

Canstar Options Golden Baie; Will Receive Initial 15.8M Shares and \$208K Cash, with Additional Equity Tranches to Follow

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Toronto, March 23, 2026 - [Canstar Resources Inc.](#) (TSXV: ROX) (OTCID: CSRNF) ("Canstar" or the "Company") is pleased to announce that, further to its press release dated February 17, 2026, it has executed the definitive option agreement (the "Agreement") with [Churchill Resources Inc.](#) ("CRI"). The Agreement is effective as of March 20, 2026, and grants CRI the right to earn a 100% interest in Canstar's Golden Baie gold-antimony project located in Newfoundland (the "Golden Baie Project").

In connection with the execution of the Agreement, and subject to final approval of the TSX Venture Exchange (the "TSXV") - which the Company expects to receive shortly - and other customary conditions. Canstar will receive the following consideration within three business days of such approval:

- **Cash Payment:** A cash payment of approximately \$208,167, representing reimbursement of existing cash bonds posted on the Golden Baie Project.
- **Initial Share Issuance:** 15,834,097 common shares of CRI, representing approximately 5.0% of CRI's issued and outstanding shares on a post-issuance basis. Based on CRI's closing share price of \$0.10 per share on March 20, 2026, the initial tranche has an indicative market value of approximately \$1.6 million. These shares are subject to applicable statutory hold periods.

The Agreement provides for Canstar to receive up to an additional 4.99% ownership in CRI, delivered in four subsequent tranches of approximately 1.25% each over 6 month intervals during the 24-month option period. In accordance with TSXV requirements, each 1.25% tranche is subject to a maximum issuance of 7,520,000 shares per tranche, and the aggregate maximum number of CRI shares issuable to Canstar under the Agreement is 45,914,097 shares. The actual value of the initial share consideration, as well as the value of all future tranches, will be determined by CRI's market capitalization at the time of each respective issuance, as each tranche is calculated as a percentage of CRI's then-outstanding shares. This structure provides Canstar with direct economic leverage to the advancement of the Golden Baie Project.

Summary of Additional Key Terms

Royalty: Canstar retains a 0.5% net smelter return ("NSR") royalty on any future mineral production from the Golden Baie Project upon CRI's exercise of the option. The royalty does not include a buyback provision. The Golden Baie Project remains subject to an existing 2.0% NSR royalty.

Work Commitments: To earn a 100% interest in the Golden Baie Project, CRI must incur a minimum of \$1,000,000 in exploration expenditures within the first 12 months of the option and a minimum of \$5,000,000 in total exploration expenditures within 24 months.

Eliminated Holding Obligations: As a result of the Agreement, Canstar is no longer responsible for approximately \$600,000 in assessment expenditures that were required by August 2026 to maintain the Golden Baie Project in good standing.

Reversion: If CRI does not satisfy the required minimum exploration expenditures within the specified timeframes, the option will terminate and the Golden Baie Project will revert to Canstar, subject to the terms of the Agreement.

Juan Carlos Giron Jr., Canstar's President & CEO, commented:

"With the definitive agreement executed, this transaction is effectively closed, subject to final TSXV approval.

The equity structure is a key advantage. Each tranche is issued as a fixed percentage of Churchill's outstanding shares, meaning the value to Canstar scales directly with Churchill's market capitalization as the Golden Baie Project advances. This preserves long-term upside while immediately strengthening our balance sheet and focus.

This transaction allows us to retain meaningful exposure to a project we know well, while redeploying capital and attention toward our core VMS portfolio, led by our flagship Mary March volcanogenic massive sulphide ("VMS") project.

Golden Baie has strong fundamentals and a clear path to advancement under Churchill's stewardship. As exploration results emerge and the market gains familiarity with the asset, we see a credible pathway for value creation.

More broadly, we are nearing the end of a highly productive first quarter for Canstar. In addition to the Golden Baie option, since the start of the year, we have finalized a joint venture of up to \$11.5 million with VMS Mining Corporation, received an additional \$1M in non-dilutive exploration capital, advanced multiple geophysical programs, secured a drill permit for the 2026 Mary March Campaign, expanded and consolidated our Mary March land position and announced a letter of intent to acquire a new project in Sweden in one of the world's most well-endowed VMS mining jurisdictions.

As we move through 2026, we are transitioning from foundation-building to catalyst delivery. With a stronger financial position, a sharper focus on VMS exploration, and a clear pipeline of exploration milestones, we believe the Company is well positioned for a compelling year ahead, and that the most important value drivers are still in front of us."

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 reviewed 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 the Golden Baie Project.

About Canstar Resources Inc.

Canstar Resources Inc. (TSXV: ROX) is a mineral exploration company focused on the discovery of high-grade polymetallic deposits through technically rigorous exploration in proven mineral districts.

The Company's flagship asset is the Mary March Project, a large land package located approximately 20 km east of the historic Buchans Mining Camp in central Newfoundland, which produced some of the highest-grade volcanogenic massive sulphide ("VMS") deposits globally. Mary March hosts high-grade copper, zinc, gold and silver mineralization, volcanic rocks consistent with the stratigraphy that hosts the Buchans deposits, and large hydrothermal alteration zones indicative of a significant mineralizing system. Despite its proximity to the Buchans camp, the property has seen limited modern exploration since the original discovery, leaving substantial portions of the system underexplored.

Canstar's exploration programs are supported by a technical team with extensive experience exploring for and advancing volcanogenic massive sulphide deposits globally.

The Company's exploration strategy combines district-scale geological targeting with disciplined exploration programs designed to identify new discoveries. In addition to Mary March, Canstar maintains exposure to additional discovery opportunities through projects including the Golden Baie Project in Newfoundland, which hosts high-grade gold and antimony mineralization along a major mineralized structural corridor.

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Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information in this news release includes, but is not limited to, statements regarding: receipt of the required approvals (including the TSXV) in respect of the transactions contemplated by the option agreement between Canstar and CRI; the timing of the reimbursement of the cash bond and the issuance of common shares of CRI to Canstar; Churchill's ability to satisfy the expenditure and other conditions to earn an interest in the Golden Baie Project and ultimately exercise the option; the anticipated benefits of the transaction to Canstar and its shareholders; and Canstar's and Churchill's exploration plans and future activities.

Forward-looking information is based on management's expectations and assumptions, including, without limitation: that the parties will satisfy necessary conditions to the grant of the option on a timely basis; that the parties will satisfy the conditions contemplated by the option agreement; that Churchill will be able to fund and carry out the required exploration programs; and that market conditions will remain supportive of the parties' planned activities.

Forward-looking information is subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied by such forward-looking information, including, without limitation: the risk that the conditions to the grant of the option are not obtained on the anticipated timeline or at all; the risk that the parties do not satisfy conditions under the option agreement; changes in general economic conditions and capital markets; risks inherent in mineral exploration and development; and changes in laws, regulations or permitting requirements. Readers are cautioned not to place undue reliance on forward-looking information. Canstar undertakes no obligation to update forward-looking information except as required by law.

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