Dark Star Minerals Inc.

Management Discussion and Analysis
For the year ended December 31, 2022
Dated April 14, 2023

Introduction

This Management's Discussion and Analysis ("**MD&A**") is dated April 14, 2023, unless otherwise indicated and should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2022, and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the for year ended December 31, 2022 are not necessarily indicative of the results that may be expected for any future period.

The Company applies International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; completion of the Transaction (defined below); and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

The Company

Dark Star Minerals Inc. ("Dark Star" or the "Company") was incorporated under the Business Corporations Act of British Columbia on August 12, 2021. The head office of the Company is located at 1056 Handsworth Road, North Vancouver, British Columbia, V7R 2A6 and its registered and records office is located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

On February 8, 2023 the Company received the final receipt from the British Columbia Securities Commission for the Long Form Prospectus filed by the Company on February 6, 2023, for the purpose of the Company to meet one of the eligibility requirements for the listing of the Company's common shares on the Canadian Securities Exchange ("CSE") by becoming a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia. Upon the final receipt of the Prospectus by the BCSC, the Company became a reporting issuer in British Columbia, with the concurrent issuance of 356,000 Common Shares issued on conversion of 356,000 Special Warrants and 200,000 Common Shares issued on conversion of 200,000 Compensation Special Warrants.

On March 6, 2022 the CSE approved the listing of the Company and the common shares were posted for trading on March 7, 2023 under the symbol "BATT".

Property

The Company is party to an option agreement dated July 26, 2021 (and amended option agreement dated July 8, 2022) between Off-Piste and Contigo Resources, Ltd. ("Contigo"), pursuant to which it has the right to earn 100% undivided interest in and to 14 mineral claims commonly known as the Logan REE Property (the " Property") located in the Province of Québec, Canada. The 2.0% NSR to be granted by the Company to Contigo on the exercise of the Option with respect to production of all minerals from the Logan REE Property and payable by the Target following commencement of commercial production on the Logan REE Property. On July 8, 2022, the Company entered into an amending agreement to the option agreement, pursuant to which the Company agreed to issue 500,000 warrants in consideration for the removal of the net smelter returns royalty as previously contemplated by the Option Agreement.

Expenditure summary for the year ended December 31, 2022 and comparative period ended December 31, 2021:

	December 31, 2022 **$**	**December 31, 2021** **$**
Acquisition costs	(i)13,063	338,580
Option payment	-	25,000
Field work	24,219	-
43-101 report	15,750	-
Mobilization and survey	-	102,459
	53,032	**466,039**

(i) Value of the warrants issued for the removal of the net smelter returns royalty

Highlights for the year ended December 31, 2022 and to the date of this MD&A

On March 2, 2022, the Company completed a private placement of 5,352,000 common shares at a price of $0.05 per common share for gross proceeds of $267,600. Share issue costs of $7,278 were incurred for finders' fees. $25,000 of the proceeds were collected prior to December 31 2021.

On June 9, 2022, the Company closed a private placement of special warrants ("Special Warrants"). 356,000 Special Warrants were issued at a price of $0.05 per special warrant for proceeds of $17,800. The terms of the Special Warrants were that they automatically convert into common shares on a one-to-one basis (i) at any time, at the discretion of the Company or (ii) upon the issuance by a Canadian securities regulatory authority of a receipt for a final prospectus qualifying the issuance of the common shares upon conversion of the special warrants or (iii) on that date that is 18 months from the date of issuance of the Special Warrants. The Company paid $890 in finders fees and incurred other issue costs of $731. The Company also issued 200,000 compensation Special Warrants with the same terms as the Special Warrants. As noted above, the Special Warrants were converted to common shares on February 8, 2023, upon the final receipt of the Prospectus by the BCSC.

In November 2022, the Company cancelled and returned to treasury 34,280,000 common shares for no valuable consideration. These shares were issued on December 2, 2021 as part of the acquisition of the 2021 acquisition of Off-Piste Opportunities (II) Inc. (see note 4 to the audited financial statements for the year ended December 31, 2022). The shares were cancelled to be complaint with the qualifications for listing a company on the Canadian Securities Exchange.

Selected annual information

For the years ended	2022	2021*
	$	$
Revenue	-	-
Expenses	359,607	473,138
Net (loss) income and comprehensive (loss) income for the year	(359,607)	(473,138)
Basic and fully diluted (loss) income per share	(0.01)	(0.04)
Cash flows from (used in) operating activities	(174,912)	(100,327)
Cash flows from financing activities	251,500	603,072
Increase (decrease) in cash in year	76,588	502,745
As at December 31	**2022**	**2021**
Total Assets	579,333	502,745
Total long-term financial liabilities	Nil	Nil
Cash dividends declared for all classes of shares	Nil	Nil

* period from incorporation (August 12, 2021) to December 31, 2021

Results of Operations

The Company recorded a net loss of $359,607 for the year ended December 31, 2022 compared to $473,138 for the period from August 12, 2021 (date of incorporation) to December 31, 2021. The net loss consisted of expenses related to legal, audit regulatory and administrative charges of $215,130, share based payments (being the value of stock options that vested during the year) of $91,445 and $53,032 (see breakdown above) of expenditures related to the Property. The increase in general and administrative expenses was due to the costs of completing the listing of the Company on the CSE.

Liquidity and Capital Resources

As at December 31, 2022 the Company had cash of $579,333. The Company had current liabilities of $114,498 and working capital of $464,835.

The change in total cash during the period of $76,588 was the result of cash provided by financing activities in the amount of $251,500 offset by cash used in operations of $174,912.

The Company’s 2022 monthly cash burn rate on average, which was calculated as cash spent per month in operating activities, was approximately $14,500. This included legal, audit and administrative costs. Although the Company expects to still operate at a loss for at minimum the next 12 months, at its current operating level, the Company will have sufficient funds to cover short-term operational needs.

The primary need for liquidity is to fund exploration programs and to maintain general corporate operations. The primary source of liquidity has primarily been private financings through the issuance of common shares and warrants.

The Company has no debt and no financial commitments other than spending funds in accordance with its option agreement.

Overall, given working capital at December 31, 2022, the Company will be able to meet its general operational requirements for 2023, and will not require additional capital for the minimum required exploration programs and to funds general operations for, at minimum the next 12 months. However, the Company will be required to raise addition capital to advance the business plan beyond the minimum requirements.

The Corporation's principal source of financing is equity financing, the success of which depends on venture capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration activities and be able to support its ongoing operations, the Company will need to continue its relations with the financial community to obtain further equity financing in the future.

Selected Quarterly Information (in accordance with IFRS)

Summary of Quarterly Results – historical information is limited to past 6 quarters as the Company was incorporated on August 12, 2021.

	Quarter ended December 31, 2022	**Quarter ended September 30, 2022**	**Quarter ended June 30, 2022**	**Quarter ended March 31, 2022**	**Quarter ended December 31, 2021**	**Quarter ended September 30, 2021**
Total Assets	$ 579,333	$630,604	$ 684,842	$ 670,443	$502,745	$610,405
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil
Total Expenses	$ 204,847	$ 62,584	$ 40,977	$ 51,199	$473,103	$35
Net Loss	$(204,847)	$(62,584)	$(40,977)	$(51,199)	$(473,103)	$(35)
Basic and diluted net loss per share	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.4)	$(0.00)

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties, the results of the Company's prior exploration activities on its properties and the amount of expenditure required to advance its projects.

Outstanding Share Data

As at the date of this MD&A, the Company had 24,718,102 common shares outstanding, and 3,500,000 stock options exercisable at $0.05 per Share until June 22, 2024, and 500,000 share purchase warrants.

Off-Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

During the year ended December 31, 2022, the Company was charged $33,000 (plus GST) (2021 - $nil) by CFO Advantage Inc., a company controlled by Kyle Appleby, the Chief Financial Officer of the Company. As at December 31, 2022, $34,650 was owed, and included in accounts payable and accrued liabilities.

During the year ended December 31, 2022, the Company was charged $20,296 (2021 - $nil) by Marc Branson, the CEO of the Company.

Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares and reserves, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity. The Company is not subject to any external capital restrictions.

Risks and Uncertainties

The following describes certain risks, events and uncertainties that could affect the Company and that each reader should carefully consider.

External financing may be required to fund the Company's activities primarily through the issuance of common shares. There can be no assurance that the Company will be able to obtain adequate financing. The securities of the Company should be considered a highly speculative investment.

The Company has not generated any revenues and does not expect to generate revenues in the near future. In the event that the Company generates revenues in the future, the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

Risk Disclosures and Fair Values

Fair Values

At December 31, 2022, the Company's financial instruments consist of cash, and accounts payable and accrued liabilities and share subscriptions received. The fair value of these financial instruments approximates its carrying value due to the relatively short-term maturity of the instrument.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Company's liabilities. The $114,498 of accounts payable and accrued liabilities are due within one year.

Critical Accounting Estimates

The Company's significant accounting policies are summarized in Note 2 of the audited financial statements for the year ended December 31, 2022.