CANSTAR RESOURCES INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 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 months ended September 30, 2024, and the audited consolidated financial statements for the years ended June 30, 2024, and 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 November 21, 2024.

Additional information about the Company can be found 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 in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements concerning the potential of the Company's properties; the future prices of base and precious metals; the 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 specific 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, other factors may cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will 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 by applicable securities laws.

DESCRIPTION OF THE BUSINESS & EXPLORATION PROPERTIES SUMMARY[1]

The Company is a junior resource company focused primarily on acquiring, exploring, and developing mineral properties in North America, with current properties in Newfoundland, Canada. Its shares began trading on the TSX Venture Exchange under the symbol “ROX” on April 8, 2005. The Company is a reporting issuer in Ontario, Alberta, and British Columbia. Below are brief descriptions of the Company’s core exploration properties. The “Overall Performance” section provides further details of exploration activities.

Golden Baie Project

The Golden Baie Project is the Company’s flagship 100% owned precious and critical metals exploration asset. It covers 51,560 hectares in 41 Mineral Exploration Licences containing 2,066 claims and lies within the Coast of Bays region of south-central Newfoundland. In August 2022, the Company increased the Golden Baie Project through map staking and acquiring Mineral Exploration Licences from other holders. The licences acquired included the Roti Bay and Bernards Pond properties north of the main Golden Baie claims. Route 360, a paved highway that bisects the project area, and recent power lines and old forest resource roads provide access to the project. More remote areas are best accessed by helicopter, while some coastal sections can be accessed by boat from St. Albans or Conne River. Target mineralization is gold and the critical metal antimony.

Hermitage Project

The Hermitage Property is 100% owned by the Company and comprises one map-staked licence containing 129 claims covering 3,225 hectares in southern Newfoundland. In June 2023, after the findings of the 2022 field season, the Company reduced the property by 478 claims (11,950 hectares) to the current 129 claim size to focus on the most prospective land within the concession. Target mineralization is gold and antimony.

Buchans Project and the Mary-March Joint Venture

The Buchans-Mary March Project comprises the Buchans Property and the Mary March Joint Venture (“JV”) with Glencore and are the Company’s flagship base metals exploration assets. They cover the majority of the prospective Buchans Group stratigraphy outside the area of previous mining.

Kirkham (1987) reports past production from the historic Buchans mining camp by the American Smelting and Refining Company (ASARCO) between 1928 and 1984 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. Target mineralization is zinc, silver, lead, copper, and gold within an inferred VMS deposit.

The Buchans Property is 100% owned by the Company and comprises 177 map-staked claims in six licences (one shared with the Mary March JV), totalling 4,411 hectares. It includes claims that abut the north-west side of the Company’s Mary March Joint Venture and encompasses most of the north shore of Beothuk Lake in central Newfoundland.

Mary March is a Joint Venture between Canstar Resources and Glencore plc. It consists of four Fee Simple Grants composed of five separate land parcels and two map-staked licences (one shared with the Buchans Property), totalling 88 claims covering 2,834 hectares. The Joint Venture property is located approximately 20 kilometres east of the past-producing Buchans mine, near Buchans Junction, Newfoundland.

Phelps discovered high-grade copper, lead, zinc, silver, and gold-bearing massive sulphides of economic significance on the Mary March Joint Venture in 1999. Yet the property's core discovery areas have been dormant since August 2000.

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[1] For details on the options and purchase agreements associated with the Company’s properties see the accompanying unaudited condensed financial statements

OVERALL PERFORMANCE

The Company's exploration activities are at an early stage, and it has not yet been determined whether its properties contain mineable deposits. 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.

Investment in the Company's securities is highly speculative and involves numerous and significant risks. It should be undertaken only by investors whose financial resources are sufficient to assume such risks and who do not need immediate liquidity in their investments. Prospective investors should carefully consider the risk factors described below.

Trends

- Prices of precious and base metals and other minerals are highly volatile, and there are times when there is minimal availability of equity financing for mineral exploration and development;
- The Company's future performance is primarily tied to the outcome of future drilling results and the overall financial markets; and
- Current financial markets will likely be volatile in Canada for the remainder of calendar 2024, reflecting ongoing economic concerns and the wars in Ukraine and the Middle East, albeit under conditions of monetary easing, as well as uncertainties around changes in executive administrations in Canada, the US, and other countries. The actual and perceived impacts of these and other macro influences may have a material adverse effect on the global economy and 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 mineral exploration and development, particularly without excessively diluting the interest of current shareholders.

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

Golden Baie Project Highlights

In the year that ended June 30, 2024, the Company continued to narrow its exploration focus to the most prospective claims at the Golden Baie Project, consistent with its district-scale exploration strategy. It reduced some claims, moving the assessment credit into adjoining, more prospective land. This process reallocated the Company's holdings within a new set of licences. The total reduction was 762 claims or 9,050 hectares.

The Company also staked an additional 1,100 hectares of prospective mineral claims surrounding the Le Pouvoir antimony/gold prospect, expanding coverage within the highly anomalous Little River Trend. This brings Golden Baie's total area to 54,875 hectares, including the Hermitage project claims.

In the summer of 2024, the Company re-initiated district-scale precious and critical metals exploration and found grab samples with up to 11.8 grams-per-tonne ("g/t") gold and defined priority exploration targets. Spring 2024 prospecting of the under-explored Woodcutter Prospect along the Little River Trend collected over 300 combined soil and grab rock samples; over 60% of the rock samples demonstrated anomalous gold results above 100 ppb gold; several float grab samples returned significant assay results, including 11.8 g/t, 3.1 g/t, and 1.8 g/t gold.

A re-evaluation of data previously acquired by Canstar and historical data identified 13 priority exploration targets, including in Facheux Bay, showing up to 18.4 g/t gold in a bedrock grab sample, Le Pouvoir with up to 74.4% antimony and 24.1 g/t gold sampled from a bedrock vein, and Blowout East with a high-grade large boulder channel sample grading 197 g/t gold over 0.5m.

The Company also recently completed new 3D geological modelling of the Kendell Prospect, one of six target areas tested in a 2022 diamond drilling program that included Hillside, 97 West, Northbrush, Osprey, White Out, and Wolf Pond along a ~15-kilometre prospective trend. In total, Canstar and previous operators drilled 6,471 metres in 51 holes.

Canstar's drilling at Kendell confirmed gold mineralization extending 195 metres down-plunge to the northwest, including shallow drill intercepts of 9.6 g/t gold over 7.8 metres, 20.6 g/t gold over 3.5 metres, 58.2 g/t gold over 1.1 metres, 3.2 g/t gold over 22.0 metres and 4.3 g/t gold over 14.0 metres. In addition, a newly discovered shallow zone located 300 metres southeast of historical drilling in the Wolf Pond area, near the paved Baie d'Espoir highway, showed 0.8 g/t gold over 11.5 metres and 1.9 g/t gold over 6.7 metres.

The 3D modelling has modified the Company's interpretation of the geology at the Kendell prospect to be a macro parasitic "S" fold with an axial plane orientation of approximately 220°/32° and a hinge trend and plunge of approximately 310°/32°, parallel to the plunge of the mineralized chute. This geometry is complex, but the Company collected fractal core scale fold observations and televiewer measurements supporting this interpretation. This lithological interpretation opens new possibilities for controls of gold mineralization that may not have been previously considered, such as (1) saddle reef-type mineralization and (2) the intersecting lineation between the axial plane and an orthogonal cross structure. One such feature is identified in the 2022 airborne magnetic survey results.

This modelling also identified the Wolf Pond prospect as an important target. Wolf Pond contains two distinct mineralized zones, both open in multiple orientations. The company plans additional detailed bedrock and trench mapping in this area to understand better the controls on gold mineralization, particularly the enriched grade chutes in the NW mineralized zone.

Buchans-Mary March Project Highlights

Although the Buchans area has had a long mining and exploration history, it was only 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.

In July 2024, the Company announced it had completed a new 3D geological model indicating significant potential that the deposit-hosting Buchans River Formation may underlie the Company's Buchans mineral claims.

In addition, the Company staked 13 mineral claims in two licenses, adding 325 hectares of prospective land near the Skidder deposit south of the historic Buchans Mining District. The Company continues to evaluate its Buchans claims, including historical drill hole data compilation and evaluating options for future geophysical surveys and drilling in the project area.

RESULTS OF OPERATIONS

Three months ended September 30, 2024, compared to three months ended September 30, 2023

Total operating expenses were $339,013 for the three months ended September 30, 2024, compared to $368,531 in the comparative period, a decrease of $29,518. Net loss was $324,960, compared to $383,497, a decrease of $58,537. The change was due to a reduction in exploration and evaluation expenditures of $125,838 during the current period. This was partially offset by an increase in management fees of $38,381 due to increased activities in the current period.

SUMMARY OF QUARTERLY RESULTS

The tables below summarize the Company's selected quarterly results for the eight quarters before the effective date of this report. The information contained herein is drawn from the Company's audited annual financial statements and unaudited interim financial statements.

Quarter End	**September 30, 2024**	**June 30, 2024**	**March 31, 2024**	**December 31, 2023**
Revenue	$nil	$nil	$nil	$nil
Working capital	187,330	458,753	675,620	228,112
Operating Expenses	339,013	194,611	368,585	347,898
Net loss	(324,960)	(204,011)	(356,822)	(338,368)
Net loss per share (1)	(0.00)	(0.00)	(0.00)	(0.00)

Quarter End	**September 30, 2023**	**June 30, 2023**	**March 31, 2023(2)**	**December 31, 2022**
Revenue	$nil	$nil	$nil	$nil
Working capital	520,039	659,000	889,215	1,163,966
Operating Expenses	368,531	474,431	363,453	2,978,870
Net loss	(383,497)	(464,240)	(352,851)	(2,906,672)
Net loss per share (1)	(0.00)	(0.00)	(0.00)	(0.03)

Notes:

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

(2) Comparative figures for the quarters before 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 September 30, 2024, and 2023 were as follows:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 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. $15,525 is included in accounts payable and accrued liabilities as of September 30, 2024, owed to an officer (June 30, 2024 - $nil).

Per IAS 24, key management personnel have 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).

LIQUIDITY

As of September 30, 2024, the Company had working capital of $187,330 compared to working capital of $458,753 as of June 30, 2024. The Company has no revenue from operations and depends on financing for working capital.

The Company's operating costs are expected to decrease in fiscal 2025 due to reduced exploration and staffing, while 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 working capital.

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 come from institutional and high-net-worth investors, and the amounts raised are a function of the level of market interest in the junior resource industry and the general level of interest in the equity and mineral commodity markets. The Company must rely on further equity financings to maintain an adequate liquidity base 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 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, favourable stock market conditions, the Company's track record, and management experience. 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.

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, with one-third of the issued options having vested on October 1, 2024.

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.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates used in preparing the financial statements include the Company's estimate of the value of stock-based compensation. These estimates involve considerable judgment and could be affected by significant factors outside 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 the exercise of options is out of the Company's control. It will depend on various factors, including the market value of the Company's shares and the financial objectives of the share-based instrument holders. The Company used historical data to determine volatility using the Black-Scholes option pricing model. However, future volatility is uncertain, and the model has limitations.

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

FUTURE ACCOUNTING CHANGES

The Company still needs to adopt specific new IFRS standards, amendments, and interpretations to existing standards, which have been published but are only effective in future periods. The Company expects adopting these new IFRS standards to have a minimal impact on its financial statements.

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 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 Commitments

Under the terms of the Flow-Through Shares agreements, the Company needs to comply with its flow-through contractual obligations with 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 because the Company does not meet its expenditure commitments. Specific interpretations are required to assess the eligibility of flowthrough expenditures that, if changed, could result in the denial of renunciation.

The Company was committed to incur flow-through eligible expenditures of $543,750 by December 31, 2025.

FINANCIAL INSTRUMENTS

The Company’s activities expose it to various 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 the credit risk concentration concerning 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 September 30, 2024, the Company had a cash and cash equivalents balance of $50,318 (June 30, 2024 - $38,944) and marketable securities of $115,289 (June 30, 2024 - $424,287) to settle current liabilities of $70,833 (June 30, 2024 - $117,611). The Company's ability to continue operations and fund its exploration property expenditures depends on management's ability to secure additional financing. Management continues pursuing financing initiatives to provide sufficient cash flow to finance operations and fund exploration expenditures. The Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to standard trade terms.

Interest Rate Risk

The Company has cash, cash equivalents, and short-term investment balances 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 made in Canadian dollars. The Company holds US dollars to settle US-denominated liabilities and is therefore exposed to foreign currency risk, although the exchange rate between the two currencies has been relatively stable. Management does believe the Company is exposed to foreign exchange risk.

Price Risk

The Company is exposed to price risk concerning 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 concerning 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, and short-term investments 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 on September 30, 2024, would not significantly affect the net loss during a twelve-month period.
- The Company does not hold significant balances in foreign currencies other than US dollars to give rise to exposure to foreign exchange risk.
- Due to the 70,000 shares of 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 approximately $4,000.
- A 1% fluctuation in the fair value of the Company's marketable securities would result in a change in fair value of $1,000.

CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure to support acquiring, exploring, and developing mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management. Instead, it 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, comprised of capital stock, share purchase warrants, broker compensation warrants, contributed surplus, and deficit.

The properties the Company owns are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. 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. Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) maintaining a liquidity cushion 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.

Considering 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 continuously and believes that it is appropriate, given the company's relative size.

SHARE CAPITAL

Common shares

There were no changes during the three months ended September 30, 2024.

Stock options

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 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 granted on July 15, 2024, were repriced to $0.05 per TSX Venture Exchange's minimum pricing requirement.

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. Employees of the Company voluntarily cancelled 450,000 options with an exercise price of $0.28 per share. In November 2024, the stock options granted on August 14, 2024, were repriced to $0.05 per TSX Venture Exchange's minimum pricing requirement.

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

Options Granted	Exercisable Options	Exercise Price	Expiry Date
100,000	100,000	$0.06	December 23, 2024
266,667	266,667	$0.06	April 7, 2025
1,000,000	1,000,000	$0.28	October 14, 2025
400,000	400,000	$0.28	February 8, 2026
400,000	400,000	$0.28	April 26, 2026
950,000	950,000	$0.28	December 10, 2026
1,750,000	1,166,667	$0.06	March 24, 2028
3,344,000	1,114,667	$0.05	July 14, 2029
400,000	133,333	$0.05	August 13, 2029
8,610,667	5,531,334	$0.17	

Note: Per the Company’s Stock Options Plan, one-third of the options issued in July 2024 and August 2024 vested on October 1, 2024, after the end of Q1, and options granted to a former officer of the company expired on October 7, 2024, also after the end of Q1. Thus, the exercisable number of options reflected in this MDA as of November 21, 2024, differs from the corresponding financial statement reflecting the Company’s position as of September 30, 2024 (see “Subsequent Events”).

Warrants

Warrants outstanding for the Company at the date of this MD&A were as follows; this reflects the early exercise of warrants issued in the Company’s January 2024 financing (see “Subsequent Events”).

Number of Warrants	Exercise Price	Expiry Date
18,465,500	$0.05	January 23, 2026
18,465,500	$0.05	

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. It 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 investments. 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 acquiring and exploring mineral properties in Canada. The Company's properties 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 future profitability from the Company's business will depend upon developing and commercially mining an economic deposit of minerals, subject to numerous risk factors. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period that even a combination of management’s careful evaluation, experience, and knowledge may not eliminate. While discovering ore-bearing structures may result in substantial rewards, few explored properties are ultimately developed into producing mines. Significant 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 Company's current exploration, development and production programs 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 many factors. Substantial expenditures are required to establish sufficient reserves to mine some of the Company’s properties commercially and to construct and install mining and processing facilities on those mined and developed properties.

No History of Profitability

The Company is in the development stage and has 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 explore, develop, acquire, retain and engage in commercial production on its property interests. If financing is unavailable for any reason, the Company may become unable to acquire and maintain 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. For the Company to carry out its activities, its exploration permits must be kept current. There is no guarantee that the Company's exploration rights will be extended or new exploration rights will be granted. In addition, such activities may change, and there can be no assurance that any application to renew existing rights will be approved. The Company may be required to contribute to the cost of providing the infrastructure necessary to facilitate its properties’ development. The Company will also have to obtain and comply with permits containing 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. The 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 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 generally 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 acquiring mineral prospects or exploration and development. It would have a material adverse effect on the Company's financial position.

Environmental Protection

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including rules 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 Company's ability to continue exploring and developing its property interests will depend 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. Consequently, the possibility of conflict exists. Any decisions by such directors concerning the Company will be made per the duties and obligations of directors to deal fairly and in good faith with the Company and 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

Access to public financing has been made more challenging by a global contraction of commercial and consumer credit markets, and there has been an erosion of investor confidence and risk tolerance. However, a period of monetary easing may ameliorate these conditions. The ongoing 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 these economic factors and other factors not explicitly identified herein may cause a decline in asset values that could result 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 Company's common shares, 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, as well as market perceptions of the attractiveness of specific industries. The price of the Company's securities 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 where 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 years 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 periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and preparing financial statements for external purposes per the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations they make 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.

APPROVAL

The Company's Board of Directors has approved the disclosure contained in the Management's Discussion and Analysis as of November 21, 2024. A copy of this report will be provided to anyone who requests it.

OTHER MATTERS

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