

**Mountainstar Gold Inc. ("MSX" - formerly Mountain-West Resources Inc.)
News Release - Clarifications**

As a result of a review by the British Columbia Securities Commission, we are issuing the following press release to clarify the disclosure of Mountainstar Gold Inc. ("MSX").

News Release May 16, 2012

The News Releases dated October 31, 2011, December 6, 8 and 18, 2011, January 26 and 30, 2012, February 9, 2012 and March 5, 2012 contained potentially unclear assertions of fact and on occasion, opinion of Management was intended to be expressed instead of a statement of fact by the Company. The referenced News Releases have been retracted in their entirety and clarified as restated below.

Location of the Pascua Project (Chilean) Mineralization:

The expert report of Catalino Albanez V., I.E.M, Mining Enforcement Engineer and Accredited Expert for the Appeals Court of La Serena, Chile, dated August 1, 2011, (the "Albanez Report"), concludes that the Chilean portion of the Pascua-Lama project (the Pascua project") area of mineralization was originally contained within the Amarillos 1-3000 concessions, owned by a Barrick Gold Corp subsidiary, and that Barrick has created a "new" Pascua project area of mineralization that now lies outside of the Los Amarillos 1-3000 claims area.

The attached maps show at the lower-central outlined bold area as the "original" Pascua project area of mineralization, according to the Albanez Report, and the upper-right outlined bold area as the "new" Pascua project area of mineralization, and in particular note the superimposed Claims with which the "original" mineralized area is associated.

The Management of Mountainstar Gold Inc. believe the Albanez Report is correct, and the original area of mineralization lies within the "Superimposed Claims" areas noted below, as all claims noted are superimposed over/under, each other. Barrick has stated that the Pascua project area of mineralization is outside of the superimposed claims area.

Superimposed Claims:

1. LOS AMARILLOS 1 AL 3000, (acquired **1994 from Lac Minerals**, owned by Cia Minera Nevada Limitada, now in process of cancellation - Chilean Mining Code process);
2. AMARILLO SUR and AMARILLO NORTE (filed **1996**, original, now cancelled - Chilean Mining Code process);

3. TESORO Claims (the "Tesoro Claims", filed in **1997**, and under Court Injunction since 2001, title in name of "Hector Unda Llanos", Barrick's mining agent, now in process of cancellation-Chilean Mining Code process);
4. AMARILLO SUR and AMARILLO NORTE, (the "2011 Amarillo Claims", restituted claims filed in **2011**, title in name of "J.R. Lopehandia",-Optioned by MSX, 2011).

By the Option Agreement (the "Pascua Agreement") dated May 20, **2011**, between Mountainstar Gold Inc. ("MSX") and J.R. Lopehandia, MSX obtained the Right to Purchase an Option to Purchase 50% of the 2011 Amarillo Claims' property. MSX has paid Mr. Lopehandia approximately \$2,500,000 to date pursuant to the Pascua Agreement. The payment and exercise of the Option is conditional upon the delivery of a legal opinion, and as a consequence there is no guarantee that Mr. Lopehandia will be successful in his litigations and accordingly, there is no guarantee that MSX will be able to acquire any interest in the Pascua Lama project. The Pascua Agreement has been reviewed by Chilean legal counsel who has confirmed the validity and the enforceability of the terms of the Pascua Agreement in Chile, as between MSX and Mr. Lopehandia only.

If the Optionor fails to provide clear title, then all funds provided by the Company become refundable. On the other hand, if for some other reason, the Company fails to exercise either the purchase right or the option, then all amounts paid to the Optionor become non-refundable.

The Property includes the restituted Amarillo North and Amarillo South mining claims which, according to the Optioner, cover a portion of the Chilean portion of the mining deposit commonly called the Pascua Lama deposit, which lies in both Chile and Argentina (that Chilean portion of Pascua Lama is called "Mina Pascua").

Each of Barrick Gold Corporation and Jorge Lopehandia allege to own the Mina Pascua Property and that alleged ownership is the subject of litigation which commenced in Santiago, Chile on March 4, 2001 and which is ongoing.

On behalf of the Board of Directors
"Brent Johnson"
President and CEO

For further information please contact
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Email: obruce9@telus.net

NORTE 6.775.000 m.

PERTENENCIAS AMARILLO SUR.
RESPECTO AMARILLO 1/3000

N. UTM



NORTE 6.765.000 m.

NORTE 6.760.000 m.

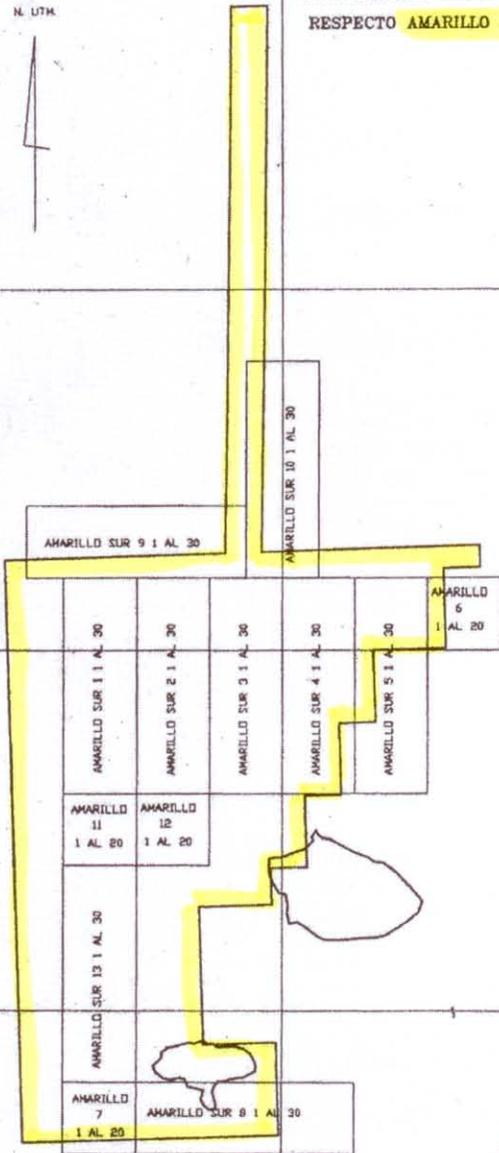
NORTE 6.755.000 m.

NORTE 6.750.000 m.

ESTE 395.000 m.

ESTE 400.000 m.

ESTE 405.000 m.



Catalino Albanez V.
CATALINO ALBANEZ V.
 ING. EJEC. EN MINAS
 PERITO MENSURADOR



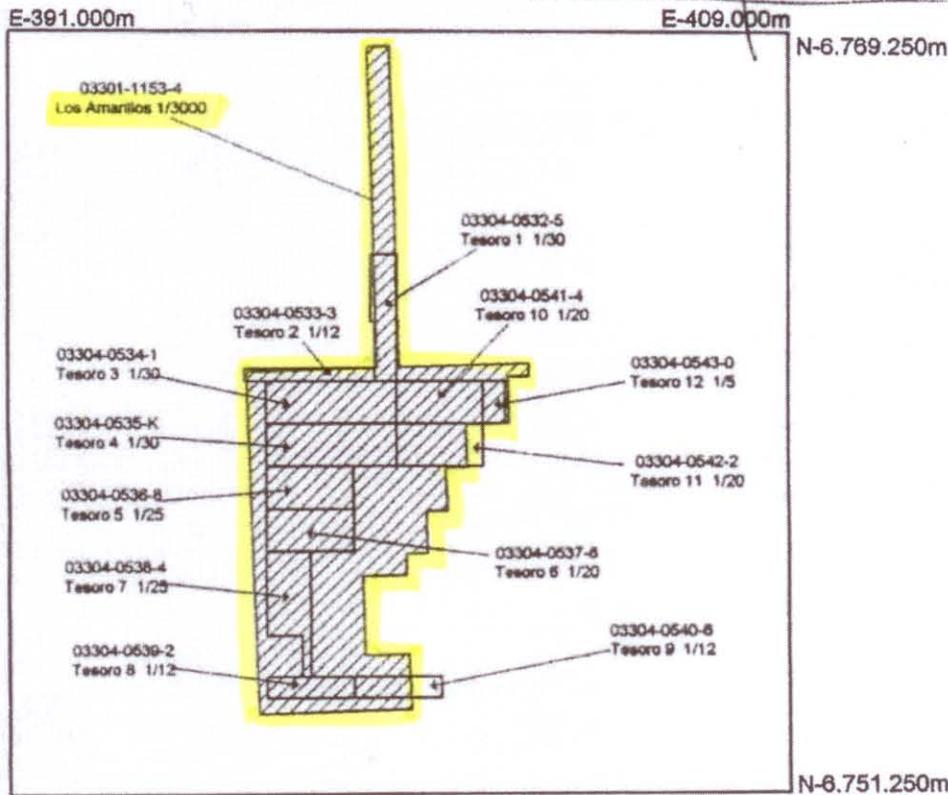
Legalizada en el Ministerio de Relaciones Exteriores de Chile

[Signature]

JUAN ANTONIO RIVAS FIGUEROA
 Director de Legalizaciones

21 ENE 2011

PLANO DE SUPERPOSICION



U.T.M.

SIMBOLOGIA:

- Concesiones de Explotación Código 1983
- Concesión de Explotación Código 1932

Ministerio de Justicia de Chile
 Certifica la autenticidad de la firma de
 Fecha de Proceso: 19/01/2011
 D.V.I.: N° 021

[Signature]

Santiago 21 ENE 2011

VICTORIA GOMEZ LAGOS

