
CANSTAR RESOURCES INC.

Management's Discussion and Analysis

For the period ended March 31, 2026

CANSTAR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period ended March 31, 2026

INTRODUCTION

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim financial statements of Canstar Resources Inc. (the "Company" or "Canstar") for the period ended March 31, 2026, and 2025 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 26, 2026.

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 constrained capital markets conditions for junior issuers in the mineral exploration sector; 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.

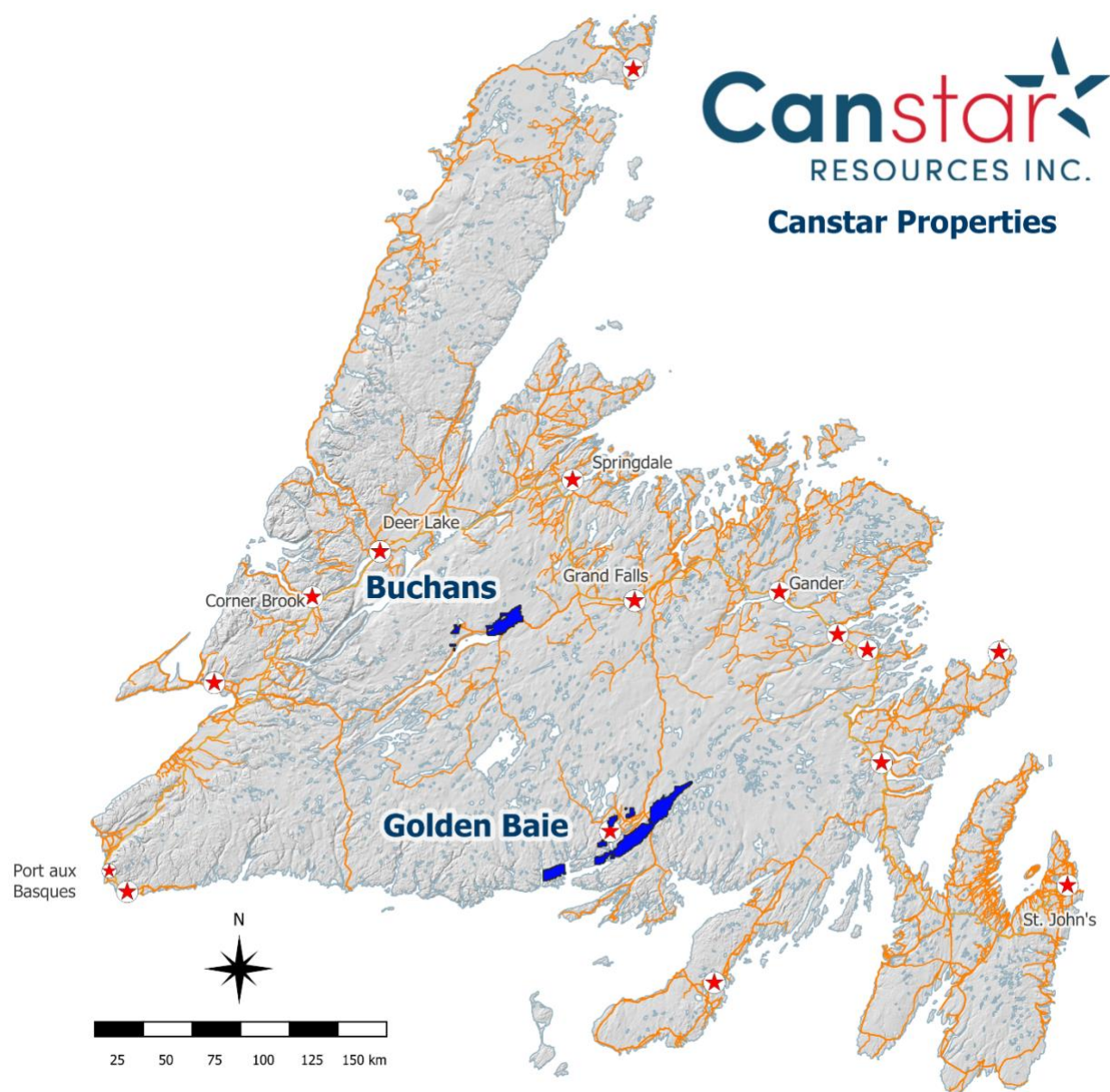
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DESCRIPTION OF THE BUSINESS & EXPLORATION PROPERTIES SUMMARY

The Company is a junior resource company focused primarily on acquiring, exploring, and developing mineral properties in Canada and Sweden, with current properties in Newfoundland and the Skellefteå mineral belt in northern Sweden. 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

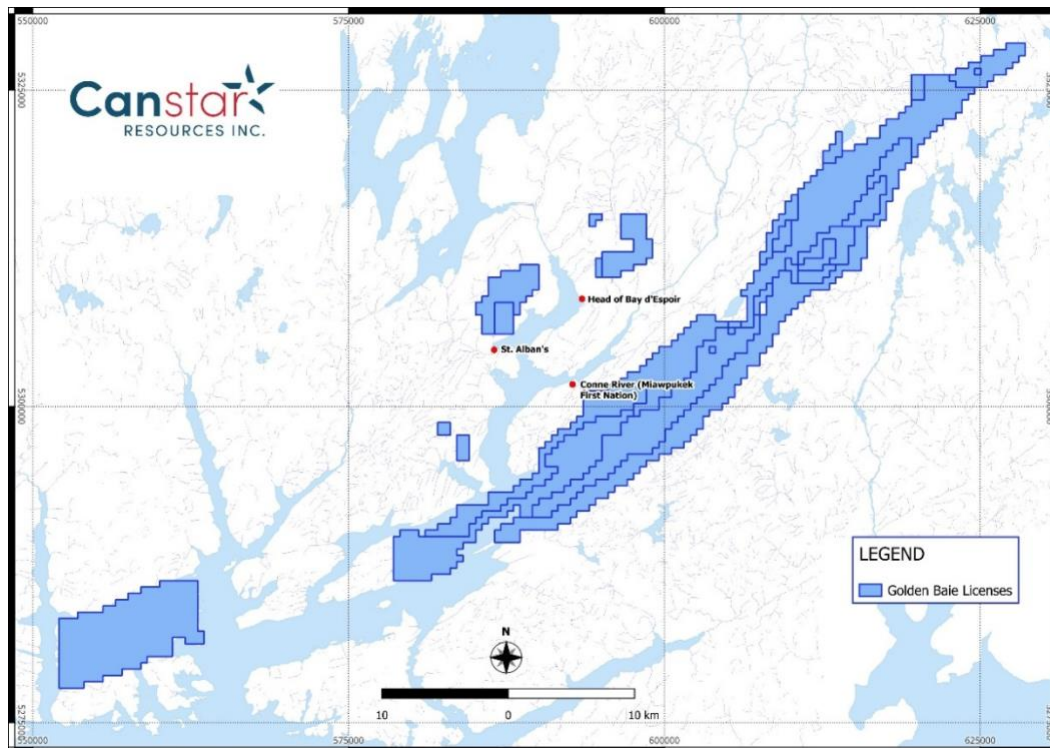
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The Golden Baie Project is a 100% owned precious and critical metals exploration asset. It currently covers 39,925 hectares in 29 Mineral Exploration Licences, containing 1,597 claims, and lies within the Coast of Bays region of south-central Newfoundland. In August 2022, the Company increased its Golden Baie Project through map staking and the acquisition of 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, power line access roads 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 the towns of St. Albans or Conne River. From 2023 to 2025, Canstar, from time to time, increased the number of mineral licenses through map staking, as well as decreased the number of mineral licenses by either grouping together mineral licenses or allowing specific mineral licenses to expire (reverting to the Crown). Target mineralization is gold and the critical metal antimony. The company entered into an option agreement with Churchill Resources Inc. on March 20, 2026 for them to acquire 100% of the project over two years (see below). Churchill Resources is now the operator for this project.

The map below shows the location of the Golden Baie Project.



Buchans Project and the Mary-March Project

The Buchans and Mary March Projects comprise the 1,551 ha Buchans Property in the west adjacent to the historic mine works at Buchans and the 12,989 ha Mary March property 20 km to the east. These are the Company's flagship base metals exploration assets. They cover a significant portion 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

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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.

Phelps Dodge discovered high-grade copper, lead, zinc, silver, and gold-bearing massive sulphides of economic significance on the Mary March Joint Venture in 1999. Exploration since then has identified elements of large and/or multiple volcanogenic massive sulphide systems in the area, which are disrupted by thrust faulting. Exploration is now focused on understanding the thrusting to locate more high-grade mineralization like that in the 1999 drill hole.

The Buchans Property is 100% owned by the Company and comprises four licences, totalling 1,551 hectares. Two of the licenses (1,176 ha) located immediately west and southwest of the historic Buchans mines were purchased from Adventus in 2018. Two additional licenses (375 ha), which were staked in 2024, are located approximately 9 km south of the historic mine sites.

The Mary March Property includes the original Mary March Joint Venture ("JV") with Glencore plc ("Glencore") and other newly acquired licenses. The original Mary March Joint Venture of 1998 was between Noranda Mining and Exploration Inc. and Phelps Dodge Corporation of Canada Ltd. and applies to 3,363 ha of land tenure along the northeast shoreline of Beothuk Lake. Canstar now holds the Phelps Dodge portion of the JV and Glencore the Noranda part. Based on cumulative exploration expenditures incurred by Canstar since 2012 and dilution calculations performed under the joint venture agreement, management has estimated Glencore's current interest in the Mary March JV to be between 25% and 27%. The Company is engaged in active discussions with Glencore regarding the next steps for the joint venture, including the potential conversion of Glencore's interest into a 2% net smelter return royalty pursuant to the joint venture agreement, if its interest dilutes to less than 25%. The original Mary March Joint Venture consists of two Fee Simple Grants composed of five separate land parcels and two map-staked licences.

The Mary March Property has been expanded by the addition of several land packages to the original Joint Venture. In 2018 Canstar purchased 2,522 ha to the west of the JV from Adventus Inc. In 2024, Canstar staked 10 new licenses totalling 5,152 ha to the north of the Mary March Joint Venture. In 2025, Canstar staked 6 new licenses totalling 949 ha, mostly in the Joe Glodes area to the northeast of the Mary March Joint Venture.

On September 25, 2025, Canstar optioned from third-party vendors four licenses (the "Mary March Option Agreements"), totalling 674 ha, entirely surrounded by the Mary March property. Pursuant to the terms of the Mary March Option Agreements, the Company made payments to acquire a 100% undivided interest in the licenses as follows:

	\$	# Shares
a) Within five (5) business days of regulatory approval (paid and issued)	7,000	35,000
b) On or before the 12 month anniversary of the Effective Date (paid and issued)	14,000	70,000
c) On or before the 24 month anniversary of the Effective Date (paid and issued)	21,000	105,000
d) On or before the 36 month anniversary of the Effective Date (paid and issued)	29,000	140,000
	<u>71,000</u>	<u>350,000</u>

The Company elected to accelerate the completion of the terms of the Mary March Option Agreements and satisfied all the payment terms. During the period ended March 31, 2026, the Company issued 350,000 common shares with a fair value of \$22,750 pursuant to the Mary March Option Agreements.

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As at March 31, 2026 and the date of this MD&A, the Company has a 100% undivided interest in the four (4) licenses, subject to a 2% NSR royalty. The Company may reduce the NSR from 2% to 1% by paying \$1,000,000 to the optionors.

In January 2026 Canstar optioned mineral license 006894M (329 ha) from Eagleridge International Ltd. The license is located immediately east of the Mary March Joint Venture and includes the area beneath Beothuk Lake. The terms of the agreement involve payments of cash and shares upon signing and on the 12th, 24th, and 36th month anniversaries of the agreement and commitments to conduct exploration work on the license by those same anniversary dates as laid out in the table below.

	\$	# Shares	Work Commitment
a) Within five (3) business days of regulatory approval (paid and issued)	10,000	100,000	
b) On or before the 12 month anniversary of the Effective Date (paid and issued)	25,000	125,000	\$100,000
c) On or before the 24 month anniversary of the Effective Date (paid and issued)	30,000	150,000	\$150,000
d) On or before the 36 month anniversary of the Effective Date (paid and issued)	45,000	200,000	\$200,000
	110,000	575,000	\$450,000

The option agreement includes a 1% NSR royalty payable to Eagleridge International Ltd.

As at March 31, 2026 and the date of this MD&A the company has conducted two geophysical programs including license 006894M, the expenditure of these and the summer drill program is expected to significantly exceed the 12-month work commitment.

The 2025 and early 2026 changes are included in the map below.

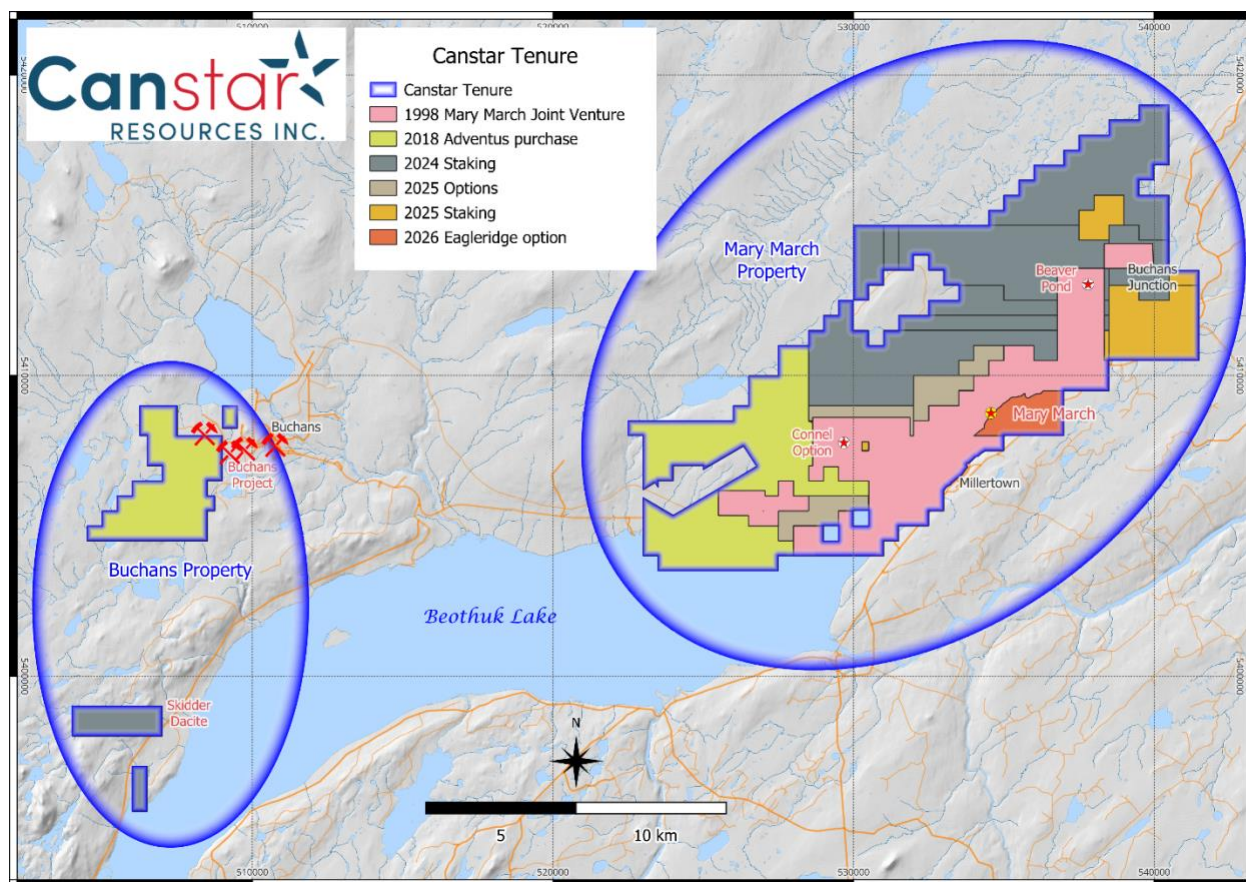
In May 2026 Canstar re-grouped the licenses to the north of the Mary March Joint Venture to simplify land maintenance expenditure commitments. There was no change in holdings.

The map below shows the relative locations of the Buchans Project and the Mary-March Project and indicates the new acquisitions from staking and option agreements.

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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 share capital issuances. 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

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- Current financial markets will likely be volatile in Canada for the remainder of calendar 2026, reflecting ongoing economic concerns, wars, tariffs, and other uncertainties. 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

During the year ending June 30, 2025, the Golden Baie Project consisted of 38 mineral licenses (48,950 hectares), and as of November 1, 2025, consisted of 29 mineral licenses (39,925 hectares).

On March 20, 2026 (the "Effective Date"), the Company entered into an option agreement with Churchill Resources Inc. ("Churchill" or "CRI") to grant Churchill up to 100% undivided interest in the claims to the Golden Baie Property over a period of 24 months (the "Churchill Option Agreement"). Churchill Resources is now the operator for this project.

Under the terms of the Churchill Option Agreement, Churchill may earn its interest in the Golden Baie Project by satisfying certain cash, share issuance and exploration expenditure commitments over a 24-month option period. Per the Agreement, when the transaction was approved by the TSX Venture Exchange, Churchill issued 15,834,097 common shares and a cash payment of \$208,167 to Canstar.

During the period ended March 31, 2026, the Company recorded option revenues of \$1,791,577 pursuant to the receipt of \$208,167 cash and 15,834,097 CRI shares with a fair value of \$1,583,410 (Note 5).

In addition, Churchill is required to issue additional common shares to the Company over the 24-month option period such that the Company maintains the following ownership percentages in Churchill immediately following each issuance:

Timing from approvals	Ownership percentage
6 months	6.25%
12 months	7.50%
18 months	8.74%
24 months	9.99%

Each tranche is subject to a maximum issuance of 7,520,000 common shares. The number of shares issuable under each tranche is variable and is determined based on Churchill's issued and outstanding share capital at the applicable issuance date.

To exercise the option and earn a 100% interest in the Project, Churchill must incur minimum exploration expenditures of:

- \$1,000,000 on or before the first anniversary of the Agreement; and

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- \$5,000,000 in cumulative exploration expenditures on or before the second anniversary of the Agreement.

Failure to incur the required exploration expenditures constitutes an event of default under the Agreement.

Upon Churchill earning a 100% interest in the Golden Baie Project, the Company will retain a 0.5% net smelter return royalty on future mineral production from the property. The royalty does not contain a buyback provision.

Buchans-Mary March Project Highlights

Canstar's Buchans Project sits immediately adjacent to the historic Buchans mines. 3D geological modelling in 2024 by Canstar indicates that the Buchans River Formation, the geological host unit for all five historic Buchans Mine deposits, may underlie Canstar's Buchans property at depth. The data suggests that the formation plunges from the historically mined deposits towards Canstar's adjacent Buchans-area claims.

A SkyTEM time-domain airborne electromagnetic survey in 2017 identified several multi-kilometre geophysical anomalies within Canstar's Buchans claims. The anomalism coincides with a low-magnetism area, suggesting a potential alteration zone. A historic drillhole from the 1970s—located within one of these anomalies—intersected what was described as “stockwork style” mineralization. Stockwork zones typically exhibit a geophysical signature characterized by low magnetism, variable electrical conductivity (generally poor to moderate), and good chargeability. These characteristics are similar to the geophysical attributes of the stockwork zones of the historic Buchans deposits, suggesting the potential discovery of stockwork and alteration zones associated with Buchans-style VMS deposits.

In winter 2025, Canstar collaborated with Canterra Minerals, a company with adjacent land packages, to contract Abitibi Geophysics to conduct a large-scale DasVision Deep IP survey of the Buchans area. Combining Canstar's central licenses with the surrounding Canterra licenses allowed for the long survey lines necessary for deep penetration of the signal to 700m or more.

Mary March—25km from the historic Buchans mines—hosts an extensive mineralizing system with alteration zones similar in scale to those at Buchans and high-grade massive sulphides. Historic drilling intersected a faulted-off massive sulphide lens 9.63 m thick, assaying 0.64% Cu, 1.8% Pb, 10.1% Zn, 4.2 g/t Au, 122 g/t Ag. Canstar trenching in 2019 identified Buchans-style debris flow deposits with massive sulphide clasts, which assayed up to 5.7% Cu, 1.6% Pb, 1.8% Zn, 29.4 g/t Ag, 1.2 g/t Au.¹

In July 2025 Canstar began operations under a Letter of Intent to form a Joint Venture with VMS Mining Corporation (“VMSC”). Led by Dr. Harold Gibson, the program focuses on understanding the mineralizing system at Mary March.

One aspect of this is the in-depth re-logging of the >14,000 m of available historical drill core from Canstar and predecessors at Mary March,. The re-logging exercise utilized the Graphic Logging process exemplified by the work of Dr. Rodney Allen, who, in July 2025, spent 10 days in Canstar's Millertown Core facility, instructing Canstar Staff in the process. The re-logging process was accompanied by lithogeochemical sampling; this process was completed in March 2026. Additional re-logging of historic core available from the Provincial core library at Buchans will be used to expand the scope of the project.

A LiDAR survey was flown of the entire Mary March property in August 2025, and a trenching program

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began in September; final mapping and sampling of the trenches was completed by late October. Structural geology expert Dr. Stefan Kruse of Terrane Geoscience Inc. visited in early November to examine selected drill core and trenches. A detailed (1:10,000 scale) mapping program of the Mary March area was initiated in 2025 and is currently ongoing.

The Company, in early 2026, completed a high-resolution magnetic drone survey of a portion of the Mary March Property and has conducted additional geophysics programs on the Mary March Property, comprising borehole electromagnetic surveys of eight historic holes and approximately 30.35 line-kilometers of 2D induced polarization/resistivity surveying.

Corporate Updates

On October 29, 2025, the Company closed a non-brokered private placement. See Share Capital section for the information on share issuances.

VMS Mining Corporation Agreement

On April 15, 2025, the Company entered into a Letter of Intent ("LOI") with a third party, VMS Mining Corporation ("VMSC") to establish terms for an exploration Joint Venture whereby VMSC would spend up to \$11.5M (the "JV") (the "Proposed Transaction"), aiming to fast-track new, high-grade discoveries at the Company's polymetallic volcanogenic massive sulphide ("VMS") assets in Newfoundland, which are located in the Company's Buchans and Mary March projects (the "Projects").

On February 18, 2026, the Company and VMSC executed a definitive joint venture agreement in respect of the Mary March and Buchans projects. Pursuant to the agreement, VMSC has advanced \$1,500,000 to the Company to date to fund exploration activities under the joint venture and to reimburse certain expenditures incurred by the Company between execution of the letter of intent and the definitive agreement (Phase 1).

Management expects the joint venture funding to support the Company's planned 2026 exploration and drilling activities at the Mary March project.

Pursuant to the settlement conditions below, until the date the Second Tranche Funds are due, and the receipt by VMSC of shares equal to 10% of the issued and outstanding shares of a newly incorporated Ontario Corporation under the JV ("SPVco"), the Company and VMSC may agree that VMSC will have an option to acquire a further 5% of the issued and outstanding shares of SPVCo for an aggregate subscription price of \$500,000 during Phase 1.

The Settlement Conditions are as follows:

- i) Full amount of \$1.5M advanced to Canstar under the Funding Note (Completed);
- ii) The elimination or restructuring of Glencore's remaining interest in a portion of the Mary March project to the satisfaction of VMSC;
- iii) Execution of a Definitive Agreement (Completed); and
- iv) The transfer of the mineral claims comprising the Projects into SPVco

The rest of the Proposed Transactions shall be structured in phases as follows:

Phase 2: Additional Investment for 40% Ownership

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After Settlement Conditions are satisfied, VMSC may subscribe for additional shares of SPVCo such that it owns or controls in aggregate 40% (or 45% if option was previously exercised) of the issued and outstanding shares of SPVCo for aggregate subscription proceeds of \$4M (the "Phase 2 Investment"), with such subscription proceeds being applied to Phase 2 exploration expenditures such as scout-drilling and borehole geophysics.

Phase 3: Additional Investment for 60% Ownership

Following Phase 2, VMSC may subscribe for additional shares of SPVCo such that it owns or controls in aggregate 60% (or 65% if the option was previously exercised) of the issued and outstanding shares of SPVCo for aggregate subscription proceeds of \$6M with such subscription proceeds being applied to Phase 3 exploration expenditures such as advanced drilling.

Phase 4: Pro-Rata Contributions and Dilution Protection

Each party shall have the right, but not the obligation, to contribute additional capital on a pro-rata basis to any approved budget subject to dilution adjustments for any non-contributing party.

Terra AI, Inc. Letter of Intent

On June 9, 2025, the Company entered into a LOI with Terra AI, Inc. ("Terra AI") to set forth the proposed terms and conditions under which Terra AI will be engaged by the Company to apply proprietary Artificial Intelligence ("AI") and geoscience methodologies to explore and identify potential orebody targets in the vicinity of the Mary March Project in exchange for equity in the Company.

Canstar and Terra AI ("the Parties") will aim to drill prospective targets in mid-late 2026. Canstar agrees to issue equity to Terra AI pursuant to a Definitive Agreement. Both parties will negotiate a definitive agreement that will include the detailed terms of the engagement.

The termination of the LOI with Terra AI is the earlier of:

- Execution of a Definitive Agreement;
- March 31, 2026 (extended by mutual agreement between the parties from 90 days from the date of the LOI if no Definitive Agreement has been executed, unless extended by mutual written agreement of the Parties)
- As of the date of this Management's Discussion and Analysis, no Definitive Agreement has been finalized. On May 26, 2026, the parties extended the LOI in perpetuity, subject to written termination, as both parties continue to develop a detailed mandate for a definitive agreement.

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RESULTS OF OPERATIONS

Three months ended March 31, 2026, compared to three months ended March 31, 2025

Total operating expenses were \$1,366,367 for the three months ended March 31, 2026 compared to \$327,796 in the three months ended March 31, 2025, an increase of \$1,038,571. Net income was \$734,902, compared to a net loss of \$359,301 in the three months ended March 31, 2025, a decrease in net loss of \$1,094,203. The change in net loss was due primarily to an increase in exploration and evaluation expenditures of \$689,960, an increase of share-based payments of \$46,701, an increase in accretion of \$25,355, an increase of general and office expenses of \$176,853 reflecting expanded corporate activity during the quarter, including transaction costs and operating costs associated with the Eagleridge Option Agreement, the Skellefteå LOI, and the formalisation of the VMSC joint venture during the current period which were more than offset by government grants of \$150,000, fair value adjustments of \$79,170, gain on loan payable of \$79,439 to VMSC and option revenues of \$1,791,577 related to the Churchill Resources Inc. option agreement.

Nine months ended March 31, 2026, compared to nine months ended March 31, 2025

Total operating expenses were \$3,030,884 for the nine months ended March 31, 2026 compared to \$1,023,997 in the nine months ended March 31, 2025, an increase of \$2,006,887. Net loss was \$923,630, compared to \$1,034,950, a decrease of \$111,320. The change in net loss was due primarily to an increase in exploration and evaluation expenditures of \$1,433,915, and an increase of professional fees of \$123,889 (reflecting legal work on the VMSC definitive joint venture agreement, the Churchill Resources option on Golden Baie, the Eagleridge Option Agreement, the Mary March Option Agreements, the Skellefteå LOI, and increased review activity), an increase of shareholder information expenditures of \$31,969 (reflecting expanded investor relations activity), an increase of transfer agent and filing fees of \$22,001 (reflecting multiple share issuances during the period: warrant exercises, the October 2025 private placement, and shares issued under the Mary March and Eagleridge option agreements; and higher SEDAR+ and TSXV filing volume), an increase of accretion of \$51,797, an increase of payroll expenses of \$35,868 (reflecting the addition of senior technical personnel during the period to support the expanded exploration program), an increase in travel fees of \$39,289 (reflecting capital markets outreach), increase in share-based payments of \$23,258, increase of general and office expenses of \$211,607 (consistent with the three-month drivers above), a swing from foreign exchange gain to foreign exchange loss of \$23,952, and non-recurrence of \$28,355 write-off recorded in the prior period. These were offset during the current period by government grants of \$150,000, fair value adjustments of \$79,170, gain on loan payable of \$79,439, and option revenues of \$1,791,577. The modest reduction in net loss between periods reflects the offsetting effect of significantly higher operating activity (notably exploration and evaluation expenditures of \$1.4M more than the prior period) against non-recurring items, principally option revenues of \$1,791,577 from the Churchill Resources Inc. option agreement and gains on the initial recognition of the VMS Mining Corporation ("VMSC") loan.

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SUMMARY OF QUARTERLY RESULTS

	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
	\$	\$	\$	\$
Revenue	-	-	-	-
Working capital	628,764	(210,609)	(208,758)	162,985
Operating expenses	1,366,367	719,152	945,365	1,554,097
Net income (loss)	734,902	(713,946)	(944,586)	(1,443,766)
Net income (loss) per share ⁽¹⁾	0.00	(0.00)	(0.01)	(0.01)

	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
	\$	\$	\$	\$
Revenue	-	-	-	-
Working capital	(69,928)	265,503	187,330	458,753
Operating expenses	327,796	357,188	339,013	194,611
Net loss	(359,301)	(350,689)	(324,960)	(204,011)
Net loss per share ⁽¹⁾	(0.00)	(0.00)	(0.00)	(0.00)

(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.

RELATED PARTY TRANSACTIONS

The directors and executive officers of the Company as of the date of this report are as follows:

Juan Carlos Giron Jr.	Chief Executive Officer (Appointed January 19, 2024)
William Upshur	Chief Financial Officer (Appointed January 19, 2024)
Paul Ténrière	Former Senior Vice President of Exploration (Resigned March 1, 2025)
Bob Patey	Vice President of Exploration (Appointed March 1, 2025)
J. Paul Austin	Director (Appointed January 19, 2024)
Neil Burns	Director
Jacqueline Allison	Director
James Clare	Director
Nyla Beth Gawel	Director (Appointed April 15, 2025)
Robert Bruggeman	Former CEO & Director (Resigned April 15, 2025)
Sam Leung	Former Director (Resigned January 23, 2024)
John E. Hurley	Former CFO (Resigned December 27, 2023)

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The remuneration of directors and key management during the period ended March 31, 2026 and March 31, 2025 were as follows:

Name	Relationship	Purpose of Transaction	Period ended	March 31
			March 31, 2026	2025
			\$	\$
Juan Carlos Giron Jr.	CEO	CEO fees	150,229	144,580
William Upshur	CFO	CFO fees	130,125	125,632
Bob Patey	Senior VP of Exploration	Exploration expenditures	134,250	7,476
Bob Patey	Senior VP of Exploration	Salaries	16,808	2,501
Paul Ténrière	Former Senior VP of Exploration	Exploration expenditures	-	83,202
Paul Ténrière	Former Senior VP of Exploration	Consulting fees	-	198
Total short-term benefits and exploration expenditures			431,412	363,589
Juan Carlos Giron Jr.	CEO	Share-based payments	36,419	20,034
William Upshur	CFO	Share-based payments	29,818	18,397
Jacqueline Allison	Director	Share-based payments	7,767	5,817
Robert Bruggeman	Director	Share-based payments	5,573	4,004
Neil Burns	Director	Share-based payments	6,754	5,065
James Clare	Director	Share-based payments	6,754	5,065
J. Paul Austin	Director	Share-based payments	6,754	3,898
Nyla Beth Gawel	Director	Share-based payments	5,631	-
Bob Patey	Senior VP of Exploration	Share-based payments	12,648	2,031
Sam Leung	Former Director	Share-based payments	-	1,168
John E. Hurley	Former CFO	Share-based payments	-	1,001
Paul Ténrière	Former Senior VP of Exploration	Share-based payments	2,202	7,640
Total share-based payments			120,320	74,120
			551,732	437,709

During the period ended March 31, 2026, \$297,161 (period ended March 31, 2025 – \$272,911) was paid to key management and included in management fees and payroll expenses.

During the period ended March 31, 2026, \$134,250 (period ended March 31, 2025 – \$90,678) was paid to key management and included in exploration expenditures.

Included in accounts payable and accrued liabilities as of March 31, 2026, is \$Nil owing to officers (June 30, 2025 – \$3,964). (Officers submitted invoices before the end of the period for payment at the beginning of the following period).

Included in prepaid expenses as of March 31, 2026 is \$Nil (June 30, 2025 – \$29,356) for officers relating to management fees that have not been incurred as of the period end.

CANSTAR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period ended March 31, 2026

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, 2176423 Ontario Ltd., controls 27,863,339 common shares, or approximately 15% of the total common shares outstanding as of March 31, 2026 (June 30, 2025 – 27,863,339 common shares, or approximately 18% of the total common shares outstanding).

LIQUIDITY AND CASH FLOW

At March 31, 2026, the Company had working capital of \$628,764 (June 30, 2025 – working capital \$162,985). The Company has no revenue from operations and depends on financing for working capital.

Cash Flow – Operating Activities:

During the period ended March 31, 2026, \$2,666,684 of cash was used in operating activities (March 31, 2025 – \$941,778). This consisted mainly of cash paid for management fees, professional fees, and day-to-day expenditures during the period and non-cash transactions for share-based payments. In the current period, the Company had significantly higher exploration and evaluation expenditures which were paid in cash.

Cash Flow – Financing Activities:

During the period ended March 31, 2026, \$2,835,026 of cash was received from financing activities (March 31, 2025 – \$610,407). In the current period, the Company received \$1,165,971 from private placement financing and incurred share issuance costs of \$56,980, received \$517,868 from the exercise of warrants and received \$208,167 for disposition of mineral property, and received \$1,000,000 in loan proceeds from VMSC on February 18, 2026 pursuant to the Funding Note (Note 10). In the prior year comparative period, the Company received \$610,407 from the exercise of warrants.

Cash Flow – Investing Activities:

During the period ended March 31, 2026, \$179,100 of cash was received from investing activities (March 31, 2025 – \$350,583). In the current period, the Company received net cash of \$179,100 from the purchase and sale of marketable securities. In the prior year's comparative period, the Company purchased equipment of \$2,066 and had net purchase and sale of marketable securities of \$352,649.

CANSTAR RESOURCES INC.

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For the period ended March 31, 2026

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

On March 3, 2026, the Company entered into a LOI with 1478078 B.C. Ltd. (d/b/a Lithological Opportunities) regarding a proposed option transaction for the acquisition by the Company of an undivided 100% interest in certain mining claims located in the Northern Skelleftea district of Sweden (the "Transaction"), on the principal terms set out in the LOI.

The Company shall make payments as follows:

- Issuance of 15,000,000 common shares to Lithological Opportunities no later than five (5) business days following receipt of TSX-V Approval;
- Cash payment of \$50,000; and
- Cash payment of \$100,000 twelve (12) months following the execution of a Definitive Agreement.

Upon Canstar acquiring an undivided one hundred percent (100%) interest in the Claims pursuant to the Definitive Agreement, such interest shall be subject to the retention by Lithological Opportunities of a two and one-half percent (2.5%) net smelter returns royalty on all minerals produced from the Claims (the "Royalty"), as more particularly set out in a net smelter returns royalty agreement to be entered into between Canstar and Lithological Opportunities (the "Royalty Agreement").

CANSTAR RESOURCES INC.

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For the period ended March 31, 2026

Canstar shall have the right, exercisable at any time prior to the commencement of commercial production from any portion of the Claims, to purchase from Lithological Opportunities up to a one percent (1.0%) interest in the Royalty for aggregate consideration of three million dollars (C\$3,000,000). Such buy-down right may be exercised in one or two tranches, with the first tranche consisting of a one-half percent (0.5%) interest in the Royalty for consideration of one million dollars (C\$1,000,000) and the second tranche consisting of one-half percent (0.5%) interest in the Royalty for consideration of two million dollars (C\$2,000,000).

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 did not change from prior year. 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.

CANSTAR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period ended March 31, 2026

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 flow-through 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, and has completed these commitments.

During the period ended March 31, 2026, the Company recognized a flow-through premium liability of \$4,000 as a result of the October 29, 2025 non-brokered private placement. The Company is committed to incurring flow-through eligible expenditures of \$17,000 (Flow-through – \$17,000) in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2026, arising from flow-through offerings from October 29, 2025, of which \$17,000 has been incurred to March 31, 2026, with a balance of \$Nil to be spent. During the period ended March 31, 2026, the Company recognized a flow-through premium of \$4,000.

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. There is 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.

CANSTAR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period ended March 31, 2026

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, 2026, the Company had a cash and cash equivalents balance of \$541,127 (June 30, 2025 – \$193,685), marketable securities of \$50,000 (June 30, 2025 – \$224,607), and investments of \$1,662,580 (June 30, 2025 – \$Nil) to settle current liabilities of \$2,008,639 (June 30, 2025 – \$405,577). 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. However, 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 not believe the Company is exposed to foreign exchange risk.

Price risk

The Company is exposed to price risk regarding commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action.

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:

- (i) Cash and cash equivalents and marketable securities 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 March 31, 2026, does not significantly affect the net loss during a twelve-month period.
- (ii) The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.
- (iii) Due to the GICs and exchange-traded funds held in marketable securities and investments, a 1% fluctuation in the fair value of the marketable securities would result in a change in fair value of approximately \$171,258 (March 31, 2025 – \$2,000).

CANSTAR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period ended March 31, 2026

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 continuously reviews its capital management approach and believes it is appropriate, given the company's relative size.

SHARE CAPITAL

Common Shares

On August 28, 2025, 1,000,000 shares valued at \$62,866 were issued pursuant to the exercise of 1,000,000 warrants granted on January 23, 2024, at an exercise price of \$0.05. On exercise of the warrants, the Company transferred \$12,866 from warrants reserves.

On September 8, 2025, 2,141,869 shares valued at \$134,650 were issued pursuant to the exercise of 2,141,869 warrants granted on January 23, 2024, at an exercise price of \$0.05. On exercise of the warrants, the Company transferred \$27,557 from warrants reserves.

On September 12, 2025, 500,000 shares valued at \$31,433 were issued pursuant to the exercise of 500,000 warrants granted on January 23, 2024, at an exercise price of \$0.05. On exercise of the warrants, the Company transferred \$6,433 from warrants reserves.

On September 16, 2025, 350,000 shares valued at \$22,003 were issued pursuant to the exercise of 350,000 warrants granted on January 23, 2024, at an exercise price of \$0.05. On exercise of the warrants, the Company transferred \$4,503 from warrants reserves.

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For the period ended March 31, 2026

On September 22, 2025, 1,550,000 shares valued at \$97,442 were issued pursuant to the exercise of 1,550,000 warrants granted on January 23, 2024, at an exercise price of \$0.05. On exercise of the warrants, the Company transferred \$19,942 from warrants reserves.

On September 25, 2025, 4,815,500 shares valued at \$302,728 were issued pursuant to the exercise of 4,815,500 warrants granted on January 23, 2024, at an exercise price of \$0.05. On exercise of the warrants, the Company transferred \$61,953 from warrants reserves.

On October 29, 2025, the Company closed a non-brokered private placement for total gross proceeds of \$1,169,971 (the "Offering"). The Company issued 17,738,008 non-flow-through units ("NFT Units") at a price of \$0.065 per NFT Unit for gross proceeds of \$1,152,971 and 200,000 flow-through units ("FT Units") at a price of \$0.085 per FT Unit, for gross proceeds of \$17,000. A flow-through premium liability was recorded in connection with this financing.

Each NFT Unit is comprised of one common share of the Company and one (1) transferable common share purchase warrant (each a "Warrant"). Each FT Units consists of one common share and one-half ($\frac{1}{2}$) of one warrant (with two half-warrants being equivalent to one whole Warrant). Each whole Warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share, NFT Unit Warrants are exercisable for a period of 36 months from the date of issuance and FT Unit Warrants are exercisable for 12 months from the date of issuance.

A fair value of \$949,345 was estimated for the NFT Warrants using the Black-Scholes pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk free interest rate of 2.44%; share price of \$0.07; expected life of 3 years; and an expected volatility of 167% based on the Company's historical trading data. The remaining amount of \$203,626 was assigned to the NFT shares issued.

A fair value of \$3,351 was estimated for the FT Warrants using the Black-Scholes pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk free interest rate of 2.43%; share price of \$0.07; expected life of 1 year; and an expected volatility of 168% based on the Company's historical trading data. The remaining amount of \$9,649 was assigned to the NFT shares issued, net of the flow-through liability recognized.

In connection with the Offering, the Company paid cash finder's fees totalling \$56,980 and issued 861,000 non-transferable finder's warrants (the "Finder's Warrants"). Each Finder's Warrant entitles the holder to purchase one common share at a price of \$0.10 per share for a period of 36 months from the date of issuance. A fair value of \$46,081 was estimated for the Finder's Warrants using the Black-Scholes pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk free interest rate of 2.44%; share price of \$0.07; expected life of 3 years; and an expected volatility of 167% based on the Company's historical trading data.

On December 8, 2025, the Company issued 350,000 common shares with a fair value of \$22,750 pursuant to the Mary March Option Agreements.

On March 18, 2026, the Company issued 100,000 common shares with a fair value of \$6,000 pursuant to the Eagleridge Option Agreement.

On March 18, 2026, the Company issued 79,000 common shares with a fair value of \$4,740 to access land in connection with the Eagleridge Property.

CANSTAR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period ended March 31, 2026

As of the date of this MD&A, the Company has 185,773,900 common shares outstanding.

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 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. On November 15, 2024, the stock options were repriced to \$0.05 per TSX Venture Exchange's minimum pricing requirement; all other terms of the stock options remain the same. The fair value above reflects the updated exercise price. During the period ended March 31, 2026, the Company recorded share-based payments expense of \$18,780 (March 31, 2025 – \$65,168) for these stock options.

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. On November 15, 2024, the stock options were repriced to \$0.05 per TSX Venture Exchange's minimum pricing requirement; all other terms of the stock options remain the same. The fair value above reflects the updated exercise price. During the period ended March 31, 2026, the Company recorded share-based payments expense of \$Nil (March 31, 2025 – \$8,735) for for these stock options.

On February 13, 2025, 700,000 stock options were granted to two senior employees and one consultant of the Company with an exercise price of \$0.05 and expire on February 13, 2030. The stock options have a vesting schedule as follows: 1/3 on May 13, 2025, 1/3 on May 13, 2026 and 1/3 on May 13, 2027. A grant date fair value of \$25,711 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 2.80%; expected life of 5 years; and expected volatility of 157% based on the Company's historical trading data. During the period ended March 31, 2026, the Company recorded share-based payments expense of \$8,039 (March 31, 2025 – \$Nil) for for these stock options.

On April 15, 2025, 200,000 stock options were granted to a director of the Company with an exercise price of \$0.05 and expire on April 15, 2030. The stock options have a vesting schedule as follows: 1/3 on April 15, 2026, 1/3 on April 15, 2027 and 1/3 on April 15, 2028. A grant date fair value of \$11,152 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 2.72%; expected life of 5 years; and expected volatility of 155% based on the Company's historical trading data. During the period ended March 31, 2026, the Company recorded share-based payments expense of \$5,573 (March 31, 2025 – \$Nil) for these stock options.

CANSTAR RESOURCES INC.

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For the period ended March 31, 2026

On June 16, 2025, 1,110,000 stock options were granted to officers and consultants of the Company with an exercise price of \$0.05 and expire on June 16, 2030. The stock options have a vesting schedule as follows: 66,667 vested on the grant date, 33,333 vest on August 9, 2025, 336,667 vest on September 16, 2025, 336,667 vest on September 16, 2026 and 336,667 vest on September 16, 2027. A grant date fair value of \$66,754 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 2.99%; expected life of 5 years; and expected volatility of 151% based on the Company's historical trading data. During the year ended June 30, 2025, the Company recorded share-based payments expense of \$37,540 (March 31, 2025 – \$Nil) for these stock options.

On December 8, 2025, 500,000 stock options were granted to officers and consultants of the Company with an exercise price of \$0.05 and expire on December 8, 2030. The stock options have a vesting schedule as follows: 166,667 vested on March 8, 2026, 166,667 will vest on March 8, 2027, and 166,666 will vest on March 8, 2028. A grant date fair value of \$29,664 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 3.01%; expected life of 5 years; and expected volatility of 144% based on the Company's historical trading data. During the period ended March 31, 2026, the Company recorded share-based payments expense of \$13,705 (March 31, 2025 – \$Nil) for these stock options.

On December 29, 2025, 2,033,000 stock options were granted to directors and officers of the Company with an exercise price of \$0.065 and expire on December 29, 2030. The stock options have a vesting schedule as follows: 677,667 vested on March 29, 2026, 677,667 vest on March 29, 2027, and 677,666 vest on March 29, 2028. A grant date fair value of \$118,770 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 2.29%; expected life of 5 years; and expected volatility of 144% based on the Company's historical trading data. During the period ended March 31, 2026, the Company recorded share-based payments expense of \$52,031 (March 31, 2025 – \$Nil) for these stock options.

On February 17, 2026, 500,000 stock options were granted to a consultant of the Company with an exercise price of \$0.07 and expire on February 17, 2031. The stock options have a vesting schedule as follows: 1/3rd vest on May 14, 2026, 2027 and 2028. A grant date fair value of \$38,628 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 2.76%; expected life of 5 years; and expected volatility of 144% based on the Company's historical trading data. During the period ended March 31, 2026, the Company recorded share-based payments expense of \$7,927 (March 31, 2025 – \$Nil) for these stock options.

On March 9, 2026, 1,600,000 stock options were granted to a consultant and an officer of the Company with an exercise price of \$0.07 and expire on March 9, 2031. The stock options have a vesting schedule as follows: 1/3rd vest on June 9, 2026, 2027 and 2028. A grant date fair value of \$93,288 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 144% based on the Company's historical trading data. During the period ended March 31, 2026, the Company recorded share-based payments expense of \$9,764 (March 31, 2025 – \$Nil) for these stock options.

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For the period ended March 31, 2026

The total value of share-based payments for the period ended March 31, 2026, was \$153,359 (March 31, 2025 – \$96,111), of which \$33,990 (March 31, 2025 – \$Nil) was included in exploration and evaluation expenditures. The total value of the share-based payments includes \$Nil related to stock options granted in prior years for the period ended March 31, 2026 (March 31, 2025 – \$16,520).

During the period ended March 31, 2026, 400,000 stock options with an exercise price of \$0.28 expired without being exercised. On expiry of the options, \$80,453 was transferred from reserves to deficit.

As of the date of this MD&A, the stock options outstanding for the Company were as follows:

Options Granted	Exercisable Options	Exercise Price	Expiry Date
950,000	950,000	\$ 0.28	December 10, 2026
1,750,000	1,750,000	\$ 0.06	March 24, 2028
3,344,000	2,229,333	\$ 0.05	July 14, 2029
400,000	266,667	\$ 0.05	August 14, 2029
700,000	233,333	\$ 0.05	February 13, 2030
200,000	66,667	\$ 0.05	April 15, 2030
1,110,000	436,667	\$ 0.05	June 16, 2030
500,000	166,667	\$ 0.05	December 8, 2030
2,033,000	677,667	\$ 0.065	December 29, 2030
500,000	166,667	\$ 0.07	February 17, 2031
1,600,000	-	\$ 0.07	March 9, 2031
13,087,000	6,099,334	\$ 0.08	

On April 26, 2026, 400,000 stock options with an exercise price of \$0.28 expired without being exercised.

Warrants

As of the date of this MD&A, warrants outstanding for the Company were as follows:

Number of Warrants	Exercisable Warrants	Exercise Price	Expiry Date
10,357,369	10,357,369	\$ 0.07	September 25, 2026
100,000	100,000	\$ 0.10	October 29, 2026
18,599,008	18,599,008	\$ 0.10	October 29, 2028
29,056,377	29,056,377	\$ 0.09	

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.

CANSTAR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period ended March 31, 2026

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.

CANSTAR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period ended March 31, 2026

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. 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.

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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. The ongoing wars in Ukraine and the Middle East and the threat of tariffs from the US 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 and other factors not explicitly identified herein may cause a decline in asset values, 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 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) 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 financial statements and (ii) the 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.

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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 in the Management's Discussion and Analysis as of May 26, 2026. A copy of this report will be provided to anyone who requests it.

OTHER MATTERS

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.