

GOLDSTAR MINERALS INC.

Management's Discussion and Analysis

For the year ended December 31, 2015

The following Management's Discussion and Analysis ("MD&A") was prepared as at April 27, 2016 and provides a discussion and analysis of the financial condition and results of operations for the year ended December 31, 2015. This discussion should be read in conjunction with the Company's consolidated financial statements and accompanying notes for the years ended December 31, 2015 and 2014.

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.

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).

Benoit Moreau P.Eng., President and CEO of Goldstar Minerals Inc., 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

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. 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 do not have demonstrated economic viability.

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THE COMPANY

Goldstar Minerals Inc. is a public Canadian natural resource development and exploration company. The Company has the Julien Property in Quebec and Lake George Property in New Brunswick as outlined below.

LAKE GEORGE PROPERTY

The Lake George Property is located approximately 40 km west of Fredericton, New Brunswick, adjacent to the past producing Lake George antimony mine and is close to existing infrastructures. Access to the property is excellent all year-round. The property totals 247 claims covering approximately 5,280 hectares (52.8 km²)

On February 6, 2014 (“the Closing date”), the Company entered into a Mineral option and sale agreement with Charles Morrissy (“Morrissy”) with respect to 46 claims covering an area of 950 hectares (9.5 km²). Upon closing, Morrissy received a cash payment of \$25,000 as well as 100,000 common shares of Goldstar. On April 15, 2016, the agreement was amended to delay the first payment in cash of \$100,000 which was due at the first anniversary of the closing date. According to this amended agreement, Goldstar will pay Morrissy \$50,000 on the earlier of i) 5 days following the date upon which Goldstar completes a financing of no less than \$250,000 (excluding the financing that took place in April 2016) and ii) September 14, 2016; and pay him an additional \$50,000 on or before February 14, 2017 and \$100,000 per year starting February 14, 2017 until February 14, 2021 to complete the acquisition of a 90% interest in the property. Goldstar can increase its interest to 95% by a further payment of \$1,000,000 and 100% by an additional payment of \$2,000,000. The agreement was also amended to remove annual payments of \$25,000 to Morrissy every year as a non-refundable advance on the \$1,000,000 payment.

Furthermore, the Company also issued 29,230 common shares to geologist Luciano Vendittelli (“Vendittelli”), who acted as a finder in the transaction. A balance of 70,770 shares will be payable to Vendittelli upon the Company making the first of five annual payments to Morrissy.

The Company acquired through staking, a 100% interest in 201 claims.

The property lies southeast of the Hackshaw Granite, a phase related to the Pokiok Batholith. A cupola of this granitic body has intruded into Silurian Age Kingslear Group metasedimentary rocks hosting the Lake George Antimony Deposit. Hydrothermal alteration has been observed from historical work and occurs along numerous northerly and easterly trending structures.

Exploration diamond drilling conducted during the late 1970's and early 1980's outlined a broad zone of tungsten bearing scheelite and molybdenite type mineralization located within an area located north of the Lake George mine site. The W-Mo mineralization is hosted within calc-silicate rocks and a network of cross-cutting quartz veinlets which appear to be associated with the presence of a buried monzogranite intrusion located approximately 1.0 km north of the Lake George mine site.

Historical (non 43-101 compliant) diamond drill holes returned the following tungsten (WO₃) assay values:

Hole #	Depth (m)	Width (m)	WO ₃
DDH#78-7	71.63-76.66	5.03	0.36%
DDH#78-7	78.33-82.60	4.27	0.29%
DDH#81-26	109.73-248.41	138.68	0.15%

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Goldstar plans a detailed geophysical airborne survey and a first phase diamond drilling program on Lake George consisting of 2,500 metres in the summer 2016.

OVERVIEW AND OUTLOOK

On April 11, 2016, Goldstar completed a private placement of 3,450,000 flow through units and 3,218,000 non flow through units at \$0.02 per unit for gross proceeds of \$133,360.

Each flow through unit consists of one flow through common share and one half common share purchase warrant, each full warrant entitling its holder to purchase one common share at \$0.05 per share for a period of 24 months.

Each non flow through unit consists of one common share and one common share purchase warrant, each warrant entitling its holder to purchase one common share at \$0.05 per share for a period of 24 months.

Goldstar is planning a detailed geophysical airborne survey on Lake George for spring 2016 and a first phase diamond drilling program on Lake George consisting of 2,500 metres in the summer 2016.

Goldstar is also planning another financing in the fall of 2016.

SUMMARIZED FINANCIAL RESULTS

SELECTED ANNUAL INFORMATION

	2015	2014	2013
Net Loss	1,027,831	433,349	320,793
Basic and diluted loss per share	0.07	0.03	0.08
Cash and cash equivalents	12,141	80,109	580,741
Total assets	129,789	1,104,670	1,604,304
Current financial liabilities	416,174	376,234	383,310

SUMMARY OF QUARTERLY RESULTS

	Net Loss (Income)	Basic and diluted loss (income) per share
December 31, 2015	929,041	0.07
September 30, 2015	16,723	0.01
June 30, 2015	47,363	0.01
March 31, 2015	34,704	0.01
December 31, 2014	328,002	0.02
September 30, 2014	39,154	0.01
June 30, 2014	75,387	0.01
March 31, 2014	(9,194)	(0.01)

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LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2015, the Company had working capital deficiency of \$391,001 compared to a deficiency of \$249,362 at December 31, 2014. Deficiency in working capital and exploration funding continues to be critical. The Company needs \$560,000 net of financing costs to cover its 2015 working capital shortfall and to fund its administrative expenses and property commitment for 2016. An additional \$660,000 net of financing costs is required for funding 2016 exploration program on Lake George property.

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RESULTS OF OPERATIONS

For the year ended December 31, 2015 compared to the year ended December 31, 2014:

The Company recorded a loss of \$(104,776) or \$(0.01) per share for the year ended December 31, 2015, excluding non cash items of share-based payments of \$13,010 and write offs of \$910,045, compared to a loss of \$(234,572) (excluding non-cash items of \$220,440-other income related to flow-through shares, \$1,875-change in fair value of marketable securities), share based payments of \$102,022 and write offs of \$319,070 or \$(0.02) per share for the year ended December 31, 2014.

Expenses, excluding share-based payments (a non cash item), amounted to \$104,776 for the year ended December 31, 2015 compared to \$261,896 for the year ended December 31, 2014 mainly due to a decrease of \$51,809 in professional, consulting, and management fees as well as \$99,467 in general and administrative expenses.

Income during the year ended December 31, 2015 totalled nil compared to \$1,542 for the year ended December 31, 2014 excluding non cash items of income related to flow-through shares of \$220,440 and change in fair value of marketable securities of \$1,875.

The Company wrote off 464,000 ordinary shares of Amseco Exploration Ltd valued at \$4,640 as at December 31, 2014. The valuations of these shares were based on the quoted market price of the shares at the respective dates.

During the year Goldstar spent \$48,243 before write-offs and tax credits (2014 - \$665,995) on mining properties and exploration and evaluation assets. The table below details the nature of expenditures.

	Julien	Lake George	Total
Mining properties			
Balance, December 31, 2014	47,680	59,930	107,610
Acquisitions	-	25,000	25,000
Write off	(47,680)	-	(47,680)
Balance, December 31, 2015	-	84,930	84,930
Exploration and evaluation assets			
Balance, December 31, 2014	856,148	14,040	870,188
Wages, consultant fees	16,526	5,646	22,172
Administration, field expenses	1,072	-	1,072
Mining and resource tax credits	(16,021)	-	(16,021)
Write off	(857,725)	-	(857,725)
Balance, December 31, 2015	-	19,686	19,686

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CASH FLOWS

Cash used in operating activities was \$66,624 for the year ended December 31, 2015 compared to \$266,585 for the year ended December 31, 2014.

Cash used in investing activities was \$30,088 for the year ended December 31, 2015 compared to \$280,333 for the year ended December 31, 2014.

Cash provided from financing activities was \$28,744 for the year ended December 31, 2015 compared to \$46,286 for the year ended December 31, 2014.

TRANSACTIONS WITH RELATED PARTIES

Transactions with key management personnel

Benoit Moreau, the President and Chief Executive Officer of the Company, rendered consulting services for the year ended December 31, 2015 amounting to nil (2014 - \$90,000) for administrative services in the amount of nil (2014 - \$9,000) charged to professional, consulting, and management fees, and geological services in the amount of nil (2014 - \$81,000) capitalized in exploration and evaluation assets. As at December 31, 2015, the accounts payable include \$1,868 (2014 - \$1,868) payable to this director and officer.

For the year ended December 31, 2015, professional, consulting and management fees include \$18,000 (2014 - \$36,000) charged by a company for the services of the Chief Financial Officer, Ercan Ugur. As at December 31, 2015, the accounts payable include nil (2014 - \$5,749) payable to this company.

On April 17, 2015, a director and officer loaned \$28,744 to the Company. This is a non interest bearing loan that is repayable on demand. As at December 31, 2015, \$28,744 loan is still outstanding.

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.

OUTSTANDING SHARE DATA

As at December 31, 2015 the Company had 14,171,380 shares outstanding.

As at December 31, 2015, 1,020,000 options were outstanding and exercisable at \$0.40.

The following table summarizes the outstanding warrants.

Nature	Issue date	Number of Warrants	Expiry date	Exercise price
Private placement	6-Apr-14	600,000	16-Apr-16	\$0.15
Agent	6-Apr-14	30,000	16-Apr-16	\$0.10
As at December 31, 2015		630,000		

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

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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, 2015 and 2014. 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, income 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 period in which the estimates are revised and in any future periods 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;
- Recoverability of mining properties and exploration and evaluation assets;
- Assessment of refundable credit on mining duties and tax credits related to resources;
- Estimation of the fair value of share-based payments;

FUTURE ACCOUNTING STANDARDS

The following new standards have been issued but are not yet applicable to the Company:

(i) IFRS 9, *Financial Instruments*

On July 24, 2014 the IASB issued the complete IFRS 9 (IFRS 9 (2014)).

The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight.

IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows.

The standard introduces additional changes relating to financial liabilities.

It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment.

IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship.

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Special transitional requirements have been set for the application of the new general hedging model.

The Company intends to adopt IFRS 9 (2014) in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

(ii) Amendments to IAS 1:

On December 18, 2014, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative"). The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

These amendments will not require any significant change to current practice, but should facilitate improved consolidated financial statement disclosures.

The Company intends to adopt these amendments in its consolidated financial statements for the annual period beginning on January 1, 2016. The Company does not expect the amendments to have a material impact on the consolidated financial statements

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, 2015. 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 recording of cash payments 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, 2015. 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."

There has been no change in the Company's internal control over financial reporting that occurred during the period beginning on January 1, 2015 and ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at December 31, 2015 and 2014 were as follows:

	Loans and receivables	Assets at fair value through profit or loss	other financial liabilities	total
December 31, 2015				
Cash	12,141			12,141
Amounts receivable	9,115			9,115
Marketable securities		nil		nil
Accounts payable and accrued liabilities			387,430	387,430
Due to key management personnel			28,744	28,744
	Loans and receivables	Assets at fair value through profit or loss	other financial liabilities	total
December 31, 2014				
Cash	80,109			80,109
Amounts receivable	38,944			38,944
Marketable securities		4,640		4,640
Accounts payable and accrued liabilities			376,234	376,234

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.

At December 31, 2015 and 2014, the Company's financial instruments that are carried at fair value, consisting of marketable securities, have been classified as Level 1 within the fair value hierarchy.

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FINANCIAL RISK FACTORS

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 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, tax credit and other receivable, accounts payable and accrued liabilities on the statement of financial position approximate fair values because of the limited term of these instruments.

As at December 31, 2015 and 2014, the Company's financial instruments that are carried at fair value, consisting of marketable securities, have been 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 liquidity to meet liabilities when due. As at December 31, 2015, the Company had a cash balance of \$12,141 (December 31, 2014 - \$80,109) to settle current liabilities of \$416,174 (December 31, 2014 - \$376,234). The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company currently holds investments with an estimated market value of nil as at December 31, 2015 (December 31, 2014 - \$4,640).

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.

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The Company was committed to incur eligible exploration and evaluation expenses of \$849,000 by December 31, 2014, related to its flow-through share financing completed in 2013. As at December 31, 2014, the Company had incurred a cumulative amount of \$849,000 of eligible expenses, and has no more obligations in relation to this flow-through financing. 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.

OFF BALANCE SHEET ITEMS

The Company does not have any off balance sheet items.

April 27, 2016