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TSX-V: DSR
For Immediate Release

February 16, 2017

Desert Star Announces Private Placement of Convertible Securities and Units

Vancouver, B.C., February 16, 2017. Desert Star Resources Ltd. (TSX-V: DSR) (“Desert Star” or the “Company”) announces that it will conduct a private placement of convertible securities having a face value of \$150,000 from arms’ length and a non-arms’ length party, a director of the Company. The convertible securities bear interest at the rate of 10% per annum and have a maturity date of one year from the date of advance. The lenders may convert at any time, all or a portion of the principal into units of the Company at a price of \$0.10 per unit (each an “Underlying Unit”). Each Underlying Unit consists of one common share of the Company and one transferable common share purchase warrant (“Underlying Warrants”). Each Underlying Warrant is exercisable into one common share in the capital of the Company for a period of 18 months from the date of issue, at an exercise price of \$0.20 per common share.

The Company will also conduct a private placement of up to 600,000 units (each a “Unit”) at a price of \$0.10 per Unit for gross proceeds up to \$60,000. Each Unit consists of one common share of the Company and one transferable common share purchase warrant (“Warrants”). Each Warrant is exercisable into one common share in the capital of the Company for a period of 18 months from the date of issue, at an exercise price of \$0.20 per common share. The private placement is subject to the approval of the TSX Venture Exchange (“TSXV”).

The proceeds of the private placement will be used for general working capital purposes. All private placement securities will be restricted from trading for a period of four months from closing.

The proposed issuance of private placement securities to a non-arms’ length party also constitutes a related-party transaction under MI 61-101. Because the Company’s shares trade only on the TSXV, the issuance of securities is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101 and exempt from the minority approval requirements of Section 5.6 of MI 61-101.

The Company’s previously announced loan and issuance of bonus securities will not be proceeding.

On behalf of the Board of
DESERT STAR RESOURCES LTD.

“Vince Sorace”

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.

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.