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**Blue Star Gold Announces Option Grants, Debt Settlements, Issuance of Bonus Shares
and Closing of Non-Brokered Private Placement**

Vancouver British Columbia – December 17, 2020: Blue Star Gold Corp. (TSXV: BAU) (FSE: 5WP) (the “**Company**”) announces that it has granted incentive stock options to purchase a total of 10,600,000 common shares at an exercise price of \$0.11 per common share for a period of 3 years to certain directors, officers and consultants in accordance with the provisions of its stock option plan.

The Company announces that it will issue an aggregate of 4,000,000 bonus shares (the “**Bonus Shares**”) at a deemed price of \$0.05 per Bonus Share pursuant to loan agreements (the “**Loan Agreements**”) entered into with certain parties for an aggregate principal amount of \$1,000,000 (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.

The Loan Agreements and issuance of Bonus Shares were previously approved by the TSX Venture Exchange (the “**Exchange**”) on June 22, 2020.

The Company also announces that, subject to the approval of the Exchange, it wishes to settle the Loans, as to \$1,000,000 in principal amount plus \$114,687.50 in interest owing on the Loans referred to above, by issuing a total of 20,324,444 common shares (the “**Shares**”) of the Company at a deemed price of \$0.055 per Share (the “**Debt Settlement**”). The parties have agreed to accept repayment of the principal amount of the Loans and the interest owing on the Loans in Shares in lieu of cash, as originally agreed to in the Loan Agreements. The Company will obtain Exchange approval on the Debt Settlement prior to issuing the Shares. The sale of stakes in the Company’s projects announced previously (see news release dated July 29, 2019) have been cancelled as a result of this Debt Settlement. The Company currently holds a 100% interest in its Ulu and Hood River Properties.

Additionally, the Company announces that, subject to the approval of the Exchange, it has closed its non-brokered private placement (the “**Private Placement**”) raising gross proceeds of \$1,760,800 through the issuance of 22,010,000 units (the “**Units**”) at a price of \$0.08 per Unit. The Private Placement was conditionally approved by the Exchange on November 30, 2020.

Each Unit consists of one Share and one transferable common share purchase warrant (a “**Warrant**”) with each Warrant exercisable into Shares of the Company at a price of \$0.11 per Share for one year from the date of closing of the Private Placement.

The Company paid finder’s fees of \$38,328 and 479,100 finder’s warrants (the “**Finder’s Warrants**”) to Red Cloud Financial Services Inc. and Teresa Schmid. The Finder’s Warrants are non-transferable and exercisable at \$0.08 per Share for a period of two years from the closing date of the Private Placement.

The Company intends to use the net proceeds from the Private Placement for exploration and development of the Company’s projects in Nunavut and for general working capital.

Dr. Georg Pollert, a director and controlling shareholder of the Company, received 3,000,000 Bonus Shares, 15,265,332 Shares pursuant to the Debt Settlement and 12,500,000 Units pursuant to the Private Placement. As a result, the issuance of these securities is a related party transaction (as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company relied upon the “Fair Market Value Not More Than \$2,500,000” exemption from the formal valuation and minority shareholder approval requirements, respectively, under MI 61-101.

All securities issued pursuant to Option grants, issuance of Bonus Shares, Debt Settlement and Private Placement are subject to a four month hold period pursuant to securities laws in Canada and the Exchange hold period pursuant to Exchange policies.

About Blue Star Gold Corp.

Blue Star is a Vancouver-based gold and silver company focused on exploration and development within Nunavut, Canada. The Company owns the **Ulu Gold Property** lease, an advanced gold and silver project, and the highly prospective **Hood River gold concessions** that are contiguous with the Ulu mining lease. The combined properties total approximately 9,000 ha of prospective mineral claims within which the Company has a significant high-grade gold resource on the Ulu lease, and numerous high-grade gold occurrences and priority targets throughout the Ulu and Hood River properties.

Blue Star is listed on the TSX Venture Exchange under the symbol: BAU and on the Frankfurt Exchange under the symbol: 5WP. For information on the Company and its projects, please visit our website: www.bluestargold.ca.

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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.