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Canstar Executes LOI with Khosla-Backed TerraAI, Supporting $11.5M Critical Metals Exploration JV

Partnership unites AI technology, Silicon Valley venture backing, and Canstar's high-grade VMS district holdings to accelerate exploration for critical metals in Newfoundland

Toronto, Ontario – GLOBE NEWSWIRE – June 12, 2025 – Canstar Resources Inc. (TSXV: ROX) (OTCPK: CSRNF) ("Canstar or the "Company") has executed a letter of intent ("LOI") for a strategic exploration partnership with TerraAI, an artificial intelligence company backed by Khosla Ventures, to deploy AI in support of Canstar's $11.5 million exploration JV at its Buchans and Mary March projects in central Newfoundland.

"AI is transforming the world, and it holds the same potential to transform mineral exploration," said Juan Carlos Giron Jr., CEO of Canstar. *"At its core, exploration means gathering and making sense of the right information. With TerraAI's capabilities, we can fuse vast geological datasets, generate targets at scale, and dynamically optimize drill testing. Our technical approach, supported by VMS Mining Corporation's investment, is focused on building on the legacy of a district known for hosting some of the world's highest-grade VMS deposits.[2] This partnership creates a formula which aims to increase the probability of discovery while reducing the cost per success—positioning Canstar to drill smarter, faster, and more effectively."*

The initial focus will center around the Mary March discovery hole, which returned: 4.2 g/t gold, 122 g/t silver, 10.1% zinc, 1.8% lead, and 0.64% copper.[1] The partnership will leverage TerraAI's proprietary platform to ingest and analyze datasets from the Buchans project, where a Deep IP survey is currently underway with Abitibi Geophysics. Combined with the extensive public and historical data from this prolific volcanogenic massive sulphide ("VMS") district, the technology is designed to generate high-confidence drill targets and optimize drilling programs in real-time.

The partnership with TerraAI aligns with Canstar's joint venture with VMSC and builds on the capabilities of the combined technical team, led by Dr. Harold Gibson, one of the world's leading experts in VMS systems.

About TerraAI

TerraAI is led by Dr. John Mern, a Stanford-trained aerospace engineer and artificial intelligence expert whose career spans some of the world's most advanced technology organizations. Before founding TerraAI, Dr. Mern served as a Senior Decision Scientist at **KoBold Metals**, where he led the development of AI systems for mineral exploration, translating techniques from autonomous vehicles and game theory into actionable discovery tools.

Earlier in his career, Dr. Mern was a Systems Architect at **Boeing's Phantom Works**, the company's advanced R&D division, where he worked on autonomous systems, networked platforms, and defense technologies. He holds a PhD in Aerospace Engineering from **Stanford University**, where he conducted research in robotic autonomy and deep reinforcement learning.

Dr. Mern's rare combination of AI experience, resource sector application, and Silicon Valley innovation positions TerraAI at the frontier of AI-driven exploration.

Supported by **Khosla Ventures—a premier $15B+ Silicon Valley firm** known for early investments in transformative technologies—TerraAI represents a turning point in how mineral discovery programs are conceived and executed.

About VMS Mining Corporation

Established to develop Tier 1 VMS deposits globally, VMS Mining Corporation is a technically driven private corporation led by some of the most respected names in the mining industry, with a collective track record of **over $4.1 billion in acquisition value.**

About Dr. Harold Gibson

Dr. Harold Gibson, VMSC's VP-Exploration, is widely recognized as a leading global authority on VMS deposits, bringing over 40 years of VMS expertise and having published more than 100 peer-reviewed articles. He is the recipient of the William Harvey Gross Award, the Duncan R. Derry Medal from the Mineral Deposits Division of the Geological Association of Canada, the Barlow Memorial Medal, the Julian Boldy Memorial Award from the Canadian Institute of Mining, Metallurgy and Petroleum, and the Research Excellence Award from Laurentian University. Dr. Gibson was the Director of the Mineral Exploration Research Centre (MERC) and the Scientific Lead and Founding Director of the Metal Earth Research Project—Canada's $104 million public-private mineral exploration research initiative.

Additional Information on Canstar's Buchans and Mary March Projects

Canstar's Buchans and Mary March Projects are located in the Buchans-Roberts Arms Belt of west-central Newfoundland, Canada. Recognized as one of the highest-grade VMS systems in history, Buchans was mined by ASARCO from the 1920s to the 1980s. Five deposits yielded 16.2 million tonnes with average mill head grades of 14.51% zinc, 7.56% lead, 1.33% copper, 122 g/t silver, and 1.37 g/t gold.[2]

Canstar's Buchans Project sits immediately adjacent to the historic Buchans mines. New 3D geological modelling (2024) by Canstar indicates that the Buchans River Formation, the geological host unit for all five historic Buchans Mine deposits, underlies Canstar's entire Buchans property at depth. The formation plunges from the historically mined deposits towards Canstar's adjacent Buchans-area claims.

A SkyTEM time-domain electromagnetic survey in 2017 identified several multi-kilometre geophysical anomalies within Canstar's Buchans claims. The anomalism coincides with an area of low magnetism, indicating a potential alteration zone. A historic drillhole from the 1970s—located within one of these anomalies—intersected what was described as "stockwork style" mineralization. Stockwork zones typically exhibit a geophysical signature characterized by low magnetism, variable (generally poor to moderate) electrical conductivity, and good chargeability. These characteristics are similar to the geophysical attributes of the stockwork zones of the historic Buchans deposits, suggesting the potential discovery of stockwork and alteration zones associated with Buchans-style VMS deposits.

Canstar's Mary March project, located 25km from the historic Buchans mines, features a large mineralized system with alteration zones similar in scale to those at Buchans and high-grade massive sulphides. Historic drilling intersected a faulted-off massive sulphide lens 9.63 m thick, assaying 0.64% Cu, 1.8% Pb, 10.1% Zn, 4.2 g/t Au, 122 g/t Ag.[1] In 2019, Canstar trenching identified

Buchans-style debris flow deposits with massive sulphide clasts, which assayed up to 5.7% Cu, 1.6% Pb, 1.8% Zn, 29.4 g/t Ag, and 1.2 g/t Au.

Footnotes

(1) Reported by Phelps Dodge in 1999 (historic unverified assays): 9.63 metres grading 4.2 g/t gold, 122 g/t silver, 10.1% zinc, 1.8% lead, and 0.64% copper

(2) Historical production source: Zinc and Lead, Mineral Commodities of Newfoundland and Labrador, Geological Survey of Newfoundland and Labrador, Compiled by R.J. Wardle, 2008

Qualified Person Statement

Bob Patey B.Sc. (Hons), Vice President for Exploration for Canstar and a Qualified Person as defined in NI 43-101, has prepared and approved all scientific and technical information disclosed in this news release.

Acknowledgement

Canstar acknowledges the financial support of the Junior Exploration Assistance (JEA) Program from the Government of Newfoundland and Labrador Department of Industry, Energy and Technology, which has been a valuable contribution to the exploration programs on the Company's Buchans-Mary March and Golden Baie projects.

About Canstar Resources Inc.

Canstar Resources Inc. (TSXV: ROX) is an exploration company focused on critical minerals and gold. The Company's 100%-owned Golden Baie Project (489.5 km^2) hosts high-grade gold and antimony showings along a major mineralized structure that also hosts a large number of gold deposits. The Buchans and Mary March projects (120.5 km^2) are located within the past-producing VMS zinc-, copper-, and silver-rich Buchans Mining Camp and boast high-grade zinc and copper discoveries.

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This news release includes certain "forward-looking statements" that are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's 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, they involve inherent risks and uncertainties. Although these statements are based on

information currently available to the Company, the Company does not assure 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 execution and terms of the proposed partnership with TerraAI, the anticipated benefits of AI deployment in mineral exploration, the objectives and scope of the $11.5 million joint venture with VMS Mining Corporation, the expectation that the use of AI can improve discovery probabilities and reduce costs, exploration plans for the Buchans and Mary March projects, and any future drilling or data interpretation outcomes. Forward-looking information also includes the Company's business objectives, , exploration results, potential mineralization, the estimation of mineral resources, , timing of exploration and development plans, and assumptions about market conditions.. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to: the risk that the definitive agreement with TerraAI is not completed; the technology does not perform as anticipated; AI integration does not result in discovery success or cost efficiencies; difficulties accessing or validating historical data; limitations in data modeling or interpretation; delays or disruptions to the current Deep IP survey; and risks generally associated with the adoption of novel technologies in exploration. Additional risks include failure to identify mineral resources, failure to convert estimated mineral resources to reserves, , 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 variances. 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. 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.