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TSX-V: DSR

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For Immediate Release

Desert Star Closes Non-Brokered Private Placement for Gross Proceeds of \$602,500

Vancouver, B.C., July 26, 2016. Desert Star Resources Ltd. (TSX-V: DSR) (“Desert Star” or the “Company”) is pleased to announce that it has closed its non-brokered private placement financing, previously announced by news release dated June 20, 2016 (the “Private Placement”) for gross proceeds of \$602,500 by the issuance of 12,050,000 units (each a “Unit”) of the Company at a price of \$0.05 per Unit. Each Unit is comprised of one common share and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of \$0.10 per common share.

In connection with the Private Placement, the Company paid aggregate cash commission of \$29,400 and issued 588,000 non-transferable finder warrants, exercisable for two years from the date of issuance at a price of \$0.10 per common share. Proceeds of the Private Placement will be used for general working capital purposes. All securities issued pursuant to the Private Placement are subject to a four month and a day hold period.

Certain directors of the Company acquired Units under the Private Placement. Any such participation could be considered to be a related party transaction as defined under Multilateral Instrument 61-101. The transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any Units issued to, nor the consideration paid for such Units by, such persons exceeded 25% of the Company’s market capitalization.

About Desert Star

Desert Star is a Vancouver-based mineral exploration company focused on the identification, acquisition and development of copper and gold projects located in top-tier mineral belts in the southwestern United States that contain significant historical production, existing mining infrastructure and an established mining culture.

Vince Sorace
President and CEO, Desert Star Resources Ltd.

For further information regarding Desert Star, please email info@desertstar.ca or visit our website at www.desertstar.ca.

Cautionary Note Regarding Forward-Looking Statements

Neither the 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 contains certain statements that may be deemed “forward-looking statements”. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Although Desert Star believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, are subject to risks and uncertainties, and actual results or realities may differ materially from those in the forward-looking statements. Such material risks and uncertainties include, but are not limited to, Desert Star’s ability to raise sufficient capital to fund its obligations under its property option agreements, to maintain its mineral tenures and concessions in good standing, to explore and develop its projects, to repay its debt and for general working capital purposes; changes in economic conditions or financial markets; the ability of Desert Star to obtain the necessary permits and consents required to explore, drill and develop the projects and if obtained, to obtain such permits and consents in a timely fashion relative to Desert Star’s plans and business objectives for the projects; the general ability of Desert Star to drill test its projects and find mineral resources; if any mineral resources are discovered or acquired, the Company’s ability to monetize any such mineral resources; and changes in environmental and other laws or regulations that could have an impact on the Company’s operations. Forward-looking statements are based on the reasonable beliefs, estimates and opinions of Desert Star’s management on the date the statements are made. Except as required by law, Desert Star undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.