Management's Discussion and Analysis

Goldstar Minerals Inc.

Second quarter ended June 30, 2023

(in Canadian dollars, unless otherwise stated)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") was prepared and provides a discussion and analysis of the financial condition and results of operations for the three months period ended June 30, 2023. This discussion should be read in conjunction with the Company's second quarter 2023 unaudited condensed interim financial statements and accompanying notes, and the audited annual financial statements and accompanying notes for the year ended December 31, 2022 and the related annual MD&A. The Company's second quarter 2023 unaudited condensed interim financial statements and the accompanying notes have been prepared in accordance with International Financial Reporting Standards ("IFRS") and with International Accounting Standard ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and using the accounting policies described therein. References to the first, second, third and fourth quarters refer to the three months ended March 31, June 30, September 30 and December 31 of the respective years. Unless context in the MD&A otherwise specifies, references made to "Goldstar" or the "Company" refers to Goldstar Minerals Inc. Goldstar is listed on the TSX Venture Exchange and trades under the symbol "GDM". All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. The Company's public filings can be reviewed under the Company's profile on the SEDAR website (www.sedar.com).

1.1 RESPONSIBILITY OF FINANCIAL REPORTS

This MD&A constitutes management's review of the factors that affected the Corporation's financial and operating performance for the period ended June 30, 2023. Management is responsible for the preparation of the Financial Statements and the MD&A. The Board of Directors (the "Board") has the responsibility to ensure that management assumes its responsibilities with regards to the preparation of the Financial Statements and the MD&A. To assist management, the Board has created an Audit Committee. The Audit Committee meets with management to discuss the operating results and the financial situation of the Corporation. It then makes its recommendations and submits the Financial Statements and the MD&A to the Board for their review and approval. Following the recommendation of the Audit Committee, the Board has approved the Financial Statements and the MD&A on August 29th, 2023.

Goldstar Minerals is a publicly traded Corporation listed on the TSX Venture Exchange ("TSX-V") under the symbol "GDM".

1.2 FORWARD LOOKING STATEMENTS

The information presented contains "forward-looking information" under applicable Canadian legislation, concerning the business, operations and financial performance and condition of the Company. Forwardlooking information include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources; the realization of mineral reserve estimates; the timing and amount of estimated future exploration; costs of exploration; metal prices and demand for materials; capital expenditures; success of exploration and development activities;

permitting time lines and permitting, mining or processing issues; government regulation of mining operations; environmental risks; and title disputes or claims. Generally, forward-looking statements and forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "does not anticipate",, "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made, and they are 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, unexpected events during operations; variations in ore grade; risks inherent in the mining industry; delay or failure to receive board approvals; timing and availability of external financing on acceptable terms; risks relating to international operations; actual results of exploration activities; conclusions of economic valuations; changes in project parameters as plans continue to be refined; and fluctuating metal prices and currency exchange rates. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information that is incorporated by reference herein, except in accordance with applicable securities laws. Investors are advised that National Instrument 43-101 of the Canadian Securities Administrators requires that each category of mineral reserves and mineral resources be reported separately. Mineral resources that are not mineral reserves have not demonstrated economic viability.

1.3 NATURE OF ACTIVITIES

Goldstar Minerals Inc. is a public Canadian natural resource exploration and development company. The Company is focused on developing deposits that contain gold and technology metals in leading mining jurisdictions in Canada. The Company holds four mining properties, these being the Fortune Property, Panache North Property, and Upton Property located in the Province of Québec, and the Prince Property located in the province of Newfoundland.

1.4 OVERVIEW AND OUTLOOK

On January 27, 2023, the Company entered into a Purchase and Sale Agreement for the acquisition of 100% interest in 8 claims, totaling approximately 481 hectares (4.8 km2). In consideration for these claims, the Company will issue 18,000,000 common shares and pay in shares a finder's fee of 5% equivalent to 900,000 common shares. As part of the agreement, the Company is committed to proceed with a nonbrokered financing for a minimum of $550,000 consisting of 9,166,666 units at a price of $0.06 per unit. Each unit will be comprised of one common share and one purchase warrant where each warrant shall entitle the holder thereof to subscribe for one additional common share at an exercise price of $0.12 at any time until two years after closing. The warrants will provide for an acceleration clause if the shares trade above a specified price for more than 20 consecutive days. In respect of subscriptions sourced by an eligible finder, the Corporation may pay in cash a fee equal to 7% of the amount subscribed. This private placement was closed on August 18th, 2023.

In April 2023, the Company has agreed to settle outstanding loans in the amount of $328,000 with a director and officer by completing a share settlement transaction pursuant to which the Company will issue common shares (not units) at a price to be determined. As per the settlement, the interest payable will be forgiven and will be no longer payable. A total of 5,466,666 shares were issued at $0.06 on August 15th, to complete this transaction.

On May 4, 2023, an officer and director of the Company loaned $50,000 to the Company. This loan bears interest at a rate of 10% per annum and is repayable on demand. The Company will be changing its name to Green Mining Innovation and its new ticker symbol will be GMI.

1.5 DISCUSSION ON EXPLORATION AND EXPLOITATION ACTIVITIES

UPTON PROPERTY:

The Upton property consists of a total of 10 claims, covering an area of 601 hectares (6.01 km2). It is located in the Montérégie region of southern Québec. The property comprises a 100% interest in 8 claims covering an area of approximately 481 hectares (4.81 km2) which were acquired pursuant to the Purchase and Sale Agreement described below and 100% interest in 2 claims covering an area of approximately 120 hectares (1.20 km2) pursuant to the Purchase and Sale Agreement described below.

On January 27, 2023, the Company entered into a Purchase and Sale Agreement for the acquisition of 100% interest in 8 claims, totaling approximately 481 hectares (4.8 km2). In consideration for these claims, the Company will issue 18,000,000 common shares and pay in shares a finder's fee of 5% equivalent to 900,000 common shares. As part of the agreement, the Company was also committed to proceed with a non-brokered financing for a minimum of $550,000 consisting of 9,166,666 units at a price of $0.06 per unit. Each unit will be comprised of one common share and one purchase warrant where each warrant shall entitle the holder thereof to subscribe for one additional common share at an exercise price of $0.12 at any time until two years after closing. The warrants will provide for an acceleration clause if the shares trade above a specified price for more than 20 consecutive days. In respect of subscriptions sourced by an eligible finder, the Corporation may pay in cash a fee equal to 7% of the amount subscribed.

On October 27, 2022, the Company entered into a Purchase and Sale Agreement with Jean Bernard for the acquisition of 100% interest in 2 claims, totaling 120 hectares (1.2 km2). In consideration for these claims, the Company paid $25,000 plus applicable taxes and issued 500,000 common shares at a price of $0.055 per share. Upon commercial production, the Company will issue an additional 1,000,000 common shares.

<u>Geological Context</u>

The region lies within the Humber Zone of the Appalachian Geological Province. In this sector, the lithology is mainly NE oriented with a general weak dip towards the SE. On the titles of the East and North sector, meets the reverse fault (thrust) of Champlain having a NE attitude with weak dip towards the SE. This fault delimits the lithologies of Ordovician age to the NW and Cambrian to the SE.

Ordovician

This unit consists of a slate with sandstone and limestone interlayers belonging to the Bourret Formation.

Cambrian

This unit consists of feldspathic sandstone with slate interlayers of the Granby Formation belonging to the Shefford Group. This Formation contains an ovoid limestone unit of the Acton Vale Formation. The latter contains at its southern end the Upton barite deposit (45.6765˚N 72.6705˚W). The limestone unit is also evidenced by a circular magnetic anomaly.

Exploration work

In addition to the prospecting, geology, geochemistry and geophysics work covering the Upton deposit sector, between 1995 and 1999, in the northern sector (Permit 2646189), a VLF survey and a PP survey reveal conductive anomalies that are partially tested by a borehole at the northern limit of the limestone unit. The sounding intersects a suite of shale and limestone with a weak anomaly in Ba and Zn and explains the conductor by the presence of graphitic shale on the surface. There is no recent and material work on the other mining titles in the section.

FORTUNE PROPERTY:

The Fortune property comprises a 100% interest in a total of 101 claims covering approximately 5,714 hectares (57.14 km2). The Fortune property is located in the Gaspé Peninsula of Québec, with direct access to most of the property by Highway 132 and a network of maintained roads. The Company is identifying the next necessary steps to be taken.

PANACHE NORTH PROPERTY:

The Panache North property comprises a 100% interest in a total of 4 claims covering approximately 225 hectares (2.25 km2). The Panache North property is located in the Windfall Lake (Urban Barry) area of Québec. The Company is identifying the next necessary steps to be taken.

PRINCE PROPERTY:

The Prince property comprises a 100% interest in a total of 2 licenses covering approximately 125 hectares (1.25 km2). The Prince property is located in Newfoundland. The Company is identifying the next necessary steps to be taken.

ANCTIL PROPERTY:

As a result of the Covid-19 pandemic, significant labour shortages and delays have resulted in the exploration commitment not being met and the Company has decided not to pursue exploration on this property. During the year ended December 31, 2022, the Company recorded a write-off of $1,097,973.

NEMENJICHE PROPERTY:

As a result of the Covid-19 pandemic, significant labour shortages and delays have resulted in the exploration commitment not being met and the Company has decided not to pursue exploration on this property. During the year ended December 31, 2022, the Company recorded a write-off of $402,005.

1.6 SELECTED FINANCIAL INFORMATION

SUMMARY OF QUARTER RESULTS

The following table contains a summary of quarterly results of the last eight quarter-ends.

Quarter ended	Comprehensive net gain (loss)	Net gain (loss) per share
June 30, 2023	(73,000)	(0.00)
March 31, 2023	(57,333)	(0.00)
December 31, 2022	(1,651,228)	(0.06)
September 30, 2022	(67,065)	(0,01)
June 30, 2022	(53,576)	(0.01)
March 31, 2022	17,136	0.01
December 31, 2021	(49,520)	(0.01)
September 30, 2021	25,662	0.01

1.6 SELECTED FINANCIAL INFORMATION – CONTINUED

General exploration and evaluation expenditures for the period ended June, 2023 and 2022.

	Anctil property Quebec $	Fortune property Quebec $	Nemenjiche Property Quebec $	Panache North Property Quebec $	Prince property Newfoundland $	Upton Property Quebec $	Total $
Mining properties							
As at January 1, 2023	-	55,547	-	21,979	14,356	73,479	165,361
Claim staking and renewal		19,786	-	-	1,000	-	20,786
As at June 30, 2023	-	75,333	-	21,979	14,156	73,479	184,947
Exploration and evaluation assets							
As at January 1, 2023	-	-	-	-	-	-	-
General and administration	-	-	-	-	-	4,274	4,274
As at June 30, 2023	-	-	-	-	-	4,274	4,274

	Anctil property Quebec $	Fortune property Quebec $	Nemenjiche Property Quebec $	Panache North Property Quebec $	Prince property Newfoundland $	Upton Property Quebec $	Total $
Mining properties							
As at January 1, 2022	181,431	55,547	157,300	21,979	13,106	-	429,363
Acquisition costs	-	-	-	-	-	73,479	73,479
Claim staking and renewal	1,238	-	-	-	1,250	-	2,488
Write-off	(182,669)	-	(157,300)	-	-	-	(339,969)
As at December 31, 2022	-	55,547	-	21,979	14,356	73,479	165,361
Exploration and evaluation assets							
As at January 1, 2022	895,186	-	244,705	-	-	-	1,139,891
Assays	20,118	-	-	-	-	-	20,118
Write-off	(915,304)	-	(244,705)	-	-	-	(1,160,009)
As at December 31, 2022	-	-	-	-	-	-	-

1.6 SELECTED FINANCIAL INFORMATION – CONTINUED

RESULTS OF OPERATIONS

For the period ended June 30, 2023 the Company recorded a loss of $15,667 compared to a loss of $53,576 for the period ended June 30, 2022. This was mainly the result of a non-cash gain on the write-off of accrued liabilities of $33,896 in 2022. During the period, the Company recorded a non-cash accretion expense of $621. Expenses for the period ended June 30, 2023 amounted to $41,968 compared to $49,229 during the same period in 2022. There was an increase of $808 in general and administrative expenses and a decrease of $7,069 in professional and consulting fees. The company holds 23,858 common shares of Lucky Minerals Inc. ("Lucky") (2022 – 23,858). At June 30, 2023, these shares had a fair market value of $835. During the period, Goldstar spent $25,062 (2022 - $96,085), before write-offs, tax credits and government grants, on mining properties and exploration and evaluation assets. The table below details the nature of expenditures.

LIQUIDITY AND CAPITAL RESOURCES

The Company finances its operations mainly through the sale of its shares. As at June 30, 2023, the Company had cash and cash equivalents of $50,488 compared to $2,822 as at December 31, 2022. There was a working capital deficiency as at June 30, 2023 of ($760,362) compared to a deficiency of ($656,162) at December 31, 2022. As discussed under Overview and Outlook, in January 2023 the Company entered into a Purchase and Sale Agreement for the acquisition of 100% interest in 8 claims, totaling approximately 481 hectares (4.8 km2). In consideration for these claims, the Company will issue 18,000,000 common shares and pay in shares a finder's fee of 5% equivalent to 900,000 common shares. As discussed under Overview and Outlook, the Company is committed to proceed with a non-brokered financing for a minimum of $550,000 consisting of 9,166,666 units at a price of $0.06 per unit. Each unit will be comprised of one common share and one purchase warrant where each warrant shall entitle the holder thereof to subscribe for one additional common share at an exercise price of $0.12 at any time until two years after closing. The warrants will provide for an acceleration clause if the shares trade above a specified price for more than 20 consecutive days. In respect of subscriptions sourced by an eligible finder, the Corporation may pay in cash a fee equal to 7% of the amount subscribed. On January 10, February 2, February 14, March 1 , May 4th, June 3rd and June 27th 2023 a director and officer of the Company loaned the respective amounts of $3,000, $3,000, $25,000, $25,000, $50,000, $1,500 and $3,000 to the Company. These loans bear interest at a rate of 10% per annum and are repayable on demand. On July 7, October 11, October 13, October 27, and December 19, 2022, a director and officer of the Company loaned the respective amounts of $50,000, $3,000, $3,000, $94,000, and $25,000 to the Company. These loans bear interest at a rate of 10% per annum and are repayable on demand. In April 2023, the Company has agreed to settle outstanding loans in the amount of $328,000 with a director and officer by completing a share settlement transaction pursuant to which the Company will issue common shares (not units) at a price to be determined. As per the settlement, the interest payable will be forgiven and will be no longer payable. As the Company does not have sufficient

LIQUIDITY AND CAPITAL RESOURCES - CONTINUED

financial resources to cover its budgeted general administrative expenses and to meet its short-term obligations for the next twelve months, and to complete its planned 2023 calendar year exploration budget, the Company intends to raise additional financing in 2023. While the Company has been successful in securing financing, raising additional funds is dependent on a number of factors outside the Company's control, and as such there is no assurance that it will be able to do so in the future.

CASH FLOWS

Cash flows used in operating activities were ($20,655) during the period ended June 30, 2023 compared to $50,359 for the period ended June 30, 2022. Cash flows (used in) from investing activities was ($36,040) during the period ended June 30, 2023 compared to $102,383 for the period ended June 30, 2022. Cash flows from financing activities were $104,360 during the period ended June 30, 2023 compared to ($500) for the period ended June 30, 2022.

TRANSACTIONS WITH RELATED PARTIES

Transactions with key management personnel In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the period, a law firm, in which an officer and a director of the Company is a partner, rendered legal and consulting services in the amount of nil (2022 - nil), charged to professional and consulting fees, and nil (2022 - nil) with respect to financing charged to share issue expenses, totaling an aggregate amount of nil (2022 - nil). As at June 30, 2023, the accounts payable include $6,564 (2022 - $6,823) owed to this legal firm. On January 10, February 2, February 14, March 1, 2023, May 4th, June 3rd and June 27th 2023, an officer and director of the Company loaned the respective amounts of $3,000, $3,000, $25,000, and $25,000, 50,000, 1,500 and 3,000 to the Company. These loans bear interest at a rate of 10% per annum and are repayable on demand.

As at June 30, 2023, outstanding loans from directors and officers, due on demand, totaled $435,500 and interest accrued amounted to $2,696. In April 2023, the Company has agreed to settle outstanding loans in the amount of $328,000 with a director and officer by completing a share settlement transaction pursuant to which the Company will issue common shares (not units) at a price to be determined. As per the settlement, the interest payable will be forgiven and will be no longer payable. This transaction was completed on August 15th, 2023 - see section 1.4. These transactions, made in the normal course of business, were measured at the exchange amount, which is the amount established and agreed to by the parties.

1.7 CAPITAL MANAGEMENT

The capital of the Company consists of its share capital, options and warrants. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather, relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in properties with sufficient geologic or economic potential if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended June 30, 2023 and 2022. The Company is not subject to externally imposed capital requirements.

1.8 OFF-BALANCE SHEETS ARRANGEMENTS

The Corporation has not entered into any off-balance sheet arrangements including, without limitation, in respect of guarantee contracts, derivative financial obligations, or in respect to any obligation under a variable interest equity arrangement.

1.9 CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Going concern, Recognition and measurement of refundable credits on mining duties and tax credits related to resources, Recoverability of mining properties and exploration and evaluation assets, Measurement of the compensation warrants and Measurement of share-based payments.

1.10 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than the reporting period.

These updates are not expected to have a significant impact on the Company and are therefore not discussed herein.

1.11 DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and the Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures as of June 30, 2023. Based on that evaluation, the officers have concluded that as at that date, such disclosure controls and procedures contain a material weakness due to inadequate segregation of duties between the authorization, recording, review and reconciliation of purchases and sales and recording of cash receipts and bank account reconciliations. This material weakness has the potential to result in a material misstatement in the Company's financial statements, and should also be considered a material weakness in its internal control over financial reporting. The management and board of directors have concluded and agreed that, taking into account the present stage of the Company's development and the best interests of its shareholders, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct this weakness at this time.

1.12 INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer of the Company have designed, or have caused to be designed under their supervision, internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Company's internal control over financial reporting as at June 30, 2023. Based on that evaluation, the officers have concluded that as at that date, such internal control over financial reporting contains a material weakness due to inadequate segregation of duties as previously mentioned in "Disclosure controls and procedures". The management and board of directors have concluded and agreed that, taking into account the present stage of the Company's development and the best interests of its shareholders, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct this weakness at this time. There has been no change in the Company's internal control over financial reporting that occurred during the period beginning on January 1st, 2023 and ended June 30th, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

1.13 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of income or comprehensive income. Those categories are: fair value through profit or loss; loans and receivables; available for sale financial assets; and, for liabilities, amortized cost. The table reproduced in the financial statements as at June 30, 2023, shows the carrying values and fair values of assets and liabilities for each of these categories as at June 30, 2023 and December 31, 2022. Furthermore, financial risks factors are well described in these financial statements.

1.14 RISKS AND UNCERTAINTIES

An investment in the common shares of the Corporation should be considered highly speculative for a variety of reasons. The following is a general description of certain significant risk factors which should be considered:

a) Mining industry and mining projects

Exploration and development projects have no operating history upon which to base estimates of future operating costs and capital requirements. Mining projects frequently require a number of years and significant expenditures during the mine development phase before production is possible. Development projects are subject to the completion of successful feasibility studies, obtaining the necessary governmental permits and securing necessary financing. The economic feasibility of such development projects is based on many factors such as estimation of reserves, metallurgical recoveries, future metal prices, and capital and operating costs of such projects. Exploration and development of mineral deposits thus involve significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. In fact, a mine must generate sufficient revenues to offset operating and development costs such as the costs required to establish reserves by drilling, to develop metallurgical processes, to construct facilities and to extract and process metals from the ore. Once in production, it is impossible to determine whether current exploration and development programs at any given mine will result in the replacement of current reserves with new reserves. The Corporation is subject to risks and hazards inherent to the mining industry, including fluctuations in metal prices, costs of constructing and operating a mine as well as processing and refining facilities in a specific environment, availability of economic sources of energy and adequacy of water supply, adequate access to the site, unanticipated transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment (including regulations relating to prices, royalties, duties, taxes, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands), and industrial accidents and labor actions or unrest. The occurrence of any of these factors could materially and adversely affect the development of a project and as a result materially and adversely affect the Corporation's business, financial condition, results of operations and cash flow.

b) Dependance on management

The success of the operations and activities of the Corporation is dependent to a significant extent on the efforts and abilities of its management team. See "Directors and Officers" for details of

1.14 RISKS AND UNCERTAINTIES - CONTINUED

the Corporation's current management. Investors must be willing to rely to a significant extent on their discretion and judgment. The Corporation does not maintain key employee insurance on any of its employees. The Corporation depends on key personnel and cannot provide assurance that it will be able to retain such personnel. Failure to retain such key personnel could have a material adverse effect on the Corporation's business and financial condition.

c) Capital Needs

The exploration and evaluation, development, mining and processing of the Corporation's properties may require substantial additional financing. The only current source of future funds available to the Corporation is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Corporation or that it will be obtained on terms favourable to the Corporation or will provide the Corporation with sufficient funds to meet its objectives, which may adversely affect the Corporation's business and financial position. In addition, any future equity financings by the Corporation may result in a substantial dilution of the existing shareholders. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further exploration and evaluation, development or production on any or all of the Corporation's properties or even a loss of property interest.

d) Uninsured Risks

The Corporation's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

e) Going Concern

The future of the Corporation depends on its ability to finance its activities and to develop its assets. Failure to obtain sufficient financing may result in the Corporation not being able to continue its operations, realize its assets and discharge its liabilities in the normal course of business in the foreseeable future.

1.15 COMMITMENTS AND CONTINGENCIES

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company is committed to incur eligible exploration and evaluation expenses of $720,000 by December 31, 2022, related to its flow-through share financings completed in 2021. In 2022, the Company has amended its commitment to $477,653. As at December 31, 2022, the Company has incurred $477,653 of eligible expenses.

However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this
purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors or the Company.

In such event, the Company will indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to renounce the qualifying expenditures as agreed.

1.16 SUBSEQUENT EVENTS

In April 2023, the Company has agreed to settle outstanding loans in the amount of $328,000 with a director and officer by completing a share settlement transaction pursuant to which the Company will issue common shares (not units) at a price to be determined. As per the settlement, the interest payable will be forgiven and will be no longer payable. This transaction was completed on August 15th 2023.

1.16 QUALIFIED PERSON

Jacques Marchand Ing, is the Qualified Person under National Instrument 43-101 who has reviewed the scientific and technical information in this document.

1.17 DISCLOSURE OF OUTSTANDING SHARE, OPTIONS AND WARRANT DATA

Disclosure of outstanding securities as at August 29th, 2023

Common shares outstanding: 27,258,769

Options outstanding: 1,215,000

Number of options	Exercise Price	Expiry Date
1,015,000	$0.16	January 12, 2026
200,000	$0.16	March 23, 2026

Warrants outstanding: 5,426,924

Number of warrants	Exercise Price	Expiry Date
4,844,663	$0.20	September 2, 2023
232,261	$0.15	September 2, 2023
350,000	$0.50	September 17, 2023

1.18 OFF BALANCE SHEET ITEMS

The Company does not have any off balance sheet items.

AUGUST 29, 2023