

GOLDSTAR MINERALS INC.

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

**For the period ended
September 30, 2019**

Goldstar Minerals Inc.
400 Henri-Bourassa East, Suite 200
Montréal (Québec) H3L 1C4
Tel.: (514) 228-3965

GOLDSTAR MINERALS INC.
Condensed Interim Statements of Financial Position
(Unaudited)

	September 30 2019 \$	December 31 2018 \$
Assets		
Current assets		
Cash and cash equivalents (note 4)	271,714	41,065
Tax credits and other receivables (note 5)	86,296	36,089
Prepaid expenses	6,267	4,705
	364,277	81,859
Non-current assets		
Mining properties (note 7)	628,299	478,899
Exploration and evaluation assets (note 7)	1,934,241	1,508,113
	2,562,540	1,987,012
	2,926,817	2,068,871
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities (note 8)	505,709	168,808
Due to related parties (note 13)	415,000	435,000
Liability related to flow-through shares (note 9 and 11)	5,362	-
	926,071	603,808
Shareholders' Equity		
Share capital and warrants (note 9)	12,541,760	11,627,760
Contributed surplus	987,502	979,243
Deficit	(11,528,516)	(11,141,940)
	2,000,746	1,465,063
	2,926,817	2,068,871

Reporting entity and going concern (note 1)
Commitments and contingencies (note 11)

See accompanying notes to condensed interim financial statements.

GOLDSTAR MINERALS INC.

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

	For three months ended September 30		For nine months ended September 30	
	2019	2018	2019	2018
	\$	\$	\$	\$
Expenses				
General and administrative expenses (note 12)	90,669	89,446	313,077	326,208
Professional and consulting fees	18,300	16,800	57,126	52,661
Share-based payments	-	-	-	211,492
	108,969	106,246	370,203	590,361
Financial expense (income)				
Interest income	-	-	(12)	-
Interest expense	9,594	1,952	29,700	14,720
Change in fair value of marketable securities	-	-	-	(4,640)
Gain on write-off of accounts payable	-	(275)	-	(275)
	9,594	1,677	29,688	9,805
Other income related to flow-through shares	(74,333)	-	(75,638)	-
Impairment of mining properties	-	-	-	3,981
	(74,333)	-	(75,638)	3,981
Loss and other comprehensive loss for the period	44,230	107,923	324,253	604,147
Net loss per share, basic and diluted (note 15)	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of shares outstanding	110,417,091	93,279,313	101,053,578	82,957,506

See accompanying notes to condensed interim financial statements.

GOLDSTAR MINERALS INC.

Condensed Interim Statements of Changes in Cash Flows (Unaudited)

	For nine months ended September 30	
	2019	2018
	\$	\$
Cash flows from operating activities		
Loss and comprehensive loss for the period	(324,253)	(604,147)
Items not involving cash:		
Net interest expense	29,688	14,720
Other income related to flow-through shares	(75,638)	-
Share-based payments	-	211,492
Impairment of mining properties	-	3,981
Change in fair value of marketable securities	-	(4,640)
Gain on write-off of accounts payable	-	(275)
Net change in non-cash operating working capital:		
Change in sales tax and other receivables	(34,207)	(26,474)
Change in prepaid expenses	(1,562)	15,151
Change in accounts payable and accrued liabilities	308,990	27,922
Interest received	12	-
Interest paid	(1,789)	(13,271)
Net cash used in operating activities	(98,759)	(375,541)
Cash flows from investing activities		
Additions to mining properties	(149,400)	(142,890)
Additions to exploration and evaluation assets	(460,128)	(670,617)
Credit on mining duties and resource tax credits and government grants	18,000	25,019
Proceeds from sale of marketable securities (note 6)	-	4,640
Net cash used in investing activities	(591,528)	(783,848)
Cash flows from financing activities		
Proceeds from issuance of shares	995,000	700,327
Share issue expenses	(54,064)	(52,700)
Increase in due to related parties (note 13)	65,000	668,000
Decrease in due to related parties (note 13)	(85,000)	(113,000)
Net cash provided from financing activities	920,936	1,202,627
Net increase in cash and cash equivalents	230,649	43,238
Cash and cash equivalents, beginning of year	41,065	14,503
Cash and cash equivalents, end of period	271,714	57,741
Non-cash transactions		
Compensation warrants included in share issue expenses	8,259	-
Due to related parties paid in shares	-	405,000

See accompanying notes to condensed interim financial statements.

GOLDSTAR MINERALS INC.

Condensed Interim Statements of Changes in Equity
(Unaudited)

	For nine months ended September 30	
	2019	2018
	\$	\$
Share capital and warrants (note 9)		
Balance, beginning of year	11,627,760	10,522,433
Issue of common shares, private placement	590,000	-
Issue of flow-through common shares, private placement	405,000	-
Liability related to flow-through shares	(81,000)	-
Issue of common shares, rights offering	-	700,327
Issue of common shares for settlement of debt	-	405,000
Balance, end of period	12,541,760	11,627,760
Contributed surplus		
Balance, beginning of year	979,243	767,751
Share-based payments representing compensation warrants	8,259	-
Share-based payments under the option plan	-	211,492
Balance, end of period	987,502	979,243
Deficit		
Balance, beginning of year	(11,141,940)	(10,244,290)
Loss and comprehensive loss for the period	(324,253)	(604,147)
Share issue expenses	(62,323)	(52,700)
Balance, end of period	(11,528,516)	(10,901,137)
Total shareholders' equity end of period	2,000,746	1,705,866

See accompanying notes to condensed interim financial statements.

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements
Nine months ended September 30, 2019 and 2018
(Unaudited)

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 400 Henri-Bourassa East, Suite 200, Montréal, Québec.

The Company is involved in the exploration of mineral properties in the Provinces of Québec and 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.

On May 18, 2018, a wholly-owned subsidiary of the Company, Auger Resources Ltd., was dissolved. As a result of the dissolution, the Company no longer has any subsidiaries and therefore the financial statements for the year ended December 31, 2018 are no longer consolidated. The comparative information presented for 2018 continues to be presented on a consolidated basis until the date of dissolution to reflect the structure at that time.

These condensed 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. The Company is still in the exploration stage and, as such, no revenue has yet been generated from its operating activities. As at September 30, 2019, the condensed interim statements of financial position show a negative working capital of \$561,794. 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 September 30, 2019, 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 2019 calendar year exploration budget. Consequently, the Company will need to obtain additional financing in 2019. 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 Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

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 condensed 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 interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), including IAS 34, *Interim Financial Reporting*. These unaudited condensed 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, 2018.

3. Basis of preparation and significant accounting policies:

These condensed 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, 2018, except for the following:

New accounting standards adopted:

The following standards have been applied in preparing the unaudited condensed interim financial statements as at September 30, 2019 and did not have a significant impact on the financial statements.

IFRS 16, *Leases*

On January 13, 2016, the IASB issued IFRS 16, *Leases*. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, *Revenue from Contracts with Customers* at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, *Leases*.

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided.

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

3. Basis of preparation and significant accounting policies (continued):

New accounting standards adopted (continued):

IFRS 16, *Leases* (continued)

The Company adopted IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. Management expects no significant impact resulting from the adoption of this new standard.

4. Cash and cash equivalents:

	September 30 2019	December 31 2018
Bank balances	\$ 271,714	\$ 41,065

5. Tax credits and other receivables:

	September 30 2019	December 31 2018
Sales taxes receivable	\$ 47,117	\$ 9,030
Tax credits relating to resources	11,441	11,441
Tax credits on mining duties	2,354	2,354
Government grants	16,000	-
Other	9,384	13,264
Tax credits and other receivables	\$ 86,296	\$ 36,089

6. Marketable securities:

In 2018, the Company sold all its 464,000 common shares held in Amseco Exploration Ltd. At a unit price of \$0.01 for gross proceeds of \$4,640. As at December 31, 2017, these common shares were presented at their value of nil, and as a result, a change in fair value of marketable securities of \$4,640 was recorded under financial income in 2018.

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
 Nine months ended September 30, 2019 and 2018
 (Unaudited)

7. Mining properties and exploration and evaluation assets:

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

	Lake George Property New Brunswick	Victoria Lake Property New Brunswick	Total
	\$	\$	\$
Mining properties			
Balance, December 31, 2018	401,859	77,040	478,899
Option payments	100,000	40,000	140,000
Claim staking and renewal	4,590	4,810	9,400
Balance, September 30, 2019	506,449	121,850	628,299
Exploration and evaluation assets			
Balance, December 31, 2018	1,430,449	77,664	1,508,113
Drilling	272,460	-	272,460
Geophysics	7,363	-	7,363
Geology	-	999	999
Assays	27,621	-	27,621
Salaries	127,478	18,975	146,453
Field expenses	5,232	-	5,232
Government grants	(34,000)	-	(34,000)
Balance, September 30, 2019	1,836,603	97,638	1,934,241

	Lake George Property New Brunswick	Julien Property Québec	Assinica Greenstone Property Québec	Victoria Lake Property New Brunswick	Total
	\$	\$	\$	\$	\$
Mining properties					
Balance, December 31, 2017	297,349	12,305	80,305	38,660	428,619
Acquisitions	104,510	-	-	38,380	142,890
Write-off	-	(12,305)	(80,305)	-	(92,610)
Balance, December 31, 2018	401,859	-	-	77,040	478,899
Exploration and evaluation assets					
Balance, December 31, 2017	845,592	-	158	6,469	852,219
Drilling	260,159	-	-	-	260,159
Geophysics, line cutting	66,115	-	-	16,000	82,115
Trenching	2,375	-	-	-	2,375
Assays	54,138	2,573	4,140	8,858	69,709
Salaries	209,658	11,196	11,894	42,500	275,248
Field expenses	4,412	5,101	5,957	13,815	29,285
Government grants	(12,000)	-	-	(9,978)	(21,978)
Mining and resource tax credits	-	(6,371)	(7,424)	-	(13,795)
Write-off	-	(12,499)	(14,725)	-	(27,224)
Balance, December 31, 2018	1,430,449	-	-	77,664	1,508,113

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

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

(a) Lake George Property:

In May 2019, the Company abandoned 84 claims of which it had a 100% interest in, totaling 1,888 hectares (18.88 km²) on its Lake George Property.

The Lake George Property consists of a total of 199 claims and is located approximately 40 km west of Fredericton, New Brunswick. The Property is adjacent to the past producing Lake George antimony mine and is close to existing infrastructure. The Property comprises a 100% interest in 153 claims covering approximately 3,298 hectares (32.98 km²) which were acquired by staking, and an option on 46 claims (the "Optioned Property") pursuant to the Option Agreement described below.

On February 6, 2014 the Company entered into a Mineral Option and Sale Agreement ("Option Agreement") with Charles Morrissy ("Morrissy") to acquire a 90% interest in 46 claims covering an area of 918 hectares (9.18 km²). To date, Morrissy has received cash payments of \$375,000 and 1,600,000 shares of Goldstar. Under the Option Agreement, as amended, in order to complete the acquisition of a 90% interest in the Optioned Property, Goldstar will pay Morrissy \$200,000 payable in two installments of \$100,000 on February 14, 2020 and 2021.

Under the Option Agreement the Company can increase its interest in the Optioned Property to 95% by a further payment of \$1,000,000 upon Commercial Production, and to 100% by an additional payment of \$2,000,000 to be made 24 months following Commercial Production.

(b) Victoria Lake Property:

In April 2019, the Company acquired, through staking, a 100% interest in 36 claims for \$2,160, totaling 816 hectares (8.16 km²) on its Victoria Lake Property.

In May 2019, the Company abandoned 213 claims of which it had a 100% interest in, totaling 4,832 hectares (48.32 km²) on its Victoria Lake Property.

The Victoria Lake property consists of a total of 214 claims. The property comprises a 100% interest in 166 claims covering approximately 3,764 hectares (37.64 km²) which were acquired by staking, and an option on 48 claims (the "Optioned Property") pursuant to the Option Agreement described below.

On April 14, 2017, the Company entered into a Mineral Option and Sale Agreement ("Option Agreement") with Campfire Resources Ltd and Southfield Resources Ltd (the "Owners") with respect to the Victoria Lake Property, consisting of 48 claims and covering an area of 1,089 hectares (10.89 km²). The Optioned Property is located within the Clarendon, Lepreau and Pennfield Parishes of Charlotte County in New Brunswick at approximately 50 km south of Fredericton. The Option Agreement provides for the acquisition of an undivided interest of 100% in the Optioned Property. To date, the Owners have received cash payments of \$90,000. Under the Option Agreement, as amended, in order to complete the acquisition of a 100% interest in the Optioned Property, Goldstar will pay the Owners \$160,000 payable in three installments of \$50,000, \$50,000, and \$60,000 on July 15, 2020, 2021, and 2022.

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

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

(b) Victoria Lake Property (continued):

Upon exercise of the option, Goldstar shall grant to the Owners a net smelter return royalty ("NSR") of 2% from production derived from the Property of which 50% of royalties can be purchased back by Goldstar at any time by paying to the Owners the amount of \$1,000,000. Until the option is exercised, the Company shall solely fund any exploration expenditure on the Optioned Property.

8. Accounts payable and accrued liabilities:

	September 30		December 31	
	2019		2018	
Accounts payable	\$	361,397	\$	113,135
Accrued liabilities		144,312		55,673
Accounts payable and accrued liabilities	\$	505,709	\$	168,808

9. Share capital and warrants:

Authorized:

An unlimited number of common shares without par value

Shares fluctuated as follows during the period:

	September 30		December 31	
	2019		2018	
	Number of shares	\$	Number of shares	\$
Balance, beginning of year	93,279,313	11,627,760	71,172,765	10,522,433
Private placement – common shares	11,800,000	590,000	-	-
Private placement – flow-through shares	8,100,000	405,000	-	-
Liability related to flow-through shares	-	(81,000)	-	-
Rights offering - common shares	-	-	14,006,548	700,327
Shares for settlement of debt	-	-	8,100,000	405,000
Balance, end of period	113,179,313	12,541,760	93,279,313	11,627,760

On January 21, 2019, the Company completed a non-brokered private placement financing. The Company issued a total of 2,800,000 units at a price of \$0.05 per unit for gross proceeds of \$140,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at a price of \$0.05 until July 20, 2020.

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

9. Share capital and warrants (continued):

On June 20, 2019, the Company completed a non-brokered private placement financing. The Company issued a total of 6,200,000 units and 3,600,000 flow-through shares, both at \$0.05 each, for aggregate gross proceeds of \$490,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.05 until December 19, 2020. At closing, the Company paid \$4,000 as a finder's fee for certain subscribers introduced by the finder. Furthermore, at closing, the Company also issued, as a finder's fee, 80,000 warrants to acquire 80,000 common shares exercisable at \$0.05 until December 19, 2020. 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 \$0.03 per warrant for a total value of \$2,357.

On July 24, 2019, the Company completed a non-brokered private placement financing. The Company issued a total of 800,000 units and 2,500,000 flow-through shares, both at \$0.05 each, for aggregate gross proceed of \$165,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.05 until January 23, 2021. At closing, the Company paid \$10,000 as a finder's fee for certain subscribers introduced by the finder. Furthermore, at closing, the Company also issued, as a finder's fee, 200,000 warrants to acquire 200,000 common shares exercisable at \$0.05 until January 23, 2021.

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 \$0.03 per warrant for a total value of \$5,902.

On August 15, 2019, the Company completed a non-brokered private placement financing. The Company issued a total of 2,000,000 units and 2,000,000 flow-through shares, both at \$0.05 each, for aggregate gross proceeds of \$200,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.05 until February 14, 2021.

The carrying amount of these flow-through shares is presented net of the liability related to flow-through shares of \$81,000.

On May 8, 2018, the Company completed a rights offering. Upon closing of the rights offering, the Company issued a total of 14,006,548 common shares for gross proceeds of \$700,327. Pursuant to the terms of the rights offering, each eligible holder of two (2) common shares was entitled to one (1) right. Each right entitled the holder thereof to subscribe for one common share at a price of \$0.05. The Company paid a fee of \$5,404, representing 5% per common share subscribed, other than in respect of subscriptions by insiders of the Company, to members of the Investment Industry Regulatory Organization of Canada ("IIROC").

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

9. Share capital and warrants (continued):

On May 8, 2018, concurrently with the closing of the rights offering, the Company issued 8,100,000 common shares at a price of \$0.05 per share to a director, and a holding company controlled by a director of the Company in settlement of outstanding loans totaling \$405,000.

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

	September 30 2019	December 31 2018
Balance, beginning of year	-	10,276,250
Warrants issued:		
To shareholders regarding private placement	11,800,000	-
To finders regarding private placement	280,000	-
Warrants expired	-	(10,276,250)
Balance, end of period	12,080,000	-

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

	September 30 2019	December 31 2018
Risk-free interest rate	1.53%; 1.545%	-
Expected life	1.5 years; 1.5 years	-
Expected volatility	192.346%; 192.800%	-
Expected dividend	- ; -	-

As at September 30, 2019, the following share purchase warrants were outstanding:

- 2,800,000 warrants at \$0.05 per warrant expiring July 20, 2020
- 6,280,000 warrants at \$0.05 per warrant expiring December 19, 2020
- 1,000,000 warrants at \$0.05 per warrant expiring January 23, 2021
- 2,000,000 warrants at \$0.05 per warrant expiring February 14, 2021

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

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

10. 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 shareholder approval yearly at the Company’s annual meeting of shareholders.

On May 17, 2018, the Company granted 5,287,292 stock options to directors, officers, employees 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 \$0.04 per option for a total value of \$211,492.

The following weighted average assumptions were used in these calculations:

	September 30, 2019	December 31, 2018
Risk-free interest rate	-	2.324%
Expected life	-	5 years
Expected volatility	-	177.063%
Expected dividend	-	-
Share price	-	\$0.045
Exercise price	-	\$0.10

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

	September 30 2019		December 31 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	9,325,000	\$ 0.10	4,037,708	\$ 0.10
Granted	-	-	5,287,292	0.10
Balance, end of period	9,325,000	0.10	9,325,000	0.10
Exercisable options, end of period	9,325,000	\$ 0.10	9,325,000	\$ 0.10

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

10. Share option plan (continued):

As at September 30, 2019, the following options were outstanding:

- 3,787,708 options at \$0.10 per share until September 26, 2021
- 250,000 options at \$0.10 per share until December 3, 2022
- 5,287,292 options at \$0.10 per share until May 16, 2023

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

11. Commitments and contingencies:

The Company has commitments under the terms of operating leases for its premises. Minimum lease payments are as follows:

	September 30 2019	December 31 2018
One year and less	\$ 25,674	\$ 18,128

The lease contract is a standard industry contract. The lease for the premises is based on square footage.

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 \$405,000 by December 31, 2020, related to its flow-through share financings completed in 2019. As at September 30, 2019, the Company has incurred \$378,191 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.

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

12. General and administrative expenses:

	For three months ended		For nine months ended	
	September 30		September 30	
	2019	2018	2019	2018
	\$	\$	\$	\$
Corporate salaries	61,954	65,374	230,057	204,161
Investor and shareholder relations	14,640	8,153	40,163	66,991
Rent	6,866	6,666	20,462	19,866
Insurance	1,855	1,797	5,460	5,617
Taxes, licenses, and fees	200	526	2,669	6,618
Miscellaneous	5,154	6,930	14,266	22,955
Total	90,669	89,446	313,077	326,208

13. Related party transactions:

Transactions with key management personnel

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

	September 30		September 30	
	2019		2018	
Short-term employee benefits	\$	236,769	\$	236,769
Share-based payments		-		201,492
Total	\$	236,769	\$	438,261

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the period, a law firm, in which a director of the Company is a partner, rendered legal and consulting services in the amount of nil (2018 - \$36,000), charged to professional and consulting fees, as well as with respect to financing in the amount of \$26,810 (2018 - \$25,000) charged to share issue expenses totaling an aggregate amount of \$26,810 (2018 - \$61,000). As at September 30, 2019, the accounts payable include \$33,972 (2018 - \$14,279) owed to this legal firm.

On January 21, 2019, the Company repaid \$40,000 of the outstanding loans to directors of the Company plus interest in the amount of \$362. These loans bore interest at a rate of 10% per annum.

On May 2, 2019, a director of the Company loaned \$25,000 to the Company. This loan bears interest at a rate of 10% per annum and is repayable on demand.

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

13. Related party transactions (continued):

On June 27, 2019, the Company repaid \$45,000 of the outstanding loans to a director of the Company plus interest in the amount of \$1,427. These loans bore interest at a rate of 10% per annum.

On September 18, 2019, a director of the Company loaned \$40,000 to the Company. This loan bears interest at a rate of 10% per annum and is repayable on demand.

As at September 30, 2019, outstanding loans from directors of the Company totalled \$415,000 and interest accrued amounted to \$38,814.

On January 8, February 2, March 5, and March 19, 2018, a holding company controlled by a director of the Company loaned the respective amounts of \$125,000, \$175,000, \$15,000, and \$15,000 to the Company. These loans bore interest at a rate of 10% per annum. The same director had advanced an additional amount of \$75,000 on November 16, 2017. The parties have settled the full amount of the principal outstanding under these loans (\$405,000) by issuing 8,100,000 common shares at \$0.05 per share. The debt settlement transaction closed concurrently with the closing of the rights offering described in note 8. Interest amounted to \$12,404 and as at December 31, 2018, nothing is outstanding.

On April 2, April 10, and April 25, 2018, an officer of the Company loaned the respective amounts of \$23,000, \$70,000, and \$20,000 to the Company. These loans bore interest at a rate of 10% per annum. As at December 31, 2018, these loans have been repaid, including interest of \$866.

On August 21, September 18, October 4, November 5, and December 20, 2018, a holding company controlled by a director of the Company loaned the respective amounts of \$150,000, \$75,000, \$75,000, \$75,000, and \$40,000 to the Company. These loans bear interest at a rate of 10% per annum and are repayable on demand. As at December 31, 2018, interest accrued amounted to \$10,755 and \$415,000 is still outstanding.

On December 5, 2018, a director of the Company loaned \$20,000 to the Company. This loan bears interest at a rate of 10% per annum and is repayable on demand. As at December 31, 2018, interest accrued amounted to \$148.

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 Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

14. Income taxes:

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.6% (2018 - 26.7%) as a result of the following:

	September 30 2019	September 30 2018
Loss and comprehensive loss	\$ (324,253)	\$ (604,147)
Computed "expected" tax (recovery) expense	(86,251)	(161,307)
Increase in income taxes resulting from:		
Non-deductible share-based payments	-	56,468
Tax expense related to E&E assets financed through Issuance of flow-through shares	100,599	-
Permanent difference arising from the non-taxable Income related to flow-through shares	(20,120)	-
Current year losses not recognized and changes in unrecognized deferred income tax assets	(17,140)	57,900
Changes in future tax rate	(1,021)	(67,568)
Other	23,933	114,507
Total deferred income tax recovery	\$ -	\$ -

The decrease in the combined federal and provincial statutory tax rate is due to a 0.1% decrease in the Québec income tax rate from 11.7% to 11.6%.

As at September 30, 2019, the Company has approximately \$4,955,407 (2018 - \$4,064,557) 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 \$111,000 (2018 - \$100,000) which have not yet been deducted for income tax purposes. The Company also has \$3,172,000 (2018 - \$2,678,000) 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:

2029	\$	112,000
2030		324,000
2031		22,000
2032		147,000
2033		633,000
2034		317,000
2035		186,000
2036		216,000
2037		300,000
2038		556,000
2039		359,000
Total	\$	3,172,000

GOLDSTAR MINERALS INC.

Notes to Condensed Interim Financial Statements, Continued
Nine months ended September 30, 2019 and 2018
(Unaudited)

14. Income taxes (continued):

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

	September 30 2019	December 31 2018
Non-capital losses	\$ 3,172,000	2,813,000
Capital losses	39,000	39,000
Mining properties and exploration and evaluation assets	2,393,000	2,769,000
Share issue costs	111,000	105,000
Unrecognized temporary differences	\$ 5,715,000	\$ 5,726,000

15. 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.