

REMSTAR RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the six months ended January 31, 2013 and 2012

REMSTAR RESOURCES LTD.

Management's Discussion and Analysis
Six months ended January 31, 2013 and 2012

Remstar Resources Ltd. (the "Company" or "Remstar") incorporated under the laws of the Province of British Columbia on November 3, 1993, is an exploration stage company engaged in the acquisition, exploration and development of mineral properties. It presently holds, or has the right to acquire 100% interest in the Snip and Seebach properties (the "Properties") located in British Columbia. In addition to the Company's ongoing work program on the Properties, it continues to actively evaluate new potential projects. The Company's shares are listed for trading on the TSX Venture Exchange ("Exchange") under the symbol "REM".

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of the Company for the six months ended January 31, 2013 and 2012 and is prepared as of March 26, 2013. The MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the six months ended January 31, 2013 and 2012 and audited consolidated financial statements for the years ended July 31, 2012 and 2011.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

Cautionary Note Regarding Forward-Looking Information

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its planned exploration activities, the adequacy of its financial resources and 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 production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on

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SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking 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 statements.

Description of Business

The Company is a junior resource exploration company engaged in the acquisition, exploration and development of precious metals and energy based resource properties.

The Company currently has a right to acquire an interest in resource properties located in Canada as follows:

Snip and Seebach properties:

The Company entered into an option agreement with Zimtu Capital Corp. and 877384 Alberta Ltd. (collectively the "Vendors") dated January 12, 2011, as amended on June 17, 2011 and July 25, 2012, whereby the Company has been granted an option to acquire a 100% interest in the Snip and Seebach 02-03 properties (the "Properties") located in the Carbo area of northeastern British Columbia. Under the terms of the agreement, the Company may earn a 100% interest in the Properties by paying \$50,000 (paid), issuing an aggregate of 4,000,000 common shares (2,500,000 shares issued) over five years and incurring exploration expenditures of \$850,000 (\$100,000 incurred) over four years. The Vendors will retain a 2% net smelter royalty on the Properties.

Pursuant to a finder's fee agreement dated November 10, 2010, the Company paid a finder's fee of \$2,500 and will issue an aggregate of 200,000 common shares (125,000 shares issued) of the Company over a period of five years related to this acquisition.

During fiscal 2012, the Company carried out property-wide geophysics, prospecting and sediment sampling on the Properties. However, no further work is contemplated at this time.

Wildnest and Phantom Lake gold properties:

The Company entered into an option agreement dated November 15, 2012, pursuant to which it has been granted an option to acquire a 100% interest in seven mineral claims known as the Wildnest and Phantom Lake gold properties located in the Flin Flon area of Manitoba and Saskatchewan (the "Claims"). Under the terms of the agreement, the Company may earn a 100% interest in the Claims by making cash payments of \$32,500 and issuing 200,000 common shares of the Company over a period of three years. In addition, the Company is required to complete exploration programs totalling \$850,000 over a four year period.

During the period ended January 31, 2013, the Company staked four additional claims which are contiguous to the Wildnest Lake property. The property has been expanded from 11 square kilometres to over 50 square kilometres.

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Geology:

The Wildnest Lake property ("Wildnest property") is located within the Amisk collage, Flin Flon domain, Reindeer zone, of the Trans-Hudson orogenic belt. Rocks in the area are dated at approximately 1.9 billion years before the present. The volcanics are described as Juvenile Arc volcanics. Volcanogenic-massive-sulphide deposits in the Flin Flon domain are typically hosted within these type and age of rocks. The volcanic, sedimentary and minor intrusive rocks within the Wildnest property have undergone regional metamorphism to Upper Amphibolite facies.

Mineralization:

The Wildnest property hosts several known gold-/silver-plus/minus-copper/zinc occurrences. The Wildnest property was acquired for both its gold and volcanogenic-massive-sulphide potential. The best known occurrence is the Manson Bay gold zone. As reported in the Company's November 19, 2012 news release, assessment report 63M 01-SW-0031 describes a 1987 to 1988 drill program of 44 holes for a total of 15,115 feet (4,607 metres) on the Manson Bay gold zone. Highlights include a reported interval of 0.679 ounce per ton gold (23.28 grams per tonne) uncut over 21 feet (6.4 metres) true thickness in drill hole MBO-15. Geologically, the zone is located on the west side of a major north-south-trending shear zone and is on the west side of the Schotts Lake anticline.

The expanded property now covers both sides of the fold and approximately 10 kilometres along strike of the fault. Further details regarding the geology and mineralization of the Wildnest property and area can be found on the Company's website, www.remstarresources.com.

The Company intends to conduct an exploration campaign consisting of ground-based geophysics and drilling.

The technical information above has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed on behalf of the company by Shahab Tavakoli, PGeo, a qualified person.

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves that have not been explored by modern methods), the following risk factors, among others, will apply:

Mining Industry is Intensely Competitive: The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

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Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any mineral deposit will be such that any of its mineral properties could be mined at a profit.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its proposed business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Consolidated financial statements have been prepared assuming the Company will continue on a going concern basis: Remstar's consolidated financial statements have been prepared on the basis that

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it will continue as a going concern. At January 31, 2013, Remstar had not yet achieved profitable operations, had accumulated losses of 13,118,158, working capital of \$3,510 and expects to incur further losses in the development of its business. The Company will be required to raise additional capital in order to maintain its option obligations and fund working capital requirements. While the Company has been successful in the past, there is no assurance that it will be able to obtain adequate financing or that such financing will be available on acceptable terms. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations, exploration and development activities. These material uncertainties cast significant doubt on the entity's ability to continue as a going concern. Furthermore, failure to continue as a going concern would require that Remstar's assets and liabilities be restated on a liquidation basis which would likely differ significantly from their going concern assumption carrying values.

During the period ended January 31, 2013, Remstar raised \$50,000 through a third party loan and \$230,000 through a private placement.

Uninsured or Uninsurable Risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation: Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Restrictions: The activities of the Company are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Share Price Volatility: In recent years, worldwide securities markets, particularly those in the United States and Canada have experienced a high level of price and volume volatility, and the market price of

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securities of many companies, particularly those considered exploration or development stage companies, have experienced unprecedented declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Most significantly, the share prices of junior natural resource companies have experienced an unprecedented decline in value and there has been a significant decline in the number of buyers willing to purchase such securities. In addition, significantly higher redemptions by holders of mutual funds has forced many of such funds (including those holding the Company's securities) to sell such securities at any price. As a consequence, despite the Company's past success in securing significant equity financing, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all. Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long-term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties. In particular, failure by the Company to raise the funding necessary to maintain in good standing its various option agreements could result in the loss of its rights to such properties.

Dilution to the Company's Existing Shareholders: The Company will require additional equity financing be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its mineral properties; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations

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will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

Surface Rights and Access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

Title: Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Acquisition of Mineral Concessions under Agreements: The agreement pursuant to which the Company has the right to acquire a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. The Company does not presently have the financial resources required to complete all expenditure obligations under its property acquisition agreement over their full term. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

Results of Operations

Three months ended January 31, 2013 compared with the three months ended January 31, 2012

During the three months ended January 31, 2013, the Company reported a net loss of \$126,517 compared to a net loss of \$97,117 during the three months ended January 31, 2012, an increase in loss by \$29,400. The increase in loss was primarily attributable to increases in administrative expenses of \$43,743, finance expenses of \$1,385 and foreign exchange loss of \$527 and a decrease in interest income of \$269 offset by

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a decrease in exploration and evaluation expenditures of \$16,524.

Exploration and evaluation expenditures decreased by \$16,524 as during the three months ended January 31, 2012, the Company incurred acquisition and exploration costs \$47,974 on the Snip property while during the three months ended January 31, 2012, the Company incurred acquisition and exploration costs of \$31,450 towards the Wildnest and Phantom lake properties.

The increase in operating expense of \$43,743 was primarily attributable to increases in wages and benefits of \$27,629, office, rent and administrative of \$2,416, professional fees of \$3,307, regulatory, transfer agent and shareholder information of \$5,363 and share-based payments of \$5,350 offset by decreases in depreciation of \$129, consulting fees of \$175 and travel, advertising and promotion of \$18.

During the three months ended January 31, 2012, the Company recovered a larger portion of wages from related companies that administration and accounting services were provided, compared to the three months ended January 31, 2013, which resulted in the increase of \$27,629 in wages and benefits.

Six months ended January 31, 2013 compared with the six months ended January 31, 2012

During the six months ended January 31, 2013, the Company reported a net loss of \$207,919 compared to a net loss of \$235,589 during the six months ended January 31, 2012, a decrease in loss by \$27,670. The decrease in loss was primarily attributable to decreases in exploration and evaluation expenditures of \$57,096 and impairment of equipment of \$5,080 offset by an increases in administrative expenses of \$16,408, foreign exchange loss of \$4,968, finance expenses of \$12,177 and a decrease in interest income of \$953.

Exploration and evaluation expenditures decreased by \$57,096 as during the six months ended January 31, 2012, the Company incurred acquisition and exploration costs \$116,012 on the Snip property while during the six months ended January 31, 2012, the Company paid a finder's fee of \$1,125 on the Snip property and incurred acquisition and exploration costs of \$31,450 towards the Wildnest and Phantom lake properties and staking costs of \$26,341 on areas contiguous to the Wildnest and Phantom lake properties.

The increase in operating expense of \$16,408 was primarily attributable to increases in professional fees of \$4,059, share-based payments of \$17,268 and wages and benefits of \$12,381 offset by decreases in depreciation of \$229, consulting fees of \$3,617, office, rent and administrative of \$2,577, regulatory, transfer agent and shareholder information of \$977 and travel, advertising and promotion of \$9,900.

During the six months ended January 31, 2013, finance expenses increased by \$12,177 as the Company issued 200,000 bonus shares at a value of \$10,000 in consideration for a \$50,000 loan from an arms-length party.

During the six months period ended January 31, 2013, the Company recorded share-based payments of \$17,268 for stock options vested during the period. No such expense was incurred in the six months ended January 31, 2012.

During the six months ended January 31, 2012, the Company recovered a larger portion of wages from related companies that administration and accounting services were provided, compared to the six months

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ended January 31, 2013, which resulted in the increase of \$12,381 in wages and benefits.

Travel, advertising and promotion decreased by \$9,900 as a result of fees paid related to a distribution of investment materials and other marketing efforts carried out during the six months ended January 31, 2012. No such expenses were incurred during the six months ended January 31, 2013.

Summary of Quarterly Results

The following is a summary of certain consolidated financial information concerning the Company for each of the last eight reported quarters:

Quarters ended	Total Revenues (\$)	Loss (\$)	Loss per share (\$)
January 31, 2013	Nil	(126,517)	-
October 31, 2012	Nil	(81,402)	-
July 31, 2012	Nil	(149,835)	-
April 30, 2012	Nil	(59,560)	-
January 31, 2012	Nil	(97,117)	-
October 31, 2011	Nil	(138,472)	(0.01)
July 31, 2011	Nil	(370,136)	(0.01)
April 30, 2011	Nil	(83,788)	-

There are no general trends regarding the Company's quarterly results and the Company's business of resource exploration is not seasonal, as it can work on its property on a year-round basis (funding permitting). Quarterly results can vary significantly depending mainly on the Company's acquisition of mineral rights and exploration activities, whether the Company has granted any stock options or recorded a gain and/or impairment on its investments and these are the factors that account for material variations in the Company's quarterly net losses, none of which are predictable. The Company does not anticipate any other major impairments or fair value adjustments in its future quarterly results. The other major factor which can cause a material variation in net loss on a quarterly basis is the grant of stock options due to the resulting share-based compensation charges which can be significant when they arise. Another major factor which may cause a material variation in net loss on a quarterly basis is the acquisition of interests in mineral rights and related exploration expenditures. This may be seen in the quarter ended July 31, 2012 as a result of the acquisition of interest in the Snip and Seebach properties and exploration costs incurred during the periods. During the quarter ended April 30, 2012, management changed its policy under IFRS on mineral properties. Under Canadian GAAP, the Company capitalized the costs of acquiring interests in mineral rights and exploration and evaluation expenditures and under the new IFRS policy, the Company expensed these costs. As a result, there was an adjustment which affected prior quarterly results, as seen in the quarter ended July 31, 2011.

The Company leases its office space and charges accounting, administration and office costs to other reporting issuers. The variation in travel, advertising and promotion is related to a distribution of investment materials and travel expenses incurred for project due diligence. General and administrative costs other than the specific items noted above tend to be quite similar from period to period. The variation in income is

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related solely to the interest earned on funds held by the Company, which is dependent upon the success of the Company in raising the required financing for its activities which will vary with overall market conditions, and is therefore difficult to predict.

Liquidity and Capital Resources

The Company reported working capital of \$3,510 at January 31, 2013 compared to working capital deficit of \$29,246 at July 31, 2012, representing an increase in working capital of \$32,756.

As at January 31, 2013, the Company had cash and cash equivalents of \$110,350 compared to cash and cash equivalents of \$17,452 at July 31, 2012. Cash and cash equivalents increased by \$92,898 as a result of cash generated from a loan of \$50,000 and shares issued for net cash of \$210,225 offset by cash used for operations of \$167,327. Financing for the Company's operations was funded primarily from private placements, exercise of share purchase options, loans from related parties and third party short-term loans.

During the period ended January 31, 2013, the Company entered into a loan agreement with an arm's length party (the "Lender") in the principal amount of \$50,000. The loan is unsecured, bears interest at prime plus 12% per annum and matures on March 14, 2013. In consideration for the loan, the Company issued 200,000 common shares to the lender at a fair value of \$10,000. During the six months ended January 31, 2013, the Company paid or accrued \$2,344 in interest on this loan. Subsequent to January 31, 2013, the Company made a partial payment of \$15,000 towards this loan.

The office has an office lease agreement for approximately \$6,000 per month expiring on January 31, 2015:

Contractual Obligation	Total	1-3 years	After 3 years
Lease commitment	\$191,634	\$191,634	-

The Company entered into an option agreement with respect to the Snip and Seebach properties and is required to incur exploration expenditures to earn a 100% interest in the properties. See "*Description of Business*". As at January 31, 2013, the Company paid acquisition costs of \$50,000 and issued 2,500,000 common shares under this agreement.

During the six months ended January 31, 2013, the Company entered into an option agreement, pursuant to which it has been granted an option to acquire a 100% interest in seven mineral claims known as the Wildnest and Phantom Lake gold properties located in the Flin Flon area of Manitoba and Saskatchewan (the "Claims"). Under the terms of the agreement, the Company may earn a 100% interest in the Claims by making cash payments of \$32,500 and issuing 200,000 common shares of the Company over a period of three years. In addition, the Company is required to complete exploration programs totalling \$850,000 over a four year period.

As of the date of this MD&A, financing for the Company's operations is also potentially available through the exercise of vested stock options and share purchase warrants. See "*Summary of Outstanding Share Data*". However, there can be no assurance that any of these outstanding convertible securities will be exercised, particularly if the trading price of the common shares on the TSX Venture Exchange does not exceed, by a

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material amount and for a reasonable period, the exercise price of such convertible securities at some time prior to their expiry dates.

On January 7, 2013, the Company carried a private placement to issue 4,600,000 shares at \$0.05 each with half warrant at \$0.10. The private placement raised \$210,225 in net cash.

The Company needs to raise additional capital to fund the exploration commitments and other obligations for the next twelve months. Although the Company has previously been successful in raising the funds required for its operations, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company has not had a history of operations or earnings and its overall success will be affected by its current or future business activities. The continued operations of the Company and the recoverability of expenditures incurred to earn an interest in resource properties are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, obtaining necessary financing to explore and develop the properties, and upon future profitable production or proceeds from disposition of the resource properties. See "Risk Factors".

Transactions with Related Parties

During the six months ended January 31, 2013 and 2012, the Company entered into the following transactions with related parties:

Name	Relationship	Transaction	Six months ended January 31, 2013	Six months ended January 31, 2012
			\$	\$
Mosam Ventures Inc.	A company controlled by Marc Levy, President & CEO and a Director of the Company	Management fees	32,400	32,400
Max Pinsky Personal Law Corp.	A company controlled by Max Pinsky, Secretary of the Company	Legal fees	3,256	250
Emergeo Solutions Worldwide Inc. ⁽¹⁾	A company with a former officer and an officer in common	Recoveries for rent, wages and office expenses	9,000	36,000
Lornex Capital Corp. ⁽¹⁾	A company with common directors and officers	Recoveries for rent, wages and office expenses	35,494	23,400
Prescient Mining Corp. ⁽¹⁾	A company with common directors and officers	Recoveries for rent, wages and office expenses	28,515	13,500
Sparrow Ventures Corp. ⁽¹⁾	A company with a director and an officer in common	Recoveries for rent, wages and office expenses	20,500	20,200
Ultra Lithium Inc. ⁽¹⁾	A company with	Recoveries for rent,	56,731	34,500

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	common directors and officers	wages and office expenses		
Inca One Resources Corp. ⁽¹⁾	A company with a common officer	Recoveries for rent, wages and office expenses	30,800	46,200
Metropolitan Energy Corp. ⁽¹⁾	A company with common directors and officers	Recoveries for rent, wages and office expenses	28,757	12,800
Schwabo Capital Corp. ⁽¹⁾	A company with common directors and officers	Recoveries for rent, wages and office expenses	8,405	1,329

⁽¹⁾ The Company entered into a month-to-month arrangement with these companies to rent a portion of its office space and to provide accounting, financial reporting and administrative services.

Included in amounts receivable are expense reimbursements of \$10,080 (July 31, 2012 - \$17,638) due from a company having directors and officers in common.

Included in accounts payable and accrued liabilities are rent deposits of \$9,000 (July 31, 2012 - \$9,600) and rent received in advance of \$nil (July 31, 2012- \$22,300) from companies having directors and officers in common.

Included in accounts payable and accrued liabilities are also accounts payable of \$36,288 (July 31, 2012 - \$12,096) from companies controlled by a director and an officer of the Company.

Amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms.

Critical Accounting Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingent liabilities as at the date of the consolidated financial statements, and the reported amount of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements relate to share-based payments, useful lives of equipment and taxes.

Changes in Accounting Standards

The following IFRS standards have been recently issued by the IASB or the IFRIC. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein. The Company is assessing the impact of these new standards, but does not expect them to have a significant effect on the financial statements.

(a) IFRS 7, Financial Instruments: Disclosures and IAS 32, Financial Instruments: Presentation

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The IASB has issued amendments to IFRS 7, Financial Instruments: Disclosures ("IFRS 7") and IAS 32, Financial Instruments: Presentation, requiring incremental disclosures and clarify an entity's ability to offset financial assets and financial liabilities. These amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2013 and the amendments to IAS 32 are applicable for annual periods beginning on or after January 1, 2014. The Company does not expect the implementation to have a material impact on the Company's disclosures.

(b) IFRS 9, Financial Instruments

The IASB has issued a new standard, IFRS 9, "Financial Instruments" ("IFRS 9"), which will ultimately replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). The replacement of IAS 39 is a multi-phase project with the objective of improving and simplifying the reporting for financial instruments and the issuance of IFRS 9 is part of the first phase of this project. IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial assets, the approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 requires a single impairment method to be used, replacing multiple impairment methods in IAS 39. For financial liabilities measured at fair value, fair value changes due to changes in an entity's credit risk are presented in other comprehensive income. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company does not expect the implementation to have a material impact on the Company's results of operations, financial position and disclosures.

(c) IFRS 10, Consolidated Financial Statements

In 2011, the IASB issued IFRS 10, Consolidated Financial Statements ("IFRS 10"), which replaces parts of IAS 27, Consolidated and Separate Financial Statements ("IAS 27") and all of SIC-12 Consolidation – Special Purpose Entities, changes the definition of control which is the determining factor in whether an entity should be consolidated. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on August 1, 2013.

(d) IFRS 11, Joint Arrangements

In May 2011, the IASB issued IFRS 11 which replaces IAS 31, Interest in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers, requires a venture to classify its interest in a joint operator to recognize its assets, liabilities, revenue and expenses, and/or its relative share thereof. For a joint venture, the joint venturer will account for its interest in the venture's net assets using the equity method of accounting. The choice to proportionally consolidate joint ventures is prohibited. This new standard is applicable for accounting periods beginning January 1, 2013.

(e) IFRS 12, Disclosure of Interests in Other Entities

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In May 2011, the IASB issued IFRS 12, a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. The required disclosures aim to provide information in order to enable users to evaluate the nature of and the risks associated with an entity's interest in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows. The Company intends to adopt IFRS 12 in its financial statements for the annual period beginning on August 1, 2013.

(f) IFRS 13, Fair Value Measurement

In May 2011, the IASB issued IFRS 13 which replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income. The Company intends to adopt IFRS 13 in its financial statements for the annual period beginning on August 1, 2013.

(g) IAS 1, Presentation of Items of Other Comprehensive Income

The IASB has issued amendments to IAS 1 which require entities to group items presented in other comprehensive income ("OCI") on the basis of whether they might at some point be reclassified from OCI to profit or loss at a later date when specified conditions are met. By requiring items of OCI to be grouped on this basis, their potential effect on profit or loss in future periods will be clearer. This amendment is effective for annual periods beginning on or after July 1, 2012 and requires full retrospective application. The Company does not expect IAS 1 to have a material impact on the financial statements.

Financial Instruments and Other Instruments

(a) Fair Value of Financial Instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at January 31, 2013, the Company's financial instruments consist of cash and cash equivalents, amounts receivables and accounts payable and accrued liabilities. The carrying

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values of these financial instruments approximate their fair values because of their short term nature and/or the existence of market related interest rates on the instruments.

(b) Financial Instruments Risk

The Company is exposed in varying degrees to a variety of financial instrument related to risks. The Board approves and monitors the risk management processes:

(a) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank, its short-term bank Guaranteed Investment Certificates ("GICs") and amounts receivable. The investments are with Schedule 1 banks or equivalent, with the majority of its cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. The amounts receivable consist of accounts receivable of \$19,707 which are not considered past due. Management considers that risks related to credit are minimal. Included in amounts receivable was a provision of \$69,440 related to rental expenses recovery from a related company (July 31, 2012 - \$69,440).

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at January 31, 2013, the Company had cash and cash equivalents of \$110,350 to settle accounts payable of \$81,338, HST payable of \$3,942 and short-term loan payable of \$50,000 which are considered short term and settled within 30 days. Accrued liabilities consist of rent deposits of \$9,000 and obligation to issue shares of \$3,000.

The Company is dependent on the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financing to meet current and future obligations. There can be no assurance that such financing will be available on terms acceptable to the Company.

(c) Market Risk

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's accounts payable and accrued liabilities are non-interest bearing. As at January 31, 2013, the Company's interest bearing assets are cash and cash equivalents. The Company maintains a minimum cash balance in its chequing account and transfers funds from its investment account when the need arises. The Company's investments

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are placed in GICs which interest rates vary depending on the rates offered by the banks when the instruments mature and are automatically renewed. A change of 100 basis points in the interest rates would not be material to the financial statements.

(ii) Commodity Price Risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company's risk relates primarily to the expected output to be produced at its resource properties described in note 4 of these financial statements of which production is not expected in the near future.

During the six months ended January 31, 2013 and 2011, there were no changes to the Company's risk exposure or to the Company's policies for risk management.

Summary of Outstanding Share Data

(a) Authorized and Issued Capital Stock

a) Authorized - Unlimited common shares without par value.

b) Issued

As at March 26, 2013, there were 48,854,999 common shares issued and outstanding.

(b) Options outstanding at March 26, 2013 are as follows:

Number of Outstanding	Exercise Price	Expiry Date	Number Exercisable
125,000	\$0.10	August 9, 2016	125,000
50,000	\$0.10	April 26, 2017	50,000
170,000	\$0.10	April 17, 2018	170,000
520,000	\$0.10	May 20, 2018	520,000
185,000	\$0.10	June 2, 2018	185,000
75,000	\$0.10	June 12, 2018	75,000
265,000	\$0.10	February 4, 2019	265,000
350,000	\$0.10	February 18, 2019	350,000
900,000	\$0.10	October 12, 2020	900,000
1,295,000	\$0.10	April 26, 2017	809,375
3,935,000			3,449,375

(c) Warrants outstanding at March 26, 2013 are as follows:

Number of Outstanding	Exercise Price	Expiry Date
930,000	\$0.10	July 28, 2016
2,300,000	\$0.10	January 7, 2015
3,230,000		

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Additional Disclosure

Additional disclosures pertaining to the Company, including its most recent management information circular, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com or on the Company's website at www.remstarresources.com.