



**BLUE STAR GOLD CORP.**

**MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

**FOR THE YEAR ENDED NOVEMBER 30, 2021**

**As at March 22, 2022**

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

## **1. INTRODUCTION**

The following management’s discussion and analysis (“MD&A”) of Blue Star Gold Corp. (the “Company”) has been prepared as of March 22, 2022. This MD&A should be read in conjunction with the audited consolidated financial statements (“Financial Statements”) of Blue Star Gold Corp. and the notes thereto for the year ended November 30, 2021, which have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. All figures are expressed in Canadian dollars except where otherwise indicated.

Management is responsible for the preparation and integrity of the Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and MD&A, is complete and reliable.

### **Description of Business**

The Company was incorporated on April 13, 2007 pursuant to the *Business Corporations Act* of British Columbia. The Company’s principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company’s efforts are devoted to financing and developing these property interests. There has been no determination whether the Company’s interests in unproven exploration and evaluation assets contain economically recoverable mineral resources. The Company is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “BAU” and on OTCQB under the symbol “BAUFF”.

The Company’s principal business activity is acquiring, exploring and evaluating mineral properties, and following evaluation, joint venturing or developing these properties further or disposing of them. At November 30, 2021, the Company was in the exploration and evaluation stage of activity on its mineral properties in Nunavut.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

## **2. HIGHLIGHTS & SIGNIFICANT EVENTS**

On November 30, 2021, the Company reported total assets of \$23,751,360 (November 30, 2020 - \$14,782,473), including current assets of \$2,868,045 (November 30, 2020 - \$748,781), and current liabilities of \$2,752,036 (November 30, 2020 - \$2,831,893).

### **Corporate Highlights for the Year Ended November 30, 2021 and Subsequent**

i) On January 25, 2022, the Company signed an expanded Hood River Mineral Exploration Agreement (MEA) with Nunavut Tunngavik Inc. (NTI). As a result, the Company increased its Hood River Project area by 40% to a total of 112 square kilometres. The expanded Hood River Project now includes the southern extension of the west limb of the Ulu fold that hosts the high-grade Flood Zone gold deposit, adding several highly prospective target areas.

ii) On January 12, 2022, the Company signed an additional Mineral Exploration Agreement (MEA) with Nunavut Tunngavik Inc (NTI) and the staking of additional claims resulting in the continued consolidation of the Roma Project. As a result, the Company increased its Roma Project area by 89% to a total of 145.2 square kilometres.

iii) In November 2021, the Company closed a non-brokered private placement by issuing 735,294 common shares at a price of \$0.68 per share and 2,213,445 flow-through common shares at a price of \$0.72 per share for gross proceeds of \$2,093,680.

iv) Effective November 16, 2021, the Company's common shares have been approved to commence trading on the OTCQB under the symbol, BAUFF. The Company's shares will continue to trade on the TSX-V under the symbol, BAU. The Company has chosen to trade on this US marketplace to provide current and future US-based investors with greater access, ease of trading, home country disclosure, current financial disclosures and RealTime Level 2 quotes on [www.otcmarkets.com](http://www.otcmarkets.com).

v) Effective June 18, 2021, the Company consolidated its shares on a basis of one (1) post-consolidated share for ten (10) pre-consolidated shares. After the consolidation, the Company had 29,603,172 common shares issued and outstanding. In this MD&A, reference to common shares and per share amounts has been retroactively restated.

vi) On July 3, 2021, \$4,100,000 of convertible debentures issued in July 2020 were converted into 8,200,000 post-consolidation common shares of the Company at a conversion price of \$0.50.

vii) On July 12, 2021, the Company cancelled 7,850,000 post-consolidation warrants upon the agreement of certain investors. Those warrants were exercisable into 7,850,000 post-consolidation shares at an exercise price of \$0.75 per share.

viii) On July 20, 2021, the Company closed a non-brokered private placement by issuing 9,299,049 common shares and 2,738,994 flow-through common shares at a price of \$0.70 per share for gross proceeds of \$8,426,630.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

ix) On February 17, 2021, the Company entered into a Property Purchase Agreement to acquire 100% interest in 9 mineral claims ("Roma") located in Nunavut. The Company issued 75,000 post-consolidation shares on February 22, 2021 and reimbursed all expenses in connection with staking the claims.

x) On February 17, 2021, the Company issued 1,400,000 post-consolidation shares pursuant to the exercise of warrants at \$0.75 per share for total proceeds of \$1,050,000. The Company also issued 121,777 post-consolidation loan bonus shares.

xi) On January 25, 2021, the Company issued 1,526,533 post-consolidation shares to settle loans and interest totalling \$839,593 at a deemed price of \$0.55 per share. The Company also issued 100,000 post-consolidation bonus shares in accordance with the loan that matured on December 29, 2019, while the remaining 200,000 bonus shares were not issued.

xii) In December 2020, the Company completed a private placement by issuing 2,201,000 units (the "Units") at a price of \$0.80 per Unit for gross proceeds of \$1,760,800. Each Unit consisted of one common share and one transferable common share purchase warrant with each warrant exercisable into shares of the Company at a price of \$1.10 per share until December 16, 2021. In relation to the private placement, the Company paid or accrued \$38,328 cash finders' fees and issued 47,910 share purchase warrants with each warrant exercisable into shares of the Company at a price of \$0.80 per share until December 16, 2021 (extended to December 16, 2022).

xiii) On December 17, 2020, the Company granted to directors, officers and consultants 1,060,000 stock options, exercisable at \$1.10 per share for a term of 3 years. These options vested on the date of grant.

### **3. EXPLORATION AND EVALUATION ASSETS**

#### **2021 Exploration Program Summary:**

Blue Star initiated its 2021 exploration program at the Ulu, Hood River and Roma Projects in June with a geophysics campaign. A drill campaign commenced in July; 25 drill holes totalling 5,012 meters were completed. A surface exploration program was conducted in August, and all phases of the program were successfully completed in September.

A key objective of the drill program was to identify economically significant mineralization with resource growth potential proximal to the Flood Zone deposit. Eleven targets in six zones were evaluated. This work included a mix of drill testing previously untested targets, deeper testing on previously shallowly evaluated targets, following up on 2020 intercepts of interest and conducting geological evaluations to assist in defining structural geometries for further drill targeting.

The exploration campaign evaluated several high priority targets in the area of the known high-grade Flood Zone Gold Deposit on the Ulu Project, and on high potential targets along the Ulu fold hinge. Numerous priority targets exist along the Ulu anticline which extends from the Flood Zone Deposit onto the contiguous Hood River Project.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

Regional targets considered high priority on the Hood River and Roma Projects had basic initial exploration campaigns to better understand host geology, confirm structures and existing anomalous zones and undertake initial geochemical surveys to determine potential to generate additional targets of interest.

**Highlights of the 2021 Exploration Program:**

- 21BSG001 returned 4.91 m of 19.10 g/t gold & 7.00 m of 6.90 g/t gold in Flood Zone lenses
- 21BSG002 returned 2.64 m of 13.00 g/t gold in the Flood Zone; expanded high grade core
- 21BSG006 returned 2.18 m of 11.06 g/t gold following up on drill hole BS2020ULU-007 which returned 2.00 m of 52.7 g/t gold from the Gnu zone
- 21BSG007 intersected 8.15 m of 20.80 g/t gold in a new vein system in the Gnu area
- North Fold Nose (NFN) east limb hole 21BSG017 returned 2.05 m of 10.10 g/t gold (including 1.13 m of 11.35 g/t gold)
- Gnu Zone hole 21BSG020, a follow up hole to 21BSG007, returned 5.34 m of 3.72 g/t gold (including 0.83 m of 12.95 g/t gold)
- Shallow Flood Zone hole 21BSG025 returned interval of 4.65 m of 5.80 g/t gold
- Additional sampling of historic hole 04UL-02 revised interval to 26.35 m of 3.36 g/t gold by sampling between previously modelled higher grade and lower grade mineralized lenses
- 2,495 line kms of airborne magnetometry data was collected
- The remediation program relocated 5,134 (compacted) cubic metres of historical solid waste to the approved landfill to satisfy the Company's Land Use Permit
- **Satisfactory inspections were conducted by CIRNAC and the Kitikmeot Inuit Association**
- Initial field work was conducted to evaluate known targets and geological controls on potential mineralization at the Crown-Pro trend in the Hood River Area
- The Roma Project received limited detailed mapping and sampling at the Roma Main and Roma Fold targets
- Regional sampling highlights include a 12.60 g/t gold grab sample from the Roma Fold

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

**2020 Exploration Program Summary:**

The Company completed a diamond drilling program at its Ulu and Hood River Properties in September 2020. The program entailed 7,624 metres of diamond drilling in thirty-eight diamond drill holes on the Properties. Ten holes were drilled at the Flood and Gnu zone deposits in an effort to; provide additional geologic information and confirm certain aspects of the geology models, to improve drill hole density and allow for possible upgrading of the resource category, and to expand the resource base. Twenty-eight holes were drilled to test exploration targets on both the Ulu and Hood River Properties, including fourteen in the NFN zone.

Highlight gold composites from the 2020 exploration program are listed in the table below.

Hole ID	Zone or Target	From(m)	To(m)	Width (m)	Au (g/t)
BS2020ULU-002	Flood	9	16	7	13.42
BS2020ULU-003	Flood	13	22	9	8.67
"	Flood	110	118	8	8.26
BS2020ULU-005	Flood	426.2	440	13.8	14.95
	Flood	459	465	6	9.65
BS2020ULU-006	Flood	407	411	4	12.5
"	Flood	432	436	4	9.98
"	Flood	487	501	14	4.23
"	Flood	504	511	7	12.5
BS2020ULU-007	Gnu	25	27	2	52.7
HR20-013	NFN	109	111	2	13.18
HR20-014	NFN	118	122	4	7.59
HR20-016	NFN	143	145	2	10.85
HR20-017	NFN	164	167	3	13.87

**2019 Hood River Property Exploration Program Summary:**

During 2019, the Company conducted a drilling and prospecting program on the Hood River Property. The diamond drilling focused on the NFN zone and consisted of eleven diamond drill holes for 1,540 metres. The prospecting and sampling program ran in parallel with the drilling, exploring and tracing a series of gold mineralized zones from the NFN south for 2.1 km to the claim boundary with the Ulu mining lease. This series of gold zones can be mapped along the Ulu fold an additional 2.9 km south within the Ulu property to the Gnu and Flood gold zones. This prospecting and sampling program produced 168 channel samples cut with diamond saws.

Sampling of the mineralized rocks found along the Ulu fold trend confirmed zones found by BHP in the 1990's and resulted in the discovery of the INT gold zone. Within the INT, channel samples returned six high-grade results that included 25.20 g/t Au over 1.0m.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

Significant results were obtained from the NFN zone drilling in holes HR-19-009 and 010 with hole 009 intersecting 5.89 g/t Au over 6.0 m (includes 32.5 g/t Au over 1m) while hole HR-19-010 intersected 2.19 g/t Au over 1m.

**Ulu Gold Property**

The Ulu Property is located approximately 525 km NNE of Yellowknife, NT in the Kitikmeot region of western Nunavut. Kugluktuk is approximately 210 km to the NW. The Ulu Property consists of a renewable 21-year Mining Lease (No: 3563) with an expiry date of November 18, 2038 and covers an area of approximately 947 ha.

The lease hosts an advanced gold project that between 1989 and 2012 saw significant exploration and development by BHP Minerals and Echo Bay Mines, among others. The past work includes approximately 1.7 km of underground development and over 400 diamond drill holes that produced approximately 100,000 m of core (Ulu and Hood River Properties).

Supplementing the high-grade gold resources, the Ulu project includes a substantial inventory of capital equipment, a Weatherhaven camp with shop and a 1,200 metre long airstrip. The site of the future deep-water port at Grays Bay is 100 km to the north of the properties, and the proposed route corridor for the all-weather Grays Bay Road passes in close proximity to the Ulu Property.

The Ulu Property mineral resource, as reported on April 14, 2015, was estimated by independent consultants, and is reported in the table below. The Flood zone contains the bulk of the Ulu gold resource and is open on-strike and at depth. The deepest significant drill intersection is 14.9 g/t Au over 7.7 m in BHP's drill hole 90VD-75, at 610 m below surface. Metallurgical testing on the Flood zone deposit indicates that gold is recoverable in amounts greater than 90% by gravity, flotation and cyanidation.

**Mineral Resource Estimate\***

<b>Classification</b>	<b>Gold</b>	<b>Tonnage</b>	<b>Gold Grade</b>	<b>Gold Contained</b>
	<i>Cut-off (g/t)</i>	<i>Tonnes</i>	<i>g/t</i>	<i>Oz</i>
<b>Flood Zone</b>				
Measured	> 4.0	1,000,000	8.48	272,000
Indicated	> 4.0	1,500,000	6.90	333,000
Measured & Indicated	> 4.0	2,500,000	7.53	605,000
Inferred	> 4.0	891,000	5.57	160,000
<b>Gnu Zone</b>				
Inferred	> 4.0	370,000	5.57	66,000
<b>Total - Flood and Gnu Zones</b>				
Measured & Indicated	> 4.0	2,500,000	7.53	605,000
Inferred	> 4.0	1,261,000	5.57	226,000

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

\*Refer to “Technical Report on the Ulu Gold Property, Nunavut, Canada” dated July 10, 2015, prepared by P. Cowley, R. Singh, and G. Giroux in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects. A copy of the report is available on the Company’s website and on its SEDAR profile at [www.sedar.com](http://www.sedar.com).

Ulu Property Ownership History:

On May 30, 2014, the Company entered into an option agreement (the “Option Agreement”) with Elgin Mining Inc. and Bonito Capital Corp. (collectively, “Elgin”), to acquire an 80% undivided interest in the Ulu Property. Pursuant to the Option Agreement, the Company issued 500,000 post-consolidation shares (valued at \$320,000), paid \$125,000, and incurred \$300,000 in property expenditures to earn a 70% interest in the Ulu Property. On September 10, 2014, Mandalay Resources Corporation (“Mandalay”) acquired Elgin. The Ulu Property is subject to a 5% net production proceeds royalty payable after 675,000 ounces of gold have been mined and recovered.

On January 8, 2018, the Company and Mandalay entered into a New Ulu Property Option Agreement. The new option agreement supersedes all prior agreements covering the Ulu Property. On July 19, 2019, the option agreement was further amended (the “Amended Option Agreement”). The TSX-V approved the Amended Option Agreement on November 26, 2019.

Pursuant to the terms of the Amended Option Agreement, the Company paid \$850,000, completed other obligations under the Amended Option Agreement, and acquired 100% of Ulu Property on February 10, 2020.

During the year ended November 30, 2020, the Company received \$1,685,542 from Mandalay on assignment of the rights to the remediation security which is recorded as a reduction to the Ulu Property. The Company reposted the remediation security with the Nunavut government, which is recorded as a long-term deposit.

As at November 30, 2021, the Company had incurred the following expenditures on the Ulu Property:

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

<i>Ulu Property (Nunavut)</i>	<i>November 30, 2020</i>	<i>Additions</i>	<i>November 30, 2021</i>
Acquisition costs	\$ 1,295,000	\$ -	\$ 1,295,000
Exploration			
Amortization	4,504	48,471	52,975
Assay	173,485	64,884	238,369
Camp and supplies	236,482	2,547,265	2,783,747
Claim maintenance	20,125	9,687	29,812
Community support	32,080	10,078	42,158
Consulting	430,208	194,495	624,703
Equipment rental	102,846	37,615	140,461
Drilling and geological	1,222,541	1,000,600	2,223,141
General exploration	-	399,170	399,170
Geological analysis	74,716	139,670	214,386
Geophysical	-	112,666	112,666
Fuel	133,532	-	133,532
Helicopter	772,602	-	772,602
Permits	530,708	30,898	561,606
Project manager	-	142,546	142,546
Remediation	543,855	810,973	1,354,828
Site personnel	362,158	-	362,158
Travel	77,976	-	77,976
Reimbursement received from Mandalay	(1,685,542)	-	(1,685,542)
<b>Total</b>	<b>\$ 4,327,276</b>	<b>\$ 5,549,018</b>	<b>\$ 9,876,294</b>

**Hood River Property**

The Hood River property is contiguous to the Ulu Property lease to the north, east and south. The property is held through a renewable, 20-year Mineral Exploration Agreement (MEA) with Nunavut Tunngavik Incorporated. The Company expanded the Hood River MEA with Nunavut Tunngavik Inc. (NTI) to encompass 112 square kilometres in January 2022.

The expanded Hood River Project now includes the southern extension of the west limb of the Ulu fold that hosts the high-grade Flood Zone gold deposit, adding several highly prospective target areas. Additional targets acquired include the near drill-ready Twilight Zone that lies ~300 metres SE of the Flood Zone gold deposit. Twilight is an open 100-metre long NW trending auriferous contact between basalts and sediments. Numerous anomalous historical samples occur on the expanded landholding which have received only limited follow up work including un-named leads returning grab samples grading 34.6, 13.9 and 9.52 g/t gold. The expanded landholding also includes diamond rights across the MEA which includes the known diamondiferous Tenacity pipe and numerous unsourced anomalous kimberlite indicator samples. All existing infrastructure in the region, including the airstrip, road network and quarries are now encompassed by the Hood River and Ulu Projects.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

A series of gold occurrences occur on-strike and north of the Flood zone and are thought to be related to the ~5 km long Ulu regional fold that extends from the Ulu Property lease onto the north Hood River property culminating at the NFN zone. This structure extends from the Flood and Gnu gold zones along the Ulu fold to the north and hosts at least five gold zones in addition to the Flood and Gnu zones (NFN, INT, Bizen, Apex and Contact zones).

The primary exploration target for the property is shear-hosted gold mineralization similar to the Flood zone on the adjacent Ulu Property lease. Several high-grade gold occurrences also occur on the east Hood River property, including the Crown and Penthouse zones, where gold trends with similarities to the Ulu fold trend may exist. The large number of high-grade gold showings that occur throughout the properties provide for excellent resource expansion potential at multiple targets.

Hood River Property Ownership History:

Pursuant to a letter of intent dated May 15, 2014, on February 26, 2018, the Company signed the final Transaction Agreement (the “Definitive Agreement”) and NSR Royalty Agreement to acquire 100% of the outstanding shares of Inukshuk Exploration Inc. (“Inukshuk”), with an effective date as of September 18, 2014. Inukshuk owns a 100% interest in the Hood River Property in Nunavut through a 20-year renewable mineral exploration agreement (“MEA”) dated June 1, 2013, issued by Nunavut Tunngavik Incorporated (“NTI”).

Pursuant to the terms of the Definitive Agreement, the Company acquired 100% of the outstanding shares of Inukshuk by issuing the shareholders (the “Vendors”) and their assignees 800,000 post-consolidation common shares of the Company (valued at \$560,000) for the transaction. The TSX-V approved the transaction on September 18, 2014.

Under the terms of the Royalty Agreement in the Definitive Agreement, the Company will pay the following:

- i. Pay a 3% NSR royalty on the disposition of all minerals produced from the Hood River Property;
- ii. Make advance royalty payments totalling \$500,000 (paid);
- iii. Offer the Vendor a right of conveyance if the Company abandons the Hood River Property; and
- iv. Maintain the Hood River Property in good standing during the conveyance period.

Prior to the commencement of commercial production on the Hood River Property, the Company has the option to acquire up to 2% of the NSR for up to \$8,000,000 under the following terms:

- i. Purchase an initial 0.5% of the NSR for \$1,000,000;
- ii. Purchase an additional 0.5% of the NSR for an additional \$1,500,000;
- iii. Purchase an additional 0.5% of the NSR for an additional \$2,500,000; and
- iv. Purchase an additional 0.5% of the NSR for an additional \$3,000,000

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

As at November 30, 2021, the Company had incurred the following expenditures on the Hood River Property:

<i>Hood River Property (Nunavut)</i>	<i>November 30, 2020</i>	<i>Additions</i>	<i>November 30, 2021</i>
Acquisition costs	\$ 935,000	\$ 125,000	\$ 1,060,000
Exploration			
Amortization	4,503	48,470	52,973
Assay	163,433	16,095	179,528
Camp and supplies	176,678	412	177,090
Claim maintenance	29,945	4,400	34,345
Community support	26,996	7,000	33,996
Consulting	184,151	22,416	206,567
Drilling and geological	1,729,909	216,007	1,945,916
Equipment rental	403,988	13,880	417,868
Fuel	133,532	-	133,532
General exploration	-	93,021	93,021
Geological analysis	40,848	75,980	116,828
Geophysical	-	71,996	71,996
Helicopter	1,469,207	-	1,469,207
Permits	425,686	24,545	450,231
Project manager	-	142,546	142,546
Site personnel	476,232	-	476,232
Travel	80,001	459	80,460
<b>Total</b>	<b>\$ 6,280,109</b>	<b>\$ 862,227</b>	<b>\$ 7,142,336</b>

### Roma Project

The Company acquired a 100% interest in the Roma Property in February 2021. The Project lies approximately 30 km north of the Ulu and Hood River Properties and encompasses prospective and underexplored mineral claims within the High Lake Greenstone Belt.

The Company signed a Mineral Exploration Agreement (MEA) with NTI and staked additional mineral claims in January 2022 resulting in the continued consolidation of the Roma Project. Blue Star increased the Roma Project area by 89% to a total of 145.2 square kilometres (combined MEA ground and mineral claims).

Multiple significant gold showings are present on the Roma Project within a 6.5 km by 2.4 km area. Numerous high-grade gold showings and zones were discovered in the 1990's with little to no follow-up work conducted since that time, including grab samples up to 126 g/t gold and chip samples up to 24 g/t gold over 1.5 m. Limited shallow drilling (10 holes for 465 m) returned 12.38 g/t Au over 2.31 m and 8.69 g/t Au over 1.87 m. The geologic setting and style of gold mineralization at the Roma Project is similar to that found at the Company's Ulu Project, which is host to the high-grade Flood Zone gold deposit.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

Roma Property Ownership History:

In January 2022, the Company staked 2,722 hectares of additional mineral claims and entered into an MEA with NTI adding a further 4,119 hectares to the Roma landholdings. The property now encompasses 26,674 hectares in total.

On February 17, 2021, the Company entered into a Property Purchase Agreement to acquire 100% interest in 9 mineral claims ("Roma") located in Nunavut. The Company issued 75,000 post-consolidation shares (valued at \$67,500) on February 22, 2021 and reimbursed all expenses (\$22,230) in connection with staking the claims.

As at November 30, 2021, the Company had incurred the following expenditures on the Roma Property:

<i>Roma Property (Nunavut)</i>	<i>November 30, 2020</i>	<i>Additions</i>	<i>November 30, 2021</i>
Acquisition costs	\$ -	\$ 89,730	\$ 89,730
Exploration			
General exploration	-	62,837	62,837
Geophysical	-	61,985	61,985
<b>Total</b>	<b>\$ -</b>	<b>\$ 214,552</b>	<b>\$ 214,552</b>

Darren Lindsay, P.Ge., and VP Exploration of Blue Star Gold Corp., is a Qualified Person within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and approved the scientific and technical information in the Exploration and Evaluation Assets descriptions in this Management's Discussion and Analysis.

#### **4. SELECTED ANNUAL INFORMATION**

The following table summarizes selected financial information for the Company for each of its most recently completed financial years. The information set forth below should be read in conjunction with the audited financial statements. All information was prepared in accordance with IFRS.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

	<b>As at November 30,</b>		
	2021	2020	2019
Current assets	\$ 2,868,045	\$ 748,781	\$ 445,197
Non-current assets	20,883,315	14,033,692	5,868,003
Total assets	23,751,360	14,782,473	6,313,200
Current liabilities	2,752,036	2,831,893	1,450,850
Non-current liabilities	151,637	5,736,185	2,953,184
Shareholders' equity	20,847,687	6,214,395	1,909,166
Total liabilities and shareholders' equity	23,751,360	14,782,473	6,313,200
Working capital (deficiency)	\$ 116,090	\$ (2,083,112)	\$ (1,005,653)

	<b>Year ended November 30,</b>		
	2021	2020	2019
Revenue	\$ -	\$ -	\$ -
Loss and comprehensive loss for the year	\$ (3,678,625)	\$ (2,581,193)	\$ (1,388,837)
Basic and diluted loss per share	\$ (0.10)	\$ (0.17)	\$ (0.11)
Weighted average number of common shares outstanding	37,095,513	14,797,062	12,960,030

## **5. SUMMARY OF QUARTERLY RESULTS**

The table below present's selected financial data for the Company's eight most recently completed quarters, all information was prepared in accordance with IFRS.

	Three month period ended November 30, 2021	Three month period ended August 31, 2021	Three month period ended May 31, 2021	Three month period ended February 28, 2021
Total assets	\$ 23,751,360	\$ 23,675,209	\$ 15,531,167	\$ 15,922,658
Exploration and evaluation assets	17,233,182	15,523,211	11,536,767	11,198,738
Shareholders' equity	20,847,687	19,637,202	8,304,044	8,887,871
Net loss and comprehensive loss	(626,719)	(657,500)	(583,827)	(1,810,579)
Loss per share	(0.01)	(0.02)	(0.02)	(0.07)

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

	Three month period ended November 30, 2020	Three month period ended August 31, 2020	Three month period ended May 31, 2020	Three month period ended February 29, 2020
Total assets	\$ 14,782,473	\$ 14,495,476	\$ 7,698,345	\$ 8,020,213
Exploration and evaluation assets	10,607,385	8,027,968	4,388,907	4,102,272
Shareholders' equity	6,214,395	4,192,448	1,738,701	2,260,117
Net loss and comprehensive loss	(980,989)	(773,376)	(521,416)	(305,412)
Loss per share	(0.07)	(0.05)	(0.04)	(0.02)

## 6. DISCUSSION OF OPERATIONS

The following information is accounted for in accordance with IFRS, as issued by IASB. The reader is encouraged to refer to the notes of the Company's audited consolidated financial statements for the year ending November 30, 2021 for the Company's summary of significant accounting policies.

### *Year ended November 30, 2021*

During the year ended November 30, 2021, the Company had a comprehensive loss of \$3,678,625, compared to a comprehensive loss of \$2,581,193 in the prior year ended November 30, 2020. Significant comparative variances for the years ended November 30, 2021 and 2020 were:

Accretion and interest of \$630,083 (2020 - \$1,113,116);  
Amortization of \$3,784 (2020 - \$2,184);  
Amortization of ROU assets of \$164,420 (2020 - \$27,403);  
Directors fees of \$100,000 (2020 - \$100,00);  
Insurance of \$64,951 (2020 - \$47,118);  
Investor and shareholder relations of \$623,838 (2020 - \$265,291);  
Office services and miscellaneous of \$97,779 (2020 - \$63,385);  
Professional fees of \$118,982 (2020 - \$221,339);  
Regulatory and transfer agent fees of \$63,376 (2020 - \$25,264);  
Rent and administrative services of \$Nil (2020 - \$54,477);  
Salaries of \$578,769 (2020 - \$749,473);  
Share-based compensation of \$550,916 (2020 - \$162,916);  
Travel and entertainment of \$Nil (2019 - \$29,526);  
Loss on debt settlement \$681,727 (2020 - \$Nil); and  
Deferred income tax recovery of \$Nil (2020 - \$280,299).

Accretion of interest totaling \$630,083 (2020 - \$1,113,116) was related to \$2,435,542 (2020 - \$3,635,542) of loans and \$Nil (2020 - \$7,100,000) in convertible debentures during the period. On January 25, 2021 the Company issued 1,526,533 post-consolidation shares to settle loans and accrued interest totalling \$839,593 at a deemed price of \$0.55 per share. The market price of the shares of the Company at the issuance date was \$1.05 per share. As a result, a loss on debt settlement of \$681,727 is recorded in the statement of loss and comprehensive loss. During the

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

comparative period ended November 30, 2020, the deferred income tax recovery of \$280,299 is to record the effect of a temporary difference between the book value of the loans and their tax value, which mainly resulted from the equity portion of the \$4,100,000 convertible debenture issued in July 2020. The decrease of accretion of interest is due to settlement of loans and conversion of convertible debts during the year ended November 30, 2021.

Amortization of ROU assets of \$164,420 (2020 - \$27,403) is related to the new leased office commencing October 1, 2020, which is a result of the Company's adoption of a new IFRS 16 Lease in the year.

Investor and shareholder relations of \$623,838 (2020 - \$265,291) consists of expenses related to activities creating awareness for the Company and its projects. The expenses are higher in the current year due to more financing activities and programs conducted in the US and European markets.

Salaries of \$578,769 (2020 - \$749,473) relate to fees accrued to officers and employees for management of the Company's operations and projects.

Share-based compensation of \$550,916 (2020 - \$162,916) is due to amortization of the fair value of 1,085,000 (2020 - 180,000) in post-consolidation stock options granted during the period.

During the year ended November 30, 2021, the Company used \$1,800,507 (2020 - \$1,989,508) in cash for operating activities and \$7,583,712 (2020 - \$7,990,834) in cash for exploration and evaluation investments and received \$11,689,385 (2020 - \$10,013,660) from financing activities. The Company had a net increase in cash of \$2,305,166 (2020 - \$33,318).

***Three-Month Period ended November 30, 2021***

During the three months ended November 30, 2021, the Company had a comprehensive loss of \$626,719, compared to a comprehensive loss of \$980,989 in the three months ended November 30, 2020. Significant comparative variances for the three-month periods November 30, 2021 and 2020 were:

Accretion and interest of \$41,464 (2020 - \$227,581);  
Amortization of \$946 (2020 - \$786);  
Amortization of ROU assets of \$41,105 (2020 - \$27,403);  
Directors fees of \$25,000 (2020 - \$25,000);  
Insurance of \$16,629 (2020 - \$13,092);  
Investor and shareholder relations of \$223,010 (2020 - \$62,463);  
Office services and miscellaneous of \$32,689 (2020 - \$31,974);  
Professional fees of \$54,585 (2020 - \$42,062);  
Regulatory and transfer agent fees of \$30,835 (2020 - \$1,535);  
Rent and administrative services of \$Nil (2020 - \$5,468);  
Salaries of \$142,173 (2020 - \$187,499);

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

Share-based compensation of \$Nil (2020 - \$79,987);  
Travel and entertainment credit of \$1,717 (2020 – expense of \$2,989);  
Deferred income tax recovery of \$Nil (2020 - \$273,150).

Accretion of interest is lower due to the settlement and repayment of \$1,000,000 in loans and conversion of \$4,100,000 convertible loans during the year ended November 30, 2021.

Amortization of ROU assets of \$41,105 (2020 - \$27,403) is related to the new leased office commencing October 1, 2020, which is a result of the Company’s adoption of a new IFRS 16 Lease in the year.

Investor and shareholder relations of \$223,010 (2020 - \$62,463) are higher due to the private placement completed in June and July 2021 and related marketing activities.

Regulatory and transfer agent fees of \$30,835 (2020 - \$1,535) are higher due to an application fee and annual fee on listing on the OTCQB.

Salaries of \$142,173 (2020 - \$187,499) are lower because of an accrual of severance pay to a former officer in the comparative period.

## **7. LIQUIDITY AND CAPITAL RESOURCES**

### **Liquidity**

As at November 30, 2021, the Company had \$2,433,209 (November 30, 2020 - \$128,043) in cash. The Company is at the exploration stage and does not have cash flow from operations; therefore, equity or debt financings have been the sole source of funds. At November 30, 2021, the Company had working capital of \$116,009 (November 30, 2020 – deficiency of \$2,083,112) and an accumulated deficit of \$15,235,077 (November 30, 2020 - \$11,715,053).

The improved working capital situation is due to the Company’s private placement of \$12,260,326 and the elimination of \$1,000,000 in loans and \$4,100,000 convertible loans through share issuances.

In the opinion of management, the working capital is insufficient to support the Company’s near term general administrative and corporate operating requirements on an on-going basis. In order to fund mineral property expenses and fund administrative costs, further financings will be required, and the Company is likely to raise such funds from the issuances of equity.

The Company had the following debt and equity financing activities during the year ended November 30, 2020 and 2021 and the subsequent period:

### **Loans**

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

- On December 19, 2018, March 10, 2019 and May 7, 2019, the Company entered into three loan agreements with Dr. Georg Pollert, a director of the Company. Each loan had a principal of \$250,000, had 7.5% in simple interest per annum, and were repayable on or before December 31, 2020, March 31, 2021 and June 30, 2021 respectively. In addition, the director will receive 100,000 bonus shares on each loan upon approval by the TSX-V.

On January 25, 2021, the Company issued 1,526,533 post-consolidation shares to settle the three loans with a total principal of \$750,000 and accrued interest of \$89,594 at a deemed price of \$0.55 per share. The Company also issued 100,000 bonus shares (valued at \$39,227) in accordance with the loan that matured on December 29, 2020, while the remaining 200,000 bonus shares (valued at \$81,539) were not issued.

- On June 19, 2019, a loan agreement was entered into with a third party for \$250,000. The loan bears 7.5% simple interest per annum payable on or before the date of repayment of July 30, 2021. In consideration, the lender will receive 100,000 post-consolidation bonus shares.

In July 2021, the Company fully repaid the loan principal of \$250,000 and interest of \$38,373, and issued 100,000 post-consolidation bonus shares valued at \$41,454.

- On November 21, 2019, the Company entered into a loan agreement with Dr. Georg Pollert. The Loan principal amount is up to \$2,435,542 (received in December 2019). The loan has a term of three years and bears interest at 3% per annum. In relation to the loan, during the year ended November 30, 2021, the Company issued 300,000 (November 30, 2020 - 487,108) post consolidation bonus shares valued at \$69,505 (November 30, 2020 - \$114,053).

*Convertible Debentures – Converted in November 2020*

On November 26, 2019, the Company closed a non-brokered private placement of convertible debentures of \$3,000,000 by issuing 3,000 units of convertible debentures. Each unit was priced at \$1,000 and consisted of 20,000 non-secured Convertible Debentures (the “Debentures”) and 20,000 non-transferable Common Share purchase warrants (“Warrants”). Each Debenture bears an annual simple interest rate of 7.5% over its term of up to 3 years (the "Term") and the interest is to be calculated and paid annually. During the first year of the Term, the conversion price will be \$0.50 per share. During the second and third years of the Term, the conversion price will be \$1.00 per share. Each Warrant will entitle the holder to purchase one common share of the Company at an exercise price of \$0.75 per share during the Term.

In November 2020, the \$3,000,000 convertible debentures were converted into 6,000,000 post-consolidation shares.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

*Convertible Debentures – Closed on July 3, 2020*

On July 3, 2020, the Company closed a non-brokered private placement of 4,100 units of the Company (the “Units”) at a price of \$1,000 per Unit for gross proceeds of up to \$4,100,000. Each Unit is comprised of 20,000 unsecured convertible debentures (the “Debentures”) and 20,000 non-transferable common share purchase warrants (“Warrants”) of the Company.

Each Debenture has a maximum term of 3 years (the “Term”) and will bear an annual simple interest rate of 7.5%. During the first year of the Term, the principal amount of each Debenture may be converted by the holder, for no additional consideration, into common shares of the Company at a conversion price of \$0.50 per share and \$1.00 per share during the second and third years of the Term. Each Warrant entitles the holder to purchase one additional share at an exercise price of \$0.75 per share until the expiry date of the Term.

On July 3, 2021, the \$4,100,000 convertible debentures were converted into 8,200,000 post-consolidation shares.

*Equity Financing – Closed on December 17, 2020*

In December 2020, the Company completed a private placement by issuing 2,201,000 post-consolidation units (the “Units”) at a price of \$0.80 per Unit for gross proceeds of \$1,760,800. Each Unit will consist of one common share and one transferable common share purchase warrant with each warrant exercisable into shares of the Company at a price of \$1.10 per share until December 16, 2021. In relation to the private placement, the Company paid or accrued \$38,328 in finders’ fees and issued 47,910 share purchase warrants (valued at \$21,321) with each warrant exercisable into shares of the Company at a price of \$0.80 per share until December 16, 2022.

*Equity Financing – Closed on July 20, 2021*

On July 20, 2021, the Company closed a non-brokered private placement by issuing 9,299,049 common shares and 2,738,994 flow-through common shares at a price of \$0.70 per share for gross proceeds of \$8,426,630. The Company paid corporate finance fees of \$8,250, cash finders’ fees of \$85,453 and issued 229,051 finders’ shares valued at \$160,336.

*Equity Financing – Closed on November 29, 2021*

On November 29, 2021, the Company closed a non-brokered private placement by issuing 735,294 common shares at \$0.68 per share and 2,213,445 flow-through common shares at a price of \$0.72 per share for gross proceeds of \$2,093,680. The Company paid cash finders’ fees of \$84,000 and issued 20,833 finders’ shares valued at \$13,750.

**Liquidity Outlook**

At present, the Company’s operations do not generate cash inflows and its cash position is highly dependent on the ability to raise cash through financings and the timing of expenditures on

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

exploration programs. In order to finance the Company's evaluation and exploration programs and to cover administrative and other expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its exploration and evaluation assets. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities.

Additional funds will be required to fulfil obligations under option agreements and cover general administrative and corporate operating requirements. Given volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities there can be no certainty equity funding will be available to the Company or if available funding will be on acceptable terms. Management believes it will be able to raise equity capital as required, but recognizes that there will be risks which may be beyond its control.

**Capital Resources**

The Company does not have sufficient capital at this time to fulfil its obligations under the current property agreements or to meet its administrative overhead expenses for the next twelve months and does not have any alternative funding arrangements in place. If the Company is unable to raise required capital it will not fulfil obligations under one or more of the property agreements or continue to operate at its current level of activity.

**Going Concern**

The Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several material uncertainties may cast a significant doubt on the entity's ability to continue as a going concern. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation asset projects. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to continue evaluating its mineral projects by the issuance of share capital or through joint ventures, and to realize future profitable production or proceeds from the disposition of its exploration and evaluation assets. As at November 30, 2021, the Company had an accumulated deficit of \$15,235,077 and had working capital of \$116,009. In the opinion of management, current the working capital is insufficient to support the Company's general administrative and corporate operating requirements on an on-going basis for the next 12 months. Until additional funds are secured, the Company does not have resources to fund further exploration expenditures. Management plans to secure the necessary financing through the issuance of new equity instruments and/or entering into joint venture arrangements. However, there is no assurance that the Company will be successful in these actions.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

If the going concern assumption was not appropriate for the Financial Statements, adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material to the Financial Statements.

## **8. TRANSACTIONS WITH RELATED PARTIES**

The amounts due to/from related parties are amounts due to the directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company's related parties consist of officers and directors (and their related companies) as follows:

<b>Name of Related Party</b>	<b>Position</b>	<b>Nature of transaction</b>
Ken Yurichuk	Director	Director fee
Judy Baker	Director	Director fee
Robert Metcalfe	Director	Director fee
Klaus G. Schmid	Director	Director fee
Dr Georg Pollert	Director	Director fee
Grant Ewing	CEO	Salary
Andrea Yuan	CFO	Consulting fee
Kim Ewing	Office Manager	Salary
Stephen Wilkinson	Former CEO	Salary
Wayne Moorhouse	Former CFO / Director	Consulting fee

As at November 30, 2021, \$200,241 (November 30, 2020 - \$455,162) was due to directors and officers of the Company:

	November 30, 2021	November 30, 2020
CFO	\$ 13,490	\$ 9,984
Former CEO**	168,000	168,000
Directors	18,751	237,338
Former CFO*	-	39,840
	<b>\$ 200,241</b>	<b>\$ 455,162</b>

\* Former CFO was related parties during the year ended November 30, 2019 or during previous fiscal years.

\*\* The Company's CEO was terminated during the year ended November 30, 2020.

During the years ended November 30, 2021 and 2020, the Company entered into the following transactions with related parties:

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

	Year ended November 30, 2021	Year ended November 30, 2020
Salary – CEO	\$ 204,000	\$ 59,500
Salary – Spouse of CEO	123,360	28,320
Management fee – CFO	132,000	96,750
Directors fees	100,000	100,000
Salary – former CEO*	-	246,285
Share-based compensation - 1,800,000 (2020 – 6,300,000) options were granted to directors and officers	236,896	162,916
	\$ 796,256	\$ 693,771

\*The Company’s CEO was terminated during the year ended November 30, 2020.

*Loans and convertible debentures with Dr. Pollert*

During the year ended November 30, 2021 and 2020, the Company received the following loans from Dr. Georg Pollert, a director of the Company.

	Amount
<b>Year ended November 30, 2020:</b>	
December 10, 2019 - loan principal of \$2,435,542; interest at 3% per annum; additional bonus shares calculated on the base of principal. Up to 787,108 post-consolidation bonus shares was approved by TSX-V on November 26, 2019.	\$ 2,435,542
July 3, 2020 - convertible debenture principal of \$3,175,000; interest at 7.5% per annum, payable quarterly, with conversion feature and additional warrants.	\$ 3,175,000
Cash interest paid or settled during the year	\$ 203,370
<b>Year ended November 30, 2021:</b>	
On January 25, 2021 the Company issued 1,526,533 post-consolidation shares to settle three loans from Dr. Georg Pollert. The total loan principal of \$750,000 and interest of \$89,593 totalling \$839,593 at a deemed price of \$0.055 per share. The Company also issued 100,000 post-consolidation bonus shares (valued at \$39,227) in accordance with the loan that matured on December 29, 2020, while the remaining 200,000 post-consolidation bonus shares (valued at \$81,539) were not issued.	\$ 839,593
On July 3, 2021, the Company issued 6,300,000 post-consolidation shares pursuant to the conversion of \$3,175,000 convertible debts issued on July 3, 2020.	\$ 3,175,000
Cash interest paid or settled during the year	\$ 457,346

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

*Change of Board Members and Officers*

On August 17, 2020, Grant Ewing was appointed as CEO of the Company. Peter Kuhn resigned from the interim CEO position.

On April 27, 2020, Steve Wilkinson was terminated as CEO of the Company. Peter Kuhn was appointed as interim CEO during this transition period.

In December 2019, Zara Kanji resigned as CFO of the Company and Mike Stewart resigned as the Corporate Secretary of the Company. On January 1, 2020, Andrea Yuan was appointed as CFO and Jan Urata was appointed as Corporate Secretary of the Company.

## **9. FINANCIAL INSTRUMENTS AND RELATED RISKS**

The Board, through the Audit Committee, is responsible for identifying the principal risks facing the Company and ensuring that appropriate risk management systems are developed and implemented. The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk, interest rate risk and credit risk in accordance with its risk management framework.

### **Financial Instruments**

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

The Company's financial instruments as at November 30, 2021 are as follows:

	Level 1	Level 2	Level 3
<b>Financial assets at FVTPL</b>			
Cash	\$ 2,433,209	\$ -	\$ -
<b>Financial liabilities at amortized costs</b>			
Accounts payable and accrued liabilities	\$ 119,233	\$ -	\$ -
Due to related parties	\$ 200,241	\$ -	\$ -
Lease liabilities	\$ -	\$ 151,000	\$ -
Loans payable	\$ -	\$ 2,281,562	\$ -

### **Related Risks**

*Liquidity Risk* - Liquidity risk is the risk the Company cannot meet its financial obligations. The Company attempts to manage liquidity risk by maintaining sufficient cash balances or through additional financings to ensure there is sufficient capital to meet short term obligations. As at November 30, 2021, the Company had a cash balance of \$2,433,209 (November 30, 2020 – \$128,043) to settle current liabilities of \$2,752,036 (November 30, 2020 - \$2,831,893). The Company's current working capital is insufficient to support the Company's near term general administrative and corporate operating requirements on an on-going basis.

*Interest rate risk* – As at November 30, 2021, the Company's loans have fixed interest rate at 3% per annum with additional consideration of bonus shares.

*Currency Risk* - As at November 30, 2021 and 2020, all the Company's cash was held in Canadian dollars, the Company's functional and reporting currency.

*Credit risk* - Concentration of credit risk exists with respect to the Company's cash, as substantially all amounts are held at major financial institutions. The credit risk associated with cash is minimized by ensuring that these financial assets are placed with financial institutions with investment-grade ratings by a primary ratings agency.

*Finance Risk* - The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity and debt securities or joint ventures, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's properties.

## **10. RISKS AND UNCERTAINTIES**

The Company's business is the exploration and development of mineral properties. As a result, the Company's operations are speculative. The Company has no history of profitable operations and

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, receipt of adequate financing; correct interpretation of geological data; feasibility and other studies; the particular nature of the mineral deposit, such as size grade, metallurgy and physical structure; expected and real metal recoveries; proximity to infrastructure and labour; the cost of water and power; climactic conditions; metal prices; fluctuations in currency exchange rates and metal prices; timely granting of necessary permits; government regulations and taxes; and environmental protection and regulations. The effect of these factors cannot accurately be predicted, but in combination these risk factors may adversely affect the Company's business.

The risks and uncertainties described in this section are not inclusive of all risks and uncertainties to which the Company may be subject. Furthermore, the Company may face additional risks and uncertainties not presently known to the Company and its management or risks currently seen as immaterial may impair the Company's business in the future.

*Early Stage - Need for Additional Funds* - The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

*Location* - The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on exploration and evaluation assets.

*Exploration and Development Risks* - Resource property acquisition, exploration, development, and operation are a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

on any given exploration property cannot accurately be predicted but the effect can be materially adverse.

*Environmental Risk* - Current or future environmental laws and regulations may affect the operations of the Company. 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. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, 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 damages caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. The Company intends to minimize these risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to international environmental standards.

*Commodity Prices* - The market price of precious metals and other minerals is volatile and cannot be controlled.

*Conflicts* - The Company's directors and officers serve as directors or officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction.

*Dependence on Key Personnel* - The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

*Competition* - The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

*Political Risk* - The Company's operations and investments may be affected by local political and economic developments including: expropriation; nationalization; invalidation of governmental orders; permits or agreements pertaining to property rights; failure to enforce existing laws; failure to uphold property rights; political unrest; labour disputes; inability to obtain or delays in obtaining necessary mining permits; opposition to mining from local, environmental or other non-governmental organizations; government participation; royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations; taxation and changes in laws, regulations or policies; as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

*Impact of COVID-19* - the Company's business is focused on exploring mineral properties in Nunavut. Management doesn't believe that COVID-19 will have a strong impact on the Company's financial results. Access to the properties might be delayed because of COVID-19 in the future, and as a result, the Company may delay certain aspects of its exploration and remediation work plans accordingly.

## **11. OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **12. SUBSEQUENT EVENTS**

On January 20, 2022, the Company granted to a consultant 50,000 stock options, exercisable at \$1.10 per share for a term of 2 years. These options vested on the date of grant.

## **13. COMMITMENTS**

On August 19, 2020, the Company entered into an office lease agreement for a 24- month lease period starting October 1, 2020. The Company will pay a lease payment of \$7,509 per month for the first 12-month period and \$8,192 per month during the remaining lease period.

## **14. DISCLOSURE OF OUTSTANDING SHARE DATA**

The Company is authorized to issue an unlimited number of shares without par value. The table below presents the Company's common share data as of the date of this report:

---

---

	Number of securities
Common shares	53,139,838
Stock options	1,990,000
Warrants	2,798,910

---

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

## **15. DIVIDENDS**

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and. Any future

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

determination to pay dividends will be at the discretion of the Board of Directors of the Company, and will depend on Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors deem relevant.

## **16. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS**

Additional disclosure concerning the Company's general and administrative expenses and exploration and evaluation assets expenditures is provided in the Company's Financial Statements as at and for the year ended November 30, 2021. These Financial Statements are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **17. APPROVAL**

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

## **18. FORWARD LOOKING STATEMENTS**

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, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of operations, environmental risks, permitting 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. 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 mineral resources, 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 financial statements which are filed and available for review on SEDAR at [www.sedar.com](http://www.sedar.com).

**BLUE STAR GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the Year Ended November 30, 2021**

---

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. There can be 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.