CANSTAR RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Canstar Resources Inc. (the "Company" or "Canstar") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

CANSTAR RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

As at	March 31, 2024	June 30, 2023
ASSETS		
Current		
Cash and cash equivalents	**$ 147,745**	$ 450,096
Amounts receivable and prepaid expenses	**42,755**	29,174
Advances receivable	**28,028**	28,028
Marketable securities (Note 4)	**590,445**	375,746
Investments (Note 5)	**37,800**	57,400
Total current assets	**846,773**	940,444
Golden Baie security deposit (Note 6)	**-**	96,524
Equipment (Note 7)	**13,253**	15,591
Total assets	**$ 860,026**	$ 1,052,559
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 10)	**$ 122,457**	$ 281,444
Flow-through premium (Notes 8 and 12)	**48,696**	-
Total liabilities	**171,153**	281,444
SHAREHOLDERS' EQUITY		
Capital stock (Note 9(b))	**31,051,813**	30,278,135
Warrants (Note 9(d))	**324,248**	1,265,807
Share-based payment reserve (Note 9(c))	**1,422,195**	1,331,581
Shares to be issued (Note 6(a))	**-**	200,000
Deficit	**(32,109,383)**	(32,304,408)
Total shareholders' equity	**688,873**	771,115
Total liabilities and shareholders' equity	**$ 860,026**	$ 1,052,559

Nature and Continuance of Operations (Note 1)
Commitments and Contingencies (Notes 6 and 12)

See accompanying notes to the unaudited condensed interim consolidated financial statements.

CANSTAR RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023 (*Restated, Note* 3)	Nine Months Ended March 31, 2024	Nine Months Ended March 31, 2023 (*Restated, Note* 3)
Operating expenses				
Exploration and evaluation expenditures (Note 6)	**$ 149,608**	$ 155,778	**$ 587,710**	$ 4,496,870
Share-based payment (Notes 9(c) and 10)	**15,958**	58,279	**93,895**	214,276
Interest and bank charges	**956**	31,892	**1,449**	32,934
Transfer agent and filing fees	**14,757**	9,014	**21,413**	24,539
Management fees (Note 10)	**114,952**	51,456	**204,952**	202,134
Professional fees	**39,230**	24,934	**105,554**	100,564
General and office expenses	**(1,423)**	29,320	**23,039**	143,778
Shareholder information	**(562)**	-	**2,110**	6,306
Depreciation (Note 7)	**779**	980	**2,338**	2,940
Rent (Note 10)	**1,800**	1,800	**5,400**	5,400
Travel	**32,530**	-	**32,530**	746
Total operating expenses	**368,585**	363,453	**1,080,390**	5,230,487
Loss before items below:	**(368,585)**	(363,453)	**(1,080,390)**	(5,230,487)
Interest and dividend income (Note 4)	**2,809**	14,062	**18,373**	41,851
Fair value adjustment on investments (Note 5)	**1,400**	(3,460)	**(19,600)**	(18,109)
Flow-through premium	**7,554**	-	**7,554**	85,285
Net loss and comprehensive loss for the period	**$ (356,822)**	$ (352,851)	**$ (1,074,063)**	$ (5,121,460)
Net loss per share - basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.05)
Weighted average number of shares - basic and diluted (Note 11)	**120,404,834**	110,342,559	**118,938,564**	109,895,158

See accompanying notes to the unaudited condensed interim consolidated financial statements.

CANSTAR RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Nine Months Ended March 31, 2024	Nine Months Ended March 31, 2023 (*Restated, Note3*)
CASH FLOWS (USED IN) OPERATING ACTIVITIES		
Net loss for the period	**$ (1,074,063)**	$ (5,121,460)
Charges not involving cash:		
Share-based payment expense	**93,895**	300,197
Common shares issued and to be issued for exploration property interest	**110,333**	326,222
Depreciation	**2,338**	2,940
Flow-through premium	**(7,554)**	(85,285)
Fair value adjustment on investments	**19,600**	18,109
	(855,451)	(4,559,277)
Changes in non-cash working capital items:		
Amounts receivable, prepaid expenses and Golden Baie Security deposit	**82,943**	34,109
Advances receivable	**-**	49,830
Accounts payable and accrued liabilities	**(158,987)**	299,723
Cash flows (used in) operating activities	**(931,495)**	(4,175,615)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement financing	**856,215**	-
Share issue costs	**(12,372)**	-
Cash flows from financing activities	**843,843**	-
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	**791,462**	5,083,408
Interest income	**(1,893)**	-
Purchase of marketable securities	**(1,004,268)**	(775,246)
Purchase of equipment	**-**	(1,289)
Cash flows (used in) from investing activities	**(214,699)**	4,306,873
Change in cash and cash equivalents	**(302,351)**	131,258
Cash and cash equivalents, beginning of period	**450,096**	201,251
Cash and cash equivalents, end of period	**$ 147,745**	$ 332,509
SUPPLEMENTAL INFORMATION		
Interest income received	**$ 13,668**	$ 41,851
Shares to be issued	**$ -**	$ 200,000
CASH AND CASH EQUIVALENTS		
Cash	**$ 97,757**	$ 281,003
Cash equivalents	**49,988**	51,506
	$ 147,745	$ 332,509

See accompanying notes to the unaudited condensed interim consolidated financial statements.

CANSTAR RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Capital Stock	Shares to be Issued	Warrants	Share-based Payment Reserve	Deficit	Total
Balance, June 30, 2022 (Restated, see Note 3)	**$ 30,151,913**	**$ -**	**$ 2,858,506**	**$ 1,583,419**	**$ (28,927,561)**	**$ 5,666,277**
Share-based payment expense	-	-	-	300,197	-	300,197
Common shares issued for exploration property interest	126,222	200,000	-	-	-	326,222
Expiry of warrants	-	-	(648,074)	-	648,074	-
Net loss for the period	-	-	-	-	(5,121,460)	(5,121,460)
Balance, March 31, 2023, (Restated, see Note 3)	**$ 30,278,135**	**$ 200,000**	**$ 2,210,432**	**$ 1,883,616**	**$ (33,400,947)**	**$ 1,171,236**
Balance, June 30, 2023	**$ 30,278,135**	**$ 200,000**	**$ 1,265,807**	**$ 1,331,581**	**$ (32,304,408)**	**$ 771,115**
Share-based payment expense	-	-	-	93,895	-	93,895
Issuance of shares private placement	531,967	-	324,248	-	-	856,215
Share issue costs	(12,372)	-	-	-	-	(12,372)
Flow-through premium	(56,250)	-	-	-	-	(56,250)
Expiry of stock options	-	-	-	(3,281)	3,281	-
Common shares issued and to be issued for property interest	310,333	(200,000)	-	-	-	110,333
Expiry of warrants	-	-	(1,265,807)	-	1,265,807	-
Net loss for the period	-	-	-	-	(1,074,063)	(1,074,063)
Balance, March 31, 2024	**$ 31,051,813**	**$ -**	**$ 324,248**	**$ 1,422,195**	**$ (32,109,383)**	**$ 688,873**

See accompanying notes to the unaudited condensed interim consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Canstar Resources Inc. (the "Company" or “Canstar”) was formed by amalgamation on April 5, 2005. The Company's registered and head office is located at 220 Bay street, Suite 550, Toronto, Ontario, M5J 2W4.

The unaudited condensed interim consolidated financial statements were approved by the Board of Directors on May 22, 2024.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the expenditures incurred on the mineral properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing necessary to complete development of the properties, and the future profitable production therefrom or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

These unaudited condensed interim consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next 12 months. At March 31, 2024, the Company had an accumulated deficit since inception and expects to incur further losses in the advancement of its exploration and evaluation properties. The Company will need to generate additional financial resources in order to advance and develop its exploration and evaluation properties and there is a risk that additional financing will not be available to the Company on a timely basis or on acceptable terms. There are no assurances that the Company will complete its anticipated financing, obtain additional financial resources and/or achieve positive cash flows or profitability. If the Company is unable to obtain adequate financing, the Company may ultimately be required to curtail its operations and discontinue as a going concern. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. If the going concern assumption were not appropriate, adjustments would be necessary to the carrying values of the assets and liabilities, reported revenues and expenses, and statement of financial position classifications in these unaudited condensed interim consolidated financial statements. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 22, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended June 30, 2023. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending June 30, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Standards Adopted

The Company adopted the following new IFRS standards, interpretations, amendments and improvements of existing standards. The new standards and changes did not have any material impact on the Company's unaudited condensed interim consolidated financial statements and are described as follows:

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for the Company's annual period beginning on July 1, 2023.

Future Policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the unaudited condensed interim consolidated financial statements.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

3. CHANGE IN ACCOUNTING POLICY

During the year ended June 30, 2023, in order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily changed its accounting policy with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in IFRS 6 - Exploration for and Evaluation of Mineral Resources and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The new accounting policy has been applied retrospectively. In prior periods the Company's policy was to defer exploration expenditures until such time as the properties are put into commerical production, sold or become impaired. The Company elected to change this accounting policy to expense exploration expenditures as they are incurred, on a retrospective basis.

The full accounting policy is as follows:

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral rights, property option payments and exploration and evaluation activities.

Once a project has been established as commerically viable, technically feasible and the decision to proceed has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commerical production.

(EXPRESSED IN CANADIAN DOLLARS)

3. CHANGE IN ACCOUNTING POLICY (CONTINUED)

The impact of this change on the unaudited condensed interim consolidated financial statements for the three and nine months ended March 31, 2023 are as follows:

	As previously reported	Effect of change in accounting policy	Restated
Consolidated Statement of Financial Position			
As of June 30, 2022			
Interest in exploration properties and deferred exploration expenditures	$ 7,375,911	$ (7,375,911)	$ -
Total assets	13,247,220	(7,375,911)	5,871,309
Deficit	(21,551,650)	(7,375,911)	(28,927,561)
Total shareholders' equity	13,042,188	(7,375,911)	5,666,277
Total liabilities and shareholder's equity	13,247,220	(7,375,911)	5,871,309
As of March 31, 2023			
Interest in exploration properties and deferred exploration expenditures	$ 11,872,781	$ (11,872,781)	$ -
Total assets	13,432,704	(11,872,781)	1,559,923
Deficit	(21,528,166)	(11,872,781)	(33,400,947)
Total shareholders' equity	13,044,017	(11,872,781)	1,171,236
Total liabilities and shareholders' equity	13,432,704	(11,872,781)	1,559,923
Consolidated Statement of Operations and Comprehensive Loss			
For the three months ended March 31, 2023			
Exploration and evaluation expenditures	$ -	$ 155,778	$ 155,778
Total operating expenses	207,675	155,778	363,453
Loss before item below:	(207,675)	(155,778)	(363,453)
Net loss and comprehensive loss for the period	(197,073)	(155,778)	(352,851)
Net loss per share	(0.00)	(0.00)	(0.00)
Weighted average number of shares	110,342,559	110,342,559	110,342,559
For the nine months ended March 31, 2023			
Exploration and evaluation expenditures	$ -	$ 4,496,870	$ 4,496,870
Total operating expenses	733,617	4,496,870	5,230,487
Loss before item below:	(733,617)	(4,496,870)	(5,230,487)
Net loss and comprehensive loss for the period	(624,590)	(4,496,870)	(5,121,460)
Net loss per share	(0.01)	(0.04)	(0.05)
Weighted average number of shares	109,895,158	109,895,158	109,895,158

(EXPRESSED IN CANADIAN DOLLARS)

3. CHANGE IN ACCOUNTING POLICY (CONTINUED)

Consolidated Statement of Cash Flows

For the nine months ended March 31, 2023

Cash flows from operating activities						
Net loss for the period	$	(624,590)	$	(4,496,870)	$	(5,121,460)
Share-based payments		214,276		85,921		300,197
Common shares issued for exploration property interest		-		326,222		326,222
Account payables and accrued liabilities		268,940		30,783		299,723
Net cash flow from operating activities		(121,671)		(4,053,944)		(4,175,615)
Cashflow from investing activities						
Interest in exploration properties and deferred exploration expenditures	$	(4,053,944)	$	4,053,944	$	-
Cash flows from investing activities		252,929		4,053,944		4,306,873
Change in cash and cash equivalents		131,258		-		131,258
Supplemental information						
Share-based compensation capitalized to exploration and evaluation properties	$	85,921	$	(85,921)	$	-
Common shares issued for property interests		126,222		(126,222)		-

4. MARKETABLE SECURITIES

The Company's marketable securities include GICs.

During the three and nine months ended March 31, 2024, the Company also earned interest and dividend income of $2,809 and $18,373, respectively (three and nine months ended March 31, 2023 - $14,062 and $41,851, respectively) from investment activity.

Marketable securities have been designated as fair value through profit or loss and are recorded at fair value, with changes recognized in the unaudited condensed interim consolidated statements of operations and comprehensive loss.

Marketable securities are composed of:

		As at March 31, 2024		As at June 30, 2023
GICs	**$**	**590,445**	$	375,746

(EXPRESSED IN CANADIAN DOLLARS)

5. INVESTMENTS

As at March 31, 2024	Number of Common Shares		Cost		Market Value Adjustment		Fair Value
Angus Gold Inc. ("Angus")	70,000	$	14,000	$	23,800	$	37,800

As at June 30, 2023	Number of Common Shares		Cost		Market Value Adjustment		Fair Value
Angus	70,000	$	14,000	$	43,400	$	57,400

The investment in shares of Angus is classified as Level 1 within the Fair Value Hierarchy.

6. EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES

Golden Baie property	**Three Months Ended March 31, 2023**	**Nine Months Ended March 31, 2023**
Option payments	$ -	$ 394,732
Recovered from government	(144,735)	(184,735)
Access	25,004	83,978
Assaying	97,859	557,600
Claims, maintenance fees	-	40,000
Drilling	-	1,254,417
Equipment, rentals, camp and general	7,519	446,362
Field supplies	28,028	110,536
Geological consulting	50,523	783,870
Labour and supervision	88,329	816,720
Travel	3,251	193,390
Total exploration and evaluation activity for the period ended March 31, 2023	$ 155,778	$4,496,870

Golden Baie property	**Three Months Ended March 31, 2024**	**Nine Months Ended March 31, 2024**
Option payments	$ -	$ 130,000
Recovered from government	-	(85,488)
Access	9,508	19,437
Property Acquisition		110,333
Assaying	2,054	3,468
Equipment, rentals, camp and general	35,224	41,299
Field supplies	10,900	25,733
Geological consulting	19,444	120,300
Claims, maintenance fees	20,844	20,844
Labour and supervision	45,952	192,699
Travel	5,682	9,085
Total exploration and evaluation activity for the period ended March 31, 2024	$ 149,608	$ 587,710

6. EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

a) Golden Baie Property

The Golden Baie Property is comprised of mineral exploration licenses located in south-central Newfoundland. On August 26, 2020, the Company signed a binding letter agreement with Altius Resources Inc. ("Altius"), a wholly owned subsidiary of Altius Minerals Corporation, and other arm's length parties for the option to acquire a 100% interest in mineral claims.

On November 18, 2020, the Company closed an option agreement with Altius and other arm's length parties (collectively, the "Optionors"). Under the Option agreement, the Company can earn a 100% undivided interest in the Golden Baie claims over a four year period for the following considerations:

- Issuance of 4,000,000 common shares (issued and valued at $1,120,000) of the Company to Altius upon receipt of TSX Venture Exchange's approval. These were issued in November 2020;
- Aggregate cash payment of $50,000 (paid) and issuance of an aggregate of 2,000,000 common shares (issued and valued at $560,000) to the Optionors upon signing of the definitive agreements (the “Definitive Agreements”). This payment and the shares were issued in November 2020;
- Issuance of 2,000,000 common shares to Altius on the first anniversary of the signing of the Definitive Agreements. The shares were issued in December 2021.
- Payment of an aggregate cash payment of $50,000 and issuance of an aggregate of 1,000,000 common shares to the Optionors on the first anniversary of the Definitive Agreements. The cash payment was made and the common shares were issued in December 2021.
- Issuance of 2,500,000 common shares to Altius on the second anniversary of the Definitive Agreements. These were issued in October 2023. Refer to Note 9(b)(v).
- Payment of an aggregate cash payment of $50,000 and issuance of an aggregate of the lesser of $250,000 worth of common shares or 1,000,000 common shares to the Optionors on the second anniversary of the Definitive Agreements. This payment and the shares were issued in October 2022. Refer to Note 9(b)(ii).
- Payment of an aggregate cash payment of $100,000 and issuance of an aggregate of the lesser of $250,000 worth of common shares or 1,000,000 common shares to the Optionors on the third anniversary of the Definitive Agreements. This payment and the shares were issued September 2023. Refer to Note 9(b)(iv).

As further consideration for the option, Canstar is required to commit to fund exploration expenditures of a minimum of $1,250,000 (incurred) over a four-year period. The minimum expenditure commitment for the first year will be $500,000. In addition, the Optionors will be entitled to an aggregate milestone payment of $1,000,000 by the Company to the Optionors upon the Golden Baie Project claims achieving National Instrument 43-101 defined measured and indicated mineral resources of at least one million contained gold ounces.

The Optionors transferred title to the Golden Baie Claims to Canstar subject to the Optionors retaining a 2.0% net smelter return ("NSR") from all commercial production on the Golden Baie Project (the “Royalty”). Altius shall maintain the right to purchase from the Optionors 1% of the NSR for the total sum of $1,500,000. Altius will also have a first right of refusal on the purchase of the remaining 1% NSR.

On November 24, 2020, the Company entered into an option agreement with Altius and other arm's length parties (collectively, the "Optionors") to acquire a 100% interest in 41 mineral claims contiguous with the Golden Baie Project, subject to a 1.5% NSR. In consideration for the acquisition of the option, Canstar shall, among other things: (i) issue an aggregate number of common shares, payable in installments, as is equal to $75,000 divided by the greater of $0.225 and the 5-day volume weighted average price per share; and (ii) pay an aggregate of $75,000 in cash, payable in installments, over a

6. EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

a) Golden Baie Property (continued)

three-year period. Altius has the right to purchase at any time, from the Optionors, one third of the NSR (namely, a 0.5% NSR) for the total sum of $1,000,000. In addition, Altius has the right of first refusal on any sale by the Optionors of the remaining two thirds of the NSR.

So long as Altius owns 9.9% of the Company's shares outstanding it shall have the right to participate in 19.9% of any equity financing during the term of the option.

During the years ended June 30, 2021 and 2022, the Company put up security bonds to keep certain Golden Baie claims in good standing. Once the required expenditures have been achieved, the bonds will be returned to the Company. During the nine months ended March 31, 2024, $96,524 (year ended June 30, 2023 - $168,926) was refunded to the Company.

Pursuant to an option agreement dated September 25, 2020, the Company issued 3,000,000 common shares to other arm's length parties at a weighted average value of $0.28 per share based on the quoted price of the shares at the time of issue, during the year ended June 30, 2022.

Pursuant to an option agreement dated November 25, 2020, the Company issued 51,055 common shares to other arm's length parties at a value of $0.29 per share based on the quoted price of the shares at the time of issue, during the year ended June 30, 2022.

On January 24, 2022, the Company entered into a binding property purchase agreement with Altius to acquire a 100% interest in the Hermitage Property in southern Newfoundland, subject to a 2% NSR, for consideration of the issuance of 500,000 common shares of the Company. The shares were issued and valued at $137,500 based on the quoted price of the shares at the time of issue. The Hermitage Property is contiguous with the Company’s Golden Baie project.

On July 5, 2022 the Company acquired four claims, located along the Little River Trend, from an arm's length third party in exchange for a nominal cash payment and a 2% NSR.

On August 15, 2022, the Company completed a property purchase agreement with four individuals ("the vendors"), in which the vendors transferred 100% of their beneficial interest in the Bernards Pond and Roti Bay claims, subject to the retention by the vendors of a 2.0% NSR from all commercial production on the Bernards pond claims and Roti Bay claims. The vendors transferred to the Company their beneficial interest in the Bernards Pond and Roti Bay claims, in consideration for the issuance of 250,000 common shares (issued and valued at $30,000 based on the quoted share price of $0.12 at the time of issuance) of the Company and payment of an aggregate of $30,920 for reimbursement of certain fees incurred by them. Refer to Note 9(b)(i).

On December 8, 2022, the Company issued 88,887 common shares and on December 4, 2023, the Company issued 133,333 common shares pursuant to the option agreement dated November 24, 2020. Refer to Note 9(b)(iii)(vi).

On November 9, 2023, the Company announced that it had fulfilled all the conditions of the Golden Baie Property option agreement and exercised the option.

6. EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

b) Buchans-Mary March Properties

(i) Glencore Joint Venture

The Company entered into an option and Joint Venture Agreement with Glencore plc ("Glencore") whereby the Company had earned a 50% interest in the Mary March property located at Buchans Junction in central Newfoundland. The remaining 50% interest in the property was held by Glencore. The Company has a first right of refusal on Glencore's 50% interest, should they wish to sell. Exploration of the property was held up approximately 10 years due to a title dispute that was resolved in 2012 in the Company's favour by the Newfoundland and Labrador Supreme Court.

The property consists of four Fee Simple Grants consisting of five separate land parcels and two map-staked licenses.

Should the Glencore joint venture thus established proceed to production, the Company would make a one-time cash payment of $2 million within six months of the commencement of commercial production.

Canstar's share of production would be subject to a one percent (1%) NSR.

The Company is the operator of the Glencore joint venture and has the deciding vote in the event of a deadlock between the Company and Glencore. A diamond drilling program was completed in late 2012. The Company followed this up with a drill program in the fall of 2013. Glencore contributed $150,000 towards the 2012 exploration costs of the joint venture, however did not contribute to subsequent years' exploration expenditures. Glencore was therefore subject to a voluntary reduction due to non-participation of these exploration programs. Canstar now holds a 56% interest in the joint venture and Glencore holds a 44% interest. Glencore did not make further contributions and accordingly may be subject to additional voluntary reductions.

(ii) Mary March Extension Property

The Mary March Extension Property was acquired on April 7, 2009. The property is located immediately west and north of the Mary March Property.

Canstar holds a 100% interest in the property.

(iii) Buchans Property

The Buchans Property was acquired on July 30, 2018.

Canstar owns a 100% interest in the property, subject to a 2% NSR royalty.

(EXPRESSED IN CANADIAN DOLLARS)

7. EQUIPMENT

Cost		Office and field equipment
Balance, June 30, 2023 and March 31, 2024	**$**	**31,266**

Accumulated Depreciation		Office and field equipment
Balance, June 30, 2023	**$**	**15,675**
Depreciation		2,338
Balance, March 31, 2024	**$**	**18,013**

Carrying Value		Office and field equipment
Balance, June 30, 2023	**$**	**15,591**
Balance, March 31, 2024	**$**	**13,253**

8. FLOW-THROUGH PREMIUM

The following is a continuity schedule of the liability of the flow-through shares issuance:

Balance, June 30, 2022, March 31, 2023 and June 30, 2023	$	-
Liability incurred on flow-through shares issued (i)		56,250
Settlement of flow-through share liability on incuring expenditures		(7,554)
Balance, March 31, 2024	$	48,696

(i) The flow-through common shares issued in the brokered private placement completed on January 23, 2024 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $56,250. The flow-through premium is derecognized through income as the eligible expenditures are incurred. For period ended March 31, 2024, the Company incurred eligible expenditures of approximately $73,026 and as a result the flow-through premium has been reduced to $48,696. Refer to Note 12.

9. CAPITAL STOCK, OPTIONS AND WARRANTS

(a) Authorized

Unlimited number of common shares, without par value.

(b) Issued

140,641,392 common shares

(EXPRESSED IN CANADIAN DOLLARS)

9. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)

(b) Issued (Continued)

Summary of changes in capital stock:

	Shares		Amount
Balance, June 30, 2022	**109,003,672**	**$**	**30,151,913**
Issuance of shares for property interest (i) (ii) (iii)	1,338,887		126,222
Balance, March 31, 2023	**110,342,559**	**$**	**30,278,135**

	Shares		Amount
Balance, June 30, 2023	**110,342,559**	**$**	**30,278,135**
Private placement (vii)	10,415,500		312,465
Share issue costs (vii)	-		(12,372)
Issuance of warrants (vii)	-		(324,248)
Flow-through private placements (vii)	16,250,000		543,750
Flow-through premium (vii)	-		(56,250)
Issuance of shares for property interest (iv) (v) (vi)	3,633,333		310,333
Balance, March 31, 2024	**140,641,392**	**$**	**31,051,813**

(i) On August 15, 2022, 250,000 shares based on the quoted price of the shares at the time of issuance, valued at $30,000 were issued in accordance with the Golden Baie Project (Note 6(a)).

(ii) On October 5, 2022, 1,000,000 shares based on the quoted price of the shares at the time of issuance, valued at $90,000 were issued in accordance with the Golden Baie project (Note 6(a)).

(iii) On December 8, 2022, 88,887 shares based on the quoted price of the shares at the time of issuance, valued at $6,222 were issued in accordance with the Golden Baie project (Note 6(a)).

(iv) On September 29, 2023, 1,000,000 shares based on the quoted price of the shares at the time of issuance, valued at $105,000 were issued in accordance with the Golden Baie project (Note 6(a)).

(v) On October 26, 2023, 2,500,000 shares classified as shares to be issued at June 30, 2023 (refer to Note 6(a)) were issued to Altius as part of the Golden Baie option agreement.

(vi) On December 4, 2023, 133,333 shares based on the quoted price of the shares at the time of issuance, valued at $5,333 were issued in accordance with the Golden Baie project (Note 6(a)).

(vii) On January 23, 2024, the Company closed a non-brokered private placement financing, for a gross proceeds of $856,215 and share issue cost of $10,497. An aggregate of 26,665,500 units were sold.

The Company issued:
(a) 10,415,500 units (each a “Hard Dollar Unit”) at a price of $0.03 per unit,
(b) 10,000,000 flow-through units (each a “FT Unit”) at a price of $0.0325 per unit, and
(c) 6,250,000 Critical Mineral Exploration Tax Credit (“CMETC”) flow-through units at a price of $0.035 per unit.

Each Hard Dollar Unit, FT Unit and CMETC unit is comprised of one common share, FT share and CMETC Share, respectively; all units also comprised of one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.05 per for a period of 24 months following the closing of the offering. A flow-through premium liability of $56,250 was recorded in connection with this financing.

(EXPRESSED IN CANADIAN DOLLARS)

9. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)

(b) Issued (Continued)

A fair value for the warrants amounted to $324,248 was estimated using the Black-Scholes pricing model based on the following weighted average assumptions: expected dividend yield of 0%; share price of $0.03; risk free interest rate of 4.06%; expected life of 2 years; and an expected volatility of 159% based on the Company's historical trading data.

In connection with the flow-through offering, the Company paid $1,875 in cash finder's fee.

(c) Stock Options

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, June 30, 2022	**8,500,000**	**$ 0.28**
Granted (i)	2,475,000	0.06
Balance, March 31, 2023	**10,975,000**	**$ 0.23**
Balance, June 30, 2023	**8,325,000**	**$ 0.21**
Expired	(150,000)	0.10
Balance, March 31, 2024	**8,175,000**	**$ 0.21**

(i) On March 24, 2023, the Company granted 2,475,000 stock options to directors, officers, consultants and employees of the Company. Each stock option allows the holder to acquire one common share of the Company at an exercise price of $0.06 for a period of 5 years. The options vest 1/3 on the date of grant and 1/3 on each of the first and second anniversaries of the grant date. A grant date fair value of $135,984 was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk free interest rate of 2.77%; expected life of 5 years; and an expected volatility of 151% based on the Company's historical trading data.

(ii) The total value of share-based payments for the three and nine months ended March 31, 2024 was $15,958 and $93,895, respectively (three and nine months ended March 31, 2023 was $58,279 and $300,197, respectively).

As at March 31, 2024, the following stock options were outstanding:

Number of Options	Exercisable Options	Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
1,950,000	1,950,000	$0.28	1.54	October 14, 2025
550,000	550,000	$0.28	1.86	February 8, 2026
400,000	400,000	$0.28	2.07	April 26, 2026
2,800,000	2,800,000	$0.28	2.70	December 10, 2026
2,475,000	1,650,000	$0.06	3.98	March 24, 2028
8,175,000	**7,350,000**	**$0.21**	**2.72**	

(EXPRESSED IN CANADIAN DOLLARS)

9. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)

(d) Share Purchase Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2022	**33,163,779**	**$ 0.28**
Expired	(11,029,560)	0.21
Balance, March 31, 2023	**22,134,219**	**$ 0.31**
Balance, June 30, 2023	**8,976,324**	**$ 0.41**
Issued (Note 9(b)(vii))	26,665,500	0.05
Expired	(8,976,324)	0.41
Balance, March 31, 2024	**26,665,500**	**$ 0.05**

As at March 31, 2024, the following warrants were outstanding.

Black-Scholes Valuation	Number of Warrants	Exercise Price	Expiry Date
$ 324,248	26,665,500	$0.05	January 23, 2026

10. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Canstar entered into the following transactions with related parties:

The remuneration of directors and key management during the periods ended March 31, 2024 and March 31, 2023 were as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Nine Months Ended March 31, 2024	Nine Months Ended March 31, 2023
Short-term benefits	**$ 114,952**	$ 30,000	**$ 204,952**	$ 135,000
Share-based payments	**9,510**	44,580	**54,985**	190,842
	$ 124,462	$ 74,580	**$ 259,937**	$ 325,842

During the three and nine months ended March 31, 2024, $114,952 and $204,952, respectively, (three and nine months ended March 31, 2023 - $3,000 and $135,000, respectively), was paid to key management and included in management fees. Included in accounts payable and accrued liabilities as at March 31, 2024, is $nil owing to an officer, who is also a director of the Company (June 30, 2023 - $15,000).

10. RELATED PARTY TRANSACTIONS (CONTINUED)

During the three and nine months ended March 31, 2024, the Company incurred $1,800 and $5,400, respectively (three and nine months ended March 31, 2023 - $1,800 and $5,400, respectively) for rent charged by a third-party that was previously a significant shareholder of the Company.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive or non-executive) of the Company. Amounts payable to related parties are unsecured, non-interest bearing and due on demand.

As at March 31, 2024, the directors and officers of the Company together control 7,118,077 common shares or approximately 5.1% of the total common shares outstanding (June 30, 2023 - 4,168,077 common shares or approximately 3.8% of the total common shares outstanding).

One investor, namely 2176423 Ontario Ltd., controls 27,863,339 common shares, or approximately 20% of the total common shares outstanding as at March 31, 2024 (June 30, 2023 - 27,863,339 common shares, or approximately 26% of the total common shares outstanding).

11. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and nine months ended March 31, 2024 was based on the net loss attributable to common shareholders of $356,822 and $1,074,063, respectively (three and nine months ended March 31, 2023 - $352,851 and $5,121,460, respectively) and the weighted average number of common shares outstanding of 120,404,834 and 118,938,564, respectively (three and nine months ended March 31, 2023 - 110,342,559 and 109,895,158, respectively). Diluted loss per share did not include the effect of 8,175,000 options and 26,665,500 warrants outstanding (March 31, 2023 - 10,975,000 options and 22,134,219 warrants outstanding) as they are anti-dilutive.

12. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's mineral exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-Through Commitment

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) by incurring qualified exploration expenditures before December 31 of the year following the year in which the agreement is entered into. The Company indemnifies the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation. The Company is committed to incur flow-through eligible expenditures of $543,750 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2025 arising from flow-through offerings, of which $73,026 has been incurred to March 31, 2024 with a balance of $470,724 to be spent.