

LODESTAR METALS CORP.

(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis

For the three and nine months ended September 30, 2024

The following management's discussion and analysis ("MD&A"), prepared as of November 27, 2024, is a review of operations, current financial position and outlook for Lodestar Battery Metals Corp., formerly Silverton Metals Corp., ("Lodestar" or the "Company"). Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca/.

This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024 and the audited consolidated financial statements and MD&A for the year ended December 31, 2023, and the notes thereto. Amounts are reported in Canadian dollars, unless otherwise specified.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following MD&A constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such forward-looking statements involve a number of 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 such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

COMPANY DESCRIPTION AND RECENT HIGHLIGHTS

Lodestar Metals Corp., formerly Lodestar Battery Metals Corp. ("Lodestar" or the "Company"), was incorporated under the Business Corporation Act (Ontario) on July 15, 2013. On March 21, 2019, the Company was continued under the British Columbia Business Corporations Act, and on March 2, 2021, in conjunction with the closing of its qualifying transaction ("Qualifying Transaction"), the Company changed its name to Silverton Metals Corp. On July 31, 2024, the Company announced that it changed its name to Lodestar Metals Corp. Lodestar began trading on the TSX Ventures Exchange ("TSX-V"), effective November 14, 2022, under the symbol "LSTR". On September 4, 2024, the Company announced it changed its name to Lodestar Metals Corp. On May 5, 2021, the Company's shares commenced trading on the OTC Markets system, through the SEC-registered Alternative Trading System quotation facilities (known as OTC Link® ATS), under the symbol "SVTNF". The head office of the Company is located at 704 - 595 Howe Street Vancouver, BC V6C 2T5.

On December 13, 2023, the Company entered into a grant agreement with the Manitoba Mineral Development Fund ("MMDF") for \$123,723 to fund exploration activities at the Penny property. During the nine months ended September 30, 2024, the Company received the full amount of the funds under the grant of \$123,718.

On May 29, 2024, the Company announced that it is preparing to undertake an electromagnetic geophysical survey on the Penny Property. This survey will aid in refining historical survey work and highlight any unidentified conductors along the identified BUR Trend, extending from Hudbay's property

On June 28, 2024, the Company announced certain director and officer changes; and the granting, to its independent directors, of 800,000 options to purchase common shares. The options are exercisable at \$0.05 per share, fully vested and expire five years from the date of grant.

On August 1, 2024, the Company announced the appointment of Mr. David W. Christie, P. Geo., as Strategic Advisor to the Company, effective immediately. The Company granted Mr. Christie 400,000 options to purchase common shares. The options are exercisable at \$0.05 per share, fully vested and expire five years from the date of grant. The Company further announced the intention to change its name

LODESTAR METALS CORP. (Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis For the three and nine months ended September 30, 2024

from Lodestar Battery Metals Corp. to Lodestar Metals Corp. The name change is subject to approval from the TSXV.

Effective open of market on September 4, 2024, the Company changed its name to "Lodestar Metals Corp. The name change better reflects the Company's focus on base and precious metals properties.

EXPLORATION PROGRAMS AND EXPENDITURES

During the nine months ended September 30, 2024, the Company incurred deferred acquisition and exploration expenditures of \$20,682 (year ended December 31, 2023 - \$711,012) prior to government assistance received of \$123,718 (year ended December 31, 2023 - \$Nil). During the year ended December 31, 2023, the Company also recognized the following non-cash costs: (i) share-based compensation of \$9,681, (ii) impairment charge of \$8,239,965 (*see description of impairment in the Silver Properties further below*) and (iii) foreign exchange translation gain of \$16,102.

The expenditures for the period ended September 30, 2024 related to exploration research and investigation of \$11,929 and consulting fees of \$8,753 in connection with the Company's Peny property and during the years ended December 31, 2023 primarily related to the Peny and Peñasco Quemado properties. The expenditures for the year ended December 31, 2023, include exploration and investigation costs of \$284,368 to expand the Peny property, consulting costs of \$259,858 for sampling work on the Peny property resource estimate costs of \$25,542 in relation to Peñasco Quemado, land/recording fees of \$154,399, general exploration costs of \$Nil, geological and geophysical expenses of \$nil. In addition, \$11,543 of unwinding of discounting on deferred cash consideration relating to the acquisition of the Silver Properties was recognized as exploration and evaluation asset additions during the year ended December 31, 2023.

The details of the deferred acquisition and exploration expenditures recognized during period ended September 30, 2024 and the year December 31, 2023 are as follows:

	Peñasco Quemado	La Frazada	Peny Property	Total
	\$	\$	\$	\$
December 31, 2022	5,494,556	2,537,823	2,076,817	10,109,196
Unwind of discounting on deferred cash consideration	7,514	4,029	-	11,543
Consulting	25,542	-	234,316	259,858
Exploration research & investigation	-	-	284,368	284,368
Travel	-	-	844	844
Land / recording fees	145,073	9,326	-	154,399
Share-based compensation (Note 8)	-	-	9,681	9,681
Impairment of exploration and evaluation assets	(5,691,194)	(2,548,771)	-	(8,239,965)
Foreign exchange translation	18,509	(2,407)	-	16,102
	(5,494,556)	(2,537,823)	529,209	(7,503,170)
December 31, 2023	-	-	2,606,026	2,606,026
Consulting	-	-	8,753	8,753
Exploration research & investigation	-	-	11,929	11,929

LODESTAR METALS CORP. (Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis For the three and nine months ended September 30, 2024

Government assistance	-	-	(123,718)	(123,718)
	-	-	(103,036)	(103,036)
September 30, 2024	-	-	2,502,990	2,502,990

* The foreign currency translation amount arises from the Company's subsidiary, Minera Terra, incurring exploration expenditures in currencies other than the Canadian dollar while the Company's consolidated financial statements are presented in Canadian dollars, thereby giving rise to foreign currency translation differences upon inclusion of the Canadian dollar equivalent of the foreign currency expenditures in the Company's consolidated financial statements.

Peny Property

On August 31, 2022, the Company completed the acquisition of a lithium focused property, being the Peny Property, from WOL by acquiring all of the issued and outstanding shares of WOL, which holds a 100% interest in the Peny Property.

The Peny Property is located approximately 25 kilometres north-east of the town of Snow-Lake, Manitoba. The property is prospective for Lithium Pegmatite and Volcanic Massive Sulphide style mineralization which is known to occur in the local area. The property encompasses rocks belonging to Churchill Province and comprises of meta volcanoclastic and metasedimentary rocks. In 2022, the Company acquired a total of 15 mineral claims totaling 3,204 ha in the Snow Lake district in Manitoba, Canada.

On December 13, 2023 the Company entered into a grant agreement with the Manitoba Mineral Development Fund ("MMDF") for \$123,723 to fund exploration activities at the Peny property. During the nine months ended September 30, 2024, the Company received the full amount of the funds under the grant of \$123,718.

Goldrun Property

In June 2024, the Company made a payment of \$13,672 (US\$10,000) (recorded in prepaid expenses and other assets, Note 5 to the consolidated financial statements) in connection with a proposed option agreement for a 70% interest in certain mineral claims located in Nevada, and which contain certain net smelter royalties. Further option payments and share issuances in connection with the property are subject to completion of due diligence, signing of a definitive option agreement, obtaining third-party consents and TSXV approval. The entry into the definitive option agreement is also subject to the Company securing a financing of a minimum amount of \$1,000,000 and incurring minimum expenditures on the properties. On exercise of the option, LSTR will assume the applicable royalties associated with the claims.

The Silver Properties

On March 2, 2021, the Company completed the acquisition of three silver-focused Mexican mineral properties, being Peñasco Quemado, Sonora; La Frazada, Nayarit; and Pluton, Durango, from Silver One by acquiring from Silver One all of the issued and outstanding shares of KCP, which holds, through its wholly owned subsidiary, Minera Terra, a 100% interest in the Silver Properties (see Note 6 to the consolidated financial statements). The Mexican Congress recently passed a set of amendments to existing statutes that, materially change mining regulation and projects outlook in Mexico (the Mining Reform). The Mining Reform was published in the Federal Register on May 8, 2023, and includes major changes to Mexico's Mining Law, National Waters Law, General Law of Ecological Equilibrium and Environmental Protection and General Law for the Prevention and Integral Handling of Wastes. The Mining Reform is effective as of May 9, 2023, with additional implementing regulation is to be issued within 180 calendar days. The Company is currently working with legal counsel to assess the impacts of the Mining Reform on its Mexican exploration assets.

LODESTAR METALS CORP.

(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis

For the three and nine months ended September 30, 2024

Each of the Silver Properties is subject to a 1.5% NSR per property with a buyback of 1% for US\$500,000 in favor of a third party, First Mining Finance Corp. ("First Mining"). Upon closing of the Qualifying Transaction, the Company granted Silver One a 1.5% Net Smelter Return Royalty on each of the Silver Properties. At the option of the Company, the Company may purchase two-thirds of each individual royalty (being 1% of the applicable royalty) with a payment equal to US\$500,000.

Impairment

During the second half of 2023, management commenced marketing the Silver Properties for sale to third party potential purchasers. Despite management's efforts, the marketing sale campaign was unsuccessful. Accordingly, and in conjunction with management's determination that the Silver Properties do not form part of the strategic assets of the Company, management determined that it would not further explore the Silver Properties. As a result, the properties were written down to \$Nil at December 31, 2023 based on an estimated fair value of \$Nil, which was a Level 3 estimate in the fair value hierarchy. During the nine months ended September 30, 2023, the Company recorded an impairment charge on the Silver Properties of \$4,880,868, comprised of \$2,336,272 and \$2,544,596, respectively, arising from the Peñasco Quemado and La Frazada properties, respectively. The Peñasco Quemado property was written down to its estimated recoverable amount of \$3,250,000, determined from the results of the NI 43-101 Technical Report published on the property (see Peñasco Quemado section below). During the period ended September 30, 2023, management decided to focus on other properties, and did not intend to further develop the La Frazada property. Accordingly, the La Frazada property was written down to its estimated fair value of \$Nil. The fair value estimates of each of Peñasco Quemado and La Frazada at September 30, 2023 are Level 3 estimate in the fair value hierarchy.

Peñasco Quemado

The Peñasco Quemado Silver Property is located within the north central portion of the Mexican state of Sonora, south of the American state of Arizona. KCP Minerals holds 100% of the Peñasco Quemado Property through Minera Terra. The property consists of seven mining concessions. The main concessions are contiguous and vary in size for a total property area of approximately 3,746 ha, while the fractional claims are not contiguous. The concessions are subject to bi-annual property taxes (which are paid in January and July), and the filing of assessment work reports in May of each year covering the work accomplished on the property between January and December of the preceding year. At present, the aggregate property tax payable to the Mexican government for the mineral concessions is Mx\$ 762,610 per semester (approximately US\$48,434) every six months which are due on or before the end of January and July respectively. The mineral concessions at Peñasco Quemado expire between October 29, 2028 and September 14, 2056. The property is also subject to annual assessment work expenditure requirements of approximately US\$300,000. In May 2023, the Company filed a NI 43-101 Technical Report for the 2023 Mineral Resource Estimate on the Peñasco Quemado Project, Sonora, Mexico with an effective date of March 21, 2023. During the year ended December 31, 2023 an impairment loss in connection with the property of \$5,691,194 was recorded in profit or loss.

La Frazada

The La Frazada Property is located within the central portion of the Mexican state of Nayarit, approximately 55 km northwest of Tepic, the capital of the state of Nayarit. The La Frazada Property is situated in the El Zopilote mining district in the Ruiz municipality. KCP Minerals holds 100% of the La Frazada Property through Minera Terra, which holds La Frazada mining concession totaling 299 ha. The concession is subject to bi-annual property taxes and the filing of assessment work reports in May of each year covering the work accomplished on the property between January and December of the preceding year. At present, the property tax bi-annual (i.e., twice per year) fee payable to the Mexican government for the mineral concession is Mx \$60,889 (approximately US\$3,867) every six months which are due on or before the end

LODESTAR METALS CORP.

(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis

For the three and nine months ended September 30, 2024

of January and July respectively. The mineral concession expires on May 22, 2058. During the year ended December 31, 2023 an impairment loss in connection with the property of \$2,548,771 was recorded in profit or loss.

Pluton

Pluton is a 6,534 ha property comprised of 3 contiguous mining concessions. It is strategically located within the historic "Ojuela-Mapimi Mining District" and lies along the eastern front of the Sierra Madre Oriental in northern Durango. KCP Minerals holds 100% of the Pluton Property through Minera Terra. The concessions are subject to bi-annual property taxes and the filing of assessment work reports in May of each year covering the work accomplished on the property between January and December of the preceding year. At present, the total bi-annual (i.e., twice per year) property tax fee payable to the Mexican government for the property's concessions is Mx \$1,290,430 per semester (approximately US\$81,956). During the year ended December 31, 2022, management decided the Pluton claim does not form a strategic asset of the Company and has therefore determined not to incur the costs of the related and outstanding property taxes. The property was written down to \$nil. The property is also subject to annual assessment work expenditure requirements of approximately US\$1,000,000.

2024 Exploration Activities & Updates

Peny Property

During 2023, management staked 32 additional claims with favourable infrastructure and lithium pegmatite potential in the Snow Lake district, Manitoba. These acquisitions expanded Peny property to the total of 47 claims for 11,191 ha. The claims were staked over the prospective ground along the northward extension of the Crowduck Bay fault and Berry Fault systems which are noted regionally to host pegmatites along this late stage controlling fault trends. Where these intersect Kiseynew Domain toward the north, claims have additionally been staked over areas with favourably oriented potentially dilatational structures interpreted from regional magnetics over parts of the property. The expanded claims blocks include outcroppings of Pegmatite noted from aerial reconnaissance over the property in late 2022. Based on a historical data compilation over the property, a total of 86 drill holes have been identified on the property, including 18 drill holes with noted pegmatite previously unsampled.

On December 13, 2023 the Company entered into a grant agreement with the Manitoba Mineral Development Fund ("MMDF") for \$123,723 to fund exploration activities at the Peny property.

On February 8, 2024, the Company announced results from the previously announced rock sampling program conducted by Axiom. The new results identified up to 7 new K/Rb anomalous areas on pegmatite samples. Various element ratios such as K/Rb are fractionation indicators which can aid in vectoring fertile granites that can contain mineralization. These newly identified areas appear to be interesting and will require further evaluation.

On May 29, 2024, the Company announced that it is preparing to undertake an electromagnetic geophysical survey on the Peny Property. This survey will aid in refining historical survey work and highlight any unidentified conductors along the identified BUR Trend, extending from Hudbay's property. Hudbay's BUR zone trend is adjacent, southwest to the Peny Property. The BUR has been identified as a stratiform massive sulfide deposit that occurs within a narrow turbidite assemblage with mineralization comprised of sphalerite, chalcopyrite, and pyrrhotite.

LODESTAR METALS CORP. (Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis For the three and nine months ended September 30, 2024

SUMMARY OF QUARTERLY RESULTS

A summary of the Company's quarterly results for the 8 most recent quarters is as follows:

Three Months Ended:	Sept 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Total revenue	\$Nil	\$Nil	\$Nil	\$Nil
Net loss	(\$192,962)	(\$180,836)	(\$105,842)	(\$3,619,542)
Net loss per share (basic and diluted)	\$-	\$-	\$-	(\$0.08)

Three Months Ended:	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
Total revenue	\$Nil	\$Nil	\$Nil	\$Nil
Net loss	(\$228,337)	(\$150,909)	(\$5,015,541)	(\$798,492)
Net loss per share (basic and diluted)	(\$0.01)	\$-	(\$0.11)	(\$0.02)

¹ Due to rounding, the sum of the quarterly net loss per share amounts may not equal the annual net loss per share amount.

The net loss during the quarter ended September 30, 2024 is higher than the quarter ended June 30, 2024 primarily due to due diligence expenses on the Goldrun project. The net loss during the quarter ended June 30, 2024 is higher than the quarters ended March 31, 2024 and June 30, 2024 due to an increase in the investor relations and management fees. The net loss during the quarter ended December 31, 2023 was higher than previous quarters due to impairment loss of \$3,359,097 recognized on the Company's Mexican properties. The net loss for the quarter ending September 30, 2023, was lower than the first quarter and other quarters of 2022 due to the Company having reduced management fees and share-based compensation, which decreased the loss compared to other periods. However, it was higher than the quarter ended June 30, 2023 due to bad debts expense resulting from uncollectible receivable and higher investor relations fees due to an engagement of additional marketing consultants.

The loss during the quarter ended June 30, 2023 is lower than previous quarters as there were significant impairment losses recognized in the previous quarters. The loss during the three months ended March 31, 2023 was higher than other quarters due to the impairment charge, relating to the Peñasco Quemado and La Frazada properties, in the aggregate amount of \$4,880,868 incurred in that period. This increase in losses was partly offset by a decrease in management, consulting and advisory fees to \$41,000 and investor relation and marketing fees to \$26,743 during the period ended March 31, 2023 from \$243,905 and from \$64,053, respectively, in the comparative quarter of 2022. These decreases were related to reduction in the Company's activities in the first quarter of 2023.

The loss for the quarter ended December 31, 2022, was higher than the majority of prior comparable periods primarily due to the recognition for an allowance for doubtful collection of IVA of \$262,322 by Minera Terra, the Company's Mexican subsidiary, as well as share-based compensation of \$274,555. Both are partly offset by a decrease in management, consulting and advisory fees to \$112,000 from \$215,216 as well as a reduction in investor relations and marketing expenses to \$45,996 from \$404,171. In addition, during the quarter ended December 31, 2021, bad debt expenses of \$250,000, relating to unrecoverable amounts from a cancelled prepaid contract were incurred which were not repeated in the current period.

LODESTAR METALS CORP.

(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis

For the three and nine months ended September 30, 2024

RESULTS OF OPERATIONS

Three months ended September 30, 2024

During the three months ended September 30, 2024, the Company reported a net loss of \$192,962 and a loss per share of \$0.00 (2023 - loss of \$228,337, and a loss per share of \$0.00). The loss for the three months ended September 30, 2024 was lower than for the same period of 2023, primarily due an decrease in investor relations and marketing fees from \$91,276 in 2023 to \$7,822 in the same period of 2024. The decrease was offset by due diligence costs on the Goldrun project, and some additional administrative costs incurred during the quarter ended September 30, 2024. In 2023, the Company also recognized a cost of \$29,326 to recognize an allowance for doubtful collection of an account compared to \$Nil in the same period of 2024.

Three Months Ended September 30,	2024 \$	2023 \$
General and administrative expenses		
Accounting and audit	16,567	18,757
Bank charges and interest	290	999
Exploration research and investigation	20,461	-
Filing and listing fees	12,050	10,837
Insurance	3,713	7,948
Investor relations and marketing	7,822	91,276
Legal and professional fees	20,003	16,659
Management, consulting and advisory fees	68,882	57,271
Office and miscellaneous	41,781	14,196
Rent	-	1,857
Share-based compensation	8,490	12,740
Transfer agent fees	-	900
Loss before other items	(200,059)	(233,440)
Other income (expenses)		
Interest income	10,217	18,922
Foreign exchange gain	(3,120)	(1,388)
Settlement of flow-through premium liability	-	16,895
Allowance for doubtful collection of IVA	-	(29,326)
Net loss for the period	(192,962)	(228,337)
Other comprehensive loss		
Currency translation differences	(57)	(1,544)
Total comprehensive loss for the period	(193,137)	(229,881)

LODESTAR METALS CORP. (Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis For the three and nine months ended September 30, 2024

The primary changes in expenses are as follows:

- i. Exploration research and investigation
Increase due to site visits and reports in connection with the proposed option agreement on the Goldrun project.
- ii. Investor relations and marketing
In the prior period, the Company entered into additional investor relations contracts to raise the Company's profile with investors. Minimal investor relations engagements were undertaken during the three months ended September 30, 2024.
- iii. Share-based compensation of
The decrease is due to the lower value of the options granted in 2024 compared to the same period of 2023.
- iv. Legal and professional fees
The increase is due to the increase in general corporate activities.

Other items impacting loss for the period include:

- i. Settlement of flow-through liability
The Company closed a flow-through private placement in late 2022, giving rise to an accounting flow-through liability. Upon commencement of exploration work during 2023 the flow-through premium liability was amortized to the consolidated statement of comprehensive loss pro-rata with the amount of related qualifying flow-through expenditures that are incurred by the Company. The Company incurred all required expenses as of December 31, 2023, accordingly no comparative recovery occurred during the three months ended September 30, 2024.
- ii. Allowance for doubtful collection
In the prior period, the Company assessed one of its receivables as potentially uncollectable. No similar allowances were taken during the three months ended September 30, 2024.

Nine months ended September 30, 2024

During the nine months ended September 30, 2024, the Company reported a net loss of \$479,640 and a loss per share of \$0.01 (2023 - loss of \$5,394,787, and a loss per share of \$0.12). During the nine months ended September 30, 2023, the Company recognized an impairment loss of \$4,880,868 compared to \$Nil in 2024. The Company also incurred a higher share-based compensation expense during the nine months ended September 30, 2023 of \$84,643 compared to \$25,471 due to the lower value and number of the options granted in 2024. A summary of expenses for the nine months ended September 30, 2024 and 2023 are in the chart below.

LODESTAR METALS CORP.

(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis

For the three and nine months ended September 30, 2024

Nine months ended September 30,	2024	2023
	\$	\$
General and administrative expenses		
Accounting and audit	52,936	58,759
Bank charges and interest	681	2,470
Exploration research and investigation	24,433	-
Filing and listing fees	38,692	31,238
Insurance	16,347	18,566
Investor relations and marketing	69,094	153,040
Legal and professional fees	37,308	54,816
Management, consulting and advisory fees	186,112	139,921
Office and miscellaneous	63,564	25,179
Rent	3,748	5,360
Share-based compensation	25,471	84,643
Transfer agent fees	550	2,593
Loss before other items	(518,936)	(576,585)
Other income (expenses)		
Interest income	36,901	49,186
Foreign exchange gain	3,439	10,593
Settlement of flow-through premium liability	-	32,213
Allowance for doubtful collection of IVA	(1,044)	(29,326)
Impairment of exploration and evaluation assets	-	(4,880,868)
Net loss for the period	(479,640)	(5,394,787)
Other comprehensive loss		
Currency translation differences	419	(9,182)
Total comprehensive loss for the period	(479,339)	(5,403,969)

The primary changes in expenses are as follows:

- i. Exploration research and investigation
Increase due to site visits and reports in connection with the proposed option agreement on the Goldrun project.
- ii. Investor relations and marketing
During the prior period, the Company entered into additional investor relations contracts to raise the Company's profile with investors. Fewer engagements were undertaken during the nine months ended September 30, 2024.

LODESTAR METALS CORP.

(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis

For the three and nine months ended September 30, 2024

iii. Management, consulting and advisory

The increase is due to the Company incurring directors' fees during the nine months ended September 30, 2024 compared to 2023.

iv. Legal and professional fees

The decrease is due to the general reduction in corporate activities compared to 2023.

v. Share-based compensation

The decrease is due to the lower value of the options granted in 2024 compared to the same period of 2023.

Other items impacting loss for the period include:

i. Impairment loss on mineral property

In the period ended September 30, 2023, the Company recorded an aggregate impairment loss of \$4,880,868 on the Peñasco Quemado and La Frazada properties. At December 31, 2023 these properties were fully written down to \$Nil, accordingly there was no corresponding impairment charge in the current period.

ii. Settlement of flow-through liability

The Company closed a flow-through private placement in late 2022, giving rise to an accounting flow-through liability. Upon commencement of exploration work during 2023 the flow-through premium liability was amortized to the consolidated statement of comprehensive loss pro-rata with the amount of related qualifying flow-through expenditures that are incurred by the Company. The Company incurred all required expenses as of December 31, 2023, accordingly no comparative recovery occurred during the nine months ended September 30, 2024.

iii. Allowance for doubtful collection

In the prior period, the Company assessed one of its receivables as potentially uncollectable. No similar allowances were taken during the nine months ended September 30, 2024.

FINANCING ACTIVITIES

The Company did not undertake any financing activities during the nine months ended September 30, 2024.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2024, the Company had cash of \$976,407 compared to \$1,295,314 at December 31, 2023. The net decrease in cash for the period is primarily due to the Company's cash used in operating activities of \$425,745 and \$16,185 in cash used on the exploration and evaluation assets. These cash outflows were offset by cash received from government assistance of \$123,718.

The Company's total liabilities outstanding as of September 30, 2024, were \$1,344,165, which were classified as current. The Company's working capital deficit as at September 30, 2024 was \$316,176.

The Company has not pledged any of its assets as security for loans and is not otherwise subject to any debt covenants.

At September 30, 2024, the Company's commitments primarily arise from the KCP acquisition deferred cash consideration payable of \$1,250,000 and the annual maintenance fees payable to the Mexican

LODESTAR METALS CORP. (Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis For the three and nine months ended September 30, 2024

authorities for the claims on the Silver Properties. The Company does not intend to continue to pay the property taxes on the Silver Properties.

RELATED PARTY TRANSACTIONS

Key management comprises the directors, officers and consulting geologist of the Company. Compensation paid or accrued to key management or companies controlled by key management personnel during the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three months ended		Nine months ended	
	Sept 30 2024	Sept 30 2023	Sept 30 2024	Sept 30 2023
	\$	\$	\$	\$
Professional fees	8,000	5,873	22,669	16,057
Management, consulting and advisory	37,665	58,450	144,895	123,450
Share-based compensation	-	5,886	16,981	40,020
	45,665	70,209	184,545	179,537

Management, consulting and advisory charges represent fees paid to a company, in which the Chief Executive Officer ("CEO") and a director of the Company are directors, for the provision of CEO and management services, as well as fees charged by a company controlled by a director of the Company for technical consulting services. Until June 28, 2024, Scott Margach served as the Executive Vice President of the Company and charged fees, in conjunction the CEO, through Integrity Capital Group, for management services to the Company.

During the three and nine months ended September 30, 2024 and 2023, management, consulting and advisory charges represented (i) fees paid to Integrity Capital Group, a company through which the CEO and a director of the Company provide their services to the Company and (ii) fees charged by All Terrain Geology, a company through which Leo Horn, a Director, provides director and technical advisory services to the Company.

During the three and nine months ended September 30, 2024 and 2023, the following management, consulting and advisory fees were charged for each of the foregoing parties:

	Three months ended		Nine months ended	
	Sept 30 2024	Sept 30 2023	Sept 30 2024	Sept 30 2023
	\$	\$	\$	\$
Lowell Kamin/Scott Margach (CEO/EVP)	30,000	45,000	120,000	110,000
Gary Prihar (former Director)	-	-	5,000	-
Leo Horn (Director)	7,665	-	19,895	-
Luke van der Meer (former VP Exploration)	-	13,450	-	13,450
	37,665	58,450	144,895	123,450

During the three and nine months ended September 30, 2024, the Company incurred professional fees of \$5,100 and \$20,431 (2023 - \$6,627, and \$25,331, respectively) for the provision of non-CFO accounting and advisory support services charged by a company controlled by the former Chief Financial Officer of the

LODESTAR METALS CORP.

(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis

For the three and nine months ended September 30, 2024

Company and are included in accounting and audit expenses in the consolidated statements of loss and comprehensive loss.

All transactions with related parties have occurred in the normal course of operations.

Included in accounts payable and accrued liabilities at September 30, 2024 are amounts due to related parties of 18,407 (December 31, 2023 - \$20,597) owing to (i) a company controlled by the former CFO for the provision of CFO, and non-CFO accounting and advisory support services, and (ii) to key management – other than the CFO – for management and consulting fees for amounts owing to the CEO and former EVP. These amounts are non-interest bearing and due on normal commercial terms.

ADOPTION OF NEW ACCOUNTING STANDARDS

In October 2022, IASB issued amendments to IAS 1, Presentation of Financial Statements. The amendments aim to clarify the criteria for classifying liabilities with covenants as current or non-current. Liabilities are required to be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective on or after January 1, 2024. These amendments to standards did not have a material impact on the financial statement amounts or disclosures.

FUTURE ACCOUNTING STANDARDS AND PRONOUNCEMENTS

In April 2024, IASB issued IFRS 18, Presentation and Disclosure in Financial Statements to replace IAS 1, Presentation of Financial Statements. The aim of IFRS 18 is to set out requirements for presentation and disclosure of financial statements to ensure the entity provides relevant and accurate information about its assets, liabilities, equity, income and expenses. IFRS 18 is effective on or after January 1, 2027.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, other assets, accounts payable and accrued liabilities, deferred purchase consideration and other payables, the fair values of which, other than deferred purchase consideration, approximate their respective carrying values due to the short-term nature of these instruments. The Company's other financial instrument, being cash and deferred purchase consideration, are measured as follows: (i) cash at fair value using Level 1 inputs, and (ii) deferred purchase consideration is estimated as a Level 3 fair value of \$1,250,000, being the contractually due amounts at September 30, 2024.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties in paying its financial liabilities. The Company manages this risk by ensuring it has sufficient cash on hand to meet obligations as they come due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. Accounts payable are due under normal commercial terms, typically within 30 days. As at September 30, 2024, the Company had cash of \$976,407 (December 31, 2023 - \$1,295,314) to settle liabilities of \$1,344,165 (December 31, 2023 - \$1,322,807) due within 12 months. Certain conditions cast significant doubt on the Company's ability to meet its financial obligations.

LODESTAR METALS CORP. (Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis For the three and nine months ended September 30, 2024

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash balances earn market rates of interest, therefore, is not exposed to fair value risk from interest rate fluctuations. The Company is not exposed to significant interest rate risk.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the party by failing to pay for its obligations. The Company is subject to credit risk with respect to its cash balances. The Company mitigates credit risk by depositing cash with a Canadian schedule I chartered bank and other depository insured Canadian financial institutions as well as monitoring those institutions' credit ratings.

Foreign currency risk

The Company conducts its business in Canada and Mexico. A large number of Minera Terra's exploration expenditures, and its funding provided by the Company, are primarily incurred in US dollars. Accordingly, the Company's cash profile and exploration expenditures are exposed to changes in the Canadian dollar/US dollar exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in currencies which are not the functional currency of the economic environment in which the Company or its subsidiaries operate. Based on this exposure as at September 30, 2024 a 5% change in exchange rates could give rise to a change in the net loss by approximately \$15,000 (December 31, 2023 - \$10,893). The Company does not employ the use of any hedging or other derivative instruments in the management of its foreign currency risk.

The Canadian dollar equivalent of financial assets and financial liabilities denominated in other currencies at September 30, 2024 and December 31, 2023 are shown below:

September 30, 2024w	USD	MXN	Total
CAD Equivalent	\$	\$	\$
<i>Financial Assets</i>			
Canada	156,104	-	156,104
Mexico	-	-	-
	156,104	-	156,104
<i>Financial Liabilities</i>			
Canada	-	-	-
Mexico	-	-	-
	-	-	-
Net foreign currency exposure	156,104	-	156,104

LODESTAR METALS CORP.
(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis
For the three and nine months ended September 30, 2024

December 31, 2023	USD	MXN	Total
<i>CAD Equivalent</i>	\$	\$	\$
<i>Financial Assets</i>			
Canada	207,349	-	207,349
Mexico	-	15,863	15,863
	207,349	15,863	223,212
<i>Financial Liabilities</i>			
Canada	-	-	-
Mexico	-	(5,354)	(5,354)
	-	(5,354)	(5,354)
Net foreign currency exposure	207,349	10,509	217,858

LODESTAR METALS CORP.

(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis

For the three and nine months ended September 30, 2024

OUTSTANDING SHARE DATA

Authorized

The Company is authorized to issue an unlimited number of common shares.

The table below summarizes the Company's issued and outstanding common shares, and stock options and warrants that are convertible into common shares as of November 22, 2024:

Issued and outstanding common shares	44,336,500
Share options with a weighted average exercise price of \$0.10	4,360,000
Share purchase warrants with a weighted average exercise price of \$0.14	2,320,000
Fully diluted	51,016,500

RISKS AND UNCERTAINTIES

As a result of completing its Qualifying Transaction the Company has now become an exploration stage company and faces risks and uncertainties similar to other companies in the exploration sector. Accordingly, the Company is engaged in the exploration, development and exploitation of mineral resources for base metals and precious metals. Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. The properties of the Company are without a known body of commercial ore. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give any assurance that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

The Company requires licenses and permits from various governmental authorities to carry out exploration and development of its projects. Obtaining permits can be a complex, time-consuming process as well as dealing with changing governmental law and regulation. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

LODESTAR METALS CORP.

(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis

For the three and nine months ended September 30, 2024

Development and exploration activities depend on adequate infrastructure, including reliable roads, power sources and water supply. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's operations and financial condition.

Other operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks. The Company is not insured against risks, nor are all risks insurable.

The Company has experienced losses in operations in prior years and has an accumulated deficit position. The Company expects to incur losses for the foreseeable future. The Company has not paid any dividends in the past, nor does it expect to do so in the foreseeable future. The continuation of the Company's operations is subject to its ability to continue to be able to raise funding to support its operations. While the Company has been successful to date in raising funding there is no guarantee that it will continue to do so in the future.

The profitability of the Company's operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities as well so by the price of copper, gold, silver or zinc. The prices of these commodities are affected by numerous factors beyond the Company's control.

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional common shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new common shares should it desire to do so. In addition, if additional common shares or securities convertible into common shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of common shares.

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the Business Corporations Act (British Columbia), a director or senior officer who has a material interest in a contract or transaction or a proposed contract or transaction that is material to the Company, or a director or senior officer who is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction, is required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract or transaction. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However,

LODESTAR METALS CORP.

(Formerly, Lodestar Battery Metals Corp.)

Management's Discussion & Analysis

For the three and nine months ended September 30, 2024

circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company. Further, the non-management directors of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these persons and these persons will not devote all of their time to the business and affairs of the Company.

The Company is also subject to regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

Companies in all industries, including the mining industry, are susceptible to cyber risk. The Company's primary operational exposure to cyber risk is with respect to proprietary geological, geochemical and exploration data and related models. The Company, similar to companies in all industries, is exposed to common place cyber risks such as, but not necessarily limited to, phishing, spam, fraudulent attacks, denial of service attacks, data loss, data theft, data corruption. The Company outsources its IT management to IT professionals who implement, among other controls and mitigation strategies, system access and authentication controls, transactional authentication, system activity logging, audit trails, "exception" handling, on-prem and off-prem backup and storage of the Company's data.

The economic uncertainties around persistent inflation pressure, geopolitical and other global factors have the potential to slow growth in the global economy. Future developments in these challenging areas could impact on the Company's results and financial condition and the full extent of that impact remains unknown. However, as at August 29, 2024, the Company has not been significantly impacted by these matters.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the year ended December 31, 2023 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR+ at www.sedarplus.ca/.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca/.

Ty Magee, P. Geo., is the Company's Qualified Person and he has approved of the written disclosure of scientific and technical information contained herein.