
Redstar Gold Corp. Announces Agreement to Acquire Heliodor Metals Limited

Vancouver, Canada, July 23rd 2020 - Redstar Gold Corp. (TSX.V: RGC, US: RGCTF, FRA: RGG) ("Redstar" or the "Company") is delighted to announce that it has entered into a binding agreement to acquire 100% of the shares of Heliodor Metals Limited ("Heliodor") in which Redstar Gold has agreed to issue 86.5 million Redstar shares at a deemed Redstar share price of C\$0.05454¹ for 100% of the outstanding Heliodor shares.

HIGHLIGHTS:

- **Heliodor has interests in three 3 epithermal gold and silver projects in Sonora, Mexico, C\$1.5 Million in cash and no debt.**
- **Redstar has agreed to appoint Charles Funk as CEO of Redstar.**
- **Redstar has agreed to conduct a private placement offering of its common shares to raise a minimum of C\$6.0M.**
- **Redstar has agreed to ask its shareholders to approve a share consolidation and a name change, and to nominate a Board consisting of three nominees from each of Redstar and Heliodor.**
- **Exploration at Redstar's flagship Unga project to commence in late August**

Redstar Chairman Jacques Vaillancourt said *"This is an exciting watershed for Redstar that began four months ago. The proposed acquisition promises several key strategic additions; a portfolio of exciting projects in Mexico, funding to achieve short term exploration goals and a strong addition to our management team with the appointment of Charles Funk. Unga will remain our flagship asset and our focus in 2020 will be to add to the maiden 383,318 oz gold resource grading 13.8 g/t at SH-1."*

Heliodor's President and Founder, Charles Funk added *"Adding Heliodor to the Redstar group of companies will form a leading exploration company with quality high grade precious metals assets, a tight share structure and a strong financial position. I am excited to join Redstar and unlock the potential of the group's asset base."*

About Heliodor

Heliodor is a private company with a cash position, as of July 21, 2020 (unaudited), of C\$1.5M and no debt. The Heliodor mineral projects are within 50 km of seven (7) world class gold-silver and copper mines, all of which are located in the northern portion of Mexico's Sonora State:

1. The Oso Negro Project is an early stage intermediate sulfidation epithermal vein system prospect within a 1500ha concession. The project has very high grades, but has never been drilled. There are three major vein systems (El Sahuaro Vein, Northern Vein, and Northsouth Vein), all of which have surface sampling which shows greater than double digit gold equivalent grades
2. The La Lola Project is a large, 5,400 ha land package with the prospect of a low sulfidation epithermal system. The project contains the "La Barra" Vein which extends for 5 km and is as wide as 40m.

¹ Based on 20-day Volume Weighted Average Price (VWAP) for Redstar Gold shares

Reconnaissance sampling of the vein has yielded a 58g/t Au sample taken from a historic dump and a 424g/t Ag sample taken from the hanging wall structure

3. Cumaro is the downthrown block of a large low sulphidation vein field. Historic production in the vein field indicates excellent widths and grades while next to no exploration has been undertaken on the eastern extension at Cumaro

Location of the Mexican Projects of Heliodor
(Fig. 1)



About Charles Funk

The Agreement states that Charles Funk will join Redstar as its Chief Executive Officer and a member of the Board of Directors. Mr. Funk is currently the Vice-President of Exploration for Vizsla Resources Corp and the CEO of Heliodor. Vizsla has recently announced some outstanding drill results at its Panuco Project in Mexico. The market capitalization of Vizsla has recently increased fivefold to over C\$200M. Mr. Funk has over fourteen years of industry experience, most recently as the Vice President of New Opportunities and Exploration at Evrim Resources.

Previously, Charles worked as a geologist and geophysicist for Newcrest Mining and Oxiana/OZ Minerals with a focus on business development and early stage exploration in North and South America, Australia and South-East Asia. Mr. Funk also has a wide range of experience in porphyry, epithermal and Iron Oxide Copper Gold (IOCG) deposits in both North and South America and the Asia-Pacific region. Charles holds a degree in Space Science from La Trobe University and an honours degree in Earth Science from the University of Melbourne.

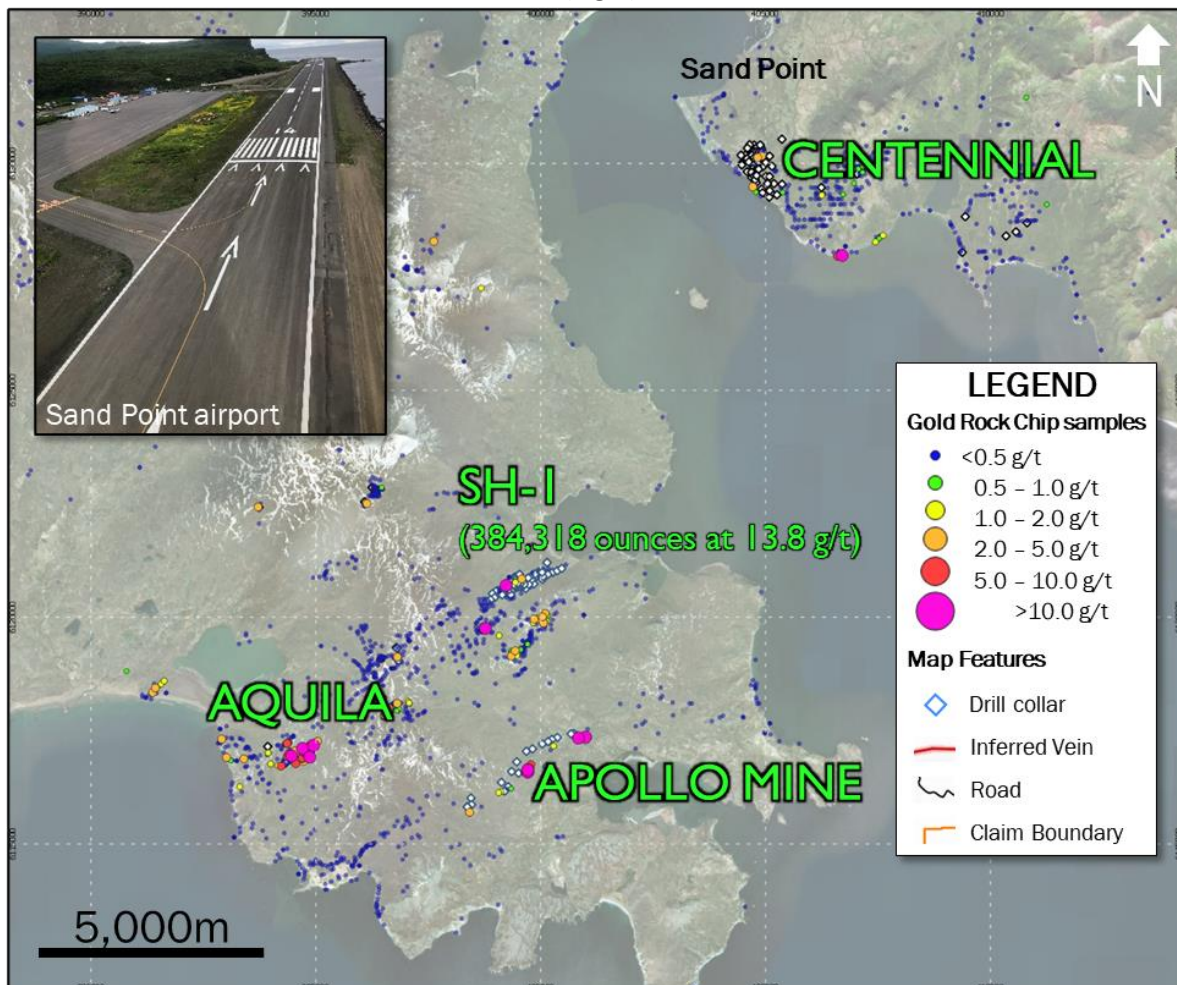
2020 Exploration Plans

The company is in the advanced stages of finalizing its 2020 exploration plans for the Unga project, including a 6,600 to 10,000 metres of diamond drilling with an exploration budget of \$3.0M to \$5.0M. The company intends to focus on its four advanced targets:

- **SH-1 Resource:** Infill and extension drilling to expand the high-grade SH-1 resource where mineralization is open at depth and along strike
- **Apollo Mine:** Drilling the depth continuation underneath the historic Apollo mine where a resource was defined by sampling in shafts and galleries but has not been confirmed by drilling
- **Centennial:** Drilling to test for high grade feeder zones where Battle Mountain calculated a historic (non 43-101 compliant) resource of 201,600 ounces of gold grading 1.3g/t Au in a flat-lying, outcropping configuration that would have a near-zero strip ratio
- **Aquila:** Drill test an 850m long zone of veining with multiple high grade gold samples and excellent trench results from Battle Mountains 1980's exploration program

In addition, later in 2020, the company plans to commence an estimated \$1.2M exploration program at Oso Negro and La Lola including drilling at Oso Negro.

2020 Exploration targets at the Unga Project, Alaska
(Fig.2)



About the Transaction

The Share Exchange Agreement (the “**Agreement**”) contemplates that Redstar will acquire all of the issued and outstanding share capital of Heliodor in exchange for an aggregate of 86,621,003 Redstar common shares at a deemed issue price of C\$0.05454¹ per Redstar common share. After adjusting for the Redstar shares issued at closing (but without adjusting for the Redstar shares to be issued in the proposed private placement referred to below), the former shareholders of Heliodor would own an aggregate of approximately 22.4% of the total number of issued and outstanding Redstar shares (or, assuming the issuance of approximately 100,000,000 additional Redstar shares in the proposed private placement, an aggregate of approximately 17.7%). Redstar shares issued to Mr. Funk in the share exchange transaction will be subject to pooling restrictions (50% to be released after 12 months, thereafter 6.25% of the original holding will be released every quarter).

The Agreement contemplates that Redstar will conduct a private placement offering of its common shares to raise at least C\$6 Million at a price per Redstar share to be agreed by Redstar and Heliodor and subject to TSX Venture Exchange approval. Completion of this private placement is a condition to the parties’ obligation to close the share exchange transaction. Other closing conditions include the appointment of Mr. Funk as CEO of Redstar and TSX Venture Exchange approval. Although the parties have not yet established pricing for the proposed offering, Redstar anticipates that the offering should result in the issuance of up to approximately 100 million new Redstar shares and, as a result, the number of shares outstanding following the acquisition and financing would be 486.5 million shares.

Redstar has agreed, on a post-closing basis, to ask its shareholders to:

- Approve a 15:1 consolidation of the outstanding Redstar shares,
- Approve a name change to change Redstar’s name to Heliostar Metals Ltd.,
- Fix the number of Redstar directors at six, and
- Elect three Redstar nominees and three Heliodor nominees to the Redstar Board of Directors.

Redstar intends to call a general meeting of its shareholders as soon as reasonably practical following closing of the share exchange transaction.

About Redstar Gold Corp

Redstar is a well-financed junior exploration and development company with a supportive institutional shareholder base, no debt and is focused on advancing its high grade Unga Gold Project in southern Alaska. The 100% controlled Unga Gold Project includes the SH-1 Zone where, earlier this year, Red Star defined an initial NI 43-101 compliant resource of 395,825 ounces AuEq with an avg. grade of 14.2g/t Au, making it one of the highest-grade gold deposits in North America. Geologically, the SH-1 Zone is an intermediate sulfidation, epithermal gold deposit, located within the district scale property which encompasses 240km² across two islands hosting an entire suite of deposit types from gold-copper porphyry, through high-grade epithermal gold, to gold & silver rich polymetallic, that have either been drilled or sampled at surface. On Unga Island, these include: SH-1 and Aquila high-grade gold zones, both on the Shumagin Trend; the former Apollo-Sitka mine which was Alaska’s first underground gold mine with historic production grades up to 10g/t Au; and the Zachary Bay porphyry gold-copper district. The supergene-enriched, disseminated gold mineralization at the Centennial Zone is located on neighbouring Popof Island within four kilometres of the infrastructure and services available at Sand Point village (Figure 1).

The Unga Gold Project enjoys a moderate climate at latitude 55 degrees North which provides for year-round tidewater that hosts extensive infrastructure including a deep-water port with weekly vessels from Anchorage and Seattle and is served by daily flights from Anchorage landing on a mile long, paved airstrip on Popof Island. In addition to the Unga Project, Redstar has an investment in NV Gold Corp. (TSXV: NVX) and 30% of the Newman Todd Gold Project, in Red Lake, Ontario, Canada.

For additional information please contact:

Jacques Vaillancourt

Chairman
Redstar Gold Corp
Tel: +44 780 226 8247
Email: jvaillancourt@redstargold.com

Charles Funk

President & Founder
Heliodor Metals Limited
Tel: +1 (604) 347-9772
Email: charles.funk@heliodormetals.com

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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 Redstar's expectations that the transactions contemplated in the Agreement will be approved by the TSX Venture Exchange and completed and that it can obtain shareholder approval for its proposed post-closing share consolidation, name change and the election of both the Redstar nominees and the Heliodor nominees at its next general meeting of shareholders, that it can successfully raise at least C\$6 million and, if so, the number of Redstar shares that would be issued in the offering, and, finally, that it can commence exploration at its Unga project in late August and that it can achieve its 2020 exploration plans. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing 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, and 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.