

## **Canstar Drills 20.6 g/t Gold over 3.5 Metres at Kendell Prospect; Extends Mineralization Downdip by 80% to 180 Metres Includes 58.2 g/t Over 1.1 Metres**

Toronto, Ontario – July 5, 2022 – CANSTAR RESOURCES INC. (TSXV: ROX & OTCPK: CSRNF) (“Canstar” or the “Company”) is pleased to announce new assay results for diamond drilling at the Kendell prospect on its Golden Baie property in south-central Newfoundland. Drilling took place in February and March 2022 and consisted of 2,907 metres (“m”) in 39 holes. Notable drill intercepts are provided in Table 1 and full results are in Table 2 at the end of this release.

*Table 1 - Notable intercepts from the 2022 Kendell prospect winter drill program*

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
<b>GB-22-64</b>	<b>34.0</b>	<b>36.0</b>	<b>2.0</b>	<b>9.5</b>
<b>GB-22-65</b>	<b>34.6</b>	<b>37.6</b>	<b>3.0</b>	<b>6.2</b>
<b>GB-22-72</b>	<b>28.4</b>	<b>34.4</b>	<b>6.0</b>	<b>6.7</b>
inc.	30.4	31.4	1.0	15.2
inc.	33.4	34.4	1.0	13.3
<b>GB-22-74</b>	<b>14.0</b>	<b>17.7</b>	<b>3.7</b>	<b>2.5</b>
<b>and</b>	<b>27.7</b>	<b>31.0</b>	<b>3.4</b>	<b>5.1</b>
<b>GB-22-92</b>	<b>52.5</b>	<b>56.1</b>	<b>3.6</b>	<b>6.1</b>
<b>inc.</b>	<b>55.7</b>	<b>56.1</b>	<b>0.4</b>	<b>44.9</b>
<b>GB-22-93</b>	<b>46.9</b>	<b>50.0</b>	<b>3.1</b>	<b>4.3</b>
<b>GB-22-94</b>	<b>47.0</b>	<b>50.5</b>	<b>3.5</b>	<b>20.6</b>
<b>inc.</b>	<b>47.8</b>	<b>48.9</b>	<b>1.1</b>	<b>58.2</b>
<b>GB-22-96</b>	<b>36.4</b>	<b>39.4</b>	<b>3.0</b>	<b>11.0</b>
and	42.4	46.0	3.6	3.0
<b>GB-22-97</b>	<b>34.0</b>	<b>43.0</b>	<b>9.0</b>	<b>4.3</b>
inc.	42.0	43.0	1.0	15.1

Notes:

1. All intersections are downhole length as there is insufficient information to calculate true width.
2. Reported grades have not been capped.

Matthieu Lapointe, Vice President of Exploration for Canstar, commented: “This was the Company’s first winter drill program on the Golden Baie project and we are very pleased with how the program was executed and also with the assay results. Gold mineralization was significantly extended downdip and we encountered the thickest auriferous quartz vein drilled yet in hole GB-22-94. We believe gold mineralization remains open to the northwest and southwest. Additional drilling is planned for this fall after downhole Acoustic/Optical Televiewer work has been done, further advancing our understanding of vein orientation.”

### **Gold Mineralization at Kendell Extended at Depth and Along Strike**

The 2022 winter drill program at the Kendell prospect was designed to test the continuity of gold mineralization downdip to the northwest and along strike to the northeast and southwest of the previously-drilled mineralized intercepts (Figure 1). The best mineralized intercepts in the 2021 drilling

program appear to follow a structure, interpreted from ground magnetics, that strikes northwest-southeast and dips gently in that direction. Gold mineralization was generally in the form of fine grains in centimetre-scale quartz veins with additional gold mineralization associated with arsenopyrite and/or stibnite in the adjacent wall rocks. Mineralized intercepts are focused in the hanging wall of a sheared black shale horizon (Figure 2).

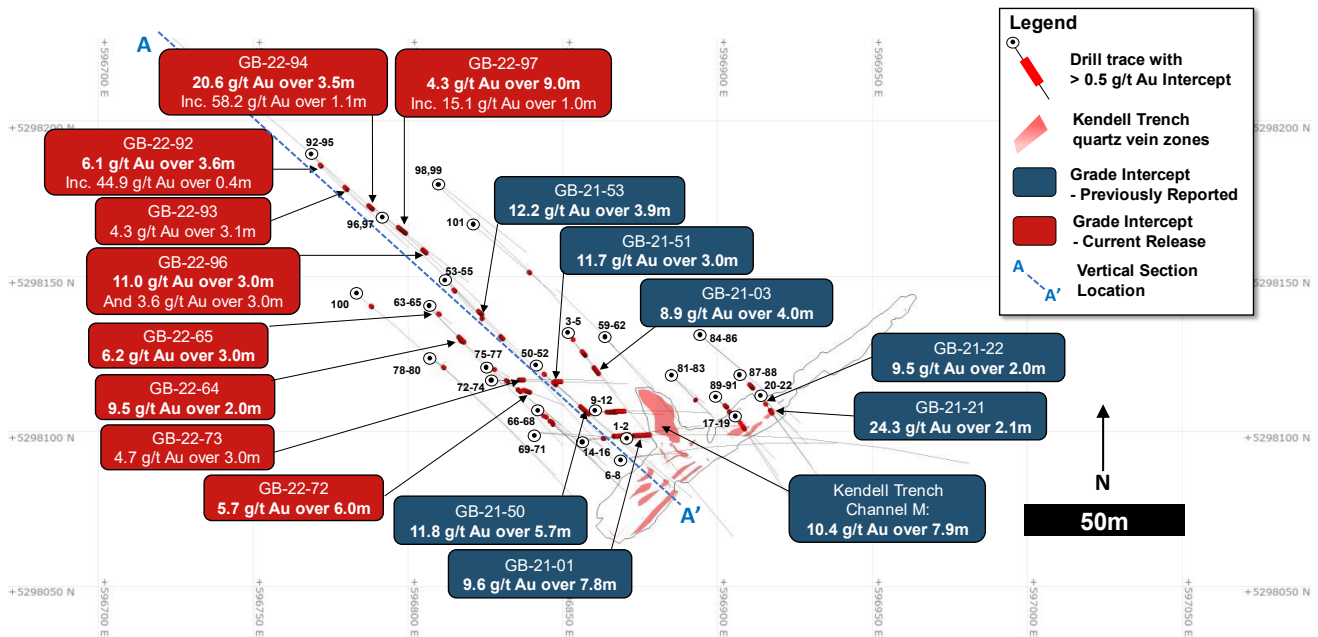


Figure 1 - Plan map of the Kendell prospect showing 2021 and 2022 drill collars and mineralized intercepts

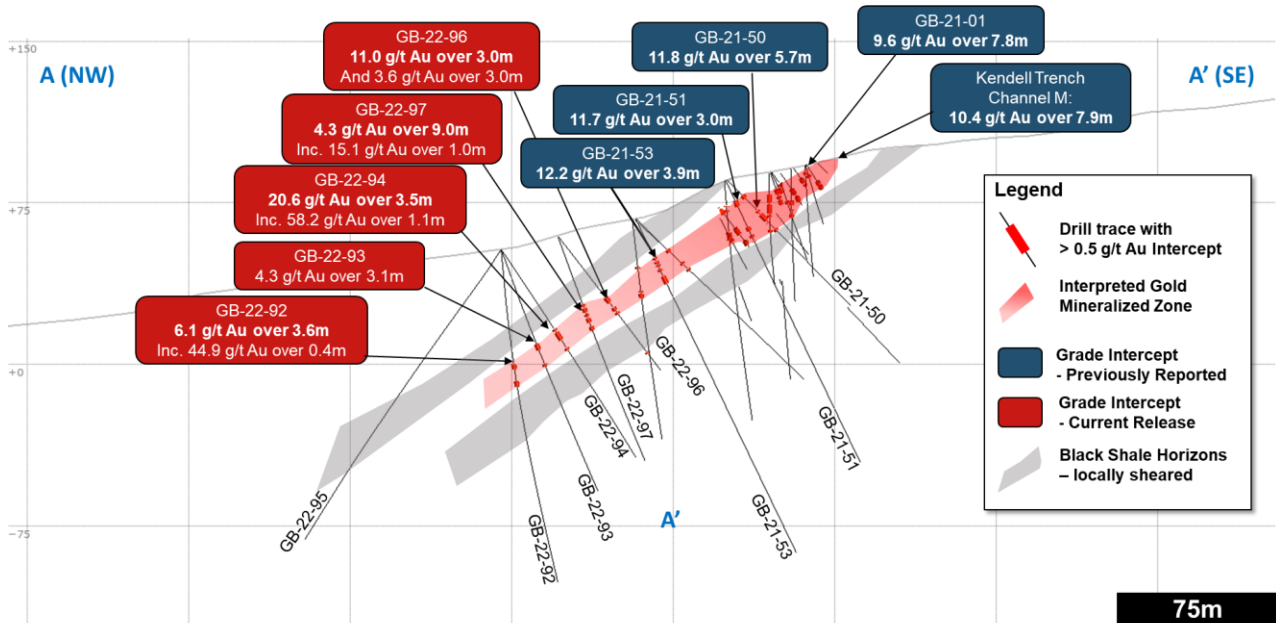


Figure 2 - Vertical section A-A' of the Kendell prospect based on 2021 and 2022 drilling (looking northeast)

The 2022 Kendell drill results successfully extended gold mineralization downdip to the northwest. Hole GB-22-92 intersected 6.1 g/t gold over 3.6 m at a downhole depth of 52.5 m, including 44.9 g/t over 0.4 m. This intercept is approximately 80 m downdip of hole GB-21-53, which intersected 12.2 g/t gold over 3.9 m, extending the total known downdip length of gold mineralization at the Kendell prospect to approximately 180 m. The best intercept in the 2022 winter drill program was in hole GB-

22-94, which intersected 20.6 g/t gold over 3.5 m, including 58.2 g/t over 1.1 m in the thickest quartz vein encountered in drilling to date. Due to its gentle dip, gold mineralization remains shallow. Hole GB-22-95, which was oriented to the northwest to test downdip of hole GB-22-94, did not intersect significant mineralization. Hole GB-22-95 may not have been drilled at the optimal orientation and possibly deviated from the target horizon. The Company intends to obtain a higher precision bore hole survey of GB-22-95 during the planned Televue work.

Winter drilling at Kendell also extended gold mineralization along strike to the southwest. Hole GB-22-64 intersected 9.5 g/t gold over 2.0 m and hole GB-22-72 intersected 6.7 g/t gold over 6.0 m approximately 10 m southwest of previously-drilled intercepts. Gold mineralization remains open along strike to the southwest. Drilling to the northeast, approximately 10 m from previous intercepts, did not return significant gold mineralization. Downhole televue work is expected to provide additional information on the orientation of mineralized quartz veins, which will enhance the understanding of the mineralization and optimize the azimuth for future drilling.

A thick quartz vein encountered in hole GB-22-94 (Figure 3) suggests the potential for broader zones of high grade gold mineralization where structures opened up through progressive deformation during orogenesis.



Figure 3 - Drill core from GB-22-94 with large quartz vein starting at downhole depth of 47.8 m (visible gold within red circles)

Gold mineralization may be related to a lithological contact between the Isle Galet formation sedimentary rocks and black shales of the Riches Island formation (Figure 4), which also corresponds with a trend of anomalous till sample and grab sample results (see news release dated [May 4, 2022](#)). Multiple regional faults striking northeast-southwest, parallel to the Day Cove Thrust, are believed to exist on the Golden Baie property and these regional faults may be important controlling structures for orogenic gold mineralization, as seen in other recent gold discoveries in central Newfoundland.

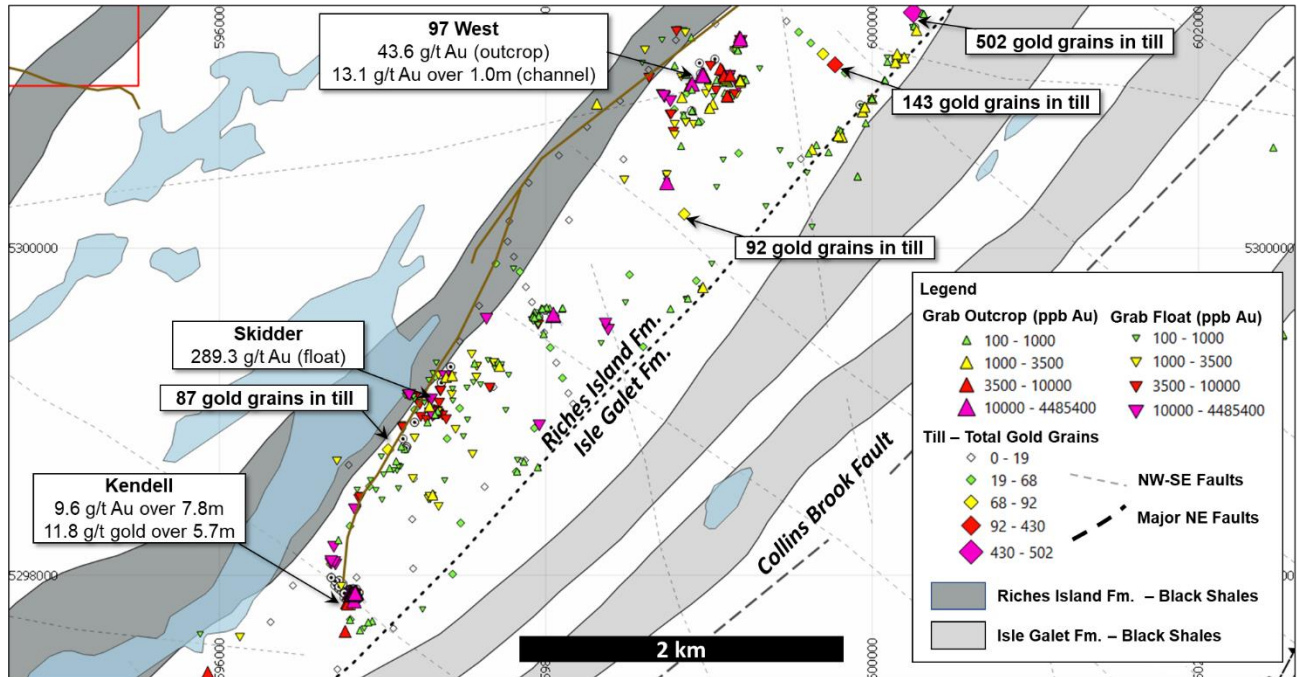


Figure 4 – Plan map of the Kendell prospect area showing interpreted faults, lithologies and select gold anomalies in grab samples and till samples

### Gold Association with Arsenic and Antimony

The 75 diamond drill holes completed to date at the Kendell prospect in 2021 and 2022 indicate a very strong correlation between gold mineralization and arsenic and antimony. The gold-arsenic-antimony association is a well-defined hallmark of world-class gold producers such as the Fosterville, Bendigo and Ballarat mines of the Victorian Goldfields. The Golden Baie property has numerous areas with significant arsenic and antimony anomalies based on soil geochemistry (Figure 5), which are priority areas for regional exploration. The size and extent of these anomalies, combined with multiple rock samples with anomalous gold spanning a strike length of 40 km, indicate the potential for multiple gold mineralized structures on the district-scale Golden Baie property.

Additional soil sampling is planned for multiple locations on the Golden Baie project in 2022 to infill areas that have not been sampled or have historic soil samples with only gold assay data.



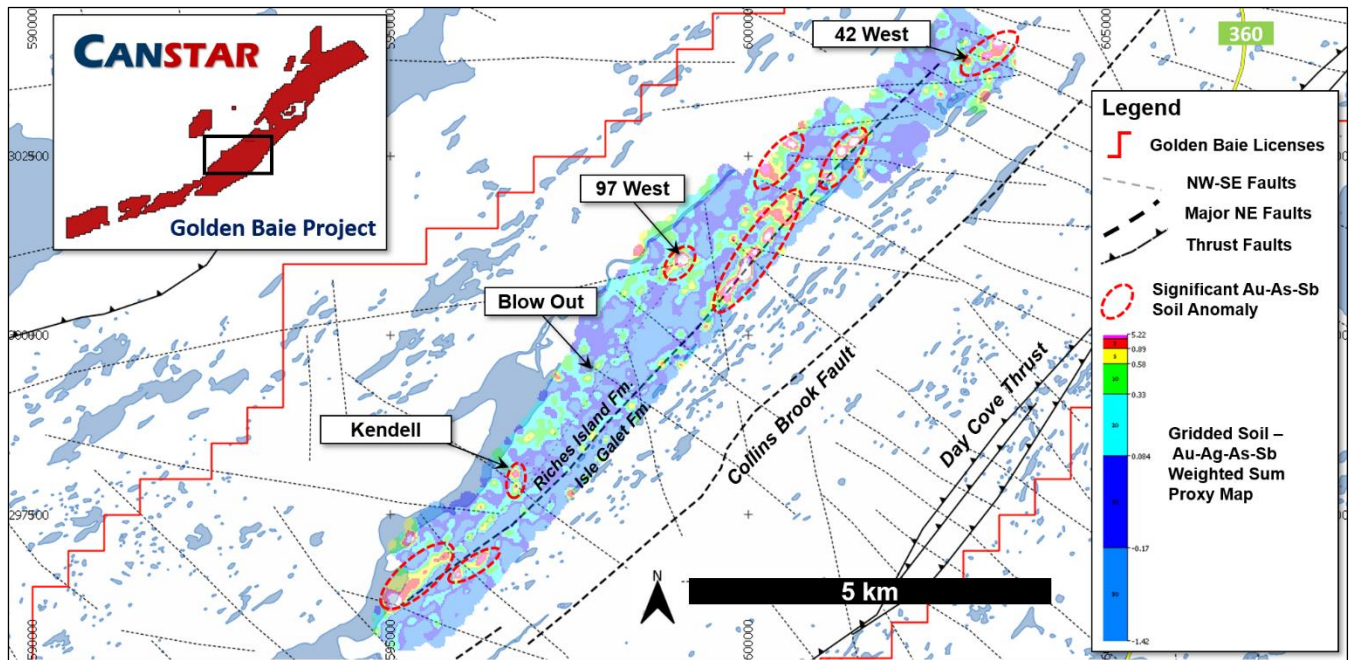


Figure 5 – Significant gold-arsenic-antimony anomalies on the Golden Baie project based on soil samples

#### QA/QC:

All 2021 and 2022 drilling was of NQ-sized drill core. Core samples were split with a diamond saw and half-core retained for further study after being detail logged and photographed. 2022 drill core samples were collected by company personnel and shipped to SGS Labs, Lakefield, ON for preparation of assay pulps. Gold analysis is completed in the SGS Labs, Burnaby, BC with a 30 g fire assay and AAS finish (code GE\_FAA30V5). Samples returning >1 g/t Au are re-assayed with a gravimetric finish (code GO-FAG30V). Mineralized zones with visible gold are also analyzed by a 500 g screen fire assay with screening to 106 microns (code GO-FAS30M).

Soils are dried at a secure company facility and will be processed at SGS Labs using the GE\_FAM50V5 assay method for gold (1-2,000 ppb Au detection) and the GE-IMS21B20 method, an ICP-MS analysis that captures 37 elements including trace level detection of pathfinders such as, Sb and W.

Canstar's QAQC program utilizes four commercially available reference standards, blanks and duplicate samples to ensure data quality. In addition, duplicates of selected samples are being sent to a second laboratory as check assays.

#### Qualified Person

Matthieu Lapointe, B.Sc., P.Geo, Vice President Exploration 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.

Table 2 - Kendell prospect 2022 winter drilling assay results

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
GB-22-63	18.5	22.5	4.0	0.5
<b>GB-22-64</b>	<b>34.0</b>	<b>36.0</b>	<b>2.0</b>	<b>9.5</b>
GB-22-65	20.1	25.0	5.0	1.0
<b>and</b>	<b>34.6</b>	<b>37.6</b>	<b>3.0</b>	<b>6.2</b>
GB-22-66	NSR			
GB-22-67	6.0	6.5	0.5	5.7
GB-22-68	7.0	9.0	2.0	2.6
GB-22-69	NSR			
GB-22-70	NSR			
GB-22-71	NSR			
GB-22-72	15.4	17.4	2.0	2.1
<b>and</b>	<b>28.4</b>	<b>34.4</b>	<b>6.0</b>	<b>6.7</b>
inc.	30.4	31.4	1.0	15.2
inc.	33.4	34.4	1.0	13.3
GB-22-73	14.0	17.0	3.0	4.7
<b>and</b>	<b>27.0</b>	<b>36.0</b>	<b>9.0</b>	<b>0.5</b>
GB-22-74	14.0	17.7	3.7	2.5
<b>and</b>	<b>27.7</b>	<b>31.0</b>	<b>3.4</b>	<b>5.1</b>
GB-22-75	16.0	18.0	2.0	0.5
GB-22-76	15.9	17.9	2.0	0.7
GB-22-77	19.0	20.0	1.0	2.2
GB-22-78	18.0	18.9	0.9	1.6
GB-22-79	NSR			
GB-22-80	NSR			
GB-22-81	7.0	21.3	14.3	0.3
GB-22-82	5.5	23.5	18.0	0.2
GB-22-83	15.5	16.0	0.5	7.6
GB-22-84	NSR			
GB-22-85	8.0	19.6	11.6	0.2
GB-22-86	7.5	16.0	8.5	0.3
GB-22-87	9.0	13.0	4.0	0.7
GB-22-88	3.0	16.5	13.5	0.2
GB-22-89	2.0	14.0	12.0	0.2
GB-22-90	9.5	11.6	2.1	2.4
GB-22-91	9.0	10.0	1.0	1.7
<b>GB-22-92</b>	<b>52.5</b>	<b>56.1</b>	<b>3.6</b>	<b>6.1</b>
<b>inc.</b>	<b>55.7</b>	<b>56.1</b>	<b>0.4</b>	<b>44.9</b>
<b>and</b>	<b>61.6</b>	<b>64.2</b>	<b>2.6</b>	<b>1.5</b>
GB-22-93	46.9	50.0	3.1	4.3
<b>GB-22-94</b>	<b>47.0</b>	<b>50.5</b>	<b>3.5</b>	<b>20.6</b>
<b>inc.</b>	<b>47.8</b>	<b>48.9</b>	<b>1.1</b>	<b>58.2</b>
<b>and</b>	<b>55.0</b>	<b>56.0</b>	<b>1.0</b>	<b>2.6</b>
GB-22-95	NSR			

<b>GB-22-96</b>	<b>36.4</b>	<b>39.4</b>	<b>3.0</b>	<b>11.0</b>
and	42.4	46.0	3.6	3.0
<b>GB-22-97</b>	<b>34.0</b>	<b>43.0</b>	<b>9.0</b>	<b>4.3</b>
inc.	42.0	43.0	1.0	15.1
and	45.0	46.9	1.9	1.7
GB-22-98	NSR			
GB-22-99	NSR			
GB-22-100	27.0	28.5	1.5	0.5
and	53.0	54.0	1.0	0.6
GB-22-101	56.0	57.0	1.0	0.6

Table 3 - Kendell prospect 2022 winter drilling collar locations and drill hole details

Hole	Location	Easting NAD83	Northing NAD83	Azimuth	Dip	Total Length (m)
GB-22-63	Kendell	596807	5298139	135	-46	91
GB-22-64	Kendell	596807	5298139	136	-65	82
GB-22-65	Kendell	596807	5298139	127	-83	82
GB-22-66	Kendell	596844	5298105	135	-46	52
GB-22-67	Kendell	596844	5298105	132	-64	52
GB-22-68	Kendell	596844	5298105	121	-84	55
GB-22-69	Kendell	596841	5298099	93	-45	52
GB-22-70	Kendell	596841	5298099	100	-59	0
GB-22-71	Kendell	596841	5298099	99	-69	52
GB-22-72	Kendell	596828	5298116	108	-69	67
GB-22-73	Kendell	596828	5298116	90	-54	61
GB-22-74	Kendell	596828	5298116	91	-45	61
GB-22-75	Kendell	596826	5298120	128	-45	70
GB-22-76	Kendell	596826	5298120	129	-65	70
GB-22-77	Kendell	596826	5298120	118	-84	70
GB-22-78	Kendell	596806	5298125	131	-66	136
GB-22-79	Kendell	596806	5298125	132	-44	100
GB-22-80	Kendell	596806	5298125	136	-84	85
GB-22-81	Kendell	596885	5298118	130	-75	52
GB-22-82	Kendell	596885	5298118	134	-60	40
GB-22-83	Kendell	596885	5298118	135	-44	40
GB-22-84	Kendell	596894	5298131	128	-84	40
GB-22-85	Kendell	596894	5298131	129	-65	40
GB-22-86	Kendell	596894	5298131	130	-44	61
GB-22-87	Kendell	596908	5298118	137	-66	62.5
GB-22-88	Kendell	596908	5298118	137	-45	43
GB-22-89	Kendell	596900	5298111	140	-85	37
GB-22-90	Kendell	596900	5298111	133	-66	40
GB-22-91	Kendell	596900	5298111	137	-47	40
GB-22-92	Kendell	596768	5298190	140	-85	157

GB-22-93	Kendell	596768	5298190	134	-70	121
GB-22-94	Kendell	596768	5298190	132	-56	115
GB-22-95	Kendell	596768	5298190	311	-54	163
GB-22-96	Kendell	596788	5298173	130	-52	79
GB-22-97	Kendell	596788	5298173	129	-70	112
GB-22-98	Kendell	596808	5298180	132	-50	91
GB-22-99	Kendell	596809	5298180	128	-70	100
GB-22-100	Kendell	596783	5298145	131	-76	100
GB-22-101	Kendell	596820	5298167	131	-64	82

## About Canstar Resources Inc.

Canstar Resources has a very experienced technical team and board who are focused on new mineral discoveries in Newfoundland, Canada. Central Newfoundland has emerged as one of the most exciting gold exploration districts due to recent high-grade orogenic gold discoveries along crustal scale fault corridors. The Company's flagship Golden Baie project, comprised of 774 km<sup>2</sup> of claims in south-central Newfoundland, has multiple high-grade gold anomalies at surface along 40 km of strike. 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 OTCCK 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. 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.*