

# MOUNTAINSTAR GOLD INC.

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April 23, 2014

## ANNOUNCEMENT OF \$451,000 DEBT SETTLEMENT

Mountainstar Gold Inc. (MSX-CSE) (“**Mountainstar**”) announces that further to the news release dated February 24, 2014 in which it announced a \$450,000 private placement, Mountainstar now announces that that transaction has been structured as a debt settlement which is to supersede and replace the private placement announced on February 24, 2014.

The Company has agreed to discharge a total of \$451,000 of debt owed to 34 creditors by the issuance of units (the “**Creditor’s Units**”) at the deemed price of \$0.16 per Creditor’s Unit. A total of 2,818,750 Creditor’s Units are to be issued. Each Creditor’s Unit consists of one common share in the capital of Mountainstar and one-half of one share purchase warrant with each full warrant (a “**Creditor’s Warrant**”) entitling the holder to purchase a further common share of Mountainstar at the price of \$0.52 per share for two years from the date of the closing of the debt settlement. Of the 34 creditors, three creditors are insiders of Mountainstar and are to be issued a total of 474,000 Creditor’s Units in settlement of \$80,840 of debt in aggregate.

Three finders found some but not all of the 34 creditors. Mountainstar has agreed to pay a 10% finder’s fee to the three finder’s in respect of those creditors that each of them found. Those finder’s fee are to be paid partly in cash (which has already been paid) and with the balance in shares at the deemed price of \$0.16 per share together with one share purchase warrant for each \$0.16 of finder’s fee. One of the three finders is also to be paid a further 2% finder’s fee on the amounts that the other two finder’s caused to be advanced to Mountainstar. His finder’s fee is to be paid in shares at the deemed price of \$0.16 and a warrant for each such share.

The warrants to be issued to the finders (the “**Finder’s Warrants**”) entitle the holder to purchase a further share of Mountainstar at the price of \$0.20 for a period of one year from the date of the closing of the debt settlement.

Thus, the three finders have been paid a total of \$9,000 to date for the finder’s fee and are to be issued 147,670 shares in aggregate and 203,920 Finder’s Warrants in aggregate.

All the shares and warrants are subject to a four month hold period.

On behalf of the Board of Directors,

*“Brent Johnson”*

Brent Johnson, President & CEO

For further information, please contact Mr. Steve Holt, Director of Mountainstar Gold Inc., at [steveholt@telus.net](mailto:steveholt@telus.net)