

# Canstar Resources Inc. Closes First Tranche of Private Placement and Appoints New CEO & Director

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TORONTO, Sept. 15, 2020 - [Canstar Resources Inc.](#) (TSXV: ROX) (the "Company") is pleased to announce the appointment of Rob Bruggeman as Director and President & CEO of the Company, effective immediately. The Company's Board of Directors is now comprised of David Palmer, Sam Leung, Patrick Reid, Dennis Peterson and Rob Bruggeman. The Company is also pleased to announce that it has closed the first tranche of the non-brokered private placement for gross proceeds of up to \$2.0 million, as announced on September 2, 2020 (the "Offering").

## New CEO and Director

Rob Bruggeman has worked in senior management and consulting roles with mining companies for the past eight years and has invested extensively in the mining sector. Currently, he is Chairman of the Board of [AbraPlata Resource Corp.](#), a TSX-Venture listed company focused on silver-gold exploration in Argentina. Prior to joining the mining sector, Mr. Bruggeman spent more than 10 years working in equities research and institutional equities sales & trading roles at several brokerage firms, including five years with TD Securities as VP, Trading Strategy & Research. Mr. Bruggeman is a licensed Professional Engineer (Ontario) and a CFA charter holder.

Mr. Bruggeman commented: "Canstar has an excellent platform for mineral exploration in Newfoundland. I look forward to working with the Canstar team, as well as the technical team from Altius Minerals, on advancing the exploration of Canstar's district-scale properties in the province. I am especially excited about exploration on the newly optioned Golden Baie Project in south Newfoundland, given the exceptional gold grades discovered at surface recently."

Canstar would like to thank Mr. Dennis Peterson for his dedication as Interim CEO. Mr. Peterson will continue to serve as Chairman of the Company's Board of Directors.

## First Tranche of Private Placement

The first tranche of the Offering consists of an aggregate of 4,761,920 units (each a Part & Parcel Unit) at a price of \$0.105 per Part & Parcel Unit for gross proceeds of \$500,001.60. Each Part & Parcel Unit was comprised of one (1) common share in the capital of the Company and one common share purchase warrant (a "Warrant") at an exercise price of \$0.21 per Warrant for two years from the date of issuance. Canstar intends to close a further \$1,500,000 in subscriptions in a second tranche of the Offering, for an aggregate total amount of approximately \$2,000,000.

The Company intends to use the net proceeds raised from the Offering for general corporate purposes, working capital, and exploration expenses on the Company's properties, including Buchan's Mary March, Daniel's Harbour, and Golden Baie. In particular, the proceeds from the sale of Part & Parcel Units will be used to fund the exploration expenditure commitment on the Golden Baie project, subject to the approval of the TSX Venture Exchange (the "TSXV").

Directors and management of the Company acquired an aggregate of 1,820,050 Part & Parcel Units in the Offering for aggregate proceeds of approximately \$191,100, which participation constituted a "related party transaction" as defined under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (MI 61-101). Such participation is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the Part & Parcel Units acquired by the insiders, nor the consideration for the Part & Parcel Units paid by such insiders,

exceed 25% of the Company's market capitalization.

No finder's fees were paid on the Offering. All securities issued pursuant to the Offering are subject to the applicable statutory hold period of four months and one day from the closing. The Offering is subject to the final approval of the TSX Venture Exchange.

#### About Canstar Resources Inc.

Canstar Resources is a mineral exploration and development company focused on creating shareholder value through discovery and development of economic mineral deposits in Newfoundland, Canada. Canstar is in the process of completing option agreements on the Golden Baie Project in south Newfoundland, a large claim package (660 km<sup>2</sup>) with recently discovered, multiple outcropping gold occurrences. The Company also holds the Buchans-Mary March project and other mineral exploration properties in Newfoundland and Labrador, Canada. Canstar Resources is based in Toronto, Canada and is listed on the TSX Venture Exchange and trades under the symbol ROX-V.

For further information, please contact:

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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, as well as the anticipated size of the Offering, the Offering price, the anticipated closing date and 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.

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