CANSTAR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTH ENDED MARCH 31, 2024

INTRODUCTION

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of Canstar Resources Inc. (the "Company" or "Canstar") for the three and nine months ended March 31, 2024, and the audited consolidated financial statements for the year ended June 30, 2023, and related notes. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars. This MD&A is made as of May 22, 2024.

Additional information relating to the Company is on the System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca and on the Company's website at www.canstarresources.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future prices of base and precious metals; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could"," would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; uncertainty of inferred mineral resources; future prices of base and precious metals; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in base and precious metals exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

DESCRIPTION OF THE BUSINESS

The Company is a junior resource company focused primarily on the acquisition, exploration and development of mineral properties located in Canada. The shares of the Company began trading on the TSX Venture Exchange under the symbol "ROX" on April 8, 2005. The Company is a reporting issuer in the provinces of Ontario, Alberta and British Columbia.

The following table contains a brief description of the Company's core exploration properties, post the transaction with Adventus Mining Corporation (formerly "Adventus Zinc Corporation, "Adventus") and Altius Minerals Corporation for the Buchans Property completed on July 30, 2018, and the option agreement for the Golden Baie Project executed on September 25, 2020. Further details with respect to the core properties are also provided in this document under the section entitled "Overall Performance".

Description of Core Property	Target Mineralization	Ownership Interest
The Golden Baie Project ("Golden Baie") covers 58,925 hectares in 46 Mineral Exploration Licences and lies within the Coast of Bays region of south-central Newfoundland. It includes the Golden Baie property and also the nearby Golden Grit, Roti Bay, Swangers Cove, and Bernards Pond properties. Golden Baie is typical of productive Paleozoic orogenic gold deposits worldwide. The project displays a strong association of free gold in quartz-carbonate veins or with disseminated sulphides in sheared wall rock argillite or volcanic rocks with an affiliation towards pyrite-arsenopyrite and antimony- (+/- lead, bismuth) sulphides. For example, Canstar has confirmed high grade gold mineralization at the Kendell Prospect within Golden Baie with significant drilling intercepts such as 20.6 g/t gold over 3.5 m, including 58.2 g/t gold over 1.1 m, and 3.2 g/t Au over 22 m, including 18.1 g/t over 1.0 m. Rock samples collected in other areas of Golden Baie also contain elevated antimony, a critical mineral in the form of stibnite, with significant rock assays up to 2.2% Sb. The Company recently completed a spring 2024 field program on its Golden Grit, Roti, and Woodcutter prospects comprised of prospecting and soil sampling programs. The purpose of the field program was to identify gold and antimony targets on these licences and to keep them in good standing.	Gold, Antimony	During the year ended June 30, 2021, the Company entered into definitive agreements with Altius Resources Inc., a wholly owned subsidiary of Altius, Minerals Corporation ("Altius") and other arm's length parties for the option to acquire a 100% interest in the Golden Baie Property, the requirements for which it completed in the fall of 2023. Some of the optionors will be entitled to an aggregate milestone payment of $1,000,000 by the Company upon the Golden Baie Project claims achieving NI 43-101 defined measured and indicated mineral resources of at least 1,000,000 contained gold ounces. In August 2022, the Company increased the Golden Baie Project through a combination of map staking and acquisition of Mineral Exploration Licenses from other holders. Licenses acquired included the Roti Bay and Bernards Pond properties, which are located to the north of the main Golden Baie claims. The vendors of the Bernards Pond and Roti Bay claims acquired retain a 2% Net Smelter Royalty ("NSR"), subject to the Company having a right to buy 1% of the NSR at any time for $750,000. An additional four claims, covering 100 hectares, located along the Little River Trend on the Golden Baie property, were acquired from an arm's length third party in exchange for a nominal cash payment and a 2% NSR. In November 2023, the Company had fulfilled the conditions of the Golden Baie property option. In early May 2024, the Company acquired three additional licences in the vicinity of the Le Pouvoir fault within the Golden Baie project area.

The Hermitage Property is comprised of one (1) map-staked license containing 129 claims covering 3,225 hectares in southern Newfoundland.	Gold	In the third quarter ended March 31, 2022, the Company entered into property purchase agreement with Altius under which Altius transferred to the Company its 100% interest in the Hermitage Property in consideration for the issuance of 500,000 common shares of the Company, subject to the retention by Altius of a 2.0% NSR from all commercial production on the Hermitage Property.
The Buchans Property, consisting of 305 map staked claims in five licenses (one shared with the Mary March JV) totaling 7,677 hectares, abuts the north-west side of Company's Mary March Joint Venture and encompasses the majority of the north shore of Beothuk Lake. On December 14, 2023, the Company announced that it had completed the compilation of a large amount of historical data relating to its claims in the vicinity of the historic Buchans Mine in Central Newfoundland.	Zinc-silver-lead-copper-gold	100% ownership subject to a 2% NSR royalty payable to Altius. During the year ended June 30, 2022, the Company wrote off the aggregate balance of $7,733,885 with respect to the Buchans and Mary March Joint Venture properties as it did not have any significant exploration programs planned on this property in the near future.
The Mary March Joint Venture consists of four Fee Simple Grants consisting of five separate land parcels and two map-staked licenses (one shared with the Buchans Property) totaling 92 claims totaling 2,834 hectares located approximately 20 kilometres east of the past producing Buchans mine, near Buchans Junction, Newfoundland.	Zinc-silver-lead copper-gold	A 56% interest and right of first refusal on the remaining 44% interest held by Glencore plc, the Company's joint venture partner.(1) The Company is the operator. During the year ended June 30, 2022, the Company wrote off the aggregate balance of its investment of $7,733,885 with respect to the Buchans and Mary March Joint Venture properties as it did not have any significant exploration programs planned on this property in the near future.

Notes:

(1) The Company is required to make a cash payment of $2,000,000 within six months of commercial production. The Company's interest is also subject to a 1% NSR royalty due upon commencement of commercial production.

An investment in the securities of the Company is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

OVERALL PERFORMANCE

The Company is currently engaged in mineral exploration in Canada. The Company's exploration activities are at an early stage, and it has not yet been determined whether its properties contain recoverable ore. As a result, the Company has no current sources of revenue other than interest earned on cash, short-term investments and money market instruments, all of which were derived from issuances of share capital. There are no known deposits of minerals on any of the mineral exploration properties of the Company and any activities of the Company thereon will constitute exploratory searches for minerals.

Trends

- Prices of precious and base metals and other minerals are extremely volatile and there are times when there is very limited availability of equity financing for the purposes of mineral exploration and development;
- The Company's future performance is largely tied to the outcome of future drilling results and the overall financial markets, and consequently the ability of the company to raise additional capital;
- Current financial markets are likely to be volatile in Canada for the calendar 2024, reflecting ongoing economic concerns due to inflation, and the wars in Ukraine and the Middle East. The actual and perceived impacts of these and other macro influences may have a material adverse effect on the global economy and on the stock market,

including trading prices of the Company's shares and its ability to raise new capital. Companies worldwide have been negatively affected by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting the interest of current shareholders of the Company.

These trends may limit the Company's ability to discover and develop an economically viable mineral deposit.

The Golden Baie Project

The Golden Baie Project is the Company's flagship precious metals and antimony exploration asset. The Golden Baie Project covers 58,925 hectares in 45 Mineral Exploration Licenses and lies within the Coast of Bays region of south-central Newfoundland.

On November 18, 2020, the Company entered into definitive agreements with Altius Resources Inc., a wholly owned subsidiary of Altius, and other arm's length parties for the option to acquire a 100% interest in the Golden Baie Project. The Company can acquire this interest over a four-year period for aggregate cash payments of $250,000, aggregate share issuance of 11,500,000 common shares of the Company, and the lesser of $500,000 worth of common shares or 2,000,000 common shares of the Company. In addition, the Company is required to fund exploration expenditures of $1,250,000 (incurred) over a four-year period, of which $500,000 must be spent in the first year. The optionors will be entitled to an aggregate milestone payment of $1,000,000 by the Company upon the Golden Baie Project claims achieving NI 43-101 defined measured and indicated mineral resources of at least 1,000,000 contained gold ounces.

On November 24, 2020, the Company entered into definitive agreements with Altius Resources Inc. and other arm's length parties for the option to acquire a 100% interest in additional mineral claims located within the previously acquired Golden Baie Project claims. The Company can acquire this interest over a three-year period for aggregate cash payments of $75,000 and aggregate share issuance of $75,000 worth of common shares payable in installments as is equal to $75,000 divided by the greater of the prevailing 5-day volume weighted average price per share on the TSX Venture Exchange and $0.225.

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 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 Royalty"). 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.

Access to the Golden Baie Project is provided by Route 360, a paved highway which bisects the project area, and by recent power line and old forest resource roads. More remote areas are best accessed by helicopter while some coastal sections can be accessed by boat from St. Albans or Conne River.

Golden Baie Fiscal 2024 Exploration Highlights

During the three months ended March 31, 2024, the Company did not issue any announcements regarding exploration on its Golden Baie Project, but the Company fulfilled all the conditions of the Golden Baie Property agreement and exercised the option. Between January 1, 2024 and March 31, 2024, the Company was planning its spring field program on its Golden Baie Project and developing an exploration budget for the rest of 2024.

The Buchans-Mary March Project

The Buchans-Mary March Project consists of the Buchans Property and the Mary March Joint Venture. The Buchans-Mary March Project is the Company's flagship base metals exploration asset.

The Company acquired a 100% interest in the Buchans Property from Adventus Mining Corporation (formerly "Adventus Zinc Corporation", "Adventus") in exchange for common shares of the Company. Altius Minerals Corp. ("Altius") retains a 2% net smelter royalty on sales of mineral products from the Buchans Property. The Buchans Property currently comprises 305 staked claims held under 5 map staked licenses covering an area of 7,677 hectares located between the communities of Buchans and Buchans Junction in the Province of Newfoundland and Labrador, Canada.

The Buchans Property covers the majority of prospective Buchans Group stratigraphy that exists outside of the area of previous mining. Past production from the historic Buchans mining camp by the American Smelting and Refining Company (ASARCO) between 1928 and 1984 is reported by Kirkham (1987) to total 16.2 million tonnes of ore from five major orebodies having an average head grade of 14.51% zinc, 1.33% copper, 7.56% lead, 126 g/t silver and 1.37 g/t gold.

The Company's primary exploration target for this project is a high-grade VMS deposit like those previously mined at Buchans. Although the Buchans area has had a long mining and exploration history, it was only during the period after the 1984 mine closure that thrust belt tectonic models emerged for the area, resulting in a simplified stratigraphic interpretation of the district geology and a more complex structural interpretation. The revised stratigraphic and structural models have opened new opportunities for exploration.

On December 14, 2023, the Company announced that it has completed the compilation of a large amount of historical data relating to its claims in the vicinity of the historic Buchans Mine in Central Newfoundland. This data compilation effort assembled a surficial geochemistry database of 13,136 soil sample and 2,430 basal till sample results. The compiled database has included data from more than 3,500 drill holes in the area, of which 236 historical drill holes are directly on Canstar's claims in the Buchans-Mary March areas. The Company's team is currently working on standardizing and incorporating data from the historical drill holes including assays, lithology logs and whole rock geochemistry into a centralized and validated geological database in order to eventually produce 3D geological models for future drill hole targeting exercises.

During the three months ended March 31, 2024, the Company did not issue any announcements regarding exploration on its Buchans-Mary March Project, but the Company was developing an exploration budget for these projects for the rest of 2024.

The Mary March Joint Venture

The Company earned its initial 50% interest in the Mary March Joint Venture by incurring $755,000 of property expenditures and issuing 100,000 common shares valued at $16,000 and 100,000 warrants valued at $8,600. The Company is also required to make a cash payment of $2,000,000 within six months of commercial production. The Company's interest is also subject to a 1% NSR royalty due upon commencement of commercial production. The remaining 50% interest in the Joint Venture was held by Glencore, on which the Company maintains a right of first refusal. For exploration expenditures during 2013, 2014, 2015 and 2016, Glencore was 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 contribute to the most recent program and accordingly, will be subject to an additional voluntary reduction.

The Mary March Joint Venture has an area of 2,834 hectares and is comprised of four Fee Simple Grants consisting of five separate land parcels and covering 1,486 hectares and portions of two map-staked licenses containing 88 claims and covering 1,347 hectares and is located approximately 20 kilometres east of the past producing Buchans mine, near Buchans Junction, Newfoundland. High grade Cu-Pb-Zn-Ag-Au massive sulphides of economic significance were discovered on the Mary March Joint Venture by Phelps in 1999, but the core discovery areas of the property had been dormant since August 2000.

Appointment of new management and director:

On January 23, 2024, the Company announced the appointments of Mr. Juan Carlos Giron Jr. as President and Chief

Executive Officer, Mr. William P. Upshur as Chief Financial Officer and Mr. J. Paul Austin III as a Director.

On March 21, 2024, the Company appointed Paul Ténière, P.Geo., as Senior Vice President of Exploration and the current Chief Financial Officer and corporate secretary, William Upshur to serve additionally as the Executive Vice President.

Financing activity:

On January 23, 2024, the Company closed a non-brokered private placement financing, for gross proceeds of $856,215. An aggregate of 26,665,500 units were sold.

The Company issued:

(i) 10,415,500 units (each a "Hard Dollar Unit") at a price of $0.03 per unit,
(ii) 10,000,000 flow-through units (each a "FT Unit") at a price of $0.0325 per unit, and
(iii) 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 are 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 for a period of 24 months following the closing of the Offering.

SELECTED ANNUAL FINANCIAL INFORMATION

Fiscal Year	2023	2022 (1)	2021 (1)
Operating expenses	$ 5,704,918	$ 5,788,737	$ 4,208,230
Loss from operations	5,704,918	5,788,737	4,208,230
Net loss for the year	5,585,700	5,664,738	4,182,783
Loss per share – basic and diluted	0.05	0.06	0.06
Total assets	1,052,559	5,871,309	4,459,602
Total liabilities	281,444	205,032	293,680

(1) *Restated to give effect to the change in accounting policy adopted during the year ended June 30, 2023.*

RESULTS OF OPERATIONS

Three months ended March 31, 2024 compared to three months ended March 31, 2023

Total operating expenses were $368,585 for the three months ended March 31, 2024, compared to $363,453 in the comparative period in 2023. The increase is due primarily to new management assuming executive roles in the Company. Management fees increasing by $63,496 over the comparative period. Professional fees increased by $14,296 during the three-month period as a result of recruitment fees and higher legal fees incurred during the period. Travel expenses increased by $32,530 compared to $nil in the comparative period. The increases are a result of new executive management traveling to engage with the Company's technical personnel and develop a deep understanding of the Company's assets. Transfer agent and filing fees also increased by $5,743 over the comparative period as a result of the increased number of filings.

The increase in operating expenses was offset by a decrease in interest and bank charges, which were lower in the current period as the expense of $32,340 for the comparative period was as a result of Part XII.6 tax related to flow-through filings. Decrease in exploration and evaluation expenditures of $6,170 was a result of reduced exploration activity during the current period. Share-based compensation decreased by $42,321 over the comparative period due to the vesting terms of stock options. General and office expenses decreased by $30,743 primarily due to decreased investor relations and corporate activity during the three months ended March 31, 2024.

The Company recognized an unrealized gain of $1,400 during the three months ended March 31, 2024 with respect to an increase in the fair value of its investment in shares of Angus Gold Inc., and interest and dividend income of $2,809 earned on marketable securities.

Nine months ended March 31, 2024 compared to nine months ended March 31, 2023

Total operating expenses were $1,080,390 for the nine months ended March 31, 2024, compared to $5,230,487 in the comparative period in 2023. The decrease was mainly due to a decrease in exploration and evaluation expenditures of $3,909,160 as a result of reduced exploration activity during the current period. A decrease of $120,381 in share-based payments was a result of a lower number of stock options granted and vesting during the nine months ended March 31, 2024. Transfer agent and filing fees for the nine months ended March 31, 2024, were $21,413, a decrease of $3,126 over the nine-month comparable period due to the reasons noted for the three-month period. Management fees of $204,952 were higher than the $202,134 in the comparable period for reasons noted above for the three-month period. General and office expenses of $23,039 are lower than $143,778 in the comparable period because of decreased promotional expenditures in the current period. Professional fees were $105,554, a $4,990 increase compared to the nine months ended March 31, 2023, relating primarily to increased accounting fees during the nine months ended March 31, 2024.

The Company recognized an unrealized loss of $19,600 during the nine months ended March 31, 2024 with respect to the decrease in the fair value of its investment in shares of Angus Gold Inc., and interest and dividend income of $18,373 earned on its marketable securities.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly results of the Company for the eight quarters prior to the effective date of this report. The information contained herein is drawn from the audited annual financial statements and unaudited interim financial statements of the Company.

Quarter	March 31,	December 31,	September 30,	June 30,
	2024	2023	2023	2023 (2)
Revenue	$nil	$nil	$nil	$nil
Working capital	675,620	228,113	520,039	659,000
Expenses	368,585	343,273	368,531	474,431
Net loss	(356,822)	(333,743)	(383,497)	(464,240)
Net loss per share (1)	(0.00)	(0.00)	(0.00)	(0.00)

Quarter	March 31,	December 31,	September 30,	June 30,
	2023 (2)	2022 (2)	2022 (2)	2022 (2)
Revenue	$nil	$nil	$nil	$nil
Working capital	889,215	1,163,966	3,686,796	5,382,605
Expenses	363,453	2,978,870	1,888,164	1,380,038
Net loss	(352,851)	(2,906,672)	(1,861,937)	(1,303,101)
Net loss per share (1)	(0.00)	(0.03)	(0.02)	(0.01)

Notes:

(1) Net loss per share on a diluted basis is the same as basic net loss per share, as all factors which were considered in the calculation are anti-dilutive.

(2) Comparative figures for the quarters prior to June 30, 2023 have been restated to reflect the retrospective adoption of a change in accounting policy to expense exploration and evaluation expenditures.

RELATED PARTY TRANSACTIONS

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

	Three months ended March 31,		Nine months ended March 31,	
	2024	2023	2024	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 - $30,000 and $135,000) was paid to key management and are 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).

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 of 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).

At March 31, 2024, one investor, namely 2176423 Ontario Ltd., controlled 27,863,339 common shares, or approximately 20% of the total common shares outstanding (June 30, 2023 – 27,863,339 common shares, or approximately 26% of the total common shares outstanding).

LIQUIDITY

As at March 31, 2024, the Company had working capital of $675,620 compared to working capital of $659,000 at June 30, 2023. The Company has no revenue from operations and is dependent on financings for working capital.

The Company's operating costs are expected to decrease in Calendar Year 2024 compared to Calendar Year 2023, though exploration costs will depend on the exploration program budget approved by the directors.

WORKING CAPITAL RESOURCES

Additional financing will be required to fund future exploration and for working capital purposes.

Most of the Company's requirements for capital to maintain its ownership level in its properties, as well as pay for exploration expenditures and administrative expenses have been met through the completion of private placements and the exercise of stock options and warrants. Typically, these monies have come from institutional and high net worth investors and the amounts raised have been a function of the level of market interest in the junior resource industry as well as the general level of interest in the equity and mineral commodity markets. The Company will have to rely on further equity financings in order to maintain an adequate liquidity base with which to support its general operations and exploration and development mandate.

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer other mining companies the opportunity to acquire interests in any of its properties in return for funding by such companies of all or part of the exploration and development of such properties. For the funding of any property acquisitions or exploration conducted by the Company, the Company depends on the issue of shares from treasury to investors. Such financing will depend, in turn, on various factors, such as a positive mineral exploration climate, positive stock market conditions, the Company's track record and the experience of management. If such financing is unavailable for any reason, the Company may become unable to retain its mineral interests and carry out its business plan.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

None.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of the value of stock-based compensation. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The factors affecting stock-based compensation include estimates of when stock options and compensation warrants might be exercised and stock price volatility. The timing for exercise of options is out of the Company's control and will depend on a variety of factors, including the market value of the Company's shares and financial objectives of the share-based instrument holders. The Company used historical data to determine volatility in accordance with the Black-Scholes option pricing model. However, the future volatility is uncertain and the model has its limitations.

The Company operates in an industry that is dependent on a number of factors including environmental, legal and political risks, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development, and future profitable production or the proceeds of disposition thereof.

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 annual periods beginning on January 1, 2023.

FUTURE ACCOUNTING CHANGES

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.

CHANGE IN ACCOUNTING POLICIES

During the year ended June 30, 2023, the Company voluntarily changed its accounting policy with respect to exploration properties and 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 was adopted in order to enhance the relevance to the decision-making needs of users and improve comparability with its peers and 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 commercial production, sold or become impaired. The Company elected to change this accounting policy to expense exploration expenditure incurred, on a retrospective basis. The impact on the unaudited condensed interim financial statements is disclosed in Note 3 to the Company's unaudited condensed interim consolidated financial statements for the period ended March 31, 2024.

COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's mining and 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.

FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate, foreign exchange rate and price risk) and credit risk.

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables included in amounts receivable and prepaid expenses. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in amounts receivable and prepaid expenses consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable and prepaid expenses is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2024, the Company had a cash and cash equivalents balance of $147,745 (June 30, 2023 - $450,096) and marketable securities of $590,445 (June 30, 2023 - $375,746) to settle current liabilities of $122,457 (June 30, 2023 - $281,444). These current liabilities do not include the flow-through premium of $48,696 which is not settled through cash payments. Instead this balance is amortized against qualifying flow-through expenditures, subject to deadlines imposed by the tax authorities. The Company's ability to continue operations and fund its exploration property expenditures is dependent on management's ability to secure additional financing. Management is continuing to pursue various financing initiatives in order to provide sufficient cash flow to finance operations as well as funding its exploration expenditures. The Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk

The Company has cash, cash equivalents subject to interest. Management does not believe the Company is exposed to significant interest rate risk.

Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not generally exposed to significant foreign exchange risk, although the Company does maintain certain quantities of United States Dollar ("USD") for certain USD transactions.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company is also exposed to price risk with respect to its investment in shares of Angus Gold Inc.

Sensitivity analysis

Based on management's knowledge and experience in the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

Cash, cash equivalents are invested with a Canadian chartered bank or a financial institution controlled by a Canadian chartered bank. Sensitivity to a plus or minus 1% change in rates, based on the balance of cash and cash equivalents at March 31, 2024, would affect net loss by plus or minus $1,000 during a twelve-month period.

The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

As a result of the 70,000 shares held in Angus Gold Inc., a 10% fluctuation in the price of investment in the fair value of the shares of Angus Gold Inc. would result in a change in fair value of $3,780.

A 1% fluctuation in the fair value of the Company's marketable securities would result in a change in fair value of $5,904.

CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity, which is comprised of capital stock, warrants, share-based payment reserve, shares to be issued and deficit.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration programs and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so. Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns.
(ii) minimizing discretionary disbursements.
(iii) reducing or eliminating exploration expenditures that are of limited strategic value; and
(iv) exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The Company is not subject to any capital requirements imposed by a regulator or lending institution body, other than of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

SHARE CAPITAL

Common shares

During the nine months period ended March 31, 2024, the Company issued 3,633,333 common shares pursuant to the Golden Baie property agreement which included 2,500,000 common shares previously classified as shares to be issued at June 30, 2023, pursuant to the Golden Baie property agreement. This represents the final payment under the options agreement.

On January 23, 2024, the Company closed a non-brokered private placement financing, for gross proceeds of $856,215. The Offering was oversubscribed by $121,215 and an aggregate of 26,665,500 units were sold.

Stock options

The Company did not grant any stock options during the nine months ended March 31, 2024.

During the three and nine months ended March 31, 2024, $15,958 and $93,895, respectively (three and nine months ended March 31, 2023 - $58,279 and $214,276, respectively) was expensed to share-based payments.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options Granted	Exercisable Options	Exercise Price	Expiry Date
#	#	$	
1,950,000	1,950,000	0.28	October 14, 2025
550,000	550,000	0.28	February 8, 2026
400,000	400,000	0.28	April 26, 2026
2,800,000	2,800,000	0.28	December 10, 2026
2,475,000	1,650,000	0.06	March 24, 2028
8,175,000	7,350,000	0.21	

Warrants

Warrants outstanding for the Company at the date of this MD&A were as follows:

Number of Warrants	Exercise Price	Expiry Date
#	$	
26,665,500	0.05	January 23, 2026

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below:

- *Exploration Stage Company and Exploration Risks*

The Company is a junior resource company focused primarily on the acquisition and exploration of mineral properties located in Canada. The properties of the Company have no established reserves. There is no assurance that any of the projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors. The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration, development and production programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves that are sufficient to commercially mine some of the Company's properties and to construct, complete and install mining and processing facilities on those properties that are actually mined and developed.

- *No History of Profitability*

The Company is a development stage company with no history of profitability. There can be no assurance that the operations of the Company will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

- *Government Regulations*

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its mining activities, its exploration permits must be kept current. There is no guarantee that the Company's exploration permits will be extended or that new permits will be granted. In addition, such permit conditions could be changed and there can be no assurances that any application to renew any existing permits will be approved. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions.

- *Market Fluctuation and Commercial Quantities*

The market for minerals is influenced by many factors beyond the control of the Company such as changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability so that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

- *Mining Risks and Insurance*

The Company is subject to risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Company may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator of its exploration programs cannot insure or against which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse effect on the financial position of the Company.

- *Environmental Protection*

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds.

- *Capital Investment*

The ability of the Company to continue exploration and development of its property interests will be dependent upon its ability to raise significant additional financing. There is no assurance that adequate financing will be available to the Company or that the terms of such financing will be favourable. Should the Company not be able to obtain such financing, its properties may be lost entirely.

- *Conflicts of Interest*

Certain directors and officers of the Company may also serve as directors and officers of other companies involved in base and precious metal exploration and development and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matters in which they may have a conflict of interest.

- *Current Global Financial Conditions*

Current global financial conditions have been characterized by increased volatility, declining liquidity and the exit of a number of traditional investors from public markets. Access to public financing has been made more challenging by a global contraction of commercial and consumer credit markets. There has been a marked erosion of investor confidence and risk tolerance. A major consequence/contributor to these factors may be seen in the unparalleled number of established financial institutions facing involuntary corporate reorganization, insolvency, bankruptcy and/or governmental intervention. While the most sensational of the corporate casualties have occurred in the United States, the global nature of today's economic reality has left no interrelated public market unscathed. The recent wars in Ukraine and the Middle East may present additional worldwide economic uncertainties. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to the Company or at all. Any or all of these economic factors, as well as other factors not specifically identified herein, may cause a decline in asset values that could be deemed to be other than temporary, resulting in impairment losses. If such conditions continue, the Company's operations could be negatively impacted, and the trading price of its common shares may be adversely affected.

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence 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 flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT MAY 22, 2024)

The Company's authorized capital consists of an unlimited number of common shares without par value, of which 140,641,392 are issued and outstanding as of the date of this MD&A. On a fully diluted basis the Company has 175,481,892 common shares outstanding assuming the exercise of 8,175,000 outstanding stock options and 26,665,500 warrants.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in the Management's Discussion and Analysis. A copy of this report will be provided to anyone who requests it.

OTHER MATTERS

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca and the Company's website at www.canstarresources.com.