CANSTAR RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The unaudited condensed interim consolidated financial statements have been prepared by management on behalf of the Board of Directors in accordance with the accounting policies disclosed in the notes to these financial statements. Where necessary, management has exercised informed judgments and estimates regarding incomplete transactions as of the statement of financial position date. In management's opinion, these unaudited condensed interim consolidated financial statements have been prepared within acceptable materiality limits. They comply with International Accounting Standard 34 - Interim Financial Reporting and use accounting policies consistent with International Financial Reporting Standards appropriate to the circumstances.

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

The Board of Directors is responsible for reviewing and approving the company's unaudited condensed interim consolidated financial statements and other financial information, ensuring that management meets its financial reporting obligations. An Audit Committee aids the Board of Directors in carrying out this responsibility. The Audit Committee collaborates with management to assess the financial reporting process, the unaudited condensed interim consolidated financial statements, and additional financial information of the company. The Audit Committee then presents its findings to the Board of Directors for consideration in approving the unaudited condensed interim consolidated financial statements and other company financial details for distribution to the shareholders.

Management acknowledges its responsibility to conduct the Company’s affairs in accordance with established financial standards, applicable laws, and regulations while maintaining appropriate conduct standards for its activities.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not reviewed the condensed interim consolidated financial statements, a notice must accompany the statements indicating that an auditor has not reviewed them.

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

The Company's independent auditor has not yet reviewed these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants.

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

As at		December 31, 2024		June 30, 2024 (Audited)
ASSETS				
Current				
Cash and cash equivalents	**$**	**58,461**	$	38,944
Amounts receivable and prepaid expenses		**12,011**		53,955
Advances receivable		**28,028**		28,028
Marketable securities (Note 3)		**183,502**		424,287
Investments (Note 4)		**36,400**		31,150
Total current assets		**318,402**		576,364
Equipment (Note 7)		**13,605**		13,009
Total assets	**$**	**332,007**	$	589,373
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 8)	**$**	**52,899**	$	117,611
Total liabilities		**52,899**		117,611
SHAREHOLDERS' EQUITY				
Capital stock (Note 7(b))		**31,529,739**		31,014,239
Warrants (Note 7(d))		**237,572**		343,072
Share-based payment reserve (Note 7(c))		**805,644**		1,427,845
Deficit		**(32,293,847)**		(32,313,394)
Total shareholders' equity		**279,108**		471,762
Total liabilities and shareholders' equity	**$**	**332,007**	$	589,373

Nature and Continuance of Operations (Note 1 and 2)
Commitments and Contingencies (Notes 5 and 10)
Subsequent Events (Note 12)

APPROVED ON BEHALF OF THE BOARD:

"N. Burns", Director

"R. Bruggeman", Director

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

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Six Months Ended December 31, 2024	Six Months Ended December 31, 2023
Operating expenses				
Exploration and evaluation expenditures (Note 5)	**$ 132,009**	$ 183,884	**$ 260,389**	$ 438,102
Share-based payment (Notes 7(c) and 8)	**18,860**	52,842	**72,995**	77,937
Interest and bank charges	**571**	249	**1,178**	493
Transfer agent and filing fees	**7,320**	4,761	**12,169**	6,656
Management fees (Note 8)	**89,096**	45,000	**177,101**	90,000
Professional fees	**41,354**	45,042	**75,692**	66,324
General and office expenses	**31,799**	10,868	**46,282**	24,462
Shareholder information	**1,686**	2,672	**4,159**	2,672
Depreciation (Note 6)	**754**	780	**1,470**	1,559
Rent (Note 8)	**1,200**	1,800	**3,750**	3,600
Payroll expenses	**4,741**	-	**4,741**	-
Travel	**37,389**	-	**45,866**	-
Foreign exchange	**(9,591)**	-	**(9,591)**	-
Total operating expenses	**357,188**	347,898	**696,201**	711,805
Loss before items below:	**(357,188)**	(347,898)	**(696,201)**	(711,805)
Interest and dividend income (Note 3)	**2,329**	13,730	**9,032**	15,564
Fair value adjustment on investments (Note 4)	**4,170**	(4,200)	**11,520**	(21,000)
Net loss and comprehensive loss for the period	**$ (350,689)**	$ (338,368)	**$ (675,649)**	$ (717,241)
Net loss per share - basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.01)
Weighted average number of shares - basic and diluted	**146,091,912**	113,188,769	**148,841,392**	111,781,463

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

	Six Months Ended December 31, 2024	2023
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	**$ (675,649)**	$ (717,241)
Charges not involving cash:		
Share-based payment expense	**72,995**	77,937
Foreign exchange	**3,712**	-
Common shares issued and to be issued for exploration property interest	**-**	110,333
Depreciation	**1,470**	1,559
Fair value adjustment on investments	**(11,520)**	21,000
	(608,992)	(506,412)
Changes in non-cash working capital items:		
Amounts receivable, prepaid expenses and Golden Baie Security deposit	**36,694**	106,890
Accounts payable and accrued liabilities	**(64,712)**	(126,929)
Cash flows used in operating activities	**(637,010)**	(526,451)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	**410,000**	-
Cash flows received from financing activities	**410,000**	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities, net of purchases	**248,593**	135,301
Purchase of equipment	**(2,066)**	-
Cash flows used in investing activities	**246,527**	135,301
Change in cash and cash equivalents	**19,517**	(391,150)
Cash and cash equivalents, beginning of period	**38,944**	450,096
Cash and cash equivalents, end of period	**$ 58,461**	$ 58,946
SUPPLEMENTAL INFORMATION		
Interest income received	**$ 9,032**	$ 13,941
CASH AND CASH EQUIVALENTS		
Cash	**$ 58,461**	$ 8,958
Cash equivalents	**-**	49,988
	$ 58,461	$ 58,946

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

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

	Capital Stock $	Shares to be Issued $	Warrants $	Share-based Payment Reserve $	Deficit $	Total $
Balance – June 30, 2023	**30,278,135**	**200,000**	**1,265,807**	**1,331,581**	**(32,304,408)**	**771,115**
Share-based payment expense	-	-	-	77,937	-	77,937
Expiry of stock options	-	-	-	(3,281)	3,281	-
Common shares issued and to be issued for property interest	310,333	(200,000)	-	-	-	110,333
Expiry of warrants	-	-	(1,265,807)	-	1,265,807	-
Net loss and comprehensive loss for the period	-	-	-	-	(717,241)	(717,241)
Balance – December 31, 2023	**30,588,468**	**-**	**-**	**1,406,237**	**(31,752,561)**	**242,144**
Balance – June 30, 2024	**31,014,239**	**-**	**343,072**	**1,427,845**	**(32,313,394)**	**471,762**
Share-based payment expense	-	-	-	72,995	-	72,995
Common shares issued for exercise of warrants	515,500	-	(105,500)	-	-	410,000
Cancellation of stock options	-	-	-	(695,196)	695,196	-
Net loss and comprehensive loss for the period	-	-	-	-	(675,649)	(675,649)
Balance – December 31, 2024	**31,529,739**	**-**	**237,572**	**805,644**	**(32,293,847)**	**279,108**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

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

The Board of Directors approved the unaudited condensed interim consolidated financial statements on February 27, 2025.

The Company is exploring its mineral properties and has yet to determine whether they contain economically recoverable ore reserves. The recoverability of the expenditures incurred on the mineral properties depends upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the financing necessary to complete the development of the properties, future profitable production, or the ability of the Company to dispose of its interests on an advantageous basis.

These unaudited condensed interim consolidated financial statements are prepared assuming the Company will continue as a going concern. The Company expects to meet its obligations and maintain operations for the next 12 months. As of December 31, 2024, the Company has an accumulated deficit since its inception and anticipates further losses while advancing the exploration and evaluation of its properties. The Company will need to secure additional financial resources to progress and develop these properties. There is a risk that further financing may not be available on time or under acceptable terms. There are no guarantees that the Company will complete its anticipated financing, obtain additional financial resources, or achieve positive cash flows or profitability. If the Company fails to secure adequate funding, it may ultimately need to curtail operations and cease as a going concern. These material uncertainties raise significant doubt about the Company’s ability to continue as a going concern. If the going concern assumption is deemed inappropriate, adjustments would be necessary to the carrying values of assets and liabilities, reported revenues and expenses, and classifications in the statement of financial position in these consolidated financial statements. Such adjustments could be substantial.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs as of February 27, 2025, the date the Board of Directors approved the statements. The same accounting policies and computation methods are followed in these unaudited condensed interim consolidated financial statements as compared to the most recent annual consolidated financial statements for the year ended June 30, 2024. Any subsequent changes to IFRS that are implemented in the Company’s annual consolidated financial statements for the year ending June 30, 2025, may result in the restatement of these unaudited condensed interim consolidated financial statements.

(EXPRESSED IN CANADIAN DOLLARS)

3. MARKETABLE SECURITIES

The Company’s marketable securities include GICs and exchange-traded funds.

For the six months ending December 31, 2024, the Company earned interest and dividend income of $9,032 (December 31, 2023 – $15,564) from investment activities.

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

Marketable securities are composed of:

	As at December 31, 2024	**As at June 30, 2024**
GICs	**$ 50,000**	$ 50,000
Exchange traded funds	**133,502**	374,287
Total	**183,502**	424,284

4. INVESTMENTS

As at December 31, 2024	Number of Common Shares	Cost	Market Value Adjustment	Fair Value
Angus Gold Inc. ("Angus")	70,000	$ 14,000	$ 22,400	$ 36,400

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

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

(EXPRESSED IN CANADIAN DOLLARS)

5. EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES

	Golden Baie Property	Mary March Property	Buchans Property	Total
Assaying	$ -	$ 870	$ -	$ 870
Claims, maintenance fees	29,485	-	-	29,485
Equipment, rentals, camp and general	12,112	5,438	2,589	20,139
Field supplies	3,494	170	655	4,319
Geological consulting	65,311	-	34,782	100,093
Labour and supervision	29,464	43,393	31,616	104,473
Travel	-	390	620	1,010
Total exploration and evaluation activity for the period ended December 31, 2024	$ 139,866	$ 50,261	$ 70,262	$ 260,389

	Golden Baie Property
Option payments	$ 130,000
Recovered from government	(85,488)
Access	9,929
Assaying	1,414
Property Acquisition	110,333
Equipment, rentals, camp and general	6,075
Field supplies	14,833
Geological consulting	100,856
Labour and supervision	146,747
Travel	3,403
Total exploration and evaluation activity for the period ended December 31, 2023	$ 438,102

a) Golden Baie Property

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

- On November 18, 2020, the Company closed an option agreement with Altius and other arm's length parties (collectively, the "Optionors"). Under the Option Agreement, the Company earned a 100% undivided interest in the Golden Baie claims over four years. The Optionors are entitled to an aggregate milestone payment of $1,000,000 by the Company upon a discovery on the Golden Baie Project claims that meets National Instrument 43-101 defined measured and indicated mineral resources of at least one million contained gold ounces and a 2.0% net smelter return ("NSR") from all commercial production on the Golden Baie Project. Altius maintains the right to purchase 1% of the NSR from the Optionors for $1,500,000. Altius also has the right of first refusal to buy the remaining 1% NSR.

- On November 24, 2020, the Company closed an option agreement with Altius and other arm's length parties (collectively, the "Optionors") to acquire a 100% interest in 41 mineral claims contiguous with the Golden Baie Project. The Optionors retain a 1.5% NSR. Altius can purchase 0.5% of the NSR from the Optionors for $1,000,000. Altius has the right of first refusal on any sale by the Optionors of the remaining NSR.

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

a. Golden Baie Property (Continued)

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

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

iii. On August 15, 2022, the Company completed a property purchase agreement with four individuals ("the vendors"). In it, the vendors transferred 100% of their beneficial interest in the Bernards Pond and Roti Bay claims, subject to the vendors retaining a 2.0% NSR from all commercial production on these claims.

The Company put up security bonds to keep certain Golden Baie claims in good standing during the years ended June 30, 2021, and 2022. Once the required expenditures have been achieved, the bonds will be returned to the Company. During the year ended June 30, 2024, the Newfoundland Government refunded the Company $96,524.

b. Buchans-Mary March Properties

(i) Mary March Glencore Joint Venture

The property consists of four Fee Simple Grants comprising five separate land parcels and two map-staked licenses. The Company entered an option and Joint Venture (“JV”) Agreement with Glencore plc ("Glencore") whereby the Company had a 50% interest in the Mary March property located at Buchans Junction in central Newfoundland. Glencore held the remaining 50%. Should Glencore wish to sell, the Company has a right of first refusal. Should the Joint Venture proceed to production, the Company would make a one-time cash payment of $2 million within six months of the commencement of commercial production. Canstar’s share of production would be subject to a 1% NSR. The Company is the operator of the Joint Venture and has the deciding vote in the event of a deadlock between the Company and Glencore.

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

(ii) Mary March Extension Property

The Mary March Extension Property was acquired on April 7, 2009. The property is located immediately west and north of the Mary March Glencore JV. Canstar holds a 100% interest in the property.

(iii) Buchans Property

The Buchans Property was acquired on July 30, 2018. Canstar owns a 100% interest in the property, subject to a 2% NSR royalty.

(EXPRESSED IN CANADIAN DOLLARS)

6. EQUIPMENT

Cost		**Office and field equipment**
Balance, June 30, 2023	**$**	**31,266**
Additions		536
Balance, June 30, 2024		**31,802**
Additions		2,066
Balance, December 31, 2024	**$**	**33,868**

Accumulated Depreciation		**Office and field equipment**
Balance, June 30, 2023	**$**	**15,675**
Depreciation		3,118
Balance, June 30, 2024		**18,793**
Depreciation		1,470
Balance, December 31, 2024	**$**	**20,263**

Carrying Value		**Office and field equipment**
Balance, June 30, 2024	**$**	**13,009**
Balance, December 31, 2024	**$**	**13,605**

(EXPRESSED IN CANADIAN DOLLARS)

7. CAPITAL STOCK, OPTIONS AND WARRANTS

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

Summary of changes in capital stock:

	Shares		Amount
Balance, June 30, 2023	**110,342,559**	**$**	**30,278,135**
Issuance of shares for property interest (i) (ii) (iii)	3,633,333		310,333
Balance, December 31, 2023	**113,975,892**	**$**	**30,588,468**
Balance, June 30, 2024	**140,641,392**	**$**	**31,014,239**
Issuance of shares for warrant exercises (v) (vi)	8,200,000		515,500
Balance, December 31, 2024	**148,841,392**	**$**	**31,529,739**

(i) On September 29, 2023, 1,000,000 shares, based on the quoted price of the shares at the time of issuance, valued at $105,000, were issued to Altius under the Golden Baie options agreement (Note 5(a)).

(ii) On October 26, 2023, 2,500,000 shares valued at $200,000 were issued to Altius as part of the Golden Baie option agreement (Note 5(a)).

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

(iv) On January 23, 2024, the Company closed a non-brokered private placement financing for gross proceeds of $856,215 and a share issue cost of $12,372. An aggregate of 26,665,500 units were sold.

The Company issued:
(a) 10,415,500 units (each a "Hard Dollar Unit") at a price of $0.03 per unit,
(b) 10,000,000 flow-through units (each a "FT Unit") at a price of $0.0325 per unit, and
(c) 6,250,000 Critical Mineral Exploration Tax Credit ("CMETC") flow-through units at a price of $0.035 per unit. Each Hard Dollar Unit, FT Unit and CMETC unit is comprised of one common share, FT share and CMETC Share, respectively; all units also comprised of one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.05 per for a period of 24 months following the closing of the offering. A flow-through premium liability of $56,250 was recorded in connection with this financing.

A fair value for the warrants amounted to $343,072 was estimated using the Black-Scholes pricing model based on the following weighted average assumptions: expected dividend yield of 0%; share price of $0.03; risk-free interest rate of 4.06%; expected life of 2 years; and expected volatility of 159% based on the Company's historical trading data.

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

(v) On October 10, 2024, 4,100,000 shares valued at $257,750 were issued pursuant to the exercise of 4,100,000 warrants granted on January 23, 2024, at an exercise price of $0.05. On exercise of the warrants, the Company transferred $52,750 from warrants reserves.

(EXPRESSED IN CANADIAN DOLLARS)

7. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)

(b) Issued (Continued)

(vi) On October 18, 2024, 4,100,000 shares valued at $257,750 were issued pursuant to the exercise of 4,100,000 warrants granted on January 23, 2024, at an exercise price of $0.05. On exercise of the warrants, the Company transferred $52,750 from warrants reserves.

(c) Stock Options

A summary of changes in stock options is as follows:

	Number of Options		Weighted Average Exercise Price
Balance, June 30, 2023	**8,325,000**	**$**	**0.21**
Expired	(150,000)		0.10
Balance, June 30, 2024	**8,175,000**	**$**	**0.21**
Granted (i) (ii) (iii)	3,744,000		0.05
Cancelled	(3,408,333)		0.25
Balance, December 31, 2024	**8,510,667**	**$**	**0.13**

(i) On July 15, 2024, the Company granted 3,344,000 stock options to directors, officers, consultants and employees. Each stock option allows the holder to acquire one common share of the Company at an exercise price of $0.035, expiring five years from the issue date. One-third of the options vest yearly over three years, with the first tranche vesting on October 1, 2024. A grant date fair value of $102,617 was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk-free interest rate of 3.36%; expected life of 5 years; and expected volatility of 142% based on the Company's historical trading data. 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 December 31, 2024, the Company recorded share-based payments expense of $54,409 for these stock options.

(ii) On August 14, 2024, the Company granted 400,000 options to purchase common shares to two senior employees. Each stock option allows the holder to acquire one common share of the Company at an exercise price of $0.04, expiring five years from the issue date. One-third of the options vest yearly over three years, with the first tranche vesting on October 1, 2024. A grant date fair value of $14,175 was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk-free interest rate of 2.91%; expected life of 5 years; and expected volatility of 143% based on the Company's historical trading data. 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 December 31, 2024, the Company recorded share-based payments expense of $7,159 for these stock options.

(iii) The total value of share-based payments for the six months ended December 31, 2024, was $72,995 (six months ended December 31, 2023 – $77,937) which includes $11,427 of share-based payments from stock options granted in prior years.

(EXPRESSED IN CANADIAN DOLLARS)

7. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)

(c) Stock Options (Continued)

As of December 31, 2024, the following stock options were outstanding:

Number of Options	Exercisable Options	Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
266,667	266,667	$0.06	0.27	April 7, 2025
1,000,000	1,000,000	$0.28	0.79	October 14, 2025
400,000	400,000	$0.28	1.11	February 8, 2026
400,000	400,000	$0.28	1.32	April 26, 2026
950,000	950,000	$0.28	1.94	December 10, 2026
1,750,000	1,166,667	$0.06	3.23	March 24, 2028
3,344,000	1,114,667	$0.05	4.54	July 14, 2029
400,000	133,333	$0.05	4.62	August 13, 2029
8,510,667	**5,431,334**	**$0.13**	**3.13**	

(d) Share Purchase Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2023	**8,976,324**	**$ 0.41**
Expired	**(8,976,324)**	**0.41**
Balance, December 31, 2023	**-**	**-**
Balance, June 30, 2024	**26,665,500**	**$ 0.05**
Exercised	**(8,200,000)**	**0.05**
Balance, December 31, 2024	**18,465,500**	**$ 0.05**

As of December 31, 2024, the following warrants were outstanding.

Black-Scholes Valuation	Number of Warrants	Exercise Price	Expiry Date
$ 225,072	18,465,500	$0.05	January 23, 2026

(EXPRESSED IN CANADIAN DOLLARS)

8. RELATED PARTY TRANSACTIONS

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

Canstar entered into the following transactions with related parties:

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	**2024**	2023
Short-term benefits	**$ 89,294**	$ 45,000	**$ 177,299**	$ 90,000
Exploration expenditures	**29,202**	-	**56,202**	-
Share-based payments	**17,733**	23,458	**58,778**	49,527
	$ 136,229	$ 66,458	**$ 292,279**	$ 139,527

During the three months ended December 31, 2024, $89,294 (three months ended December 31, 2023 - $45,000) was paid to key management and included in management fees.

During the three months ended December 31, 2024, $29,202 (three months ended December 31, 2023 - $Nil) was paid to key management and included in exploration expenditures.

During the six months ended December 31, 2024, $177,299 (six months ended December 31, 2023 - $90,000) was paid to key management and included in management fees.

During the six months ended December 31, 2024, $56,202 (six months ended December 31, 2023 - $Nil) was paid to key management and included in exploration expenditures.

Included in accounts payable and accrued liabilities as of December 31, 2024, is $nil owing to an officer (June 30, 2024 - $nil).

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

One investor, namely 2176423 Ontario Ltd., controls 27,863,339 common shares, or approximately 19% of the total common shares outstanding as of December 31, 2024 (June 30, 2024 – 27,863,339 common shares, or approximately 20% of the total common shares outstanding).

9. FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous year.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents is remote.

9. FINANCIAL INSTRUMENTS (CONTINUED)

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 at December 31, 2024, the Company had a cash and cash equivalents balance of $58,461 (June 30, 2024 – $38,944) and marketable securities of $183,502 (June 30, 2024 - $424,287) to settle current liabilities of $52,899 (June 30, 2024 - $117,611). The Company's ability to continue operations and fund its exploration property expenditures is dependent on management's ability to secure additional financing. Management is continuing to pursue various financing initiatives to provide sufficient cash flow to finance operations as well as fund its exploration expenditures. The Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk

The Company has cash and cash equivalents 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 significant foreign exchange risk.

Price risk

The Company is exposed to price risk with respect to 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 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:

(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 December 31, 2024, 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 significant exposure to foreign exchange risk.

(iii) As a result of the 70,000 shares held in Angus, a 10% fluctuation in the fair value of the shares in Angus would result in a change in fair value of approximately $4,000.

(iv) As a result of the GICs and exchange-traded funds held in marketable securities, a 1% fluctuation in the fair value of the marketable securities would result in a change in fair value of approximately $2,000.

Geopolitical Risk

- Emergent geopolitical dynamics between the United States’ new executive administration and the Government of Canada—including changing tariff conditions—may create uncertainty in commodities markets and trade relations between the two countries. As the US executive administration is still new, how these dynamics ultimately solidify is unclear.

10. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the Company's management's expertise to sustain the business's future development.

11. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

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

Flow-Through Commitment

Under the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations to subscribers concerning the Income Tax Act (Canada) by incurring qualified exploration expenditures before December 31 of the year following the year the agreement is entered into. The Company indemnifies the subscribers of current and previous flow-through share offerings against any tax-related amounts that become payable by the shareholder due to the Company not meeting its expenditure commitments. Specific interpretations are required to assess the eligibility of flow-through expenditures that, if changed, could result in the denial of renunciation. The Company is committed to incurring flow-through eligible expenditures of $543,750 (flow through - $325,000 and CMETC - $218,750) in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2025, arising from flow-through offerings, of which approximately $493,842 has been incurred to December 31, 2024, with a balance of $49,908 to be spent.

12. SUBSEQUENT EVENTS

On February 13, 2025, 700,000 stock options were granted to consultants 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.