

Canstar Acquires the Hermitage Property, Expanding its Newfoundland Gold Exploration Project Claims to 774 km²

Toronto, Ontario – January 24, 2022 – CANSTAR RESOURCES INC. (TSXV: ROX & OTCPK: CSRNF) (“Canstar” or the “Company”) is pleased to announce that it has signed a binding property purchase agreement with Altius Resources Inc. (“Altius”), a wholly owned subsidiary of Altius Minerals Corporation (TSX: ALS), to acquire a 100% interest in the Hermitage Property in southern Newfoundland (the “Acquisition”). The Hermitage Property is comprised of three (3) map-staked licenses containing 607 claims covering 15,175 hectares (151.75 km²) (the “Hermitage Property Claims”). The Hermitage Property Claims are contiguous with the Company’s Golden Baie project and bring the total claims in the area to 77,350 hectares (774 km²) (Figures 1 & 2).

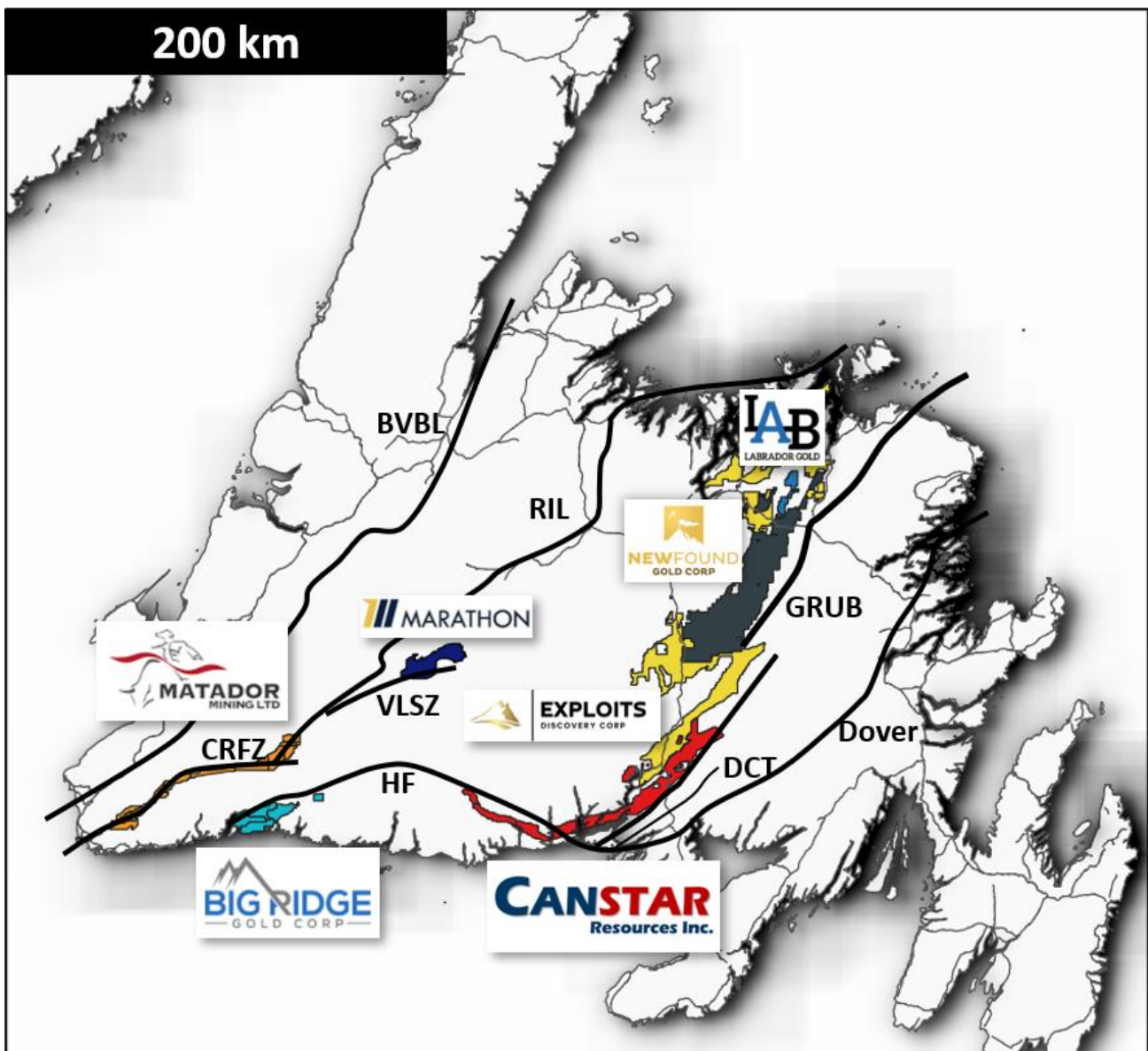


Figure 1 - Significant Gold Mineral Claim Packages in Central Newfoundland

Canstar optioned the Golden Baie project claims due to their proximity to the Day Cove Thrust (“DCT”), the tectonic boundary between the Gander and Dunnage (Exploits subzone) tectonostratigraphic zones. The Baie d’Espoir volcanic and metasedimentary rocks to the west of the DCT host extensive gold anomalies at surface that strike parallel to the DCT. At the southwest end of the Golden Baie claims, the Hermitage Flexure marks the tectonic boundary between the Gander and Exploits zones and it is believed that these claims may also be prospective for orogenic style gold mineralization. There has been no known gold exploration on the Hermitage Property Claims, but there has been some historical uranium exploration work in the area.

Mathieu Lapointe, VP Exploration of Canstar, commented: “Our Golden Baie project has tremendous potential for orogenic gold discoveries, based on the extent of anomalous gold in rock samples collected and our initial drill program. Our focus has been primarily on the Kendell area in the centre of the claim block, but this year we will also be focusing on the southwestern end of the claim block. The same structural setting exists there and continues along the Hermitage Flexure so we are enhancing our land position in this area with the acquisition of these additional claims which extend our potential strike by almost 50% to approximately 140 km in total, including the Golden Baie claims. Most of these claims have seen little or no gold exploration and our technical team is excited to evaluate the potential.”

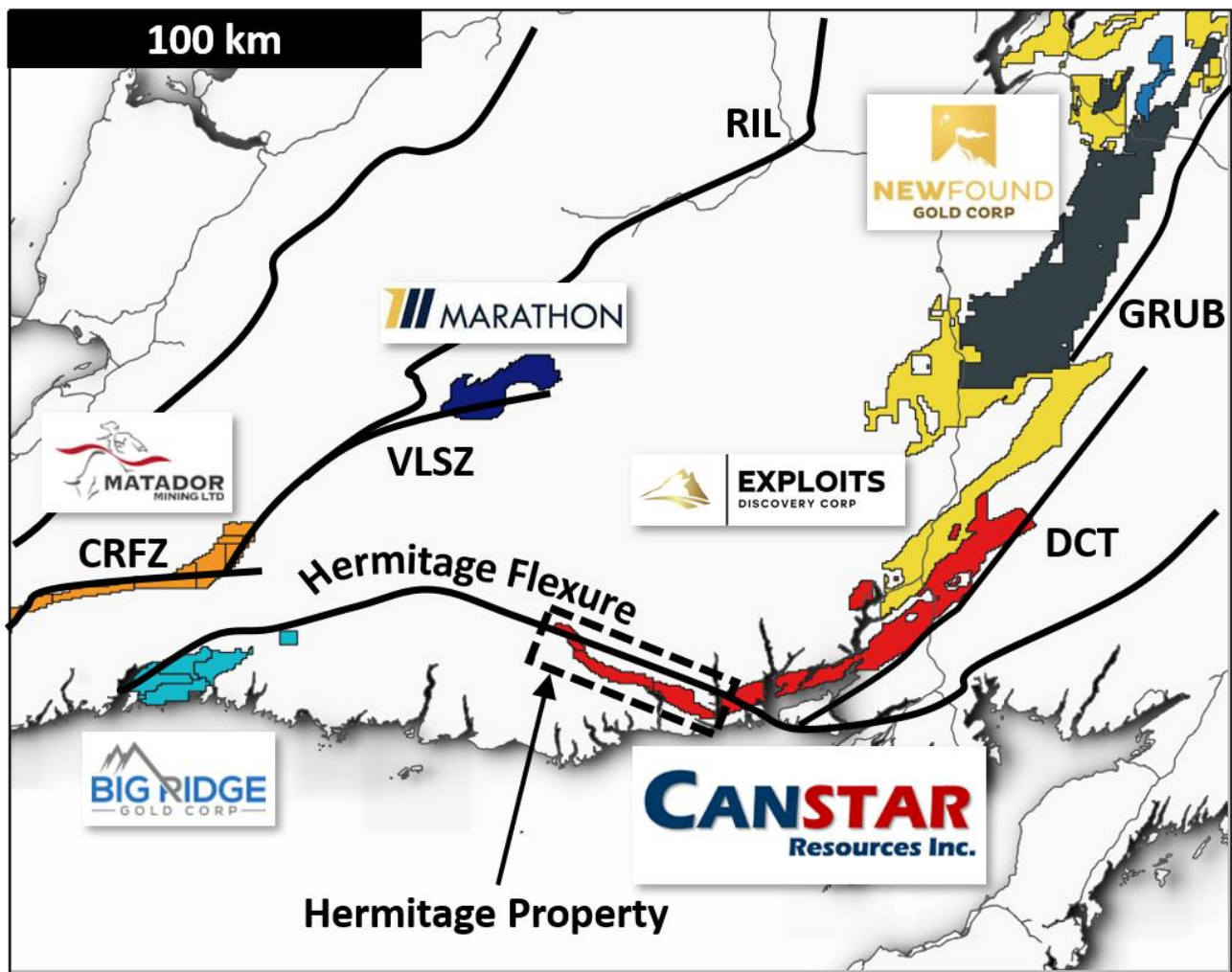


Figure 2 - Significant Mineral Claim Packages in South, West and Central Newfoundland. Canstar’s newly acquired Hermitage Property shown in the dashed polygon. CRFZ: Cape Ray Fault Zone, VLSZ: Valentine Lake Shear Zone, RIL: Red Indian Line, DCT: Day Cove Thrust, GRUB: Gander River Ultramafic Belt.

Hermitage Property Acquisition Terms

The Company has entered into a binding property purchase agreement with Altius (the “Altius Agreement”) that sets out the principal terms and conditions upon which Altius will transfer to the Company its 100% interest in the Hermitage Property, subject to the retention by Altius of a 2.0% net smelter return royalty from all commercial production on the Hermitage Property (the “Royalty”). Pursuant to the Altius Agreement, Altius will transfer to Canstar its beneficial interest in the Hermitage Property Claims, subject to the Royalty, in consideration for the issuance of 500,000 common shares of the Company (the “Common Shares”) to Altius. The Company agreed that should the Company acquire certain mining or mineral rights within a 2 km area of interest around the Hermitage Property (the “Area of Interest”), such Area of Interest will be included in and form part of the Hermitage Property and be subject to the Royalty.

Closing of the Acquisition is expected to occur upon the acceptance by the TSX Venture Exchange (the “Exchange”) of the Altius Agreement and the Acquisition. Closing of the Acquisition is anticipated to occur on or around February 4, 2022, and is subject to the prior approval of the Exchange. The Common Shares to be issued in connection with the Altius Agreement will be subject to a statutory hold period of four months and a day from the date of issuance.

Qualified Person

Bob Patey, B.Sc., P.Geo, Senior Geologist of Canstar, and a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects, is responsible for the scientific and technical data presented herein and has reviewed and approved this release.

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 anticipated closing date of the Acquisition, whether the Acquisition is conducted on the terms and conditions as disclosed in the Altius Agreement or proceeds at all, the closing of the Acquisition, or the receipt of all necessary regulatory 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 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.