

Financial Statements of

**GOLDSTAR MINERALS INC.**

Years ended December 31, 2022 and 2021

# **GOLDSTAR MINERALS INC.**

## Table of Contents

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	<b>Page</b>
<b>Independent Auditors' Report</b>	
Statements of Financial Position	1
Statements of Loss and Other Comprehensive Loss	2
Statements of Cash Flows	3
Statements of Changes in Equity	4
Notes to Financial Statements	5-26

## Independent Auditor's Report

To the Shareholders of  
Goldstar Minerals Inc.

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### Opinion

We have audited the financial statements of Goldstar Minerals Inc. (hereafter “the Company”), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and other comprehensive loss, the statements of changes in equity and the statements of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to Note 1 to the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the “Material uncertainty related to going concern” section, we have determined the matter described below to be the key audit matter to be communicated in our report.

### *Assessment for impairment of mining properties and exploration and evaluation assets*

As described in Note 4 to the financial statements, an impairment review of mining properties and exploration and evaluation assets is undertaken when indicators of impairment exist. If such indication exists, an impairment test is performed to estimate the recoverable amount of each mining property. We identified the Company’s assessment for impairment of mining properties and exploration and evaluation assets as a key audit matter.

### *Why the matter was determined to be a key audit matter*

This assessment for impairment of mining properties and exploration and evaluation assets was significant, given that management’s assessment for impairment indicators process is subjective and involves judgment. In addition, the Company’s impairment test resulted in a significant write-off expense of \$1,499,978, which is disclosed in Note 8.

### *How the matter was addressed in the audit*

Our audit procedures related to the Company’s assessment for impairment of mining properties and exploration and evaluation assets included, among others, the following:

- We assessed management’s process for determining whether an impairment indicator occurred;
- We inspected option agreements and government registries to assess the validity of the Company’s mining rights and claims for its exploration properties. If conditions related to the option agreements are not met at year-end or are expected not to be met in the future, we evaluated management’s intention to renegotiate these agreements and results of these negotiations. If mining rights or a claim has expired at year-end or will expire in the near future, we evaluated management’s intention to renew it and its ability to do so;
- We reviewed the Company’s exploration and evaluation budgets and plans for the next years to evaluate management’s intention to perform further exploration and evaluation work;
- We reviewed information included in the Company’s press releases, minutes of the Board of Directors and internal communications to management and the Board of Directors to assess whether there are other situations indicating that

the carrying value of the exploration and evaluation assets may not be recoverable.

### **Information other than the financial statements and the auditor's report thereon**

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Karine Desrochers.

*Raymond Chabot Grant Thornton LLP<sup>1</sup>*

Montréal  
April 27, 2023

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<sup>1</sup> CPA auditor, public accountancy permit no. A127023

# GOLDSTAR MINERALS INC.

## Statements of Financial Position

As At December 31, 2022 and 2021  
(in Canadian dollars)

	2022	2021
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 5)	2,822	61,702
Tax credits and other receivables (note 6)	8,226	10,357
Marketable securities (note 7)	954	1,909
Prepaid expenses	9,868	11,377
	<b>21,870</b>	<b>85,345</b>
<b>Non-current assets</b>		
Mining properties (note 8)	165,361	429,363
Exploration and evaluation assets (note 8)	-	1,139,891
	<b>165,361</b>	<b>1,569,254</b>
	<b>187,231</b>	<b>1,654,599</b>
<b>Liabilities and Shareholders' (Deficiency) Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 9)	316,824	170,097
Liability related to flow-through shares (notes 11 and 13)	-	60,353
Due to related parties (note 17)	325,000	150,000
Loan payable (note 10)	36,208	-
	<b>678,032</b>	<b>380,450</b>
<b>Non-current liabilities</b>		
Loan payable (note 10)	-	36,208
	<b>-</b>	<b>36,208</b>
<b>Shareholders' (deficiency) equity</b>		
Share capital and warrants (note 11)	15,076,840	15,049,340
Contributed surplus	1,211,684	1,211,684
Deficit	(16,779,325)	(15,023,083)
	<b>(490,801)</b>	<b>1,237,941</b>
	<b>187,231</b>	<b>1,654,599</b>

Reporting entity and going concern (note 1)

Commitments and contingencies (note 13)

Subsequent events (note 20)

See accompanying notes to financial statements.

On behalf of the Board:

(s) David Crevier \_\_\_\_\_ Director

(s) François Perron \_\_\_\_\_ Director



# GOLDSTAR MINERALS INC.

## Statements of Loss and Comprehensive Loss

Years ended December 31, 2022 and 2021

(in Canadian dollars)

	2022	2021
	\$	\$
<b>Expenses</b>		
General and administrative expenses (note 16)	313,382	193,774
Professional and consulting fees	66,083	35,426
Write-off of mining properties (note 8)	339,969	-
Write-off of exploration and evaluation assets (note 8)	1,160,009	-
Share-based payments	-	163,036
	<b>1,879,443</b>	<b>392,236</b>
<b>Financial expense (Income)</b>		
Gain on write-off of accrued liabilities	(50,769)	-
Gain on write-off of accounts payable	(33,602)	-
Interest income	-	(38)
Interest expense	19,360	1,603
Change in fair value of marketable securities (note 7)	954	596
Accretion expense (note 10)	2,970	3,295
	<b>(61,087)</b>	<b>5,456</b>
<b>Other Income</b>		
Government assistance (note 10)	(2,970)	(11,669)
Other income related to previously written off properties	(300)	(2,350)
Other income related to flow-through shares	(60,353)	(139,647)
	<b>(63,623)</b>	<b>(153,666)</b>
<b>Loss and comprehensive loss for the year</b>	<b>1,754,733</b>	<b>244,026</b>
Net loss per share, basic and diluted (note 19)	(0.07)	(0.01)
Weighted average number of shares outstanding	26,793,016	24,681,786

See accompanying notes to financial statements.

# GOLDSTAR MINERALS INC.

## Statements of Cash Flows

Years ended December 31, 2022 and 2021

(in Canadian dollars)

	2022	2021
	\$	\$
<b>Cash flows from operating activities</b>		
Loss and comprehensive loss for the year	(1,754,733)	(244,026)
Items not involving cash:		
Share-based payments	-	163,036
Gain on write-off of accrued liabilities	(50,769)	-
Gain on write-off of accounts payable	(33,602)	-
Net interest expense	19,360	1,565
Change in fair value of marketable securities (note 7)	954	596
Accretion expense (note 10)	2,970	3,295
Government assistance (note 10)	(2,970)	(1,669)
Write-off of mining properties (note 8)	339,969	-
Write-off of exploration and evaluation assets (note 8)	1,160,009	-
Other income related to flow-through shares	(60,353)	(139,647)
Net change in non-cash operating working capital:		
Change in sales tax and other receivables	2,131	7,540
Change in prepaid expenses	1,509	(7,683)
Change in accounts payable and accrued liabilities	200,364	(27,760)
Interest received	-	38
<b>Net cash used in operating activities</b>	<b>(175,161)</b>	<b>(244,715)</b>
<b>Cash flows from investing activities</b>		
Additions to mining properties	(43,150)	(138,325)
Additions to exploration and evaluation assets	(14,060)	(701,827)
Credit on mining duties and resource tax credits and government grants	-	13,795
<b>Net cash used in investing activities</b>	<b>(57,210)</b>	<b>(826,357)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	-	720,000
Share issue expenses	(1,509)	(43,265)
Increase in due to related parties (note 17)	175,000	150,000
Increase in loan payable	-	10,000
<b>Net cash provided from financing activities</b>	<b>173,491</b>	<b>836,735</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(58,880)</b>	<b>(234,337)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>61,702</b>	<b>296,039</b>
<b>Cash and cash equivalents, end of year</b>	<b>2,822</b>	<b>61,702</b>
<b>Non-cash transactions</b>		
Additions to mining properties by issuance of shares (notes 8 and 11)	27,500	48,000
Additions to mining properties included in accounts payable and accrued liabilities	5,317	-
Additions to exploration and evaluations assets included in accounts payable and accrued liabilities	52,739	46,681
Compensation shares included in share issue expenses (note 11)	-	19,734

See accompanying notes to financial statements.

# GOLDSTAR MINERALS INC.

## Statements of Changes in Equity

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

	2022	2021
	\$	\$
<b>Share capital and warrants (note 11)</b>		
Balance, beginning of year	15,049,340	14,461,606
Issue of flow-through common shares, private placement	-	720,000
Liability related to flow-through shares	-	(200,000)
Issue of common shares for finder's fees	-	19,734
Issue of common shares, claims acquisition	27,500	48,000
Balance, end of year	15,076,840	15,049,340
<b>Contributed surplus</b>		
Balance, beginning of year	1,211,684	1,048,648
Share-based payments under the option plan	-	163,036
Balance, end of year	1,211,684	1,211,684
<b>Deficit</b>		
Balance, beginning of year	(15,023,083)	(14,716,058)
Loss and comprehensive loss for the year	(1,754,733)	(244,026)
Share issue expenses	(1,509)	(62,999)
Balance, end of year	(16,779,325)	(15,023,083)
<b>Total shareholders' (deficiency) equity end of year</b>	<b>(490,801)</b>	<b>1,237,941</b>

See accompanying notes to financial statements.

# **GOLDSTAR MINERALS INC.**

Notes to Financial Statements

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## **1. Reporting entity and going concern:**

Goldstar Minerals Inc. (the "Company" or "Goldstar") is a company domiciled in Canada and was continued under the Canada Business Corporations Act on September 4, 2014. The address of the Company's registered office is 3839 Av. De Marlowe, Montréal, Québec.

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

These financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business.

The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. The Company is still in the exploration stage and, as such, no revenue has yet been generated from its operating activities. As at December 31, 2022, the statement of financial position shows a negative working capital of \$656,162 (negative working capital of \$295,105 as at December 31, 2021). The ability of the Company to meet its commitments as they become due, including the acquisition of mineral properties and the development of projects, is dependent on its ability to obtain necessary financing. The recoverability of amounts shown for mining properties and exploration and evaluation assets is dependent upon the ability of the Company to obtain necessary financing to complete the exploration and development thereof, and upon future profitable production or proceeds from the disposal of properties. If the Company is unable to obtain sufficient additional funding, this could lead to a delay, reduction or elimination of its exploration plans, which could adversely affect its business, its financial condition and its results.

Management believes that it will be able to secure financing in the future. However, as at December 31, 2022, since the Company has a negative working capital, the Company does not have sufficient 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. Consequently, the Company will need to obtain 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.

# **GOLDSTAR MINERALS INC.**

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## **1. Reporting entity and going concern (continued):**

The conditions mentioned above indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its obligations in anything other than the ordinary course of operations.

## **2. Statement of compliance:**

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

These financial statements were reviewed, approved and authorized for issue by the Board of Directors on April 27, 2023

## **3. Basis of preparation:**

### **a) Basis of measurement:**

The financial statements have been prepared on the historical cost basis except for share-based compensation transactions which are measured pursuant to IFRS 2 and for marketable securities which are measured at fair value through profit or loss.

### **(b) Functional and presentation currency:**

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

### **(c) Use of estimates and judgments:**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, 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.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in Note 4 and consists in the determination of capitalizable costs as exploration and evaluation assets, the recognition and measurement of refundable credits on mining duties and tax credits related to resources.

# **GOLDSTAR MINERALS INC.**

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## **3. Basis of preparation (continued):**

### (c) Use of estimates and judgments (continued):

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 1 - going concern;
- Notes 4 and 6 – recognition and measurement of refundable credits on mining duties and tax credits related to resources;
- Notes 4 and 8 - recoverability of mining properties and exploration and evaluation assets;
- Note 11 – measurement of the compensation warrants;
- Note 12 – measurement of share-based payments;

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.

## **4. Significant accounting policies:**

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

### (a) Financial instruments:

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them and are classified as amortized cost, FVPL or fair value through other comprehensive income ("FVOCI"), as appropriate. The Company considers whether a contract (other than a financial asset) contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required. The Company has no financial assets at FVOCI.

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## 4. Significant accounting policies (continued):

### (a) Financial instruments (continued):

#### *Financial assets at amortized cost*

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash and cash equivalents and other receivables are classified as and measured at amortized cost.

#### *Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions. Marketable securities are classified and measured at FVTPL.

#### *Financial liabilities*

Financial liabilities are recognized initially at fair value, net of transaction costs. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities, due to related parties and loan payable are classified as and measured at amortized cost.

#### *Fair value measurement*

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:

- Level 1: defined as observable inputs such as quoted prices (unadjusted) in active markets.
- Level 2: defined as inputs other than quoted prices included in Level 1, that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no observable market data, therefore requiring the Company to develop its own assumptions.

### (b) Mining properties and exploration and evaluation assets:

Mining properties correspond to acquired interests in mining permits and claims which include the rights to explore for mining, extracting and selling all minerals from such claims.

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## 4. Significant accounting policies (continued):

### (b) Mining properties and exploration and evaluation assets (continued):

All pre-exploration costs, i.e. costs incurred prior to obtaining the legal right to undertake exploration activities on an area of interest, are expensed as incurred.

Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized in respect of each identifiable area of interest until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

The expenditures that are included in the measurement of exploration and evaluation assets include those related to acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Mining properties and exploration and evaluation assets are carried at historical cost less any impairment losses recognized.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable for an area of interest, the Company stops capitalizing mining properties and exploration and evaluation costs for that area, tests recognized exploration and evaluation assets for impairment and reclassifies any unimpaired exploration and evaluation assets either as tangible or intangible mine development assets according to the nature of the assets.

### (c) Impairment:

#### *Non-financial assets*

The carrying amounts of mining properties and exploration and evaluation assets are assessed for impairment only when indicators of impairment exist, typically when one of the following circumstances apply:

- Exploration rights have or will expire in the near future.
- No future substantive exploration expenditures are budgeted.
- No commercially viable quantities are discovered and exploration and evaluation activities will be discontinued.
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale.

If any such indication exists, then the asset's recoverable amount is estimated.

Mining properties and exploration and evaluation assets are also assessed for impairment upon the transfer of exploration and evaluation assets to development assets regardless of whether facts and circumstances indicate that the carrying amount of the exploration and evaluation assets is in excess of their recoverable amount.



# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## 4. Significant accounting policies (continued):

### (c) Impairment (continued):

#### *Non-financial assets (continued)*

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”, or “CGU”). The level identified by the Company for the purposes of testing exploration and evaluation assets for impairment corresponds to each mining property.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

### (d) Share capital:

#### *Common shares*

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as an increase to deficit, net of any tax effects.

#### *Units placements*

Unit issue proceeds are allocated between the shares and warrants issued using the residual method. Proceeds are first applied to shares according to the quoted price at the time of issuance and any residual proceeds are allocated to the warrants.

#### *Flow-through shares*

The Canadian tax legislation permits an entity to issue securities to investors whereby the deductions for tax purposes relating to resource expenditures may be claimed by the investors and not by the entity. These securities are referred to as flow-through shares. The Company may finance a portion of its exploration programs with flow-through shares.

At the time of share issuance, the Company allocates the proceeds between share capital and an obligation to deliver the tax deductions, which is recorded as liabilities related to flow-through shares. The Company estimates the fair value of the obligation using the residual method, i.e. by comparing the price of the flow-through share to the quoted price of common share at the date of the financing.

# **GOLDSTAR MINERALS INC.**

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## **4. Significant accounting policies (continued):**

### (d) Share capital (continued):

#### *Flow-through shares (continued)*

The Company may renounce the deductions for tax purposes under either what is referred to as the “general” method or the “look-back” method.

When tax deductions are being renounced under the general method, and the Company has the expectation of renouncing and has capitalized the expenditures during the current year, then the entity records a deferred tax liability with the corresponding charge to income tax expense. The obligation is reduced, with a corresponding income recorded.

When tax deductions are being renounced under the look-back method, the Company records a deferred tax liability with a corresponding charge to income tax expense when expenditures are made and capitalized. At that time, the obligation would be reduced, with a corresponding income recorded.

#### *Warrants*

Warrants are classified as equity when they are derivatives over the Company’s own equity that will be settled only by the Company exchanging a fixed amount of cash for a fixed number of the Company’s own equity instruments.

### (e) Share-based payments:

The grant date fair value of share-based payment awards granted to employees, directors, officers, and service providers is recognized as an expense, with a corresponding increase in contributed surplus, over the period that the employees, directors, officers, and service providers unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company. The Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, except when that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted.

### (f) Finance income and finance costs:

Interest income and interest expense are recognized as they accrue, using the effective interest method.

Interest received and interest paid are classified under operating activities in the statements of cash flows.

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## 4. Significant accounting policies (continued):

### (g) Refundable tax credit related to resources and refundable credit on mining duties:

The Company is eligible for a refundable resource tax credit on Canadian Exploration Expenditures, financed by treasury funds, other than flow-through shares financings, of up to 28% of the amount of eligible expenses incurred in the province of Québec. This credit is recorded as a government grant against mining properties and exploration and evaluation assets.

The Company is also entitled to a refundable tax credit on mining duties under the Québec *Mining Tax Act*. The accounting treatment for refundable credit on mining duties depends on management's intention to either go into production in the future or to sell its mining properties to another mining producer once the technical feasibility and the economic viability of the properties have been demonstrated. This assessment is made at the level of each mining property. In the first case, the credit on mining duties is recorded as an income tax recovery under IAS 12, *Income Taxes*. At the same time a deferred tax liability and deferred tax expense are recognized because the exploration and evaluation assets lose their tax basis following the Company's election to claim the refundable credit. In the second case, it is expected that no mining duties will be paid in the future and, accordingly, the credit on mining duties is recorded as a government grant under IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, which is recorded against exploration and evaluation assets.

Management's current intention is to sell the mining properties in the future, and, therefore, the credit on mining duties is recorded as a government grant against mining properties and exploration and evaluation assets. The Company records the credit at the rate of 16% applicable on 50% of the eligible expenses.

Credits related to resources and credits on mining duties recognized against exploration and evaluation expenditures are recorded when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the credits.

### (h) Income tax:

Income tax expense comprises current and deferred taxes. Current income taxes and deferred income taxes are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized with regards to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

# **GOLDSTAR MINERALS INC.**

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## **4. Significant accounting policies (continued):**

### (h) Income tax (continued):

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### (i) Earnings (loss) per share:

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise warrants and share options granted to directors and employees.

### (j) Segment reporting:

The Company determined that it only has one operating segment, i.e. mining exploration.

### (k) Government assistance:

Government assistance related to current expenses is accounted for as other income while assistance related to the acquisition of exploration and evaluation assets is accounted for as a reduction of the related exploration and evaluation assets. Government assistance is accrued in the year in which the current expenses or the capital expenditures are incurred, provided that the Company is reasonably certain that it will be received.

The loan from a government body, which contains a clause exempting the Company from making repayments as long as it satisfies the terms and conditions specified at the time the loan was granted, is accounted for using the previously described accounting policy, depending on whether the loan relates to current expenses or the acquisition of exploration and evaluation assets. Any debt resulting from the obligation to repay this government assistance is accounted for in the year during which the terms and conditions resulting in repayment occur.

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

## 4. Significant accounting policies (continued):

(I) Accounting standards issued but not yet applied:

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 December 31, 2022. These updates are not expected to have a significant impact on the Company and are therefore not discussed herein.

## 5. Cash and cash equivalents:

	2022	2021
Bank balances	\$ 2,822	\$ 61,702

## 6. Tax credits and other receivables:

	2022	2021
Sales taxes receivable	\$ 7,754	\$ 9,445
Other	472	912
Tax credits and other receivables	\$ 8,226	\$ 10,357

## 7. Marketable securities:

The following table shows the carrying amount of the financial assets which are at level 1 in the fair value hierarchy.

	2022	2021
Lucky Minerals Inc. – common shares	\$ 954	\$ 1,909

The Company holds 23,858 common shares of Lucky (2021 – 23,858) having a fair value of \$954 as at December 31, 2022 (2021 – \$1,909).

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

## 8. Mining properties and exploration and evaluation assets:

Mining properties and exploration and evaluation assets are detailed as follows:

	Ancil Property Québec	Nemenjiche Property Québec	Fortune Property Québec	Panache North Property Québec	Prince Property Newfoundland	Upton Property Québec	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Mining properties</b>							
Balance, December 31, 2021	181,431	157,300	55,547	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)
Balance, December 31, 2022	-	-	55,547	21,979	14,356	73,479	165,361
<b>Exploration and evaluation assets</b>							
Balance, December 31, 2021	895,186	244,705	-	-	-	-	1,139,891
Assays	20,118	-	-	-	-	-	20,118
Write-off	(915,304)	(244,705)	-	-	-	-	(1,160,009)
Balance, December 31, 2022	-	-	-	-	-	-	-

	Ancil Property Québec	Nemenjiche Property Québec	Fortune Property Québec	Panache North Property Québec	Prince Property Newfoundland	Total
	\$	\$	\$	\$	\$	\$
<b>Mining properties</b>						
Balance, December 31, 2020	66,896	88,259	55,168	21,810	10,905	243,038
Acquisition costs	53,080	-	379	169	47	53,675
Option Payments	50,959	69,041	-	-	-	120,000
Claim staking and renewal	10,496	-	-	-	2,154	12,650
Balance, December 31, 2021	181,431	157,300	55,547	21,979	13,106	429,363
<b>Exploration and evaluation assets</b>						
Balance, December 31, 2020	191,859	227,092	-	-	-	418,951
Drilling	565,493	-	-	-	-	565,493
Geophysics	4,237	3,993	-	-	-	8,230
Assays	44,773	-	-	-	-	44,773
Consultant fees	51,748	13,620	-	-	-	65,368
Field expenses	3,548	-	-	-	-	3,548
Studies	33,528	-	-	-	-	33,528
Balance, December 31, 2021	895,186	244,705	-	-	-	1,139,891

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

## 8. Mining properties and exploration and evaluation assets (continued):

### (a) Anctil and Nemenjiche Properties:

On December 10, 2019, the Company entered into a Mineral Option and Purchase Agreement ("Option Agreement") with Les Ressources Tectonic Inc. (the "Owner") with respect to the Anctil and Nemenjiche Properties (the "Optioned Properties"). The Option Agreement, as amended, provides for the acquisition of an undivided interest of 100% in the Optioned Properties by paying the Owner in the aggregate an amount of \$570,000 in cash payments and by incurring in the aggregate an amount of \$2,200,000 in exploration expenditures over a three-year period, according to the following schedule. To date, the Owner has received cash payments of \$270,000 and the Company has incurred its minimum commitment of \$1,000,000 of exploration expenditures. As at December 31, 2022, the Company has incurred \$173,804 of exploration expenditures towards its current \$1,200,000 exploration commitment, including \$153,686 incurred last year which was in excess of last year's exploration commitment of \$700,000.

Date	Cash Payments	Exploration expenditures to be incurred
February 15, 2020	\$50,000	-
December 10, 2020	\$100,000	\$300,000
December 10, 2021	\$120,000	\$700,000
April 10, 2023	\$300,000	\$1,200,000
Total	\$570,000	\$2,200,000

Upon exercise of the Option, Goldstar shall grant to the Owner a net smelter return royalty ("NSR") of 2% from production derived from the Properties of which royalty 100% can be purchased back by Goldstar for cancelation at any time by paying to the Owner the amount of \$5,000,000. Until the Option Agreement is exercised or terminated, Goldstar shall solely fund any exploration expenditures on the Properties.

### Anctil:

The Anctil property consists of a total of 114 claims, covering an area of 6,363 hectares (63.63 km<sup>2</sup>). It is located approximately 45 km southwest of the town of Chapais in Québec. The property comprises a 100% interest in 43 claims covering an area of approximately 2,400 hectares (24.00 km<sup>2</sup>) which were acquired by staking, an option on 31 claims covering an area of approximately 1,731 hectares (17.31 km<sup>2</sup>) pursuant to the Option Agreement described above, and a 100% interest in 40 claims covering an area of approximately 2,232 hectares (22.32 km<sup>2</sup>) pursuant to the Purchase and Sale Agreement described below. As per the Option Agreement, since the staked and purchased claims were within 5 km of the optioned property, these claims are subject to the agreement.

In June 2021, the Company acquired, through staking, an additional 8 claims on its Anctil property covering an area of approximately 447 hectares (4.47 km<sup>2</sup>) for \$536. These claims are 100% owned by the Company. As per the Option Agreement, since these claims were staked within 5 km of the optioned property, these claims are subject to the agreement.

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## 8. Mining properties and exploration and evaluation assets (continued):

### (a) Anctil and Nemenjiche Properties (continued):

In July 2021, the Company entered into a Purchase and Sale Agreement with Benoit Moreau for the acquisition of 100% interest in 40 claims, totaling 2,232 hectares (22.32 km<sup>2</sup>) contiguous to the Anctil property. In consideration for these claims, the Company issued 400,000 common shares at a price of \$0.12 per share.

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:

The Nemenjiche property consists of a total of 72 claims, covering an area of 4,030 hectares (40.30 km<sup>2</sup>). It is located approximately 60 km south of the town of Chibougamau in Québec. The property comprises a 100% interest in 30 claims covering an area of approximately 1,679 hectares (16.79 km<sup>2</sup>) which were acquired by staking, and an option on 42 claims covering an area of approximately 2,351 hectares (23.51 km<sup>2</sup>) pursuant to the Option Agreement described above. As per the Option Agreement, since the staked claims were staked within 5 km of the optioned property, these claims are subject to the agreement.

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.

### (b) Fortune Property:

The Fortune property comprises a 100% interest in a total of 101 claims, covering an area of approximately 5,714 hectares (57.14 km<sup>2</sup>).

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.

### (c) Panache North Property:

The Panache North property comprises a 100% interest in a total of 4 claims, covering an area of approximately 225 hectares (2.25 km<sup>2</sup>).

The Panache North property is located in the Windfall Lake (Urban Barry) area of Québec.

### (d) Prince Property:

The Prince property comprises a 100% interest in a total of 2 licences, covering an area of approximately 125 hectares (1.25 km<sup>2</sup>).

The Prince property is located in Newfoundland.



# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

## 8. Mining properties and exploration and evaluation assets (continued):

(e) Upton Property:

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 km<sup>2</sup>). The Upton property is located in the Montérégie region of southern Québec. 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.

## 9. Accounts payable and accrued liabilities:

	2022	2021
Accounts payable	\$ 68,314	\$ 86,955
Accrued liabilities (a)	248,510	83,142
Accounts payable and accrued liabilities	\$ 316,824	\$ 170,097

(a) Including a flow-through indemnity provision of \$168,010. Given the amendment of the commitment related to the 2021 flow-through financing of \$720,000 (refer to Note 13), the Company may be required to indemnify flow-through investors for the amount of increased tax payable by the flow-through investor as a consequence of the failure of the Company to incur qualifying exploration expenditures previously renounced to the flow-through investor in the required time frame.

## 10. Loan payable:

	2022	2021
Loan, capital of \$40,000 (2021 - \$40,000), secured by the Government of Canada, non-interest bearing until December 31, 2023	\$ 36,208	\$ 36,208

The Company received a \$60,000 loan under the Canada Emergency Business Account program. In January 2022, the loan repayment date was postponed to December 31, 2023. If the Company repays \$40,000 of the loan by December 31, 2023, no other amount will be payable. Otherwise, the loan balance will bear interest at 5% and may either be repaid in 24 monthly instalments of capital and interest or repaid at maturity on December 31, 2025.

Since \$20,000 of the government assistance is forgivable if the Company repays \$40,000 by December 31, 2023, the amount was recognized in earnings at the time the government assistance was granted. Additionally, the carrying amount of the loan at the time it was granted has been reduced by an amount equivalent to the variance between fair value, determined using a present value technique at a rate of 10%, and the par value of the loan. Since the loan which gave rise to the variance is a form of government assistance for working capital, the consideration was applied to earnings at the time it was granted. An accretion expense was then charged to earnings as interest expenses on long-term debt using the straight-line method over the initial loan term.

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

## 11. Share capital and warrants:

Authorized:

An unlimited number of common shares without par value

Shares fluctuated as follows during the year:

	2022		2021	
	Number of shares	\$	Number of shares	\$
Balance, beginning of year	26,758,769	15,049,340	22,212,593	14,461,606
Private placements – flow-through shares	-	-	4,000,000	720,000
Liability related to flow-through shares	-	-	-	(200,000)
Shares-finder's fee	-	-	146,176	19,734
Property acquisition	500,000	27,500	400,000	48,000
Balance, end of period	27,258,769	15,076,840	26,758,769	15,049,340

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 km<sup>2</sup>). The Upton property is located in the Montérégie region of southern Québec. 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.

On June 17, 2021, the Company completed a non-brokered private placement financing. The Company issued a total of 4,000,000 flow-through shares at a price of \$0.18 per share for aggregate gross proceeds of \$720,000. At closing, the Company issued to finders 146,176 common shares in payment of finders' fees. The Company accounted for these compensation shares at \$0.135 per share, being the market price at the time of closing, for a total value of \$19,734. As at December 31, 2021, the carrying amount of these flow-through shares is presented net of the liability related to flow-through shares of \$200,000. In 2022, the Company amended its flow-through commitment to \$477,653. As a result, the Company has adjusted its liability related to flow-through shares.

On July 9, 2021, the Company acquired 100% interest in 40 claims contiguous to the Ancil property. In consideration for these claims, the Company issued 400,000 common shares at a price of \$0.12 per share.

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

## 11. Share capital and warrants (continued):

The number of share purchase warrants outstanding fluctuated as follows during the year:

	2022	2021
Balance, beginning of year	5,426,924	5,726,924
Warrants expired	-	(300,000)
Balance, end of year	5,426,924	5,426,924

As at December 31, 2022, the following share purchase warrants were outstanding:

- 4,844,663 warrants at \$0.20 per warrant expiring September 2, 2023
- 232,261 warrants at \$0.15 per warrant expiring September 2, 2023
- 350,000 warrants at \$0.50 per warrant expiring September 17, 2023

All warrants outstanding at the end of the year could potentially dilute basic earnings per share in the future.

## 12. Share option plan:

The Company has a Rolling 10% Stock Option Plan (the "Plan") for the benefit of the directors, officers, employees, and service providers of the Company. The maximum number of common shares which may be issued under the Plan is 10% of the Company's issued and outstanding share capital at the date of the grant. The Plan has a "rolling" limit, as the number of shares reserved for issuance pursuant to the grant of stock options will automatically increase as the Company's issued and outstanding share capital increases. The limit includes outstanding stock options previously granted. All shares subject to options that have terminated without having been exercised shall be available for any subsequent options under the plan. Options granted under the plan will be for a term not exceeding five years. The Plan provides that it is solely within the discretion of the Board to determine who should receive share options, in what amounts, and determine vesting terms. The plan is subject to shareholders' approval yearly at the Company's annual meeting of shareholders.

On March 24, 2021, the Company granted 200,000 stock options to a director exercisable at \$0.16 per share. These options vested at the date of the grant and will expire after a period of five years. The fair value of each option was determined using the Black-Scholes option pricing model. At the date of the grant, the weighted average fair value of options granted was \$0.116281 per option for a total value of \$23,256.

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

## 12. Share option plan (continued):

On January 13, 2021, the Company granted 1,015,000 stock options to directors, officers, employees and service providers exercisable at \$0.16 per share. These options vested at the date of the grant and will expire after a period of five years. The fair value of each option was determined using the Black-Scholes option pricing model. At the date of the grant, the weighted average fair value of options granted was \$0.1377139 per option for a total value of \$139,780.

The following weighted average assumptions were used in these calculations:

	2022	2021
Risk-free interest rate	-	1.517%
Expected life	-	5 years
Expected volatility	-	154.092%
Expected dividend	-	-
Share price	-	\$0.15
Exercise price	-	\$0.16

The volatility has been estimated based on the historical share prices of the Company over the expected average life of the stock options.

The number of stock options outstanding under the Company's plan fluctuated as follows during the year:

	2022		2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	1,476,228	\$ 0.31	497,497	\$ 1.00
Granted	-	-	1,215,000	0.16
Expired	-	-	(236,269)	1.00
Balance, end of year	1,476,228	0.31	1,476,228	0.31
Exercisable options, end of year	1,476,228	\$ 0.31	1,476,228	\$ 0.31

As at December 31, 2022, the following options were outstanding:

- 261,228 options at \$1.00 per share until May 16, 2023
- 1,015,000 options at \$0.16 per share until January 12, 2026
- 200,000 options at \$0.16 per share until March 23, 2026

All options outstanding at the end of the year could potentially dilute basic earnings per share in the future.

# **GOLDSTAR MINERALS INC.**

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## **13. 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.

The Company is committed to incur eligible exploration and evaluation expenses of \$600,000 by December 31, 2021, related to its flow-through share financings completed in 2020. As at December 31, 2021, the Company had incurred \$600,000 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.

## **14. Financial instruments and financial risk management:**

### Risk management

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management monitors financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Company's main financial risk exposure and its financial risk management policies are as follows:

#### (a) Fair value:

Fair value estimates are made based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

# **GOLDSTAR MINERALS INC.**

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

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## **14. Financial instruments and financial risk management (continued):**

Risk management (continued)

### (a) Fair value (continued):

The carrying amounts for cash and cash equivalents, other receivables, accounts payable and accrued liabilities, and due to related parties on the statements of financial position approximate fair values because of the short-term nature of these instruments. The fair value of the loan payable, classified as level 2 within the fair value hierarchy, is based on the discounted cash flows and is not materially different from its carrying value since there was no material change in the assumptions used for fair value determination at inception.

As at December 31, 2022, the Company held marketable securities consisting of 23,858 (2021 – 23,858) common shares of Lucky Minerals Inc. carried at a fair value of \$954 (2021 - \$1,909). These marketable securities were classified as Level 1 within the fair value hierarchy.

### (b) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained with high-credit, quality financial institutions.

### (c) Liquidity risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash and to ensure that the Company have financing source for a sufficient amount to meet liabilities when due. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms except for the loan payable that matures on December 31, 2025 and due to related parties. Refer to note 10 for the maturity of the loan payable and note 17 for due to related parties.

## **15. Capital disclosures:**

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

## 16. General and administrative expenses:

	2022	2021
	\$	\$
Corporate salaries	68,014	101,175
Investor and shareholder relations	18,375	60,689
Insurance	13,192	9,993
Taxes, licenses, and fees	198,906	5,002
Miscellaneous	14,895	16,915
Total	313,382	193,774

## 17. Related party transactions:

### *Transactions with key management personnel*

The compensation of directors and executive officers of the Company comprises:

	2022	2021
Short-term employee benefits	\$ 68,014	\$ 98,376
Share-based payments	-	149,264
Total	\$ 68,014	\$ 247,640

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 year, 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 \$35,388 (2021 - \$8,999), charged to professional and consulting fees, nil (2021 - \$35,595) with respect to financing charged to share issue expenses, and \$20,979 (2021 - \$7,029) with respect to mining properties totaling an aggregate amount of \$56,367 (2021 - \$51,623). As at December 31, 2022, the accounts payable include \$6,564 (2021 - \$6,823) owed to this legal firm.

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.

As at December 31, 2022, outstanding loans from directors and officers, due on demand, totaled \$325,000 and interest accrued amounted to \$20,963.

On November 23, 2021, a director and officer of the Company loaned \$150,000 to the Company. This loan bears interest at a rate of 10% per annum and is repayable on demand.

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.

# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

## 18. Income taxes:

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.5% (2021 - 26.5%) as a result of the following:

	2022	2021
Loss and comprehensive loss	\$ (1,754,733)	\$ (244,026)
Computed "expected" tax expense (recovery)	(465,004)	(64,667)
Increase in income taxes resulting from:		
Non-deductible share-based payments	-	43,205
Current year losses not recognized and changes in unrecognized deferred income tax assets	487,249	(127,985)
Tax impact of flow-through shares	-	191,049
Permanent difference arising from the non-taxable income related to flow-through shares	(15,994)	(37,006)
Other	(6,251)	(4,596)
Total deferred income tax recovery	\$ -	\$ -

As at December 31, 2022, the Company has approximately \$5,607,750 (2021 - \$5,485,530) of Canadian development and exploration expenditures, which under certain circumstances may be utilized to reduce the taxable income of future years. In addition, the Company has share issue costs of approximately \$92,000 (2021 - \$148,000) which have not yet been deducted for income tax purposes. The Company also has \$4,204,000 (2021 - \$4,027,000) in available non-capital losses for Canadian income tax purpose which may be carried forward to reduce taxable income in future years. These tax losses expire as follows:

2028	\$ 21,000
2029	112,000
2030	324,000
2031	22,000
2032	212,000
2033	633,000
2034	317,000
2035	186,000
2036	216,000
2037	300,000
2038	556,000
2039	543,000
2040	299,000
2041	286,000
2042	177,000
Total	\$ 4,204,000



# GOLDSTAR MINERALS INC.

Notes to Financial Statements, Continued

Years ended December 31, 2022 and 2021  
(in Canadian dollars)

## 18. Income taxes (continued):

Deferred tax assets have not been recognized in respect of the following items:

	2022	2021
Non-capital losses	\$ 4,204,000	\$ 4,027,000
Capital losses	96,000	96,000
Mining properties and exploration and evaluation assets	5,442,000	3,916,000
Share issue costs	92,000	148,000
Others	21,000	21,000
Unrecognized temporary differences	\$ 9,855,000	\$ 8,208,000

## 19. Earnings per share:

The warrants and share purchase options were excluded from the diluted weighted average number of common shares calculation since the Company is at a loss and, therefore, their effect would have been antidilutive.

## 20. Subsequent events:

On January 10, February 2, February 14, and March 1, 2023, a director and officer of the Company loaned the respective amounts of \$3,000, \$3,000, \$25,000, and \$25,000 to the Company. These loans bear interest at a rate of 10% per annum and are repayable on demand.

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 km<sup>2</sup>). 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 also committed to proceed with a non-brokered financing for a minimum of \$400,000 consisting of units. 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 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. The pricing of the private placement is to be determined.

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.

The Company will be changing its name to Green Mining Innovation and its new ticker symbol will be GMI.

# GOLDSTAR MINERALS INC.

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## Management's Discussion and Analysis

For the year ended December 31, 2022

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The following Management's Discussion and Analysis ("MD&A") was prepared as at April 27, 2023 and provides a discussion and analysis of the financial condition and results of operations for the year ended December 31, 2022. This discussion should be read in conjunction with the Company's financial statements and accompanying notes for the year ended December 31, 2022 and 2021.

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](http://www.sedar.com)).

Jacques Marchand, Ing., is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the scientific and technical disclosure in this MD&A.

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

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The information presented contains "forward-looking information" under applicable Canadian legislation, concerning the business, operations and financial performance and condition of the Company. Forward-looking 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.

# GOLDSTAR MINERALS INC.

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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.

## **THE COMPANY**

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 six mining properties, these being the Anctil Property, Nemenjiche Property, Fortune Property, Panache North Property, and Upton Property located in the Province of Québec, and the Prince Property located in the province of Newfoundland.

## **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 km<sup>2</sup>). 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 non-brokered financing for a minimum of \$400,000 consisting of units. 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 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. The pricing of the private placement is to be determined.

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.

The Company will be changing its name to Green Mining Innovation and its new ticker symbol will be GMI.

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 km<sup>2</sup>). The Upton property is located in the Montérégie region of southern Québec. In consideration for these claims, the Company paid \$25,000 plus applicable taxes and issued 500,000 common shares. Upon commercial production, the Company will issue an additional 1,000,000 common shares.

## ***ANCTIL AND NEMENJICHE OPTION AGREEMENT:***

On December 10, 2019, the Company entered into a Mineral Option and Purchase Agreement ("Option Agreement") with Les Ressources Tectonic Inc. (the "Owner") with respect to the Anctil and Nemenjiche Properties (the "Optioned Properties"). The Option Agreement, as amended, provides for the acquisition of an undivided interest of 100% in the Optioned Properties by paying the Owner in the aggregate an amount of \$570,000 in cash payments and by incurring in the aggregate an amount of \$2,200,000 in exploration expenditures over a three-year period, according to the following schedule. To date, the Owner has received cash payments of \$270,000 and the Company has incurred its minimum commitment of \$1,000,000 of exploration expenditures. As at December 31, 2022, the Company has incurred \$173,804 of exploration expenditures towards its current \$1,200,000 exploration

# GOLDSTAR MINERALS INC.

commitment, including \$153,686 incurred last year which was in excess of last year's exploration commitment of \$700,000.

Date	Cash Payments	Exploration expenditures to be incurred
February 15, 2020	\$50,000	-
December 10, 2020	\$100,000	\$300,000
December 10, 2021	\$120,000	\$700,000
April 10, 2023	\$300,000	\$1,200,000
Total	\$570,000	\$2,200,000

Upon exercise of the Option, Goldstar shall grant to the Owner a net smelter return royalty ("NSR") of 2% from production derived from the Properties of which royalty 100% can be purchased back by Goldstar for cancellation at any time by paying to the Owner the amount of \$5,000,000. Until the Option Agreement is exercised or terminated, Goldstar shall solely fund any exploration expenditures on the Properties.

## **ANCTIL PROPERTY:**

The Anctil property consists of a total of 114 claims, covering an area of 6,363 hectares (63.63 km<sup>2</sup>). It is located approximately 45 km southwest of the town of Chapais in Québec. The property comprises a 100% interest in 83 claims covering an area of approximately 4,632 hectares (46.32 km<sup>2</sup>), and an option on 31 claims covering an area of approximately 1,731 hectares (17.31 km<sup>2</sup>) pursuant to the Option Agreement described above. As per the Option Agreement, since the 83 claims are within 5 km of the optioned property, these claims are subject to the agreement.

In June 2021, the Company acquired, through staking, an additional 8 claims on its Anctil property covering an area of approximately 447 hectares (4.47 km<sup>2</sup>) for \$536. These claims are 100% owned by the Company. As per the Option Agreement, since these claims were staked within 5 km of the optioned property, these claims are subject to the agreement.

In July 2021, the Company entered into a Purchase and Sale Agreement with Benoit Moreau for the acquisition of 100% interest in 40 claims, totaling 2,232 hectares (22.32 km<sup>2</sup>) contiguous to the Anctil property. In consideration for these claims, the Company issued 400,000 common shares at a price of \$0.12 per share. As per the Option Agreement, since these claims are within 5 km of the optioned property, these claims are subject to the agreement.

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.

# GOLDSTAR MINERALS INC.

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## ***NEMENJICHE PROPERTY:***

The Nemenjiche property consists of a total of 72 claims, covering an area of 4,030 hectares (40.30 km<sup>2</sup>). It is located approximately 60 km south of the town of Chibougamau in Québec. The property comprises a 100% interest in 30 claims covering an area of approximately 1,679 hectares (16.79 km<sup>2</sup>) which were acquired by staking, and an option on 42 claims covering an area of approximately 2,351 hectares (23.51 km<sup>2</sup>) pursuant to the Option Agreement described above. As per the Option Agreement, since the staked claims were staked within 5 km of the optioned property, these claims are subject to the agreement.

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.

## ***FORTUNE PROPERTY:***

The Fortune property comprises a 100% interest in a total of 101 claims covering approximately 5,714 hectares (57.14 km<sup>2</sup>). 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 km<sup>2</sup>). 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 km<sup>2</sup>). The Prince property is located in Newfoundland. The Company is identifying the next necessary steps to be taken.

## ***UPTON PROPERTY:***

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 km<sup>2</sup>). The Upton property is located in the Montérégie region of southern Québec. 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.

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 km<sup>2</sup>). 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.

## **Geological Context**

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.

# GOLDSTAR MINERALS INC.

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## **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.

## **SUMMARIZED FINANCIAL RESULTS**

### SELECTED ANNUAL INFORMATION

	2022	2021	2020
Net loss	(1,754,733)	(244,026)	(2,887,851)
Basic and diluted loss per share	(0.07)	(0.01)	(0.20)
Cash and cash equivalents	2,822	61,702	296,039
Total assets	187,231	1,654,599	995,919
Current financial liabilities	678,032	380,450	177,141

### SUMMARY OF QUARTERLY RESULTS

	Net Income (Loss)	Basic and diluted earnings (loss) per share
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
June 30, 2021	(28,956)	(0.01)
March 31, 2021	(191,212)	(0.01)

# GOLDSTAR MINERALS INC.

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## LIQUIDITY AND CAPITAL RESOURCES

The Company finances its operations mainly through the sale of its shares.

As at December 31, 2022, the Company had cash and cash equivalents of \$2,822 compared to \$61,702 as at December 31, 2021. There was a working capital deficiency as at December 31, 2022 of (\$656,162) compared to a deficiency of (\$295,105) at December 31, 2021.

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 km<sup>2</sup>). 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 \$400,000 consisting of units. 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 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. The pricing of the private placement is to be determined.

On January 10, February 2, February 14, and March 1, 2023, a director and officer of the Company loaned the respective amounts of \$3,000, \$3,000, \$25,000, and \$25,000 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 discussed under Overview and Outlook, in October 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 km<sup>2</sup>). In consideration for these claims, the Company will pay \$25,000 plus applicable taxes and issue 500,000 common shares. Upon commercial production, the Company will issue an additional 1,000,000 common shares.

On June 17, 2021, the Company completed a non-brokered private placement financing. The Company issued a total of 4,000,000 flow-through shares at a price of \$0.18 per share for aggregate gross proceeds of \$720,000. At closing, the Company issued to finders 146,176 common shares in payment of finders' fees. The Company accounted for these compensation shares at \$0.135 per share, being the market price at the time of closing, for a total value of \$19,734. As at December 31, 2021, the carrying amount of these flow-through shares is presented net of the liability related to flow-through shares of \$200,000. In 2022, the Company amended its flow-through commitment to \$477,653. As a result, the Company has adjusted its liability related to flow-through shares.



# GOLDSTAR MINERALS INC.

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As the Company does not have sufficient 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.

In July 2021, the Company entered into a Purchase and Sale Agreement with Benoit Moreau for the acquisition of 100% interest in 40 claims, totaling 2,232 hectares (22.32 km<sup>2</sup>) contiguous to the Ancil property. In consideration for these claims, the Company issued 400,000 common shares at a price of \$0.12 per share.

## **RESULTS OF OPERATIONS**

For the year ended December 31, 2022 compared to the year ended December 31, 2021:

The Company recorded a loss of (\$1,754,733) or (\$0.07) loss per share for the year ended December 31, 2022 compared to a loss of (\$244,026) or (\$0.01) loss per share for the year ended December 31, 2021. During the year, the Company recorded a non-cash gain on the write-off of accrued liabilities of \$50,769 and on the write off of accounts payable of \$33,602. Expenses for the year ended December 31, 2022 amounted to \$1,879,443 compared to \$392,236. There were non-cash share-based payments of \$163,036 included in 2021.

The Company recorded non-cash write-offs of mining properties and exploration and evaluation assets totaling \$1,499,978. There was an increase of \$119,608 in general and administrative expenses and no non-cash share-based payments. This increase was mainly the result of a flow-through indemnity provision of \$168,010. Given the amendment of the commitment related to the 2021 flow-through financing of \$720,000, the Company may be required to indemnify flow-through investors for the amount of increased tax payable by the flow-through investor as a consequence of the failure of the Company to incur qualifying exploration expenditures previously renounced to the flow-through investor in the required time frame. There was also an increase of \$30,657 in professional and consulting fees.

The Company holds 23,858 common shares of Lucky Minerals Inc. ("Lucky") (2021 – 23,858). At December 31, 2022, these shares had a fair market value of \$954 and the company recorded a non-cash change in fair value of said securities of \$954.



# GOLDSTAR MINERALS INC.

During the year, Goldstar spent \$96,085 (2021 - \$907,265), before write-offs, tax credits and government grants, on mining properties and exploration and evaluation assets. The table below details the nature of expenditures.

	Ancil Property Québec	Nemenjiche Property Québec	Fortune Property Québec	Panache North Property Québec	Prince Property Newfoundland	Upton Property Québec	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Mining properties</b>							
Balance, December 31, 2021	181,431	157,300	55,547	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)
Balance, December 31, 2022	-	-	55,547	21,979	14,356	73,479	165,361
<b>Exploration and evaluation assets</b>							
Balance, December 31, 2021	895,186	244,705	-	-	-	-	1,139,891
Assays	20,118	-	-	-	-	-	20,118
Write-off	(915,304)	(244,705)	-	-	-	-	(1,160,009)
Balance, December 31, 2022	-	-	-	-	-	-	-

	Ancil Property Québec	Nemenjiche Property Québec	Fortune Property Québec	Panache North Property Québec	Prince Property Newfoundland	Total
	\$	\$	\$	\$	\$	\$
<b>Mining properties</b>						
Balance, December 31, 2020	66,896	88,259	55,168	21,810	10,905	243,038
Acquisition costs	53,080	-	379	169	47	53,675
Option Payments	50,959	69,041	-	-	-	120,000
Claim staking and renewal	10,496	-	-	-	2,154	12,650
Balance, December 31, 2021	181,431	157,300	55,547	21,979	13,106	429,363
<b>Exploration and evaluation assets</b>						
Balance, December 31, 2020	191,859	227,092	-	-	-	418,951
Drilling	565,493	-	-	-	-	565,493
Geophysics	4,237	3,993	-	-	-	8,230
Assays	44,773	-	-	-	-	44,773
Consultant fees	51,748	13,620	-	-	-	65,368
Field expenses	3,548	-	-	-	-	3,548
Studies	33,528	-	-	-	-	33,528
Balance, December 31, 2021	895,186	244,705	-	-	-	1,139,891

# GOLDSTAR MINERALS INC.

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## **CASH FLOWS**

Cash flows used in operating activities were (\$175,161) during the year ended December 31, 2022 compared to (\$244,715) for the year ended December 31, 2021.

Cash flows used in investing activities was (\$57,210) during the year ended December 31, 2022 compared to (\$826,357) for the year ended December 31, 2021.

Cash flows from financing activities were \$173,491 during the year ended December 31, 2022 compared to \$836,735 for the year ended December 31, 2021.

## **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.

An officer and a director of the Company is a partner of a law firm which has rendered legal and consulting services in the amount of \$35,388 (2021 - \$8,999), charged to professional and consulting fees, nil (2021 - \$35,290) with respect to financing charged to share issue expenses, and \$20,979 (2021 - \$7,029) with respect to mining properties totaling an aggregate amount of \$56,367 (2021 - \$51,623). As at December 31, 2022, the accounts payable include \$6,564 (2021 - \$6,823) owed to this legal firm.

On November 23, 2021, July 7, October 11, October 13, October 27, 2022 and December 19, 2022, a director and officer of the Company loaned \$150,000, \$50,000, \$3,000, \$3,000 \$94,000 and \$25,000 respectively to the Company. On January 10, February 2, February 14, and March 1, 2023, a director and officer of the Company loaned the respective amounts of \$3,000, \$3,000, \$25,000 and \$25,000 to the Company. These loans bear interest at a rate of 10% per annum and are repayable on demand. Outstanding loans, due on demand, totaled \$381,000. In April 2023, the Company 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.

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.

## **OUTSTANDING SHARE DATA**

The authorized share capital of the Company consists of an unlimited number of common shares of which 27,258,769 were issued and outstanding as at April 27, 2023. As of such date, the Company also had outstanding options to purchase a total of 1,476,228 shares ranging from \$0.16-\$1.00 per share and warrants to purchase a total of 5,426,924 shares ranging between \$0.15-\$0.50 per share.

# GOLDSTAR MINERALS INC.

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## **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 years ended December 31, 2022 and 2021. The Company is not subject to externally imposed capital requirements.

## **CRITICAL ACCOUNTING 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

## **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.

# GOLDSTAR MINERALS INC.

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## **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 December 31, 2022. 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.

## **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 December 31, 2022. 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 1<sup>st</sup>, 2022 and ended December 31<sup>st</sup>, 2022 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

# GOLDSTAR MINERALS INC.

## FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at December 31, 2022 and December 31, 2021 were as follows:

<b>December 31, 2022</b>	Amortized cost	Fair value through profit or loss	Amortized cost	Total
Cash and cash equivalents	2,822			2,822
Other receivables (except sales taxes and tax credits receivable)	472			472
Marketable securities		954		954
Accounts payable and accrued liabilities (except employee compensation payable)			311,133	311,133
Loan payable			36,208	36,208
Due to related parties			325,000	325,000
<b>December 31, 2021</b>	Amortized cost	Fair value through profit or loss	Amortized cost	Total
Cash and cash equivalents	61,702			61,702
Other receivables (except sales taxes and tax credits receivable)	912			912
Marketable securities		1,909		1,909
Accounts payable and accrued liabilities (except employee compensation payable)			114,474	114,474
Liability related to flow-through shares			60,353	60,353
Loan payable			36,208	36,208
Due to related parties			150,000	150,000

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.

### Fair Value

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:

- Level 1: defined as observable inputs such as quoted prices (unadjusted) in active markets.
- Level 2: defined as inputs other than quoted prices included in Level 1, that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no observable market data, therefore requiring the Company to develop its own assumptions.

### FINANCIAL RISK FACTORS

The Company is exposed to various financial risks resulting from both its operations and its investment activities as well as external factors out of its control. The Company's management monitors financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

# GOLDSTAR MINERALS INC.

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The Company's main risk exposure and its financial risk management policies are as follows:

(a) Fair value:

Fair value estimates are made based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash and cash equivalents, other receivables, accounts payable and accrued liabilities on the statements of financial position approximate fair values because of the short-term nature of these instruments. The fair value of the loan payable is based on the discounted cash flows and is not materially different from its carrying value since there was no material change in the assumptions used for fair value determination at inception.

As at December 31, 2022, the Company held marketable securities consisting of 23,858 (December 31, 2021 – 23,858) common shares of Lucky Minerals Inc. ("Lucky") carried at a fair value of \$954 (December 31, 2021 - \$1,909). These marketable securities were classified as Level 1 within the fair value hierarchy.

(b) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained with high-credit, quality financial institutions.

(c) Liquidity risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash and to ensure that the Company have financing source for a sufficient amount to meet liabilities when due. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms except for the loan payable that matures on December 31, 2025 and due to related parties.

## **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 of the Company.

# GOLDSTAR MINERALS INC.

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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.

## **OFF BALANCE SHEET ITEMS**

The Company does not have any off balance sheet items.

**April 27, 2023**

<b>GOLDSTAR MINERALS INC</b>								
<b>December 31, 2022</b>								
<b>CORPORATE EXPENSES</b>	<b>Q1-22</b>	<b>Q2-22</b>	<b>Q3-22</b>	<b>2210</b>	<b>2211</b>	<b>2212</b>	<b>Q4-22</b>	<b>YTD-22</b>
OTHER INCOME FT	(5,588.40)	-	-	-	-	(54,764.59)	(54,764.59)	(60,352.99)
TAX CREDITS W/O PROJECTS	-	-	(300.00)	-	-	-	-	(300.00)
INTEREST EARNED	-	-	-	-	-	-	-	-
GAIN ON WRITE OFF AP	(50,769.18)	-	-	-	-	(33,601.52)	(33,601.52)	(84,370.70)
CHANGE IN FMV OF MARKETABLE SECURITES	477.16	(238.58)	715.74	-	-	-	-	954.32
OTHER INCOME-GOVERNMENT ASSISTANCE	(2,970.11)	-	-	-	-	-	-	(2,970.11)
ERCAN UGUR	-	-	-	-	-	(4.71)	(4.71)	(4.71)
JONATHAN FEDERICO	16,753.03	16,055.18	18,346.63	5,266.21	5,266.21	6,333.33	16,865.75	68,020.59
SHARE-BASED PAYMENTS	-	-	-	-	-	-	-	-
SHAREHOLDER COMMUNICATION	36.00	385.86	36.00	12.00	12.00	13.23	37.23	495.09
INVESTOR RELATIONS	5,000.00	-	-	-	-	-	-	5,000.00
COST OF WEBSITE	359.40	-	-	-	-	210.00	210.00	569.40
PRESS RELEASES	1,692.30	1,692.30	1,692.30	1,692.30	-	-	1,692.30	6,769.20
COST OF ANNUAL MEETING	-	5,422.67	118.25	-	-	-	-	5,540.92
SHARE CONSOLIDATION COSTS	-	-	-	-	-	-	-	-
LEGAL EXPENSES	-	8,260.00	26,490.75	4,000.00	4,000.00	(7,362.40)	637.60	35,388.35
AUDIT FEES	6,250.03	7,944.45	6,249.99	2,083.33	2,083.33	6,083.33	10,249.99	30,694.46
EXCHANGE MAINTENANCE FEES	1,303.00	1,299.00	1,299.00	433.00	433.00	433.00	1,299.00	5,200.00
TRANSFER AGENT FEES	1,035.00	1,035.00	1,035.00	345.00	345.00	345.00	1,035.00	4,140.00
TRAVEL, HOTEL, FOOD	-	-	-	-	-	-	-	-
TELEPHONE EXPENSES	98.85	98.85	98.85	32.95	32.95	32.95	98.85	395.40
POSTAGE	-	64.40	-	-	45.95	-	45.95	110.35
COURIER	95.08	-	-	-	-	-	-	95.08
D&O INSURANCE	3,125.56	3,206.95	3,410.42	1,162.06	1,124.57	1,162.07	3,448.70	13,191.63
RENT MONTREAL OFFICE	450.00	450.00	450.00	150.00	150.00	150.00	450.00	1,800.00
TAXES,LICENCES,FEES	747.05	2,371.90	986.69	492.88	492.88	193,814.15	194,799.91	198,905.55
INTEREST EXPENSE	3,698.62	3,739.73	4,958.91	1,860.28	2,465.76	2,636.99	6,963.03	19,360.29
BANK CHARGES	299.54	219.29	298.42	63.20	121.22	85.04	269.46	1,086.71
OFFICE SUPPLIES	407.55	721.31	310.05	212.35	312.94	103.35	628.64	2,067.55
ACCRETION EXPENSE	364.25	847.10	868.44	294.32	296.77	299.24	890.33	2,970.12
W/O MINING PROPERTIES	-	-	-	-	-	339,967.51	339,967.51	339,967.51
W/O E&E ASSETS	-	-	-	-	-	1,160,010.21	1,160,010.21	1,160,010.21
	(17,135.27)	53,575.41	67,065.44	18,099.88	17,182.58	1,615,946.18	1,651,228.64	1,754,734.22
<b>SUMMARY OF CORPORATE EXPENSES</b>	<b>Q1-22</b>	<b>Q2-22</b>	<b>Q3-22</b>				<b>Q4-22</b>	<b>YTD-2022</b>
Professional, consulting, and management fees	6,250.03	16,204.45	32,740.74	6,083.33	6,083.33	(1,279.07)	10,887.59	66,082.81
General and administrative expenses	31,402.36	33,022.71	28,081.61	9,861.95	8,336.72	202,677.41	220,876.08	313,382.76
Interest	3,698.62	3,739.73	4,958.91	1,860.28	2,465.76	2,636.99	6,963.03	19,360.29
Share based compensation	-	-	-	-	-	-	-	-
write offs	-	-	-	-	-	1,499,977.72	1,499,977.72	1,499,977.72
Accretion Expense	364.25	847.10	868.44	294.32	296.77	299.24	890.33	2,970.12
Share Consolidation Costs	-	-	-	-	-	-	-	-
	41,715.26	53,813.99	66,649.70	18,099.88	17,182.58	1,704,312.29	1,739,594.75	1,901,773.70
Various income	(58,850.53)	(238.58)	415.74	-	-	(88,366.11)	(88,366.11)	(147,039.48)
Loss and comprehensive loss	(17,135.27)	53,575.41	67,065.44	18,099.88	17,182.58	1,615,946.18	1,651,228.64	1,754,734.22
SALARIES	16,753.03	16,055.18	18,346.63	5,266.21	5,266.21	6,328.62	16,861.04	68,015.88
INVESTOR RELATIONS	7,087.70	7,500.83	1,846.55	1,704.30	12.00	223.23	1,939.53	18,374.61
RENT	450.00	450.00	450.00	150.00	150.00	150.00	450.00	1,800.00
INSURANCE	3,125.56	3,206.95	3,410.42	1,162.06	1,124.57	1,162.07	3,448.70	13,191.63
TAXES, LICENSES, FEES	747.05	2,371.90	986.69	492.88	492.88	193,814.15	194,799.91	198,905.55
OTHER	3,239.02	3,437.85	3,041.32	1,086.50	1,291.06	999.34	3,376.90	13,095.09
	31,402.36	33,022.71	28,081.61	9,861.95	8,336.72	202,677.41	220,876.08	313,382.76



GOLDSTAR MINERALS INC						
<i>Share issuance Registry</i>						
31-Dec-22						
DATE	ISSUED TO	No. Shares	Value per share	Total	Consideration	
<b>Balance December 31, 2020</b>		<b>22,212,593</b>		<b>14,461,606.33</b>		
04-Jun-21	Private Placement-PP210604 (TO210607)	1,112,223	0.18	200,200.08	CEE	
04-Jun-21	FT Obligation-PP210604		0.05	(55,611.15)	FT Obligation	
17-Jun-21	Private Placement-PP210604 2nd Tranche (TO210616)	1,516,111	0.18	272,899.98	CEE	
17-Jun-21	Private Placement-PP210604 2nd Tranche (TO210618)	1,371,666	0.18	246,900.04	CEE	
17-Jun-21	FT Obligation-PP210604 (2nd Tranche)		0.05	(144,388.85)	FT Obligation	
17-Jun-21	Private Placement-PP210604 Finders' Shares (TO210618)	146,176	0.135	19,733.76	PP210604 Finder's Shares @FMV	
09-Jul-21	Benoit Moreau	400,000	0.120	48,000.00	40 contiguous Anctil claims	
<b>Balance December 31, 2021</b>		<b>26,758,769</b>		<b>15,049,340.19</b>		
06-Dec-22	Jean Bernard	500,000	0.055	27,500.00	2 Upton claims	
<b>Balance December 31, 2022</b>		<b>27,258,769</b>		<b>15,076,840.19</b>		



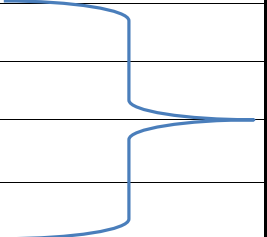
<b>GOLDSTAR MINERALS INC.</b>			
MINING PROPERTIES AND EXPLORATION AND EVALUATION ASSETS			
OPTION PAYMENTS			
<b>ANCTIL &amp; NEMENJICHE PROPERTIES</b>			
<b>Payable to Ressources Tectonic Inc.</b>			
Date	Cash	Exploration Expenditures to incur	Paid/Due
15-Feb-20	50,000.00	-	Paid
10-Dec-20	100,000.00	300,000.00	Paid
10-Dec-21	120,000.00	700,000.00	Paid
10-Apr-23	300,000.00	1,200,000.00	Due
	570,000.00	2,200,000.00	
	Paid	270,000.00	
	Due	300,000.00	
<b>Ressources Tectonic Option Agreement</b>			
<b>Details of exploration expenditure commitments</b>			
	Total	Anctil	Nemenjiche
Exploration expenditures year ended 2020	432,747.35	205,654.97	227,092.38
Applied to 2020 option commitment	(300,000.00)		
Rollover to 2021 Year	132,747.35		
Exploration expenditures year ended 2021	720,939.32	703,326.78	17,612.54
Subtotal	853,686.67		
Applied to 2021 option commitment	(700,000.00)		
Rollover to 2022 Year	153,686.67		
Exploration expenditures year ended 2022	20,118.25	20,118.25	-
Subtotal	173,804.92		
Applied to 2022 option commitment	(1,200,000.00)		
	(1,026,195.08)		

<b>GOLDSTAR MINERALS INC</b>		
<i>Details of Accounts Payable &amp; Provisions</i>		
<b>31-Dec-22</b>		
AGAT2017	AGAT LABORATORIES	51,962.98
BENO2015	BENOIT MOREAU	3,426.02
BROA2015	BROADRIDGE ICS	0.18
COLB2014	COLBY MONET	6,563.92
JONA2014	JONATHAN FEDERICO	544.01
MEDI2014	MEDIANT COMMUNICATIONS INC	60.00
MINI2014	MINISTERE DU REVENU DU QUEBEC	3,861.69
RECE2014	RECEIVER GENERAL OF CANADA	551.56
TMXE2014	TSX TRUST COMPANY	1,343.75
		68,314.11
<i>Provisions and Accruals</i>		
	2022 AUDIT ACCRUAL	29,000.00
	DAS FEDERAL	-
	DAS QUEBEC	-
	BM-AGAT 20763734M	775.80
	DC INTEREST PAYABLE	20,963.03
	PP210604 PART XII.6 TAX FED	14,136.92
	PP210604 PART XII.6 TAX QUE	14,136.92
	CEKOWEB DEC ACCRUAL	210.00
	JF DEC22 PAY ACCRUAL	1,277.30
	PP210604 FT INDEMNIFICATION TO SHAREHOLDERS	168,009.75
	SUBTOTAL PROVISIONS AND ACCRUALS	248,509.72
	<b>Total payable</b>	<b>316,823.83</b>
	As per financial statements	316,823.83
	difference	-

# GOLDSTAR MINERALS

## *Details of Current tax and other receivables*

*December 31, 2022*

GST RECEIVABLE	-	
GST CLAIMED	2,588.93	
PST RECEIVABLE	-	
PST CLAIMED	5,164.90	
MISCELLANEOUS RECEIVABLES	471.62	
	8,225.45	
As per F/S	8,225.45	
difference	-	
PART XII.6 QUE REFUND (PP200903)	256.72	
<a href="#"><u>QHIP REBATE 2022</u></a>	214.90	
	471.62	
	-	



<b>Goldstar Minerals Inc</b>					
<b>Share issue expenses</b>					
<b>31-Dec-22</b>					
<b>SUMMARY OF SHARE ISSUE EXPENSES</b>					
Finder's fee cash	0.00	FF			
Finder's fee non-cash	0.00	NC			
Legal expenses	0.00	LE			
Shares for debt	0.00	SD			
Private placement 2021A	0.00	PP1			
Option Plan	500.00	OP			
Upton acquisition	1,009.00	CL			
Regulatory fees	0.00	PP			
<b>Total</b>	<b>1,509.00</b>				
<b>DETAILS OF SHARE ISSUE EXPENSES</b>					
JONATHAN FEDERICO	500.00	OP			
TSX VENTURE EXCHANGE	637.50	CL			
TSX VENTURE EXCHANGE	275.00	CL			
TSX TRUST COMPANY	96.50	CL			
<b>total</b>	<b>1,509.00</b>				
As per financial statements	1,509.00				
difference	0.00				

<b>GOLDSTAR MINERALS INC</b>	
<b>CONTRIBUTED SURPLUS</b>	
<b>31-Dec-22</b>	
<b>Balance December 31, 2020</b>	1,048,647.18
Stock option grant January 13, 2021	139,780.00
Stock option grant March 24, 2021	23,256.00
<b>Balance December 31, 2021</b>	1,211,683.18
<b>Balance December 31, 2022</b>	1,211,683.18
As per Financial Statements	1,211,683.18
difference	-



<b>GOLDSTAR MINERALS INC</b>					
<b>List of outstanding warrants</b>					
<b>31-Dec-22</b>					
<b>Outstanding warrants as at December 31, 2021</b>					
					<b>5,426,924</b>
<b>Granted during the year</b>					
<b>Exercised during the year</b>					-
<b>Expired during the year</b>					-
<b>Cancelled during the year</b>					-
<b>Outstanding warrants as at</b>					
<b>31-Dec-22</b>					<b>5,426,924</b>
<b>OUTSTANDING WARRANTS</b>					
	<b>#of Warrants</b>	<b>Date of Issuance</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Certificate #</b>
<b>2020 private placement(PP200903)</b>					
PI Financial Corp	1,400,000	3-Sep-20	2-Sep-23	0.20	2020-01
PI Financial Corp	870,000	3-Sep-20	2-Sep-23	0.20	2020-02
Raymond James LTD ITF Collin Kettell	296,666	3-Sep-20	2-Sep-23	0.20	2020-03
Canaccord Genuity Group	70,000	3-Sep-20	2-Sep-23	0.20	2020-04
Canaccord Genuity Group	30,000	3-Sep-20	2-Sep-23	0.20	2020-05
Amol Jadhav	166,600	3-Sep-20	2-Sep-23	0.20	2020-06
Leede Jones Gable ITF André Larente	35,000	3-Sep-20	2-Sep-23	0.20	2020-07
Leede Jones Gable ITF Steve Merling	35,000	3-Sep-20	2-Sep-23	0.20	2020-08
Gestion HoldRob	400,000	3-Sep-20	2-Sep-23	0.20	2020-09
Gestion HoldCrest	100,000	3-Sep-20	2-Sep-23	0.20	2020-10
Sarah Crevier	100,000	3-Sep-20	2-Sep-23	0.20	2020-11
Ryan Hanley	100,000	3-Sep-20	2-Sep-23	0.20	2020-12
Claude Bédard	66,666	3-Sep-20	2-Sep-23	0.20	2020-13
RBC Dominion Securities Inc. ITF François Perron A/C 441871	466,666	3-Sep-20	2-Sep-23	0.20	2020-14
National Bank ITF Charles Brulotte	33,333	3-Sep-20	2-Sep-23	0.20	2020-15
Jonathan Hamel	33,333	3-Sep-20	2-Sep-23	0.20	2020-16
Valerie Miglia	100,000	3-Sep-20	2-Sep-23	0.20	2020-17
Alexandra Crevier	100,000	3-Sep-20	2-Sep-23	0.20	2020-18
Stanark Investments	166,666	3-Sep-20	2-Sep-23	0.20	2020-19
David Crevier	96,733	3-Sep-20	2-Sep-23	0.20	2020-20
Canaccord Genuity Group (Finder's Fee for Amol Jadhav)	13,328	3-Sep-20	2-Sep-23	0.150	FW2020-01
Leede Jones Gable (Finder's Fee Merling and Larente)	5,600	3-Sep-20	2-Sep-23	0.150	FW2020-02
Investor Company ITF Giores Capital (Finder's Fee Palisades)	213,333	3-Sep-20	2-Sep-23	0.150	FW2020-03
Leede Jones Gable (Finder's Fee Bodnar clients)	58,000	3-Sep-20	2-Sep-23	0.20	FW-FT 2020-01
Leede Jones Gable (Finder's Fee Marquest)	60,000	3-Sep-20	2-Sep-23	0.20	FW-FT 2020-02
David Horlington	60,000	3-Sep-20	2-Sep-23	0.20	FW-FT 2020-03
Orbit Garant Drilling Services (Re: shares for debt)	350,000	18-Sep-20	17-Sep-23	0.50	2020-21
	5,426,924				

# Goldstar Minerals Inc

31-Dec-22

## Options outstanding

### **Vesting Methods (VM)**

1 - Vest immediately

EXPLANATION OF THE LEGEND	LG
DIRECTOR	DI
COMMITTEE	CO
SERVICE PROVIDER	SP
CHAIRMAN	CH
CEO	CE
SECRETARY	SE
CHIEF FINANCIAL OFFICERS	CF
EMPLOYEE	EM

optionee	LG	VM	Cert#	# of shares	exercise price	date Granted m/d/y	expiry date m/d/y	# of years vested	Exercisable options	\$ weighted average exercisable options	\$ weighted average outstanding options
Stephen Butrenchuk	DI	1	18-02	77,076	1.000	17-May-18	16-May-23	N/A	77,076	77,076	77,076
Stephen Butrenchuk	DI	1	21-01	65,000	0.160	13-Jan-21	12-Jan-26	N/A	65,000	10,400	10,400
David Crevier	DI	1	18-04	77,076	1.000	17-May-18	16-May-23	N/A	77,076	77,076	77,076
David Crevier	DI	1	21-02	300,000	0.160	13-Jan-21	12-Jan-26	N/A	300,000	48,000	48,000
Jonathan Federico	SE	1	18-07	15,000	1.000	17-May-18	16-May-23	N/A	15,000	15,000	15,000
Jonathan Federico	SE	1	21-04	25,000	0.160	13-Jan-21	12-Jan-26	N/A	25,000	4,000	4,000
Danielle Giovenazzo	DI	1	21-03	200,000	0.160	13-Jan-21	12-Jan-26	N/A	200,000	32,000	32,000
Roy McDowall	DI	1	21-08	200,000	0.160	24-Mar-21	23-Mar-26	N/A	200,000	32,000	32,000
Francois Perron	DI	1	18-03	77,076	1.000	17-May-18	16-May-23	N/A	77,076	77,076	77,076
Francois Perron	DI	1	21-05	300,000	0.160	13-Jan-21	12-Jan-26	N/A	300,000	48,000	48,000
Ercan Ugur	CF	1	18-06	15,000	1.000	17-May-18	16-May-23	N/A	15,000	15,000	15,000
Ercan Ugur	CF	1	21-07	25,000	0.160	13-Jan-21	12-Jan-26	N/A	25,000	4,000	4,000
Benoit Moreau	SP	1	21-06	100,000	0.160	13-Jan-21	12-Jan-26	N/A	100,000	16,000	16,000

Total				1,476,228					1,476,228	455,628	455,628
options outstanding 31/12/2021				1,476,228						0.31	0.31
Options cancelled/or expired				-							
Options exercised during the year				-							
options granted during the period				-							
options outstanding 31/12/2022				1,476,228							
Outstanding Share Capital				27,258,769							
Rolling Limit				10%							
Maximum options under the plan				2,725,876							
Options exercised				-							
Options outstanding				(1,476,228)							
Available under the plan				1,249,648							

<b>Insider</b>	<b>Date</b>	<b>Amount</b>
<b>Balance December 31, 2020</b>		
David Crevier	November 23, 2021	150,000.00
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<b>Balance December 31, 2021</b>		150,000.00
David Crevier	July 7, 2022	50,000.00
David Crevier	October 11, 2022	3,000.00
David Crevier	October 13, 2022	3,000.00
David Crevier	October 27, 2022	94,000.00
David Crevier	December 19, 2022	25,000.00
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<b>Balance December 31, 2022</b>		325,000.00