

Canstar Executes LOI for \$11.5M Strategic Investment to Advance Critical Metals Projects

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Toronto, April 22, 2025 - [Canstar Resources Inc.](#) (TSXV: ROX) (OTC Pink: CSRNF) executed a letter of intent ("LOI") with VMS Mining Corporation ("VMSC") establishing terms for an \$11.5M exploration Joint Venture ("JV"), aiming to fast-track new, high-grade discoveries at the Company's polymetallic volcanogenic massive sulphide ("VMS") assets in Newfoundland.

Canstar expects to receive \$500,000 as an initial investment in the JV in April 2025 and will work with VMSC to finalize the definitive agreement in May. The arm's length LOI was executed April 15th.

- Dr. Harold Gibson, P.Geo., VP Exploration for VMSC, will lead the exploration and technical strategy
- Phase 1 investment of \$1.5M (non-dilutive) allows VMSC to acquire a 10% interest in the JV projects for an implied post-money valuation of \$15M
- Phase 2 and Phase 3 offer options for VMSC to increase ownership of the JV to 40% and 60% with subsequent investments of \$4M and \$6M, respectively
- Canstar will have pro-rata investment rights after the VMSC Phase 3 option, retaining the rights to a substantial interest in the JV projects
- Exploration at the Buchans project is underway with a previously announced Deep IP geophysics program
- The Mary March exploration program is expected to start in Spring 2025
- Canstar will continue to advance exploration at its 100%-owned Golden Baie gold/antimony project, which is not subject to the JV

This investment will accelerate exploration at the Buchans and Mary March projects, adjacent to five high grade VMS deposits. They are well-supported by infrastructure, feature multi-kilometre geophysical anomalies, and have high-grade discoveries-including the Mary March discovery hole grading 10.1% zinc, 0.64% copper, 1.8% lead, 4.2 g/t gold and 122 g/t silver over 9.63 meters.¹

Commenting on the announcement, Canstar's President & CEO, Juan Carlos Giron Jr., said, "This agreement with VMSC validates the geological potential of our assets and will deliver world-class expertise, an industry-leading track record and a fully-funded, non-dilutive exploration program while allowing Canstar to maintain a substantial commercial interest in the projects. We are thrilled to begin work with VMSC, and we believe there is no better partner for these projects."

About VMS Mining Corporation

Established to develop Tier 1 VMS deposits globally, VMS Mining Corporation is a technically driven private corporation. VMSC founders and directors have extensive financing, exploration, and development experience. Their management and board are comprised of founder and CEO Mr. Bernardo Álvarez Calderón (Director, Osisko Mining Inc. & O3 Mining Inc.), Mr. Patrick Anderson (Founder/CEO, [Aurelian Resources Inc.](#) & [Dalradian Resources Inc.](#); Director, Osisko Mining Inc. & O3 Mining Inc.), Mr. John Burzynski (Chairman, O3 Mining Inc.; CEO/Director, Osisko Mining Inc.; Director, [Osisko Gold Royalties Ltd.](#)) and Mr. José Alberto Vizquerra Benavides (Founding Director, Osisko Mining Inc.; CEO/Director of O3 Mining Inc.). Collectively, Osisko Mining Inc., O3 Mining Inc., Aurelian Resources Inc., and Dalradian Resources Inc. were acquired in transactions totalling over \$4.1 billion.

Dr. Harold Gibson, VMSC's VP-Exploration, is widely recognized as a leading global authority on VMS deposits, bringing 40+ years of VMS expertise. He has published more than 100 peer-reviewed publications. 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 and Metallurgy, 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 unprecedented \$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-25km from the historic Buchans mines-hosts a large mineralizing 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 Canstar trenching in 2019 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, 1.2 g/t Au.

(1) Reported by Phelps Dodge in 1999 (historic unverified assays)

(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 (501 km²) 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 km²) are located within the world-class, past-producing VMS zinc-, copper-, and silver-rich Buchans Mining Camp and boast high-grade zinc and copper discoveries.

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