING IN HSTR SECURITIES

Prohibited Trading

The Insiders are prohibited by law from buying or selling HSTR's securities (whether directly or indirectly through family members or other entities) or recommending to others that they buy or sell HSTR securities, while in possession of material (non-public) information. This Policy applies both to securities purchases (to make a profit based on good news) and securities sales (to avoid a loss based on bad news), regardless of how or from whom the material non-public information was obtained. If the Insider is in possession of material (non-public) information, they may trade in HSTR securities only when they are certain that official announcements of material information have been sufficiently publicized so that the public has had the opportunity to evaluate it (and in any event, only when 24 hours have passed since the information has been widely disseminated, unless they have been advised otherwise). Keep in mind that insider trading is not made permissible merely because material information is reflected in rumours or other unofficial statements in the press or marketplace. The Insider should not attempt to "beat the market" by trading simultaneously with, or shortly after, the official release of material non-public information.

There are no exceptions to the prohibitions on trading described in this Policy, except as specifically noted below. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure), or small transactions, are not excepted from this Policy. Applicable securities laws do not recognize any mitigating circumstances and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct. This means that the Insider may have to forego a proposed transaction in the Company's or another company's securities even if they planned to make the transaction before learning the material non-public information and even though they believe that waiting may cause them to suffer an

economic loss or not realize anticipated profit (unless they receive specific prior written approval from the Corporate Secretary).

Blackout Periods

HSTR has and may from time to time designate certain periods of time as “***Blackout Periods***,” which may apply generally throughout its organization or only to specific individuals. **Even if no Blackout Period is in effect, keep in mind that the Insider (a) may not trade in the Company’s securities or those of another publicly-traded company if they are aware of material (non-public) information about HSTR or such other company, respectively, and (b) if applicable to the Insider, must comply with the procedures described in “Pre-Clearance Procedures” below before trading in HSTR’s securities.**

1. The Company will establish Blackout Periods for all of the aforementioned persons including directors, senior officers, consultants and other employees who have access to sensitive information concerning the Company, such as employees who work in the accounting, finance or investor relations departments or who work closely with executive officers.
2. The President will notify all affected people via email what date press release is planned for release, will not identify the topic of the press release, and will provide the dates for which trading is to be “blacked-out”.
3. If the Insider is a person subject to a Blackout Period, each of them and their family members and any entities controlled by them are prohibited from purchasing or selling or otherwise trading securities of HSTR during the day before a board meeting and continuing until the one (1) full trading day following the release of HSTR’s financial results for such fiscal quarter or fiscal year end.
4. If the Insider is a person subject to a Blackout Period, each of them and their family members and any entities controlled by the Insider are prohibited from purchasing or selling or otherwise trading securities of HSTR from the day assays results are expected to be received by the company and continuing until the two (2) full trading day following the release of exploration results.
5. Additionally, if the Company determines that a special Blackout Period is required, a member of management will send all Insiders an email informing them of the applicable special Blackout Period. The Company will typically not provide a reason for a special Blackout Period. Unless the email states otherwise, the Insider is not permitted to trade in HSTR securities from the time that they receive the memorandum until further notice. The Insider is also not permitted to inform anyone that is not subject to this Policy that a special Blackout Period is in effect. In certain limited circumstances, the President, Chairman or Corporate Secretary may grant prior written consent to a director, officer, consultant or employee to trade securities during a Blackout Period. See “Pre-Clearance Procedures” below for more information.

Pre-Clearance Procedures

If the Insider is an individual subject to Blackout Periods as described above, they may not, at any time, whether there is a Blackout Period in effect or not, buy, sell or engage in any other transaction in HSTR securities without first obtaining e-mail pre-clearance from the Corporate Secretary to confirm that no Blackout Period is in effect and/or they are otherwise cleared to effect the proposed transaction. This pre-clearance requirement is designed as a means of enforcing this Policy.

Specifically, the Company has established the following pre-clearance procedures:

- Any proposed transaction (unless otherwise specified) should be submitted to the Corporate Secretary in writing at least two full trading days in advance of the proposed transaction.
- A request for pre-clearance of a hedging or similar arrangement described in “Hedging transactions” in Section VII “Prohibited and Limited Transactions” below must be submitted to the Corporate Secretary in writing at least five full trading days prior to the proposed execution of documents evidencing the proposed transaction and must set forth a justification for the proposed transaction.
- A request for pre-clearance of any arrangements to hold HSTR securities in a margin account or pledge them as collateral described in “Margin accounts and pledged securities” in Section VII “Prohibited and Limited Transactions” below must be submitted to the Corporate Secretary in writing at least five full trading days prior to the proposed execution of documents evidencing the proposed transaction and must set forth a justification for the proposed transaction.
- Before any trade, the Corporate Secretary must confirm to the Insider by e-mail that no Blackout Period is or will be in effect for the period during which the trade is expected to occur and/or that the Insider is otherwise cleared to effect the proposed transaction.
- Any confirmation must not have been revoked by e-mail notice from the Corporate Secretary.
- The Insider will need to receive a new e-mail confirmation from the Corporate Secretary that no Blackout Period is in effect before each trade, whether or not confirmation has been given for a prior trade during which no Blackout Period was in effect.
- The Corporate Secretary is under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the transaction. If the Insider seeks pre-clearance and permission to engage in the transaction is denied, they should refrain from initiating any transaction in HSTR securities and should not inform any other person of the restriction.
- The Insider is responsible for ensuring that they do not have material non-public information about the Company before engaging in a transaction and that they comply with any and all other legal obligations. Therefore, when a request for pre-clearance is made, the Insider should carefully consider whether they are aware of

any material non-public information about the Company and should describe fully those circumstances to the Corporate Secretary in writing. The Insider should also consider whether they have effected any transactions that must be reported under U.S. or Canadian securities laws.

- The Corporate Secretary may not trade in HSTR securities unless the Company's President and or the Chairman has approved the trade(s) in accordance with this Policy's procedures.

The approval by the Corporate Secretary of a transaction submitted for pre-clearance does not constitute legal advice, does not constitute confirmation that the Insider does not possess material non-public information and does not relieve the Insider of any of their legal obligations.

Rule 10B5-1 and Other Pre-Arranged Trading Plans

Rule 10B5-1 under the U.S. *Securities Exchange Act of 1934*, as amended (the "**Exchange Act**"), provides an affirmative defence from insider trading liability under U.S. securities laws. If persons subject to this Policy desire to rely on this defence for future trading in HSTR securities, they must first enter into a Rule 10B5-1 trading plan approved in writing by the Corporate Secretary. Persons subject to this Policy may also enter into a pre-arranged structured trading plan or automatic security disposition plan for future trading in HSTR securities, provided such plan complies with applicable securities laws and is approved in writing by the Corporate Secretary.