

Canstar Closes \$5.2 Million Flow-Through Financing

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Toronto, Ontario – December 8, 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 14,412,471 flow-through units (each a “FT Unit”) at a price of \$0.315 per FT Unit and 1,724,138 premium flow-through units (each a “Premium FT Unit”, and together with the FT Units, the “Offered Units”) at a price of \$0.39 per Premium FT Unit for aggregate gross proceeds of \$ \$5,212,342.19 (the “Offering”). Each FT Unit is composed of one (1) common share (“Share”) of the Company issued on a flow-through basis within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”) and one-half of one (0.5) Share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will entitle the subscriber to purchase one (1) additional Share at a price of \$0.42 until the second (2nd) anniversary of the closing date of the Offering (the “Expiry Date”).

The Company will use an amount equal to the gross proceeds received by the Company from the sale of the Offered Units, pursuant to the provisions in the *Income Tax Act* (Canada) (the “Tax Act”), to incur eligible “Canadian exploration expenses” that qualify as “flow-through mining expenditures” as both terms are defined in the *Income Tax Act* (Canada) (the “Qualifying Expenditures”) on or before December 31, 2022, and to renounce all the Qualifying Expenditures in favour of the subscribers of the Offered Units effective December 31, 2021. The Company intends to use such proceeds primarily on the Golden Baie property, located in south Newfoundland, and the Buchan’s-Mary March property in central Newfoundland.

In connection with the closing of the Offering, the Company paid commissions to certain finders of an aggregate of \$286,026.06 in cash and 908,019 finder warrants (each a, “Finder Warrant”). Each Finder Warrant will entitle the holder thereof to purchase one (1) Share at an exercise price of \$0.315 per Finder Warrant for a period of 24 months from closing of the Offering.

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 (“TSXV”) and the securities regulatory authorities. All securities issued and issuable in connection with the Offering are subject to a hold period of four months plus one day.

A certain director of Canstar (the “Insider”) subscribed to the Offering for an aggregate of 158,800 FT Units and the participation of the Insider 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 Insider’s 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 (62,175 hectares) with recently discovered, multiple outcropping gold occurrences on a major structural trend in south Newfoundland. The Company also holds the Buchans-Mary March project and other mineral exploration properties in Newfoundland. Canstar Resources is based in Toronto, Canada, and is listed on the TSX Venture Exchange under the symbol ROX and trades on the OTC PK under the symbol CSRNF.

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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, 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. 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 (62,175 hectares) with recently discovered, multiple outcropping gold occurrences on a major structural trend in south Newfoundland. The Company also holds the Buchans-Mary March project and other mineral exploration properties in Newfoundland. Canstar Resources is based in Toronto, Canada, and is listed on the TSX Venture Exchange under the symbol ROX and trades on the OTCPK under the symbol CSRNF.