

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

CANSTAR RESOURCES INC.
220 Bay Street, Suite 550
Toronto, ON M5J 2W4

Item 2 Date of Material Change

July 6, 2021

Item 3 News Release

The press release attached as Schedule "A" was released over TheNewswire on July 6, 2021.

Item 4 Summary of Material Change

The material change is described in the press release attached as Schedule "A".

Item 5 Full Description of Material Change

The material change is described in the press release attached as Schedule "A".

Item 6 Reliance of subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Rob Bruggeman
President & CEO
CANSTAR RESOURCES INC.
info@canstarresources.com

Item 9 Date of Report

July 6, 2021

Canstar Hits Visible Gold in Initial Drill Holes, Increases Drill Program at Golden Baie Project

Toronto, Ontario – July 6, 2021 – CANSTAR RESOURCES INC. (TSXV: ROX & OTC PK: CSRNF) (“Canstar” or the “Company”) is pleased to announce that it plans to double the size of the diamond drill program that commenced on its Golden Baie Project on June 8, 2021. The Company now plans to drill approximately 5,000 metres this summer based on positive visual observations of drill core in the initial holes drilled. Assay results for the first drill hole samples are expected in late July.

Drilling to date has focused on the Kendell Target, located in the central portion of the Golden Baie Project. To date 22 drill holes have been completed at the Kendell Target for a total of approximately 1,200 metres and visible gold had been observed in quartz veins in eight of the twelve drill holes logged to date (see Figure 1). The drill rig has now moved to the Hillside Target, located approximately 950 metres north-northeast of the Kendell Target. The observation of visible gold flakes in the core is a positive sign but is not necessarily indicative that assay results with significant gold mineralization will be received.

In light of the positive initial indications from the drill program, the Company plans to double the size of the drill program to approximately 5,000 metres from 2,500 metres. Drilling is now expected to continue until early September 2021 and will continue to focus on the area containing the Kendell Target and the Blow Out Target (Figure 2). The Company currently has permits for approximately 4,000 metres of drilling at the Kendell Target, the Blow Out Target, 22 West, and Wolf Pond. Permit amendments to expand the drilling at the Kendell Target and the Blow Out Target are pending.

Rob Bruggeman, President & CEO of Canstar, stated: “I’m very pleased that the initial drill holes contain visible gold in quartz veins within broader intercepts of arsenopyrite, which tends to be associated with disseminated gold mineralization on the Golden Baie Project. This is a great start to the program and gives us the confidence to double the planned meterage. We look forward to getting the assay results from the drill hole samples and reporting those to our investors and the market.”

Kendell Target Overview

Initial drilling at the Kendell Target is targeting the continuation of gold mineralization previously identified at surface through trenching. Trench TGB-20-01 was excavated in the fall of 2020 and intercepted NE-SW trending quartz veins of varying thickness along a strike length of approximately 70 metres, approximately 16 metres of which contained visible gold. Seven channels were saw cut and sampled with the best results being 10.17 g/t gold over 3.0 metres and 6.20 g/t gold over 5.0 metres (see news release dated [Nov. 30, 2020](#)).

Trench TGB-20-01 was expanded perpendicular to strike in the northwest direction in May 2021. The trench extension encountered a thick section (~4m) of abundant, visible gold bearing quartz veins in strongly sheared metasediments (see news release dated [Jun. 8, 2021](#)). The grab samples from the newly identified quartz veins assayed up to 34 g/t gold and the initial drilling in the 2021 program was targeting the extension of these quartz veins. Due to the extensive deformation of the rocks, the initial drill holes are fairly short and tightly spaced, oriented at dips of 45 to 90 degrees to follow the mineralization and better understand the structure and orientation. *(Note: the reader is cautioned that rock grab samples are selective by nature and values reported may not represent the true grade or style of mineralization across the property.)*

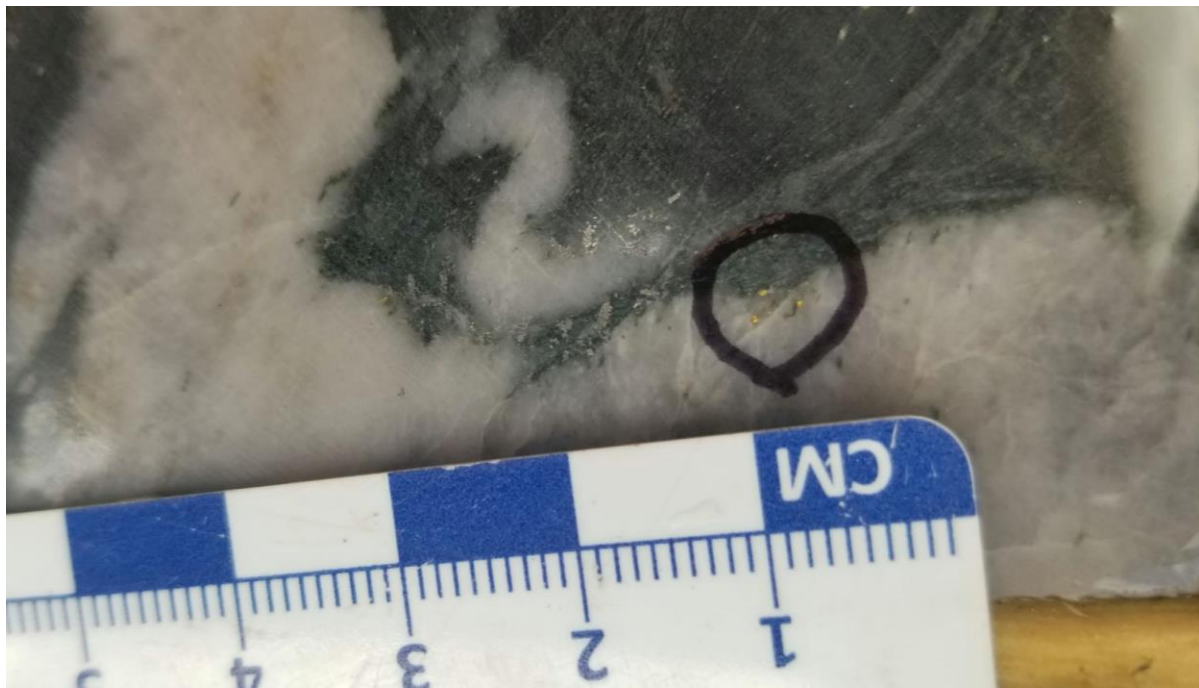


Figure 1 - Visible gold in quartz veins in drill core from hole GB-21-01 (-45 degree dip, 88 degree azimuth - assays pending)

2021 Drill Program Focus

The 2021 summer drill program is focusing primarily on the area from the Kendell Prospect to the Blow Out Prospect (Figure 2). The Blow Out Target area consists of strongly sheared-mylonitic fabrics within duplex packages, similar to the thrust system identified at the Kendell Prospect.

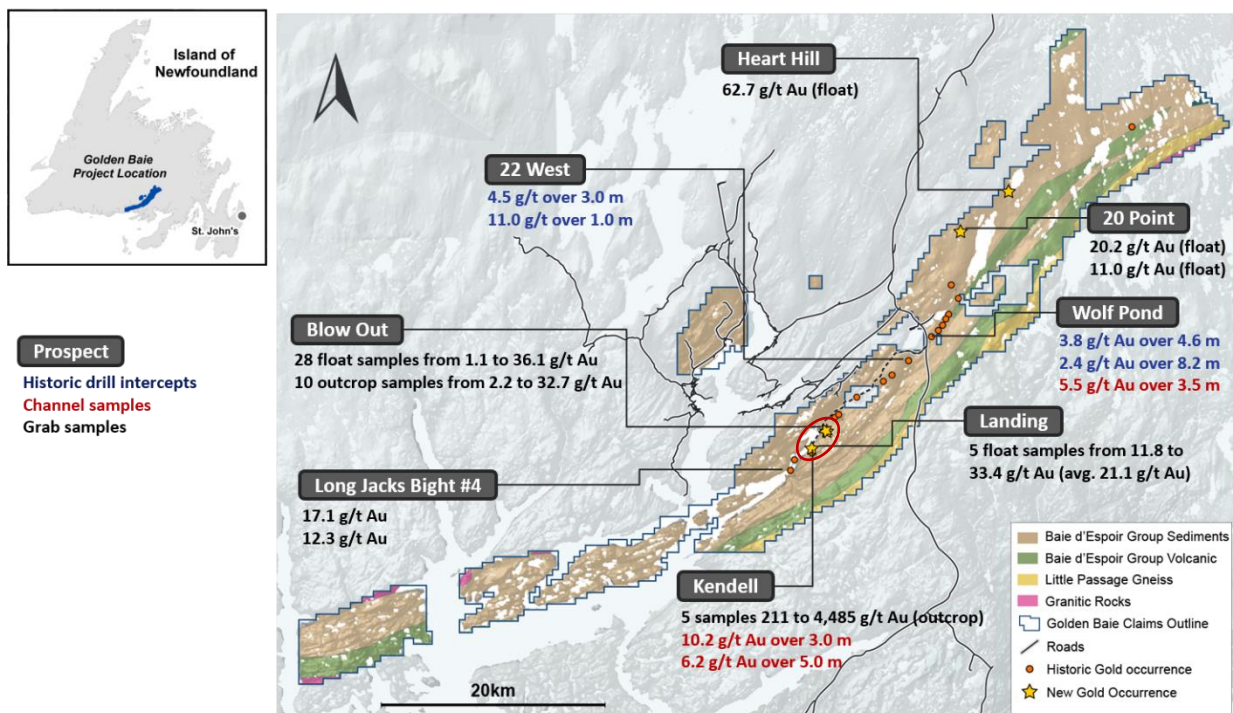


Figure 2 - Golden Baie Property with key gold occurrences noted and 2021 drill target area in red ellipse.

Acknowledgements

Canstar wishes to acknowledge the financial support of the 2021 exploration program through the Junior Exploration Assistance Program from the Department of Natural Resources, Government of Newfoundland and Labrador.

QA/QC:

All rock and soil samples were collected by company personnel and shipped to Eastern Analytical of 403 Little Bay Road, Springdale, NL, a commercial laboratory that is ISO/IEC 17025 accredited and completely independent of Canstar Resources Inc. Most rock samples were crushed to 10 mesh (2000 µm) and a 250g split pulverized to 150 mesh (89 µm). The core samples are being entirely pulverized to 150 mesh (89 µm). Splits of the pulverized samples are analyzed for gold using fire assay (30g) with AA finish and an ICP-34, four acid digestion followed by ICP-OES analysis for 34 additional elements. Metallic screening is being used for samples with visible gold and all samples with initial fire assays over 25 g/t. Soil samples were dried and sieved to 80 mesh (177 µm) and a split analyzed for gold using fire assay (30g) with AA finish and an ICP-34, four acid digestion followed by ICP-OES analysis for 34 additional elements. In addition to Eastern Analytical's quality control program of standards, blanks and duplicates, Canstar utilizes its own reference materials to ensure data quality.

Qualified Person

Bob Patey, B.Sc., P.Geo, Senior Geologist of Canstar, and a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects, is responsible for the scientific and technical data presented herein and has reviewed and approved this release.

About Canstar Resources Inc.

Canstar is focused on the discovery and development of economic mineral deposits in Newfoundland and Labrador, Canada. Canstar has an option to acquire a 100% interest in the Golden Baie Project, a large claim package (62,175 hectares) with recently discovered, multiple outcropping gold occurrences on a major structural trend in south Newfoundland. The Company also holds the Buchans-Mary March project and other mineral exploration properties in Newfoundland. Canstar Resources is based in Toronto, Canada, and is listed on the TSX Venture Exchange under the symbol ROX and trades on the OTC PK under the symbol CSRNF.

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. 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 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.