



**Dark Star Minerals Inc.**

**Management Discussion and Analysis  
For the three months ended March 31, 2024 and 2023  
Dated May 29, 2024**

**Introduction**

The following discussion of the results of operations and financial condition of Dark Star Minerals Inc. (“Dark Star” or “the Company”) prepared as of May 29, 2024 consolidates management’s review of the factors that affected the Company’s financial and operating performance for the three months ended March 31, 2024 and 2023, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company’s unaudited condensed interim financial statements for the three months ended March 31, 2024 and 2023 (Q1 2024 Financial Statements”), and the audited consolidated financial statements as at and for the years ended December 31, 2023 and 2022 (“2023 Audited Consolidated Financial Statements”) and the notes thereto which were prepared in accordance with International Financial Reporting Standards (“IFRS”).

The Q1 2024 Financial Statements and the 2023 Audited Consolidated Financial Statements are available at [www.sedarplus.ca](http://www.sedarplus.ca). All amounts disclosed are in Canadian dollars unless otherwise stated.

**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.

Dark Star Minerals Inc. is a mineral exploration company focused on the acquisition and development of critical mineral resources, specifically the rare earth complex.

## Properties

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 (the Warrants”) in consideration for the removal of the net smelter returns royalty as previously contemplated by the Option Agreement. The Company undertook a work program on the Property in 2023, costing approximately \$158,000. The Company has yet to receive a complete set of data, and analysis from the geological consultants however the pegmatite phases southern block were sampled extensively, including on or nearby to historical sample sites, and to our knowledge no significant results were returned. It is anticipated that a further 3–5 day sampling program is warranted.

The Company closed the acquisition of Hungersite Minerals Inc. (“Hungersite”), a private arm’s length Ontario corporation, pursuant to the terms of a share exchange among the Company, Hungersite and the shareholders of Hungersite in exchange for cash consideration of \$20,000 and 4,800,000 common in the capital of the Company (the “Transaction”). Hungersite, is the recorded and beneficial holder of 24 unpatented mining claims (the “Property”) which are filed with the Quebec Minister of Natural Resources and Forests. The Property is situated within the region of d’Eeyou Istchee Baie-James in the Province of Québec, with certain of the claims adjacent to the Company’s flagship Logan REE property located in northern Québec, Canada.

No expenses were incurred on the Properties during the three months ended March 31, 2024.

## Results of Operations

The Company recorded a net loss of \$54,183 in Q1 2024 compared to a loss of \$61,404 in Q1 2023. The net loss consisted of expenses related to general and administrative costs (legal, audit, regulatory, administrative charges, and management fees), as detailed below.

	2024	2023
<b>Expenses</b>		
General and administrative (i)	\$ 54,183	\$ 61,404
<b>Net Loss and Comprehensive Loss for the period</b>	<b>\$ (54,183)</b>	<b>\$ (61,404)</b>
<b>Basic and Fully Diluted Loss Per Share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>

(i)

<b>Three months ended March 31,</b>	<b>2024</b>	<b>2023</b>
Legal and audit	\$ -	\$ 11,346
Regulatory	2,250	10,500
Management fees	39,914	29,650
Office and general	12,019	9,908
	<b>\$ 54,183</b>	<b>\$ 61,404</b>

### Liquidity and Capital Resources

As at March 31, 2024 the Company had current assets of \$46,161 (December 31, 2023 - \$135,763 and current liabilities of \$87,597 (December 31, 2023 - \$123,016), resulting in a working capital deficit of \$41,436 (December 31, 2023 – working capital of \$12,747).

The decrease in total cash during the period of \$91,041 was the result of cash used in operating activities.

The Company expects to 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 March 31, 2024, the Company will not be able to meet its minimum general operational requirements for 2024, and will require additional capital to funds general operations for, at minimum the next 12 months.

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)

	<b>Quarter ended March 31, 2024</b>	<b>Quarter ended December 31, 2023</b>	<b>Quarter ended September 30, 2023</b>	<b>Quarter ended June 30, 2023</b>
Total Assets	\$46,161	\$135,763	\$185,123	\$371,176
Total Revenues	Nil	Nil	Nil	Nil
Total Expenses	\$54,183	\$86,707	\$469,334	\$50,643
Net Loss	\$54,183	\$86,707	\$469,334	\$50,643
Basic and diluted net loss per share	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)

	<b>Quarter ended March 31, 2023</b>	<b>Quarter ended December 31, 2022</b>	<b>Quarter ended September 30, 2022</b>	<b>Quarter ended June 30, 2022</b>
Total Assets	\$458,887	\$ 579,333	\$630,604	\$ 684,842

Total Revenues	Nil	Nil	Nil	Nil
Total Expenses	\$ 61,404	\$ 204,847	\$ 62,584	\$ 40,977
Net Loss	\$(61,404)	\$(204,847)	\$(62,584)	\$(40,977)
Basic and diluted net loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(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 29,518,102 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 exercisable at \$0.05 until July 8, 2024.

### **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 three months ended March 31, 2024, the Company was charged \$9,000 (plus GST) (2023 - \$9,000) by CFO Advantage Inc., a company controlled by Kyle Appleby, the Chief Financial Officer of the Company. As at March 31, 2024, \$6,300 (December 31, 2023 - \$12,600) was owed, and included in accounts payable and accrued liabilities.

During the three months ended March 31, 2024, the Company was charged \$30,914 (plus GST) (2023 - \$20,000) by Capwest Investments, a company controlled by Marc Branson, the Chief Executive Officer of the Company. As at March 31, 2024, \$nil (December 31, 2023 - \$4,200) was owed, and included in accounts payable and accrued liabilities.

### **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 March 31, 2024, 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 \$87,597 (December 31, 2023 - \$123,016) 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 2023 Audited Consolidated Financial Statements.

## **Risk Factors**

Please refer to the Company's Filing Statement for a detailed description of the risk factors associated with the Company. The Listing Statement may be found under the Company's SEDAR profile at [www.sedarplus.ca](http://www.sedarplus.ca).