

GOLDSTAR MINERALS INC.

Management's Discussion and Analysis

For the nine months ended September 30, 2019

The following Management's Discussion and Analysis ("MD&A") was prepared as at November 25, 2019 and provides a discussion and analysis of the financial condition and results of operations for the period ended September 30, 2019. This discussion should be read in conjunction with the Company's third quarter 2019 unaudited condensed interim financial statements and accompanying notes, and the audited annual financial statements and accompanying notes for the year ended December 31, 2018 and the related annual MD&A. The Company's third quarter 2019 unaudited condensed interim financial statements and the accompanying notes have been prepared in accordance with International Financial Reporting Standards ("IFRS") and with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and using the accounting policies described therein.

References to the first, second, third and fourth quarters refer to the three months ended March 31, June 30, September 30 and December 31 of the respective years.

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.

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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 two mining properties, these being the Lake George Property and the Victoria Lake Property located in the Province of New Brunswick.

OVERVIEW AND OUTLOOK

On July 24, 2019, the Company completed a second tranche of its non-brokered private placement financing by issuing 800,000 additional units and 2,500,000 additional flow-through shares, both at \$0.05 each, for aggregate proceeds of \$165,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.05 per share until January 23, 2021.

Furthermore, on August 15, 2019, the Company completed the third and final tranche of its non-brokered private placement financing by issuing 2,000,000 additional units and 2,000,000 additional flow-through shares, both at \$0.05 each, for aggregate proceeds of \$200,000. The Company has raised aggregate proceeds of \$855,000 under this financing. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.05 per share until February 14, 2021.

Proceeds from the private placement were used to fund the Company's third phase diamond drilling program and to provide working capital.

The Company intends to raise additional financing in 2019.

The Company has completed its third phase diamond drilling program consisting of 10 holes totaling 2,606 metres on its Lake George Property. The objective of the program was to test at least 4 distinct magnetic anomalies that could represent buried intrusions associated to potential Intrusion-Related Gold Systems ("IRGS") as well as to determine the optimal drilling direction for the Arabica tungsten zone. Drilling highlights were as follows:

- A shallow, altered, mineralized in sulfides and heavily faulted interval roughly 100 metres wide from the surface in hole LG-19-05.
- A wide mineralized in sulfides interval with biotite alteration of more than 100 metres in hole LG-19-06.
- An antimony mineralization consisting of stibnite within a strongly altered zone at least 6 metres wide and another mineralized zone at least 100 metres wide, consisting of sulfides, in hole LG-19-07.
- A continuous mineralized tungsten interval of at least 50 metres was returned in hole LG-19-08. Preliminary observations suggest that this hole was drilled in the optimal direction.

Assay results will be reported once they are received, validated and compiled, and the Company will monitor closely the delivery of assays.

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LAKE GEORGE PROPERTY:

1) Location and Status

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 a further \$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.

2) Local Geology

The Property lies within Silurian metasedimentary rocks that were intruded by Devonian buried granitic bodies as observed and evidenced by numerous outcrops, dykes and structures.

3) Mineralization

Gold

Since beginning ground prospecting and diamond drilling during the fall of 2016 that was followed by detailed prospecting and trenching in 2017, and diamond drilling during the summer of 2018, several anomalous gold values up to 1.8 g/t Au were returned. Only for 2018, drilling campaign results showed that 36 gold assays yielded values over 0.1 and up to 0.85 g/t Au (0.85 g/t Au over 1.5 metres in hole LG-18-09), essentially in the metasediments, representing roughly 5% of total samples tested for gold. All this field work was aimed to verify and test prominent structures outlined by various ground and airborne surveys as well as historical occurrences.

Emphasis was put on the Waterloo Lake Fault zone that was discovered in 2016, and the Coyote Fault zone, also identified in 2016. Samples that yielded anomalous gold from the latter zones consisted of strongly altered metasediments with chlorite, sericite and hematite, containing finely disseminated sulfides. Although promising at the time, the 2018 diamond drilling campaign confirmed that they are very thin and less than 2 metres wide. Goldstar is now interpreting these zones as minor late stage remobilized features.

Outside and away from the Coyote Fault and Waterloo Lake Fault zones, anomalous gold samples display various textures, alteration and mineralogy. Some samples were enriched in arsenopyrite and others yielded bismuth values, and sometimes with abundant quartz veining. All in all, the gold remained scattered throughout. Given the relative ubiquitous presence of gold among these metasediments, it suggests that the gold must be carried from alternative sources, possibly by buried intrusions.

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The Company has undertaken a thorough compilation work and a historical value (not 43-101 compliant) was identified which returned 0.93 g/t Au over 0.5 metre within a granodiorite from a 1981 nearly vertical drill hole completed by a previous operator. Despite limited sampling, it shows that this granodiorite carries and is fertile for gold.

This 0.5 metre interval was sampled at a vertical depth of roughly 660 metres below the surface from a relatively fresh granodiorite with narrow quartz stringers and small white mica flakes that followed a roughly 30 metres wide contact shell consisting of an assemblage of aplite dykes, altered greywackes and altered granodiorite. The interval is located roughly 550 metres northwest of the apex of the intrusion found at the former antimony mine.

Five (5) new potential intrusions that have never been tested by diamond drilling have also been identified and were targeted in the third phase drilling campaign that commenced in early August 2019.

Two (2) of these targets have been studied in more detail in the past and were the subject of a distinct publication by the New Brunswick government. According to this report, the depth of these two targets was estimated to be between 80 and 110 metres. If mineralized, these would have excellent near surface open pit potential. Based on geophysical data, Goldstar estimates the footprint of these two targets to be approximately three square kilometres (3 km²). As such, these two potential buried intrusions are high priority targets for the Company.

Tungsten

The Company has also discovered a new tungsten mineralized zone from the drilling program from the fall of 2016. An intersection returned 245 metres grading 0.102% WO₃ from drill hole LG-16-03. This includes an intersection of 55.5 metres grading 0.146% WO₃, an intersection of 84 metres grading 0.140% WO₃, which includes an intersection of 16.5 metres grading 0.452% WO₃. The new discovery is located almost immediately west of historical hole #81-26 in an area of the property that has largely been untested for tungsten. This tungsten mineralization is hosted by variably altered metasedimentary rocks and a network of cross-cutting quartz veins and veinlets.

Table 1 – Tungsten zone

Hole Number	Station	Azimuth	Dip	From (metres)	To (metres)	Interval* (metres)	Tungsten (%WO ₃)	Zone
LG-16-03	15+00E	270°	-50°	159	404	245	0.102	New and #81-26
including				176	231.5	55.5	0.146	New and #81-26
including				320	404	84	0.140	New
including				380	396.5	16.5	0.452	New

** Reported drill intersections are not true widths. At this time there is insufficient data with respect to the mineralization to evaluate true orientations in space. This mineralization is not necessarily representative of the mineralization hosted on the property.*

Drill hole LG-16-03 targeted the extension of historical hole #81-26 where 139 metres grading 0.15% WO₃ was reported (non 43-101 compliant) from 109.5 to 248.5 metres. Drill hole LG-16-03 was drilled 40 metres west of hole #81-26 at the same 270° azimuth. The intersection between 176 to 231.5 metres

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represents an extended intercept from previous historical drilling and a new intersection, from 320 to 404 metres, was discovered.

Preliminary trenching in 2017 confirmed that tungsten mineralization, encountered in the 2016 diamond drilling program, is outcropping at the surface. It consisted of 2 trenches totaling 97 metres that are roughly defining an area of 2,500 m², aimed to outline the Arabica tungsten zone.

Highlights of the trenching program are detailed below:

Table 2 – Trenching results

Trench Number	Interval* (metres)	Tungsten (WO ₃)
T-17-10	57.5	0.17
T-17-29	39.5	0.14

** Reported trench intervals are not true widths. At this time there is insufficient data with respect to the mineralization to evaluate true orientations in space. This mineralization is not necessarily representative of the mineralization hosted on the property.*

In the 2018 second phase diamond drill program, 3 holes totalling approximately 780 metres were drilled within the Arabica zone. Best drilling results completed in 2018 where 0.08% WO₃ over 32 metres assayed in hole LG-18-05, Goldstar now believes that the Arabica tungsten zone extends to the west and the northwest.

4) Geological Model

The Company is focusing its efforts on prominent kilometric size structures, supported by geophysics, geochemical anomalies, outcrop assays and field mapping. Goldstar believes that the tungsten zone, as a major pathfinder, supports the presence of possible gold mineralization nearby.

As such, field evidence and various data acquired since 2016, including trenching and diamond drilling, suggests that an Intrusion Related Gold System (IRGS) may be present within the Lake George Property. Thus, the Company is always examining with great care both the gold and tungsten mineralization at the same time as either one may lead to the other.

The main focus of Goldstar remains the discovery of large tonnage and low-grade gold deposits.

VICTORIA LAKE PROPERTY:

1) Location and Status

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

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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. 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 expenditures on the Optioned Property.

2) Local Geology

The Victoria Lake property is underlain by the Late Devonian Mount Douglas Granite, a late phase of the Saint George Batholith, consisting of multiple post-orogenic and high-level intrusions. The Mount Douglas Granite is a prominent intrusion in the eastern region of this batholith with a surface area of over 600 km². Multiple granite phases are known within the Mount Douglas Granite that hosts numerous tin occurrences reported as greisen vein and/or greisen vein swarm systems, some of which are present within the Victoria Lake property.

3) Mineralization

The Disappointment Lake showing located near the western shore of the eponymous lake consists of greisen veins of few millimeters to 10 cm wide (the widest one is 1 m). Alteration mineralogy includes hematite, sericite, chlorite, muscovite and silica. The veins have two principal orientations N350-360°/70-80°E and N035°/70-80°SE. The greisens veins formed along late-stage, pre-existing joints and fractures. Greisen veins occur sporadically in all granite phases, but greisen swarms are developed only in or near the equigranular granite.

The Mahood Brook occurrence located roughly 1.8 km south of the Disappointment Lake showing contains sheeted greisen style veins in medium grained granite. Veins trend generally E-W, N-S and NE.

The Victoria Lake occurrence located along the West Branch Lepreau river shore is a large alteration zone containing greisen and quartz veins. Three types of greisen have been identified: quartz-sericite, quartz-topaze-sericite and biotite-chlorite-sericite. Greisen veins occur in all granite phases, but again are best developed in and near the equigranular granite. Greisens formed along pre-existing fractures and joint planes which commonly trend N060° to N120° in this area. An important point is that greisen was intersected in DDH 800m to the NE and 700 m to the SW. The previous operator did not assay for Sn, but H.E. MacLellan (Billiton) reported visible cassiterite in the core.

At the Cundy Lake occurrence located between the West Long Lake and the Cundy Lake, gold occurs in a substantial silicified zone containing pyrite, arsenopyrite and hematite in hornfelsed sedimentary rocks at the contact with the Mont Douglas granite. The pyrite and arsenopyrite occur as disseminations and fracture fillings in some horizons of the deformed sandstones or wackes.

The Little Mount Pleasant occurrence consists of angular floats of the Little Mount Pleasant Formation. No mineralized outcrop is present nearby.

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2017 Field Work

Initial reconnaissance prospecting was following up on some of the numerous historical and previously identified tin occurrences in the eastern region of the property. A total of 5 samples were collected within an area roughly 1.5 km by 1.5 km from highly altered granitic rocks, often designated as greisens. Best results were 0.32% Sn from an outcrop grab sample.

2018 Field Work

During August 2018, Goldstar completed its first phase of mineral exploration on its Victoria Lake project. This work included strategic prospecting, systematic prospecting and channel sampling that was performed on most claim blocks.

A total of 67 boulders and 186 outcrops were mapped, and 241 samples, including 7 channel samples and 234 grab samples, were sent for assays. Values returned by grab samples range from 1 to 3,450 Sn, averaging 191 ppm Sn with a median of 37 ppm Sn. Twenty-one (21) samples are anomalous with a concentration over 500 ppm Sn (11 boulders and 10 outcrops) and 11 samples are highly anomalous with Sn greater than 1,000 ppm (7 boulders and 4 outcrops).

Preliminary observations indicate that Sn anomalies are exclusively associated to greisenized granite veins or sericite-quartz replacement veins as no infill or breccia textures (veins, stockworks and breccias) seem to be present. Greisen material appears to be always associated to the Dmd3 Mount Douglas granite subunit. This subunit is an orange to pink, medium grained (0.5 to 1.5 mm grains) and equigranular biotite granite.

While greisen replacement veins are mostly mineralized in Sn, their distribution and width could be very uneven, if not strongly inhomogeneous. These two features imply that mineral exploration must be undertaken by knowing which factors are controlling the Sn mineralization. Nevertheless, at first glance, it appears that the Sn mineralization is controlled by two main factors which are: 1) The crack or joint networks located in the center of the greisen strips, and, 2) The amount of fluids present at the time of the metasomatic episode which is responsible of the granite alteration and Sn mineralization.

4) Geological Model

Sn-W mineralized cupolas form the apex of complex intrusion systems, sometimes porphyritic, at the top of vast felsic and hyper-aluminous granitoid batholiths. The intrusions are multi-phase and show enrichment in incompatible elements towards the most recent and smallest intrusions. Intrusion upper contact is often marked by a stockscheider of a few meters thick. Mineralization are associated with tourmaline-rich aplite zones or topaz granites. Morphology is varied: stockwork, thick lode, narrow lode network, breccia, dissemination in greisen, skarn and depends on local conditions of permeability, and on the ratio between the fluid pressure and the lithostatic pressure.

In terms of chemistry, greisenization is a post-magmatic metasomatic process associated with high silica granites and characterized by the decomposition of biotite and feldspars leading to increases in Si and losses in Al, K and Na. In general, greisen systems evolve by decreasing alkali/H⁺ ratios, resulting in destabilization of K-feldspar, plagioclase and micas and replacement by quartz and muscovite.

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SUMMARY OF QUARTERLY RESULTS

	Net Loss	Basic and diluted loss per share
September 30, 2019	44,230	0.01
June 30, 2019	141,463	0.01
March 31, 2019	138,560	0.01
December 31, 2018	235,328	0.01
September 30, 2018	107,923	0.01
June 30, 2018	352,951	0.01
March 31, 2018	143,273	0.01
December 31, 2017	99,202	0.01

LIQUIDITY AND CAPITAL RESOURCES

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

As at September 30, 2019, the Company had cash and cash equivalents of \$271,714 compared to \$41,065 as at December 31, 2018. There was a working capital deficiency as at September 30, 2019 of (\$561,794) compared to (\$521,949) at December 31, 2018.

The Company completed three tranches of a non-brokered private placement financing on June 20, July 24, and August 15, 2019. As discussed under Overview and Outlook, the Company issued, during the quarter, an additional 2,800,000 units and 4,500,000 flow-through shares, both at a price of \$0.05 for aggregate proceeds of \$365,000. Under this financing, the Company issued a total of 9,000,000 units and 8,100,000 flow-through shares, both at a price of \$0.05 for aggregate proceeds of \$855,000. Each unit consisted 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. The warrants related to the June 20 closing expire on December 19, 2020, the warrants related to the July 24 closing expire on January 23, 2021, and the warrants related to the August 15 closing expire on February 14, 2021.

On September 18, 2019, a director of the Company loaned \$40,000 to the Company. Outstanding loans from directors total \$415,000. These loans bear interest at a rate of 10% per annum and are repayable on demand.

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 2019 calendar year exploration budget, the Company intends to raise 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.

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RESULTS OF OPERATIONS

For the period ended September 30, 2019 compared to the period ended September 30, 2018:

The Company recorded a loss of \$324,253 or \$0.01 loss per share for the nine-month period ended September 30, 2019 compared to a loss of \$604,147 or \$0.01 loss per share for the period ended September 30, 2018. Expenses for the period ended September 30, 2019 amounted to \$370,203, compared to \$590,361 for the period ended September 30, 2018.

The decrease in expense originates from a decrease of \$13,131 in general and administrative expenses. This decrease was mainly due to a reduction in investor and shareholder relations. Furthermore, the decrease in expense originates from a decrease in non-cash share-based payments of \$211,492.

During the year, Goldstar spent \$609,528 (2018 - \$813,507), before write-offs, tax credits and government grants, on mining properties and exploration and evaluation assets. The table below details the nature of expenditures.

	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

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	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
Impairment	(3,981)	-	-	-	(3,981)
Balance, September 30, 2018	397,878	12,305	80,305	77,040	567,528
Exploration and evaluation assets					
Balance, December 31, 2017	845,592	-	158	6,469	852,219
Drilling	256,156	-	-	-	256,156
Geophysics, line cutting	66,115	-	-	16,000	82,115
Trenching	2,375	-	-	-	2,375
Assays	41,758	2,482	4,008	10,871	59,119
Salaries	181,147	10,708	11,406	39,056	242,317
Field expenses	3,662	5,101	5,957	13,815	28,535
Government grants	(12,000)	-	-	(13,019)	(25,019)
Mining and resource tax credits	-	(6,175)	(7,215)	-	(13,390)
Balance, September 30, 2018	1,384,805	12,116	14,314	73,192	1,484,427

CASH FLOWS

Cash flows used in operating activities were \$98,759 during the period ended September 30, 2019 compared to \$375,541 for the period ended September 30, 2018.

Cash used in investing activities was \$591,528 during the period ended September 30, 2019 compared to \$783,848 for the period ended September 30, 2018.

Cash flows from financing activities were \$920,936 during the period ended September 30, 2019 compared to \$1,202,627 for the period ended September 30, 2018.

TRANSACTIONS WITH RELATED PARTIES

Transactions with key management personnel

A director of the Company is a partner of Colby Monet L.L.P., a law firm which has rendered legal and consulting services to the Company 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).

On September 18, 2019, a director of the Company loaned \$40,000 to the Company. Outstanding loans from directors total \$415,000. These loans bear interest at a rate of 10% per annum and are 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.

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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

The authorized share capital of the Company consists of an unlimited number of common shares of which 113,179,313 were issued and outstanding as at November 25, 2019. As of such date, the Company also had outstanding options to purchase a total of 9,325,000 shares at \$0.10 per share and warrants to purchase a total of 12,080,000 shares at \$0.05 per share.

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 July 1st to September 30th 2019 and 2018. The Company is not subject to externally imposed capital requirements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of condensed interim 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;
- Recognition and measurement of refundable credits on mining duties and tax credits related to resources;
- Recoverability of mining properties and exploration and evaluation assets;

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NEW ACCOUNTING STANDARDS ADOPTED

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.

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.

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 September 30, 2019. 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 September 30, 2019. 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

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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 July 1st, 2019 and ended September 30th, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at September 30, 2019 and December 31, 2018 were as follows:

September 30, 2019	Amortized cost	Amortized cost	Total
Cash and cash equivalents	271,714		271,714
Other receivables	86,296		86,296
Accounts payable and accrued liabilities		505,709	505,709
Due to related parties		415,000	415,000
Liability related to flow-through shares		5,362	5,362

December 31, 2018	Amortized cost	Amortized cost	Total
Cash and cash equivalents	41,065		41,065
Other receivables	36,089		36,089
Accounts payable and accrued liabilities		168,808	168,808
Due to related parties		435,000	435,000

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.

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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, 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.

(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 September 30, 2019, the Company had a cash balance of \$271,714 (December 31, 2018 - \$41,065) to settle current liabilities of \$926,071 (December 31, 2018 - \$603,808). The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

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 \$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.

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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.

November 25, 2019