

Canstar Closes \$2.5 Million Private Placement with \$2.0 Million Lead Order from Eric Sprott

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Toronto, Ontario – May 21, 2021 – CANSTAR RESOURCES INC. (TSXV:ROX & OTCPK: CSRNF) (“Canstar” or the “Company”) is pleased to announce that it has completed its previously announced non-brokered private placement, consisting of the sale of 13,157,895 units (each a “Unit”) at a price of \$0.19 per Unit for aggregate gross proceeds of \$2,500,000.05 (the “Offering”). Each Unit consists of one common share in the equity of the Company (each, a “Common Share”) and one share purchase warrant (each, a “Warrant”). Each Warrant will entitle the subscriber to purchase one additional Common Share at a price of \$0.25 until the second (2nd) anniversary of the closing date of the Offering (the “Expiry Date”).

Mr. Eric Sprott through 2176423 Ontario Ltd. (“2176423”), a corporation which is beneficially owned by him, acquired 10,527,000 Units pursuant to the Offering. As a result, Mr. Sprott beneficially owns and controls 10,527,000 Shares of the Company and 10,527,000 Warrants representing 12.3% of the issued and outstanding Common Shares on a non-diluted basis, and 21.9% on a partially diluted basis, assuming the exercise of Mr. Sprott’s share purchase warrants. Prior to the closing of the Offering, Mr. Sprott did not beneficially own or control any securities of the Company. Mr. Sprott has signed an undertaking not to exercise his warrants until such time as the Company can obtain disinterested shareholder approval of the creation of a new control person, which is required once Mr. Sprott passes the 20% ownership threshold. The Company has agreed to hold a shareholders’ special meeting on or before November 30, 2021, at which time such approval will be sought.

The Units were acquired by Mr. Sprott, through 2176423, for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of the Company including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors.

A copy of 2176423’s early warning report will appear on the Company’s profile on SEDAR and may also be obtained by calling 416-945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

Rob Bruggeman, President & CEO of Canstar, commented: “We welcome Mr. Sprott as a significant shareholder of Canstar. Mr. Sprott’s investment is a strong endorsement of Canstar’s technical team and the exploration potential on its Golden Baie Project in southern Newfoundland.”

The proceeds from the Offering will be used for exploration on the Company’s Golden Baie Project and other mineral exploration properties in Newfoundland and general working capital purposes. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange and the securities regulatory authorities. All securities issued and issuable in connection with the closing of the Offering are subject to a four-month-and one-day statutory hold period in accordance with

applicable securities laws.

Certain directors, officers, and other insiders (collectively, the "Insiders") of Canstar subscribed in the Offering for an aggregate of 913,895 Units and the participation of the Insiders in the Offering constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to section 5.5(a) and section 5.7(1)(a), as the fair market value of the officers' and directors' participation is not more than 25% of the Company's market capitalization.

The securities offered in the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons, absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release does not constitute an offer to sell or the solicitation of any offer to buy securities in the United States, nor in any other jurisdiction.

About Canstar Resources Inc.

Canstar is focused on the discovery and development of economic mineral deposits in Newfoundland and Labrador, Canada. Canstar has an option to acquire a 100% interest in the Golden Baie Project, a large claim package (over 62,175 hectares) with recently discovered, multiple outcropping gold occurrences on a major structural trend in south-central Newfoundland. The Company also holds the Buchans-Mary March project and other mineral exploration properties in Newfoundland. Canstar is based in Toronto, Canada, and is listed on the TSXV under the symbol ROX and trades on the OTCQX under the symbol CSRNF.

For further information, please contact:

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Forward-Looking Statements

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 includes certain "forward-looking statements" which are not comprised of historical facts. Forward looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company's objectives, goals or future plans, statements, exploration results, potential mineralization, the estimation of mineral resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions, as well as the anticipated size of the Offering, the Offering price, the anticipated

closing date and the completion of the Offering, the anticipated use of the net proceeds from the Offering and the receipt of all necessary approvals. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to failure to identify mineral resources, failure to convert estimated mineral resources to reserves, the inability to complete a feasibility study which recommends a production decision, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate First Nations and other indigenous peoples, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, an inability to complete the Offering on the terms or on the timeline as announced or at all, an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of commodities, capital market conditions, restriction on labour and international travel and supply chains, and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.