GOLDSTAR MINERALS INC.

Condensed Consolidated Interim Financial Statements
(Unaudited and not reviewed by the Company's Independent auditors)

For the period ended
September 30, 2016

Goldstar Minerals Inc.
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GOLDSTAR MINERALS INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited)

	September 30 2016 $	December 31 2015 $
Assets		
Current assets		
Cash and cash equivalents (note 4)	**479,907**	12,141
Tax credits and other receivables (note 5)	**21,323**	9,115
Prepaid expenses	**5,841**	3,917
	507,071	25,173
Non-current assets		
Mining properties (note 6)	**138,970**	84,930
Exploration and evaluation assets (note 6)	**213,897**	19,686
	352,867	104,616
	859,938	129,789
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities (note 7)	**359,727**	387,430
Due to key management personnel (note 11)	**28,744**	28,744
	388,471	416,174
Shareholders' (deficiency) Equity		
Share capital and warrants (note 8)	**9,726,737**	8,856,080
Contributed surplus	**670,251**	463,033
Deficit	**(9,925,521)**	(9,605,498)
	471,467	(286,385)
	859,938	129,789

Reporting entity and going concern (note 1)

Commitments and contingencies (note 10)

Subsequent event (note 14)

See accompanying notes to condensed consolidated interim financial statements.

GOLDSTAR MINERALS INC.

Condensed Consolidated Interim Statements of Loss and Other Comprehensive Loss
(Unaudited)

	For three months ended September 30		For nine months ended September 30	
	2016	2015	**2016**	2015
	$	$	**$**	$
Expenses:				
Professional, consulting, and management fees	**(9,984)**	9,838	**(6,469)**	28,428
General and administrative expenses	**36,271**	5,462	**70,515**	52,712
Share-based payments	**201,885**	1,423	**201,885**	13,010
	228,172	16,723	**265,931**	94,150
Other income related to flow-through shares	**(17,095)**	-	**(45,500)**	-
Change in fair value of marketable securities	**-**	-	**-**	4,640
	(17,095)	-	**(45,500)**	4,640
Loss and other comprehensive loss for the period	**211,077**	16,723	**220,431**	98,790
Net loss per share, basic and diluted (note 13)	**(0.01)**	(0.01)	**(0.01)**	(0.01)
Weighted average number of shares outstanding	**36,297,807**	14,171,380	**25,393,875**	14,171,380

See accompanying notes to condensed consolidated interim financial statements.

GOLDSTAR MINERALS INC.

Condensed Consolidated Interim Statements of Changes in Cash Flows
(Unaudited)

	For nine months ended September 30	
	2016	2015
	$	$
Cash flows from operating activities		
Loss and comprehensive loss for the period	**(220,431)**	(98,790)
Items not involving cash:		
Other income related to flow-through shares	**(45,500)**	-
Share-based payments	**201,885**	13,010
Change in fair value of marketable securities	**-**	4,640
Net change in non-cash operating working capital		
Change in sales tax and other receivables	**(17,135)**	27,586
Change in prepaid expenses	**(1,924)**	(2,663)
Change in accounts payable and accrued liabilities	**(27,703)**	(4,768)
Net cash used in operating activities	**(110,808)**	(60,985)
Cash flows from investing activities		
Additions to mining properties	**(54,040)**	(25,000)
Additions to exploration and evaluation assets	**(210,211)**	(23,028)
Credit on mining duties and resource tax credits	**20,927**	18,155
Net cash used in investing activities	**(243,324)**	(29,873)
Cash flows from financing activities		
Proceeds from issuance of shares	**905,492**	-
Share issue expenses	**(83,594)**	-
Increase in due to key management personnel	**-**	28,744
Net cash provided from financing activities	**821,898**	28,744
Net increase (decrease) in cash and cash equivalents	**467,766**	(62,114)
Cash and cash equivalents, beginning of year	**12,141**	80,109
Cash and cash equivalents, end of period	**479,907**	17,995
Non-cash transactions :		
Compensation warrants included in share issue expenses	**5,333**	-
Compensation shares included in share issue expenses	**10,665**	-

See accompanying notes to condensed consolidated interim financial statements.

GOLDSTAR MINERALS INC.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited)

	For nine months ended September 30 **2016** **$**	2015 $
Share capital and warrants		
Balance beginning of year and end of period	**8,856,080**	8,856,080
Issue of common shares, private placement	**118,860**	-
Issue of common shares, rights offering	**604,632**	-
Issue of flow-through shares, private placement	**182,000**	-
Issue of common shares as finder's fee	**10,665**	-
Liability related to flow-through shares	**(45,500)**	-
Balance end of period	**9,726,737**	8,856,080
Contributed surplus		
Balance beginning of year	**463,033**	450,023
Share-based payments under the option plan	**201,885**	13,010
Share-based payments with respect to finder's fee relating to equity financing	**5,333**	-
Balance end of period	**670,251**	463,033
Deficit		
Balance beginning of year	**(9,605,498)**	(8,577,667)
Loss and comprehensive loss for the period	**(220,431)**	(98,790)
Share issue expenses	**(99,592)**	-
Balance end of period	**(9,925,521)**	(8,676,457)
Total shareholders' equity, end of period	**471,467**	642,656

See accompanying notes to condensed consolidated interim financial statements.

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 110 Crémazie Boulevard West, Suite 430, Montréal, Québec.

The Company is involved in the exploration of mineral properties in the Province of Québec and the Province of New Brunswick. 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 condensed consolidated interim 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. Operating activities have not yet generated any revenues. 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 the business, its financial condition and its results.

Management expects that the working capital available to the Company at the end of the period will not provide the Company with adequate funding to cover its budgeted general administrative expenses and to meet its short-term obligations for the next twelve months, and to complete its planned 2016 calendar year exploration budget. Consequently, the Company will need to obtain additional financing in 2017. 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.

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 condensed consolidated interim 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 condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), including IAS 34, *Interim Financial Reporting*. These unaudited condensed consolidated interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements and the notes thereto for the year ended December 31, 2015.

3. Basis of preparation and significant accounting policies:

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. The basis of preparation, including the use of estimates and judgments, and significant accounting policies are unchanged compared to the ones disclosed in the audited annual financial statements for the year ended December 31, 2015, except for the following:

New accounting standards and amendments adopted:

The following amendments have been applied in preparing the unaudited condensed consolidated interim financial statements as at September 30, 2016 and did not have a significant impact on the financial statements:

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").

4. Cash and cash equivalents:

		September 30 2016	December 31 2015
Bank balances	$	479,907	12,141

5. Tax credits and other receivables:

		September 30 2016	December 31 2015
Sales taxes receivable	$	19,110	1,028
Tax credits related to resources		-	4,927
Tax credits on mining duties		2,213	2,213
Other		-	947
Tax credits and other receivables	$	21,323	9,115

6. Mining properties and exploration and evaluation assets:

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

	Lake George property New Brunswick
Mining properties	
Balance, December 31, 2015	84,930
Acquisitions	54,040
Balance, September 30, 2016	138,970
Exploration and evaluation assets	
Balance, December 31, 2015	19,686
Geophysics, compilation, surveying	203,403
Field expenses	6,808
Mining and resource tax credits	(16,000)
Balance, September 30, 2016	213,897

	Julien property Quebec	Lake George property New Brunswick	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

6. Mining properties and exploration and evaluation assets (continued):

(a) Lake George Property:

The Lake George Property consists of a total of 310 claims, staked and optioned, and 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 Company acquired through staking, a 100% interest in 264 claims covering approximately 5,900 hectares (59 km^2).

On February 6, 2014 (“the Closing date”), the Company entered into a Mineral option and sale agreement with Charles Morrissy (“Morrissy”) to acquire a 90% interest with respect to 46 claims covering an area of 950 hectares (9.5 km^2). Upon closing, Morrissy received a cash payment of $25,000 as well as 100,000 common shares of Goldstar. The Company can increase its interest to 95% by a further payment of $1,000,000 and 100% by an additional payment of $2,000,000. As per the latest amendment, dated April 15, 2016, Goldstar will pay Morrissy $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. In 2014, the Company 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 of $100,000 to Morrissy.

7. Accounts payable and accrued liabilities:

		September 30 2016		December 31 2015
Accounts payable	$	346,227	$	353,631
Accrued liabilities		13,500		33,799
Accounts payable and accrued liabilities	$	359,727	$	387,430

8. Share capital and warrants:

Authorized:

An unlimited number of common shares without par value

Shares fluctuated as follows during the period:

	September 30 2016		December 31 2015	
	Number of shares	$	Number of shares	$
Balance, beginning of year	14,171,380	8,856,080	14,171,380	8,856,080
Private placement-common shares	5,943,000	118,860	-	-
Rights offering-common shares	15,115,794	604,632	-	-
Private placement-flow-through shares	9,100,000	182,000	-	-
Common shares-finder's fee	533,250	10,665	-	-
Liability related to flow-through shares	-	(45,500)	-	-
Balance, end of period	44,863,424	9,726,737	14,171,380	8,856,080

On April 11, 2016, the Company completed a private placement financing. The Company issued a total of 3,450,000 flow-through units and a total of 3,218,000 non flow-through units at a price of $0.02 per unit for gross proceeds of $133,360. At closing, the Company paid 10% of the gross proceeds as a finder's fee for certain subscribers introduced by the finder. Each flow-through unit consists of one flow-through common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one Class A common share at a price of $0.05 until April 11, 2018. Each non flow-through unit consists of one Class A common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one Class A common share at a price of $0.05 until April 11, 2018.

On May 4, 2016, the Company completed a private placement financing. The Company issued a total of 5,650,000 flow-through units and a total of 2,725,000 non flow-through units at a price of $0.02 per unit for gross proceeds of $167,500. At closing, the Company paid 10% of the gross proceeds as a finder's fee for certain subscribers introduced by the finder. Furthermore, at closing, the Company also issued, as a finder's fee, 533,250 common shares and 533,250 warrants exercisable at $0.05 until May 4, 2018. The Company accounted for these compensation warrants by using the Black-Scholes pricing model. At the date of the grant, the weighted average fair value of warrants granted was $0.01 per warrant for a total value of $5,333. Each flow-through unit consists of one flow-through common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one Class A common share at a price of $0.05 until May 4, 2018. Each non flow-through unit consists of one Class A common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one Class A common share at a price of $0.05 until May 4, 2018.

8. Share capital and warrants (continued):

On August 17, 2016, the Company completed a Rights offering. Upon closing of the Rights Offering, the Company issued 15,115,794 common shares of the Company for gross proceeds of $604,632. Pursuant to the terms of the Rights Offering, each eligible holder of Common Shares was entitled to subscribe for one Common Share at a price of $0.04 for each Common Share held by such holder.

The carrying amount of these flow-through shares is presented net of the liability related to flow-through shares of $45,500 that was recorded when the flow-through shares were issued during the financings on April 11, 2016 and May 4, 2016.

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

	September 30 2016	December 31 2015
Balance, beginning of year	630,000	7,530,900
Warrants issued :		
To shareholders pursuant to private placement	10,493,000	-
To brokers pursuant to private placement	533,250	-
Warrants cancelled	-	(625,000)
Warrants expired	(630,000)	(6,275,900)
Balance, end of period	11,026,250	630,000

The following weighted average assumptions were used in calculating the fair value of the warrants issued to brokers regarding the private placement:

	September 30 2016	December 31 2015
Risk-free interest rate	0.58%	-
Expected life	2 years	-
Expected volatility	141.23%	-
Expected dividend	-	-

As at September 30, 2016, the following share purchase warrants were outstanding:

- 4,943,000 warrants at $0.05 per warrant expiring April 11, 2018
- 6,083,250 warrants at $0.05 per warrant expiring May 4, 2018

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

9. Share option plan:

On September 27, 2016, the Company's new option plan went into effect. The Company reserved 4,037,708 Class A common shares for issuances under the plan, representing 9% of the issued and outstanding capital.

As at September 30, 2016, 4,037,708 Class A common shares were reserved for future issuances under the share option plan for the benefit of the directors, officers, employees and service providers of the Company.

The option 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. Options granted under the plan will be for a term not exceeding five years. The exercise price for any share option shall not be lower than the market price of the underlying common shares, or at fair market value in the absence of a market price, at the time of the grant.

On September 27, 2016, the Company granted 4,037,708 share options to directors, officers, and service providers, exercisable at $0.10 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 $0.05 per option for a total value of $201,885.

The following weighted average assumptions were used in these calculations:

	September 30, 2016	December 31, 2015
Risk-free interest rate	0.59%	-
Expected life	5 years	-
Expected volatility	199.427%	-
Expected dividend	-	-

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

	September 30 2016		December 31 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	-	$ -	-	$ -
Granted	4,037,708	0.10	-	-
Balance, end of period	4,037,708	0.10	-	-
Exercisable options, end of period	4,037,708	$ 0.10	-	$ -

As at September 30, 2016, the following options were outstanding:

- 4,037,708 options at $0.10 per share until September 26, 2021

10. 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 $182,000 by December 31, 2017, related to its flow-through share financings completed in 2016. As at September 30, 2016, the Company has incurred $182,000 of eligible expenses.

There is no guarantee that the funds spent by the Company in the future 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. 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.

11. Related party transactions:

Transactions with key management personnel

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

		September 30 2016		September 30 2015
Management and consulting fees	$	13,500	$	18,000
Share-based payments		157,327		8,609
Total	$	170,827	$	26,609

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.

As at September 30, 2016, the accounts payable includes $20,982 (2015 - $1,868) payable to a director and officer.

General and administrative expenses include $13,500 (2015 - $18,000) charged by a company for the services of the chief financial officer. As at September 30, 2016, the accounts payable includes nil (2015 - nil) 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 September 30, 2016, $28,744 of this loan is still outstanding.

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.

12. Income taxes:

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.9% (2015 - 26.9%) as a result of the following:

	September 30 2016	September 30 2015
Loss and comprehensive loss	$ (220,431)	$ (98,790)
Computed "expected" tax expense (recovery)	(59,296)	(26,575)
Increase in income taxes resulting from:		
Non-deductible share-based payments	54,307	3,500
Current year losses not recognized	-	23,075
Tax expense related to flow-through share deduction	48,958	-
Permanent difference arising from the non-taxable income related to flow-through shares	(12,240)	-
Other	(31,729)	-
Total deferred income tax recovery	$ -	$ -

As at September 30, 2016, the Company has approximately $3,060,000 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 $108,000 which have not yet been deducted for income tax purposes. The Company also has $1,992,000 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	46,000
2029	133,000
2030	324,000
2031	30,000
2032	204,000
2033	633,000
2034	348,000
2035	182,000
2036	92,000
Total	$ 1,992,000

Temporary differences have not been recognized in respect of the following items:

	September 30 2016	December 31 2015
Marketable securities	$ 44,000	$ 44,000
Non-capital losses	1,992,000	1,900,000
Mining properties and exploration and evaluation assets	2,684,000	2,860,000
Share issue costs	108,000	79,000
Capital losses	91,000	91,000
Unrecognized deferred tax assets	$ 4,919,000	$ 4,974,000

13. 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.

14. Subsequent Event:

On October 19, 2016, pursuant to an exercise of warrants, the Company issued 750,000 common shares at $0.05 per share for gross proceeds of $37,500.