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NEWS RELEASE

August 2, 2016

Canstar Announces Closing of \$1,000,000 Financing

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Toronto, Ontario – August 2, 2016. Further to its news release dated July 13, 2016, Canstar Resources Inc. ("Canstar" or the "Corporation"; TSX.V: ROX) is pleased to announce the completion of its previously announced non-brokered private placement for gross proceeds of \$1,043,795 (the "Offering") through the sale of 10,437,950 units (the "Units") at a price of \$0.10 per Unit.

Each Unit was comprised of one common share in the capital stock of the Corporation ("Common Share") and one-half ($\frac{1}{2}$) of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall entitle the holder to purchase one Common Share at a price of \$0.15 per Common Share until December 31, 2017.

In connection with the Offering, a finder's fee (the "Finder's Fee") was paid to certain eligible finders. The Finder's Fee was comprised of \$6,000 in cash and an aggregate of 265,000 non-transferrable share purchase warrants ("Finder's Warrants"). Each Finder's Warrant, which has an expiry date of December 31, 2017, entitles the holder to acquire one Unit at an exercise price of \$0.10 per Unit.

The net proceeds of the Offering will be used to fund exploration on the Corporation's Kenora Gold Project located in the Kenora area of Ontario.

All securities issued pursuant to the Offering are subject to a statutory four month and one day hold period expiring on December 3, 2016.

On behalf of the Board of Directors,

Danniel J. Oosterman, P. Geo
President & CEO

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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". These statements

are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. 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. Actual results relating to, among other things, results of exploration, project development, reclamation and capital costs of the Company's mineral properties, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as: changes in general economic conditions and conditions in the financial markets; changes in demand and prices for minerals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the activities of the Company; and other matters discussed in this news release. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.