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**NEWS RELEASE 03-2008**

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## **Canstar Announces Option Agreement with United Reef Limited on its McFauld's Lake Properties, James Bay Lowlands, Ontario**

**Toronto, Ontario, April 14, 2008** – The Directors of Canstar Resources Inc. (TSX-V: ROX) are pleased to announce that an option agreement has been reached with United Reef Limited (TSX-V: URP) and Geocanex Limited on the Company's 100%-owned McFauld's Lake 1 property and the McFauld's Lake 3 property, which is currently under option from Geocanex. The agreement gives United Reef the option to earn a 50% interest in the McFauld's 1 and 3 properties, with Canstar owning the remaining 50%, after which a joint venture is formed.

The McFauld's 1 and 3 properties comprise 70 contiguous, unpatented mining claims in the McFauld's Lake area of Ontario's James Bay Lowlands. The area has attracted significant interest since 2002 with the discovery of high-grade base metal volcanogenic massive sulphide (VMS) deposits by Spider Resources and, more recently, high-grade nickel-copper-PGE magmatic massive sulphide (MMS) deposits by Noront Resources. The project is located immediately south of the VMS discoveries and approximately 20 kilometres east of the Eagle One nickel discovery. Preliminary results from a recently completed helicopter-borne magnetic and electromagnetic survey utilizing the AeroTEM II system confirm the presence of at least six individual conductors on the property. United Reef is awaiting final interpretation of the data in order to select targets for a diamond drill program.

Under the terms of the agreement, Geocanex will waive the \$25,000 payment and approximately \$200,000 in expenditures that were to be made by Canstar to earn its 50% interest in the McFauld's 3 property, and Canstar will receive a \$50,000 cash payment from United Reef. In addition, Canstar will maintain a 0.5% net smelter royalty on both the McFauld's 1 and McFauld's 3 claims, 0.25% of which can be bought back by United Reef for \$250,000. As operator, United Reef will be required to make exploration expenditures totaling \$150,000 on the two properties before December 31, 2008.

United Reef brings a considerable amount of additional exploration experience to the McFauld's Lake Project, and Management is pleased to be working with them to advance the properties.

The United Reef option agreement is a related party transaction under Ontario Securities Commission Rule 61-501 – Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions (the "OSC Rule") as Geocanex is a party and it is controlled by Mr. Harry J. Hodge, who is a director and the Chairman of Canstar. For selling its 100% interest in the McFauld's Lake 3 property pursuant to the terms of the United Reef option, Geocanex is receiving 5,000,000 shares of United Reef and a royalty interest on the same terms as the one received by Canstar. The option agreement was approved by all of the non-interested directors of Canstar, being William Deluce, Jack Hurley, David Palmer and Patrick Reid. Mr. Harry J. Hodge abstained from approval of this matter. The option agreement is exempt from the related party valuation and minority securityholder approval requirements of the OSC Rule on the basis that the transaction has a fair market value of less than 25% of the market capitalization of Canstar.

### About the Company

Canstar Resources is a junior exploration company focused on base and precious metal exploration in eastern Canada. In addition to McFauld's Lake, the Company is currently focused on its Mary March property located in the Buchans area of central Newfoundland, which produced some of the highest-grade base and precious metal diamond drill intersections (9.2m @ 10.33% Zn, 1.62% Pb, 0.66% Cu, 118.1g/t Ag and 4.1 g/t Au) ever achieved in the area outside the Buchans mine. Canstar has the right to earn 50% interest in the property, with first

refusal rights on the remaining 50%, from Phelps Dodge. In addition to these two properties, Canstar holds a 100% interest in the Shrimp Lake and Tahoe Lake VMS/gold properties north of Red Lake, Ontario, a 75% interest in the Slate Bay copper-gold project in Red Lake's "Mine Trend", and a 100% interest in the Miminiska gold property near Pickle Lake, Ontario. The Company currently has 59.9M shares issued and outstanding.

Canstar's shares trade on the TSX Venture Exchange under the symbol ROX.

David Palmer, Ph.D., P.Geo., is the qualified person for all technical information in this release. To find out more about Canstar Resources, visit our website at [www.canstarresources.com](http://www.canstarresources.com) or contact:

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