

EARLY WARNING REPORT (Form 62-103F1)
Made Pursuant to National Instrument 62-103

The Early Warning System and Related Take-Over Bid and Insider Reporting Issues

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Securities: Units (the “Units”), consisting of common shares in the capital of the Company (the “Shares”) and transferable common share purchase warrants (the “Warrants”). The Company has also agreed to issue 3,000,000 bonus shares (the “New Bonus Shares”) to the Acquiror.

Issuer: Blue Star Gold Corp. (the “Company”)
Suite 507, 700 West Pender Street
Vancouver BC V6C 1G8

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. See item 2.2. The Company’s common shares (the “Shares”) trade on the TSX Venture Exchange (the “Exchange”) under the symbol “BAU”.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Dr. Georg Josef Pollert (the “Acquiror”)
Karmeliterweg 12
13465 Berlin
Federal Republic of Germany

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On December 17, 2020, pursuant to a private placement (the “Private Placement”), the Acquiror acquired ownership of 12,500,000 Units at a price of \$0.08 per Unit, for a total purchase price of \$1,000,000. Each Unit consists of one Share and one Warrant, with each Warrant exercisable into one Share of the Company at an exercise price of \$0.11 per Share for one year from the closing date of the Private Placement.

Also on December 17, 2020 the Company announced that it has agreed to issue 3,000,000 New Bonus Shares to the Acquiror at a deemed price of \$0.05 per Bonus Share pursuant to loan agreements entered into with the Acquiror for an aggregate principal amount of \$750,000 (the “Loans”). The Loans bear an annual simple interest rate of 7.5%. The aggregate number of Bonus Shares equals 20% of the principal amount of the Loans.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s security holding percentage in the class of securities.

Immediately prior to the Private Placement, the Acquiror held 72,131,084 Shares, 1,000,000 incentive stock options (the “Options”), 63,500,000 share purchase warrants and 3,175 debentures (which are convertible

into 63,500,000 Shares) (“**Debentures**”) and was conditionally entitled to receive a maximum of 3,000,000 bonus shares (the “**Existing Bonus Shares**”) under the terms of an existing loan agreement between the Company (as borrower) and the Acquiror (as lender) and the Acquiror’s non-diluted shareholdings represented approximately 30.05% of the Company’s issued and outstanding Shares. The Existing Bonus Shares and the New Bonus Shares are referred to collectively as the “**Bonus Shares**”.

As a result of the Private Placement and the agreement with respect to the New Bonus Shares, the Acquiror now holds 84,631,084 Shares, 1,000,000 Options, 76,000,000 share purchase warrants and 3,175 Debentures (convertible into 63,500,000 Shares) and is conditionally entitled to receive a maximum of 6,000,000 Bonus Shares. The Acquiror’s non-diluted shareholdings now represent approximately 32.3% of the Company’s issued and outstanding Shares. Thus on a partially diluted basis (i.e., assuming full exercise of all share purchase warrants and Options, full conversion of all Debentures by the Acquiror, receipt by the Acquiror of the maximum number of Bonus Shares, and no other issuances of Shares by the Company), the Acquiror would hold a total of 231,131,084 Shares, representing approximately 56.6% of the Company’s issued and outstanding Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

The Acquiror acquired direct ownership of the Units. See item 2.2.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s security holding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See item 3.1 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror’s securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

See item 2.2.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See item 2.2.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders; and/or**
- (k) an action similar to any of those enumerated above.**

The Units were acquired for investment purposes. The Acquiror may, depending on market and other conditions, increase or decrease his beneficial ownership of or control or direction over the Company's securities, whether in the open market, by privately negotiated agreements or otherwise, subject to a number of factors, including general market conditions and other available investment and business opportunities.

Item 6 – Agreements, Arrangements, Commitments or Understandings with Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

See item 2.2. The Acquiror entered into a standard private placement subscription agreement to acquire the Units.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: December 18, 2020

“Georg Pollert”

Dr. Georg Pollert