

**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**

December 27, 2023

**Item 3            News Release**

The press release attached as Schedule "A" was released over TheNewswire on December 27, 2023.

**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](mailto:info@canstarresources.com)

**Item 9            Date of Report**

December 27, 2023

## Canstar Announces Corporate Update

NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR  
DISSEMINATION IN THE UNITED STATES

**Toronto, Ontario – December 27, 2023 – CANSTAR RESOURCES INC. (TSXV: ROX & OTCPK:CSRNF)** (“Canstar” or the “Company”), is pleased to announce its intention to complete non-brokered private placement financings (the “Offering”) for total gross proceeds of up to \$735,000, consisting of up to 10,000,000 hard dollar units (“Hard Dollar Units”) of the Company at a price of \$0.03 per Hard Dollar Unit, up to 8,000,000 charity flow-through units (“FT Units”) at a price of \$0.0325 per FT Unit, and up to 5,000,000 of Critical Minerals Exploration Tax Credit (“CMETC”) charity flow-through units (“CMETC FT Units”) at a price of \$0.035 per CMETC FT Unit. The Company reserves the right to increase the size of the Offering by up to 25%, subject to the approval of the TSX Venture Exchange (the “Exchange”). In addition, the Company announces management changes coinciding with the private placements, as well as the nomination of J. Paul Austin III to the Company’s board of directors.

### **Offering Details**

Each Hard Dollar Unit shall be comprised of one common share of the Company and one common share purchase warrant (each a “Warrant”). Each FT Unit shall be comprised of one common share of the Company that will qualify as a “flow-through share” (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada)) (a “FT Share”) and one Warrant. Each CMETC FT Unit shall be comprised of one common share of the Company that will qualify as a “CMETC flow-through share” (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada)) (a “CMETC FT Share”) and one Warrant.

Each Warrant shall entitle the holder to purchase one common share of the Company at an exercise price of \$0.05 for a period of 24 months following the closing of the Offering.

The gross proceeds of the CMETC FT Units will be used to fund further exploration programs on, but not limited to, the Buchan’s-Mary March property claims, incurring expenditures that will qualify as “Canadian Exploration Expenses” and “flow-through critical mineral mining expenditures” as those terms are defined in the *Income Tax Act* (Canada), which will be renounced to the purchasers of the CMETC FT shares with an effective date no later than December 31, 2024.

The gross proceeds of the FT Units will be used to fund further exploration programs on, but not limited to, the Golden Baie property claims, incurring expenditures that will qualify as “Canadian Exploration Expenses” as defined in the *Income Tax Act* (Canada), which will be renounced to the purchasers of the FT shares with an effective date no later than December 31, 2024.

The Company will not pay any finders’ fees in cash or securities in connection with the Offering. The Offering is subject to the receipt of all required regulatory approvals including the approval of the Exchange. All securities issued and issuable pursuant to the Offering will be subject to a hold period of four months and one day from the date of issuance.

The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any U.S. state security laws, and may not be

offered or sold in the United States without registration under the U.S. Securities Act and all applicable state securities laws or compliance with requirements of an applicable exemption therefrom. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **Proposed Management Changes**

Upon completion of the Offering and subject to all required regulatory approvals, the Company intends to appoint Juan Carlos Giron Jr. as President and CEO of the Company. Current President and CEO Robert Bruggeman is retiring, but will remain as a director of the Company and assist with the transition of his role. Mr. Giron is an entrepreneur and executive with approximately 15 years of experience in capital markets, finance and commercial and strategic development. He most previously served as Executive Vice President, Strategy and Capital Markets, at a Canadian-listed mining technology company and as President and CFO of a US-listed mining company operating in Nevada. Prior to focusing on the natural resources sector, Mr. Giron spent 10 years in the UBS's International Division, a world-leading provider of financial services, including investment banking and Ultra-High Net Worth Wealth Management.

In addition, the Company announces the retirement of Jack Hurley as CFO of the Company. The Company expresses its deep gratitude for Mr. Hurley's long tenure with the Company and wishes him all the best in his retirement. Upon completion of the Offering and subject to all regulatory approvals, the Company intends to appoint Will Upshur as Corporate Secretary and CFO. Mr. Upshur is an ex-management consultant and seasoned executive with over 17 years of experience in business operations, natural resources, data analytics, national security, investor relations, strategy, market entry, corporate development, and strategic partnerships. He previously led corporate affairs and investor relations strategy at a natural resources startup and built a boutique consulting practice in the mining sector. Will holds a Master's degree in Economics from The School of Advanced International Studies at The Johns Hopkins University (SAIS), and post-graduate certificates in Corporate Finance and Accounting from Harvard University.

The lead order in the Offering will come from funds controlled by J. Paul Austin III. In connection with the Offering, Mr. Austin III will become a substantial strategic investor in Canstar. Upon completion of the Offering and subject to all required regulatory approvals, the board of directors of the Company has agreed to nominate Mr. Austin III as a director of the Company. One of the current directors, Mr. Sam Leung, will step down from the board of directors such that the total number of directors will remain at five upon completion of the Offering. The Company expresses its most sincere appreciation for Mr. Leung's service to the Company over the past five years and wishes him continued success as a leader in the natural resources sector. In addition, Mr. Austin III will receive the right to nominate an additional director of the Company when specific conditions have been met.

### **About Canstar Resources Inc.**

Canstar is focused on the discovery and development of economic mineral deposits in Newfoundland and Labrador, Canada. Canstar has a 100% interest in the Golden Baie Project, a large claim package (61,150 hectares) with recently discovered, multiple outcropping gold occurrences on a major structural trend in southcentral Newfoundland. The Company also holds the Buchans-Mary March project and other mineral exploration properties in central 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:**

Rob Bruggeman, President & CEO

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**Cautionary Statement**

*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 intention to complete the Offering, the changes in management and the expected expenditure of the proceeds of the Offering, 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 the inability to receive TSXV approval for the Offering and settle definitive documentation, 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.*

