

# **GLENSTAR VENTURES INC.**

## **Management Discussion and Analysis**

### **FOR THE YEAR ENDED JUNE 30, 2024**

**October 28, 2024**

This discussion and analysis of the financial position and results of operations are prepared as at October 28, 2024 and should be read in conjunction with the audited annual financial statements for the year ended June 30, 2024 and 2023 for Glenstar Ventures Inc. (the “Company”). The audited financial statements for the year ended June 30, 2024, including comparatives, have been prepared using accounting policies consistent with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis (“MD&A”) are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

Glenstar Ventures Inc. (the “Company”) was incorporated under the laws of British Columbia on November 26, 2020. The Company’s principal business activities include the acquisition and exploration of resource properties. The disclosure in this MD&A of scientific and technical information regarding exploration projects of Glenstar Ventures Inc. has been reviewed and approved by Frank Bain, Ph.D., P.Geo., and independent consultant to the Company.

#### **Forward-Looking Statements**

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements herein include, but is not limited to, statements relating to the timing, availability and amount of financings; expected use of proceeds; business objectives; the costs and timing relating to the potential acquisition of interests in mineral properties; the timing and costs of future exploration activities on the Company’s future properties; success of exploration activities; permitting time lines and requirements for additional capital; the impact of COVID-19 or other viruses and diseases on the Company’s ability to operate; and failure to maintain community acceptance (including First Nations). In making forward-looking statements herein, the Company has applied several material assumptions, including, but not limited to, any additional financing needed will be available on reasonable terms, that general business and economic conditions will not change in a materially adverse manner, and that all necessary governmental approvals for the future exploration will be obtained in a timely manner and on acceptable terms. 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 risks and other factors include, among others, risks related to the completion of financings and the use of proceeds; operations and contractual obligations; changes in exploration programs based upon results of exploration; future prices of metals; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks of the mineral exploration industry; environmental risks; community relations; and delays in obtaining governmental approvals or financing.

## **Overview and Going Concern**

The Company is in the business of acquiring exploration and evaluation assets. The Company currently has a property option agreement on the Green Monster Property in Nevada, United States. The Company expects its current capital resources will not be sufficient to complete its exploration plans and operations through its current operating year and will be required to raise additional funds through future equity issuances. The Company's ability to continue as a going concern is therefore dependent on its ability to raise additional funds through equity issuances. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern.

The financial statements for the year ended June 30, 2024 were prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. There has been no material disruption to the Company's current operations to date. The Company's current focus is on its project located in Nevada, USA and as a result, access to the property is not currently prohibited. The Company may consider acquisitions of other properties in foreign or domestic jurisdictions in the future.

## **Results of Operations**

The results of operations reflect the overhead costs incurred by the Company to maintain an administrative infrastructure to manage the acquisition, exploration, and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisitions and exploration continues. The Company has not recorded, since the date of its incorporation, any revenues from its mineral exploration and development activities, nor does it expect to record any revenue over the course of the next 12 months.

## **Mineral Properties**

### **Green Monster Property**

On June 30, 2022, the Company entered into a property purchase agreement to acquire a 100% interest in and to certain mineral claims in Nevada USA (the "Green Monster Property") with the issuance of 500,000 common shares of the Company.

The shares are held in escrow and scheduled for release as follows:

The Listing Date**	50,000 common shares (issued)
6 months after the Listing Date	75,000 common shares
12 months after the Listing Date	75,000 common shares
18 months after the Listing Date	75,000 common shares
24 months after the Listing Date	75,000 common shares
30 months after the Listing Date	75,000 common shares
36 months after the Listing Date	75,000 common shares

\*\* The listing date (the "Listing Date") is the date the Company's shares are listed for trading on a Canadian securities exchange.

The Company's shares were listed on the Canadian Securities Exchange subsequent to June 30, 2024 on July 24, 2024.

The Green Monster Property is subject to 1% Net Smelter Return on production arising from mineral claims. The Company has the right to purchase the NSR for \$500,000 for a period of 10 years following September 7, 2022.

### **Revenues**

Due to the Company's status as an exploration and development stage mineral resource company, the Company currently does not have any revenues from its operations, nor does it expect to record any revenue over the course of the next 12 months.

### **General and Administrative Expenses**

The Company incurred a loss and comprehensive loss for the year ended June 30, 2024 of \$239,762 (2023 - \$184,185). The loss is primarily a result of:

- i) Consulting fees of \$22,500 (2023 - \$30,000) for services to assist with the business operation during the current year.
- ii) Filing fees of \$16,400 (2023 - \$Nil) for fees related to the IPO during the current year.
- iii) Rent of \$18,000 (2023 - \$15,000) related to an office rental on a monthly basis during the current year.
- iv) Management fees of \$63,000 (2023 - \$84,000) due to voluntary suspension of fees by management for one of the quarters during the current fiscal year.
- v) Professional fees of \$65,990 (2023 - \$11,829) due to additional general legal services incurred during the fiscal year.
- vi) Travel expenses of \$16,579 (2023 - \$3,563) due to more trips taken to promote the Company during the fiscal year.

The Company incurred a loss and comprehensive loss for the three months period ended June 30, 2024 of \$94,128 (2023 - \$58,185). The loss is primarily a result of:

- i) Filing fees of \$11,400 (2023 - \$Nil) for filing fees related to the IPO during the current period.
- ii) Professional fees of \$29,370 (2023 - \$2,957) due to additional general legal services incurred during the fiscal period.
- iii) Travel expense of \$12,980 (2023 - \$362) due to more trips taken to promote the Company during the fiscal period.

### **Fourth Quarter**

There were no significant transactions during the quarter ended June 30, 2024.

## Summary of Annual Results

	Year ended June 30, 2024	Year ended June 30, 2023	Year ended June 30, 2022
Revenue	\$ Nil	\$ Nil	\$ Nil
Loss for the year	\$ (239,762)	\$ (184,185)	\$ (22,954)
Loss per share: basic and diluted	\$ (0.01)	\$ (0.02)	\$ (0.01)
Total assets	\$ 303,584	\$ 308,834	\$ 293,693
Exploration and evaluation assets	\$ 170,037	\$ 157,953	\$ 53,837

## Summary of Quarterly Results

Three Months Ended	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Interest Income	\$ -	\$ -	\$ -	\$ -
Exploration and Evaluation Assets	-	-	-	-
Deficit	(446,901)	(352,773)	(320,214)	(267,707)
Net Loss	(94,128)	(32,559)	(52,507)	(60,568)
Basic and Diluted Loss Per Share	(0.01)	(0.00)	(0.00)	(0.00)

Three Months Ended	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Interest Income	\$ -	\$ -	\$ -	\$ -
Exploration and Evaluation Assets	157,953	99,451	99,451	96,461
Deficit	(207,139)	(148,954)	(106,954)	(64,954)
Net Loss	(58,185)	(42,000)	(42,000)	(42,000)
Basic and Diluted Loss Per Share	(0.00)	(0.00)	(0.01)	(0.00)

## Liquidity and Capital Resources

On May 1, 2024 the Company received approval to complete a public financing by way of prospectus.

Subsequent to June 30, 2024 announced completion of IPO of 6,667,500 units of the Company at a price of \$0.15 per unit for total gross proceeds of \$1,000,125. Each Unit consists of one common share and one half of one whole share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20 per common share until July 25, 2026.

Pursuant to the agency agreement dated May 1, 2024, Leede Financial Inc. acted as agent for the IPO. Glenstar paid to the agent a cash commission equal to 8% of the proceeds and granted the agent and its sub agents non-transferable warrants entitling the agent and its sub agents to purchase a total of 533,400 common shares at a price of \$0.15 per common share until July 25, 2026.

In connection with the IPO, the Agent also received a corporate finance fee. Company's common shares were listed on the Canadian Securities Exchange effective July 24, 2024, with its common shares anticipated to commence trading on the CSE on July 26, 2024 under the symbol "GSTR".

At June 30, 2024, the Company had cash of \$21,606 (2023 - \$143,847) and a working capital deficiency of \$142,533 (2023 - working capital of \$109,313).

The Company expects its current capital resources will not be sufficient to meet its business objectives or day-to-day operations through its next quarter or current operating year, and that its continuation as a going concern will be dependent on its ability to raise additional funds through equity issuances. There is no guarantee the Company will be successful in that regard. See "Overview and Going Concern" above.

During the year ended June 30, 2024, the Company had the following cash flows:

- i) Net cash used in operating activities of \$15,627 (2023 – \$28,453) which consists of the cash paid for expenses on the statement of loss and comprehensive loss.
- ii) Net cash used in investing activities of \$12,084 (2023 - \$95,956) which consists of cash paid for exploration and evaluation expenditures of its mineral property.
- iii) Net cash provided by (used in) financing activities of (\$94,530) (2023 – \$29,400) which consists of the proceeds received from the private placement.

### **Related Party Transactions**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers and Board of Director members.

During the year ended June 30, 2024, the Company:

- i) Paid or accrued management fees of \$63,000 (2023 - \$84,000) to an officer of the Company for management services provided.
- ii) Paid or accrued director fees of \$24,000 (2023 - \$24,000) to directors of the Company for services provided.
- iii) Paid or accrued rent fees of \$18,000 (2023 - \$15,000) to an officer of the Company.

Included in accounts payable and accrued liabilities at June 30, 2024 is \$87,250 (2023 – \$10,250) owed to a director and officer of the Company.

All amounts owing are non-interest bearing, with no specific repayment terms and are unsecured, unless otherwise specified.

### **Risks and Uncertainties**

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in exploration and evaluation assets and the attainment of profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.

- b) The most likely sources of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital and the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company, which are likely to result in substantial dilution to the holdings of existing shareholders.
- c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.
- d) The prices of metals greatly affect the value and potential value of its exploration and evaluation assets. This, in turn, greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.
- e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.
- f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.
- g) Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are, or were conducted.

### **Financial Risk Factors**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

## Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. As at June 30, 2024, the Company had \$11,138 (2023 - \$761) receivable from government authorities in Canada. The Company's primary exposure to credit risk is on its cash which is considered low risk as it is held at high quality financial institutions.

## 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 June 30, 2024 the Company had a cash balance of \$21,606 (2023 - \$143,847) to settle accounts payable and accrued liabilities of \$276,080 (2023 - \$41,568). The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short-term business requirements. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

## Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

### a) Interest rate risk

The Company has cash balances. The Company is satisfied with the credit ratings of its bank. As of June 30, 2024 and 2023, the Company did not hold any investments. The Company believes it has no significant interest rate risk.

### b) Foreign currency risk

As at June 30, 2024 and 2023, the Company was not exposed to foreign currency risk.

### c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations may be significant. Much of this is out of the control of management and will be dealt with based on circumstances at any given time.

## Commitment

On September 5, 2023, the Company entered into an agency agreement with Leede Jones Gable Inc. (the "Agent") whereby the Agent has agreed to raise on commercially reasonable efforts up to \$1,000,000 in an initial public offering ("IPO") by the issuance of up to 6,666,666 common shares of the Company at a price of \$0.15 per common share.

Pursuant to the terms of the agency agreement, the Company has agreed to pay to the Agent a cash commission of 8% of the gross proceeds of the IPO. The Company has also agreed to grant Agent options (the "Agent's Option") which will entitle the Agent to purchase up to 8% of the common shares sold under the IPO, at a purchase price that is equal to the price per share offered in the IPO. The Agent's Options are exercisable until 24 months from the Listing date at a price of \$0.15.

In addition, the Company paid a corporate finance fee of \$46,000, of which \$21,000 is payable upon execution of the agreement. The remaining funds will be used toward the Agent's legal fees incurred, and any other reasonable expenses of the Agent pursuant to the IPO. On May 13, 2024, the Company received approval for the IPO. As of June

30, 2024, the Company recorded \$44,000 and \$50,530 legal fees to share capital in accordance with the proportion of services completed. As at June 30, 2024, the Company has deferred financing costs of \$94,530 (2023 - \$nil).

### **Off Balance Sheet Arrangements**

The Company is not a party to any off balance sheet arrangements or transactions.

### **Changes in Accounting Policies and Future Accounting Pronouncements**

Please refer to the financial statements for the year ended June 30, 2024 located on [www.sedarplus.ca](http://www.sedarplus.ca).

### **Contingencies**

There are no contingent liabilities.

### **Management's Responsibility for Financial Statements**

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

### **Share Capital**

#### *Common Shares*

As at October 28, 2024, the Company had 24,082,379 common shares outstanding.

#### *Share purchase warrants*

<b>Number of warrants outstanding</b>	<b>Expiry date</b>	<b>Exercise price</b>
7,500,000	May 5, 2025	\$0.15
4,200,000	March 3, 2027	\$0.005**
11,700,000		

\* The exercise price of the warrant to be amended to \$0.10 on the Listing Date which was July 24, 2024.

#### *Stock options*

<b>Number of stock options outstanding</b>	<b>Expiry date</b>	<b>Exercise price</b>
1,300,000	September 10, 2027	\$0.155
1,300,000		