Blue Star Gold Announces Closing of First Tranche of Non-Brokered Private Placement and Completion of Share Consolidation

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Vancouver, June 18, 2021 - Blue Star Gold Corp. (TSXV: BAU) (FSE: 5WP) ("Blue Star" or the "Company") announces that, further to its news release of June 1, 2021 and subject to the final approval of the TSX Venture Exchange (the "Exchange"), it has closed the first tranche of its non-brokered private placement (the "Private Placement") issuing 1,462,253 flow-through shares (each a "FT Share") and 2,451,500 common shares (each a "Share") at a price of $0.70 per FT Share and Share raising total gross proceeds of $2,739,627. The Company paid finder's fees of $46,500 to GloRes Securities and Red Cloud Financial Services Inc.

The Shares and FT Shares will be subject to a four-month hold period pursuant to securities laws in Canada and, where applicable, the Exchange. The FT Shares and Shares were issued on a post-consolidated basis.

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.

Ulu and Hood River Exploration Program

Blue Star has now mobilized its 2021 exploration program and plans to test numerous priority targets on its Ulu and Hood River properties. Several of the targets are located within ~1,000 metres of the Flood Zone deposit, where a significant high-grade gold resource has been outlined.

Blue Star's CEO, Grant Ewing, commented, "The current financing and restructuring is anticipated to be complete within the next 30 days, and following this Blue Star will be in the best shape in the Company's history. We will have an attractive capital structure, a clean balance sheet, and be fully funded for our 2021 exploration program where multiple priority targets will be tested over our highly prospective properties. The current exploration program will benefit from the extensive review and compilation of the historic Ulu dataset that was conducted over the last several months and will be the first program led by the Company's new technical team that has a long history of success in Nunavut."

Consolidation

The Company also announces that it has completed a share consolidation (the "Consolidation") on the basis of one (1) new Share for every ten (10) Shares held which will result in the Company having approximately 29,603,172 Shares issued and outstanding prior to the closing of the first tranche of the Private Placement. The Shares will begin trading on a consolidated basis at the opening of trading on Friday, June 18, 2021. Registered shareholders of the Company will receive a letter of transmittal from the Company's transfer agent with instructions for exchanging their pre-Consolidation Shares. Shareholders who hold their Shares through a broker or other intermediary will not need to complete a letter of transmittal.

Dr. Georg Pollert, a director and controlling shareholder of the Company, received 2,380,000 Shares 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.

Qualified Person

Darren Lindsay, P. Geo. and Vice President Exploration for Blue Star, is a Qualified Person under National Instrument 43-101 ("NI 43-101") and has reviewed and approved the technical information contained in this news release.

About Blue Star Gold Corp.

Blue Star is a 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 Property that is contiguous to the Ulu mining lease. With the recent acquisition of the Roma Project, Blue Star now controls over 16,000 hectares of highly prospective and underexplored mineral properties in the High Lake Greenstone Belt, Nunavut. A significant high-grade gold resource exists at the Flood Zone deposit (Ulu lease), and numerous high-grade gold occurrences and priority targets occur throughout the Ulu, Hood River and Roma Projects.

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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