
CANSTAR RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 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 per 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 that were not complete on 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. They are in accordance with International Accounting Standard 34 - Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards that are 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 company's unaudited condensed interim consolidated financial statements and other financial information and ensuring 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, the unaudited condensed interim consolidated financial statements, and other company financial information. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements and other financial details of the Company for issuance to the shareholders.

Management recognizes its responsibility to conduct the Company's affairs in compliance with established financial standards and applicable laws and regulations and to maintain 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 reviewed the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the condensed interim consolidated financial statements.

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 yet to review 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	September 30, 2024	June 30, 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 50,318	\$ 38,944
Amounts receivable and prepaid expenses	26,028	53,955
Advances receivable	28,028	28,028
Marketable securities (Note 3)	115,289	424,287
Investments (Note 4)	38,500	31,150
Total current assets	258,163	576,364
Equipment (Note 7)	13,607	13,009
Total assets	\$ 271,770	\$ 589,373
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 70,833	\$ 117,611
Total liabilities	70,833	117,611
SHAREHOLDERS' EQUITY		
Capital stock (Note 7(b))	31,014,239	31,014,239
Warrants (Note 7(d))	343,072	343,072
Share-based payment reserve (Note 7(c))	909,632	1,427,845
Deficit	(32,066,006)	(32,313,394)
Total shareholders' equity	200,937	471,762
Total liabilities and shareholders' equity	\$ 271,770	\$ 589,373

Nature and Continuance of Operations (Note 1 and 2)
Commitments and Contingencies (Notes 5 and 9)

APPROVED ON BEHALF OF THE BOARD:

"N. Burns", Director

"R. Bruggeman", Director

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

	Three Months Ended September 30,	
	2024	2023
Operating expenses		
Exploration and evaluation expenditures (Note 5)	\$ 128,380	\$ 254,218
Share-based payment (Notes 7(c) and 8)	54,135	25,095
Interest and bank charges	607	244
Transfer agent and filing fees	4,849	1,895
Management fees (Note 8)	88,005	49,624
Professional fees	34,338	21,282
General and office expenses	14,483	13,594
Shareholder information	2,473	-
Depreciation (Note 6)	716	779
Rent (Note 8)	2,550	1,800
Travel	8,477	-
Total operating expenses	339,013	368,531
Loss before items below:	(339,013)	(368,531)
Interest and dividend income (Note 3)	6,703	1,834
Fair value adjustment on investments (Note 4)	7,350	(16,800)
Net loss and comprehensive loss for the period	\$ (324,960)	\$ (383,497)
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of shares		
- basic and diluted (Note)	140,641,387	110,364,477

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

	Three Months Ended September 30,	
	2024	2023
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	\$ (324,960)	\$ (383,497)
Charges not involving cash:		
Share-based payment expense	54,135	42,233
Common shares issued and to be issued for exploration property interest	-	105,000
Depreciation	716	779
Fair value adjustment on investments	(7,350)	16,800
	(277,459)	(218,685)
Changes in non-cash working capital items:		
Amounts receivable, prepaid expenses and Golden Baie Security deposit	27,927	89,933
Accounts payable and accrued liabilities	(46,778)	(118,229)
Cash flows used in operating activities	(296,310)	(246,981)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	308,998	-
Purchase of equipment	(1,314)	-
Cash flows used in investing activities	307,684	-
Change in cash and cash equivalents	11,374	(246,981)
Cash and cash equivalents, beginning of period	38,944	450,096
Cash and cash equivalents, end of period	\$ 50,318	\$ 203,115
SUPPLEMENTAL INFORMATION		
Interest income received	\$ 6,703	\$ 1,834
CASH AND CASH EQUIVALENTS		
Cash	\$ 50,318	\$ 151,609
Cash equivalents	-	51,506
	\$ 50,318	\$ 203,115

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, 2023	\$ 30,278,135	\$ -	\$ 1,265,807	\$ 1,331,581	\$ (32,304,408)	\$ 571,115
Share-based payment expense	-	-	-	42,233	-	42,233
Common shares issued for exploration property interest	105,000	-	-	-	-	105,000
Net loss for the period	-	-	-	-	(383,497)	(383,497)
Balance, September 30, 2023	\$ 30,383,135	\$ -	\$ 1,265,807	\$ 1,373,814	\$ (32,687,905)	\$ 334,851
Balance, June 30, 2024	\$ 31,014,239	\$ -	\$ 343,072	\$ 1,427,845	\$ (32,313,394)	\$ 471,762
Share-based payment expense	-	-	-	54,135	-	54,135
Cancellation of stock options	-	-	-	(572,348)	572,348	-
Net loss for the period	-	-	-	-	(298,020)	(298,020)
Balance, September 30, 2024	\$ 31,014,239	\$ -	\$ 343,072	\$ 909,632	\$ (32,066,006)	\$ 200,937

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

CANSTAR RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2024

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 220 Bay Street, Suite 550, Toronto, Ontario, M5J 2W4.

The Board of Directors approved the unaudited condensed interim consolidated financial statements on November 21, 2024.

The Company is exploring its mineral properties and has yet to determine whether these properties contain economically recoverable ore reserves. 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 the financing necessary to complete the development of the properties, future profitable production, or 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 September 30, 2024, the Company had an accumulated deficit since inception and expects to incur further losses advancing exploration and evaluation of its properties. The Company will need to generate additional financial resources 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 acceptable terms. There are no assurances that the Company will complete its anticipated financing, obtain additional financial resources and achieve positive cash flows or profitability. If the Company is unable to obtain adequate funding, the Company may ultimately be required to curtail its operations and discontinue as a going concern. These material uncertainties cast significant doubt on 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 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 has an interest, by 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 MATERIAL 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 complete 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 November 21, 2024, the date the Board of Directors approved the statements. The same accounting policies and computation methods are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as of and for the year ended June 30, 2024. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending June 30, 2025, could result in the restatement of these unaudited condensed interim consolidated financial statements.

CANSTAR RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2024

3. MARKETABLE SECURITIES

The Company's marketable securities include GICs.

During the three months ended September 30, 2024, the Company also earned interest and dividend income of \$6,703 (three months ended September 30, 2023 - \$1,834) from investment activity.

Marketable securities have been designated as fair value through profit or loss. They 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 September 30, 2024	As at June 30, 2024
GICs	\$ 115,289	\$ 424,287

4. INVESTMENTS

As at September 30, 2024	Number of Common Shares	Cost	Market Value Adjustment	Fair Value
Angus Gold Inc. ("Angus")	70,000	\$ 14,000	\$ 24,500	\$ 38,500

As at June 30, 2024	Number of Common Shares	Cost	Market Value Adjustment	Fair Value
Angus	70,000	\$ 14,000	\$ 17,150	\$ 31,150

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

CANSTAR RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2024

5. EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES

	Golden Baie Property	Mary March Property	Buchans- Mary March Properties	Total
Assaying	\$ -	\$ 870	\$ -	\$ 870
Claims, maintenance fees	7,020	-	-	7,020
Equipment, rentals, camp and general	3,234	2,981	2,826	9,041
Field supplies	3,494	11	8	3,513
Geological consulting	45,647	-	5,904	51,551
Labour and supervision	51,615	1,355	3,108	56,078
Travel	-	307	-	307
Total exploration and evaluation activity for the three months ended September 30, 2024	\$ 111,010	\$ 5,524	\$ 11,846	\$ 128,380
				Golden Baie Property
Option payments				\$ 105,000
Recovered from government				(55,138)
Access				5,504
Assaying				(1,836)
Equipment, rentals, camp and general				13,925
Field supplies				11,667
Geological consulting				89,700
Share-based payment				82,395
Travel				3,001
Total exploration and evaluation activity for the three months ended September 30, 2023				\$ 254,218

a) Golden Baie Property

The Golden Baie Property comprises mineral exploration licenses in south-central Newfoundland, on which the Company is targeting gold and antimony mineralization. As of November 2023, the following series of options and purchase agreements have been fulfilled to expand the property.

- 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 earned a 100% undivided interest in the Golden Baie claims over four years. The Optionors are entitled to an aggregate milestone payment of \$1,000,000 by the Company upon a discovery on the Golden Baie Project claims that meets National Instrument 43-101 defined measured and indicated mineral resources of at least one million contained gold ounces and a 2.0% net smelter return ("NSR") from all commercial production on the Golden Baie Project. Altius maintains the right to purchase 1% of the NSR from the Optionors for \$1,500,000. Altius also has the right of first refusal to buy the remaining 1% NSR.
- On November 24, 2020, the Company closed 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. The Optionors retain a 1.5% NSR. Altius can purchase 0.5% of the NSR from the Optionors for \$1,000,000. Altius has the right of first refusal on any sale by the Optionors of the remaining NSR.

CANSTAR RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2024

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

a) Golden Baie Property (Continued)

- On January 24, 2022, the Company completed a property purchase agreement with Altius to acquire a 100% interest in the Hermitage Property contiguous with the Golden Baie Project, subject to a 2% NSR.
- On July 5, 2022, the Company completed a property purchase agreement for four claims 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.

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 year ended June 30, 2024, the Newfoundland Government refunded \$96,524 to the Company (year ended June 30, 2023, \$168,926).

b) Buchans-Mary March Properties

(i) Mary March Glencore Joint Venture

The property consists of four Fee Simple Grants comprising five separate land parcels and two map-staked licenses. The Company entered into an option and Joint Venture ("JV") Agreement with Glencore plc ("Glencore") whereby the Company had a 50% interest in the Mary March property located at Buchans Junction in central Newfoundland. Glencore held the remaining 50%. Should Glencore wish to sell, the Company has a right of first refusal. Should the Joint Venture 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 1% NSR. The Company is the operator of the 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, it 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 has a 44% interest. Since then, Glencore has not made further contributions and will 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 Glencore JV. 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.

CANSTAR RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2024

6. EQUIPMENT

Cost	Office and field equipment
Balance, June 30, 2023	\$ 31,266
Additions	536
Balance, June 30, 2024	31,802
Additions	1,314
Balance, September 30, 2024	\$ 33,116
Accumulated Depreciation	Office and field equipment
Balance, June 30, 2023	\$ 15,675
Depreciation	3,118
Balance, June 30, 2024	18,793
Depreciation	716
Balance, September 30, 2024	\$ 19,509
Carrying Value	Office and field equipment
Balance, June 30, 2024	\$ 13,009
Balance, September 30, 2024	\$ 13,607

CANSTAR RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2024

7. CAPITAL STOCK, OPTIONS AND WARRANTS

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

Summary of changes in capital stock:

	Shares	Amount
Balance, June 30, 2023	110,342,559	\$ 30,278,135
Issuance of shares for property interest (i)	1,000,000	105,000
Balance, September 30, 2023	111,342,559	\$ 30,383,135
Balance, June 30, 2024 and September 30, 2024	140,641,392	\$ 31,014,239

(i) 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 to Altius under the Golden Baie options agreement (Note 5(a)).

(ii) On October 26, 2023, 2,500,000 shares classified as shares to be issued at June 30, 2023 (Note 5(a)) were issued to Altius as part of the Golden Baie option agreement.

(iii) 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 5(a)).

(vi) On January 23, 2024, the Company closed a non-brokered private placement financing for gross proceeds of \$856,215 and a share issue cost of \$12,372. 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.

A fair value for the warrants amounted to \$343,072 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 expected volatility of 159% based on the Company's historical trading data.

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

CANSTAR RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2024

(c) Stock Options

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, June 30, 2023 and September 30, 2023	8,325,000	\$ 0.21
Balance, June 30, 2024	8,175,000	\$ 0.21
Granted (i)	3,744,000	0.05
Cancelled	(2,675,000)	0.26
Expired		
Balance, September 30, 2024	9,244,000	\$ 0.13

(i) On July 15, 2024, the Company granted 3,344,000 stock options to directors, officers, consultants and employees. Each stock option allows the holder to acquire one common share of the Company at an exercise price of \$0.035, expiring five years from the issue date. One-third of the options vest yearly over three years, with the first tranche vesting on October 1, 2024. A grant date fair value of \$102,617 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 3.36%; expected life of 5 years; and expected volatility of 142% based on the Company's historical trading data. A former officer of the Company voluntarily cancelled 1,150,000 options with an exercise price of \$0.28 per share. In November 2024, the stock options were repriced to \$0.05 per TSX Venture Exchange's minimum pricing requirement.

(ii) On August 14, 2024, the Company granted 400,000 options to purchase common shares to two senior employees. Each stock option allows the holder to acquire one common share of the Company at an exercise price of \$0.04, expiring five years from the issue date. One-third of the options vest yearly over three years, with the first tranche vesting on October 1, 2024. A grant date fair value of \$14,175 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 2.91%; expected life of 5 years; and expected volatility of 143% based on the Company's historical trading data. Employees of the Company voluntarily cancelled 450,000 options with an exercise price of \$0.28 per share. In November 2024, the stock options were repriced to \$0.05 per TSX Venture Exchange's minimum pricing requirement.

(iii) The total value of share-based payments for the three months ended September 30, 2024, was \$54,135 (three months ended September 30, 2023, was \$42,233).

CANSTAR RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2024

As of September 30, 2024, the following stock options were outstanding:

Number of Options	Exercisable Options	Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
500,000	500,000	\$0.28	0.02	October 7, 2024
133,333	133,333	\$0.06	0.02	October 7, 2024
100,000	100,000	\$0.06	0.23	December 23, 2024
266,667	266,667	\$0.06	0.52	April 7, 2025
1,000,000	1,000,000	\$0.28	1.04	October 14, 2025
400,000	400,000	\$0.28	1.36	February 8, 2026
400,000	400,000	\$0.28	1.57	April 26, 2026
950,000	950,000	\$0.28	2.19	December 10, 2026
1,750,000	1,166,667	\$0.06	3.48	March 24, 2028
3,344,000	-	\$0.05	4.79	July 14, 2029
400,000	-	\$0.05	4.87	August 13, 2029
9,244,000	4,916,667	\$0.13	3.44	

(c) Share Purchase Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2023 and September 30, 2023	8,976,324	\$ 0.41
Balance, June 30, 2024 and September 30, 2024	26,665,500	\$ 0.05

As of September 30, 2024, the following warrants were outstanding.

Black-Scholes Valuation	Number of Warrants	Exercise Price	Expiry Date
\$ 343,072	26,665,500	\$0.05	January 23, 2026

CANSTAR RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2024

9. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises controlled by these individuals and certain persons performing similar functions. The transactions below are in the ordinary course of business and are measured at the exchange amount, as agreed to by the parties.

Canstar entered into the following transactions with related parties:

The remuneration of directors and key management during the periods ended September 30, 2024 and September 30, 2023 were as follows:

	Three Months Ended September 30,	
	2024	2023
Short-term benefits	\$ 88,005	\$ 45,000
Share-based payments	36,007	23,657
	\$ 124,012	\$ 68,657

During the three months ended September 30, 2024, \$88,005 (three months ended September 30, 2023 - \$45,000) was paid to key management and included in management fees. Included in accounts payable and accrued liabilities as of September 30, 2024, is \$15,525 owing to an officer (June 30, 2024 - \$nil).

Per IAS 24, key management personnel are those persons with 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.

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

CANSTAR RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2024

10. 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 to protect public health and the environment and believes its operations materially comply with all applicable laws and regulations. The Company has made and expects to make expenditures in the future to comply with such laws and regulations.

Flow-Through Commitment

Under the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations to subscribers concerning the Income Tax Act (Canada) by incurring qualified exploration expenditures before December 31 of the year following the year 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 due to the Company not meeting its expenditure commitments. Specific 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 incurring flow-through eligible expenditures of \$543,750 (flow through - \$325,000 and CMETC - \$218,750) 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 approximately \$368,000 has been incurred to September 30, 2024, with a balance of \$175,750 to be spent.

11. SUBSEQUENT EVENTS

Repricing of Stock Options Issued in July and August 2024

In November 2024, the Company re-priced the stock options issued in July 2024 and August 2024 with exercise prices of \$0.035 and \$0.04, respectively, to \$0.05, to comply with TSX Venture Exchange's minimum pricing requirements. All other terms of the stock options remain the same.

Early Exercise of Warrants from January 2024 Financing

In October 2024, 8,200,000 warrants from the Company's January 2024 financing were exercised at \$0.05 per warrant in exchange for an equal amount of common shares, resulting in total proceeds of \$410,000. There are now 18,465,500 warrants outstanding.

FY24 Separation of Officers and Expiration of Stock Options in FY25

On December 27, 2023, an officer separated from the Company with an issuance of 150,000 options with an exercise price of \$0.06, 50,000 of which were vested at the time of separation. Under the terms of the Company's Stock Options Plan, the separated officer had six months to exercise vested options, which were forfeited unexercised. The remaining 100,000 options vested immediately and remain exercisable for twelve months from separation until December 27, 2024.

On April 7, 2024, an officer separated from the Company, holding 500,000 vested options with an exercise price of \$0.28 and 133,333 vested options with an exercise price of \$0.06 (the latter comprising one-third of an issuance of 400,000). Under the terms of the Company's Stock Options Plan, the separated officer had six months to exercise these vested options, which were forfeited unexercised in October 2024. The remaining two-thirds of the unvested 400,000 options issued at \$0.06 (266,667) vested immediately upon separation and are exercisable for twelve months, until April 7, 2025.