

LODESTAR METALS CORP.

Management's Discussion & Analysis For the years ended December 31, 2025 and 2024

The following management's discussion and analysis ("MD&A"), prepared as of April 20, 2026, is a review of operations, current financial position and outlook for Lodestar 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 audited consolidated financial statements for the years ended December 31, 2025 and 2024 (the "Financial Statements"), 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. ("Lodestar" or the "Company"), formerly Lodestar Battery Metals Corp., is a junior exploration company incorporated under the Business Corporations Act (Ontario) on July 15, 2013. The Company was continued under the British Columbia Business Corporations Act on March 21, 2019. Following its qualifying transaction on March 2, 2021, the Company changed its name to Silverton Metals Corp., and subsequently to Lodestar Metals Corp. effective July 31, 2024. Lodestar trades on the TSX Venture Exchange under the symbol 'LSTR' and on the OTC Markets under the symbol "SVTNF". The head office of the Company is located at 704 - 595 Howe Street Vancouver, BC V6C 2T5.

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2025 AND TO THE DATE OF THE MD&A

The Company settled the deferred cash consideration of \$1,250,000 (see Note 5 to the unaudited condensed interim consolidated financial statements for the period ended September 30, 2025) through the issuance of 1,500,000 common shares and a \$50,000 cash payment.

The Company entered into a property option agreement (the "Option Agreement") to acquire a 100% interest in the Gold Run Property, located in Humboldt County, Nevada, subject to an existing royalty.

The Company entered into an exclusivity agreement with a group of arm's-length vendors to negotiate the terms of an agreement to option silver-focused unpatented mineral claims in West Eureka, Nevada.

The Company completed work programs on its Gold Run Project (see details below).

The Company completed a private placement, raising gross proceeds of \$1,359,130 (see full details in note 10 of the Q3 Interim Financial Statements).

On October 20, 2025, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidated common share for every two pre-consolidated common shares (the "Consolidation"). All share and per share amounts in this MD&A have been retroactively adjusted to reflect the Consolidation.

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On January 9, 2026, the Company announced the appointment of David Christie as Chairman of the Board, bringing extensive experience in mining, exploration and capital markets.

On February 20, 2026, the Company closed the final tranche of a non-brokered private placement for aggregate gross proceeds of \$1,570,000 through the issuance of 7,850,000 units at a price of \$0.20 per unit. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.30 for a period of 18 months. Proceeds are intended to fund exploration and drilling activities at the Gold Run Project and for general working capital purposes.

On March 10, 2026, the Company received final approval from the Bureau of Land Management for its Notice of Intent drilling permits at the Gold Run Project, enabling the Company to transition from exploration planning to execution.

On April 2, 2026, the Company commenced its maiden drill program at the Gold Run Project, consisting of approximately 2,680 metres of reverse circulation drilling across multiple high-priority targets.

EXPLORATION PROPERTIES

Gold Run Property

On June 25, 2025, the Company closed an Option Agreement (entered into on May 6, 2025) with arm's-length parties William Matlack and Don McDowell (the "Optionors") to acquire a 100% interest in the Gold Run Property, located in Humboldt County, Nevada, subject to an existing royalty.

The Gold Run Property comprises 75 unpatented mining claims, which total approximately 516 hectares, located in Humboldt County, Nevada, United States. The property consists of two non-contiguous claim blocks.

Situated within the renowned Getchell Gold Trend and near its intersection with the Battle Mountain-Eureka Trend, Gold Run is in a district with a long history of mining and exploration activity dating back to the 1860s. Since the 1960s, 15 different operators have completed 131 drill holes (totaling 17,823 metres / 58,476 feet), alongside the collection of 454 soil samples and 827 rock samples.

Notably, a 2008 diamond drilling program by Golden Predator Mining Corp. returned strong gold assay results, which have been reviewed and validated by the current operator using original assay certificates from ALS Chemex. Highlights include:

- **Hole GPA004¹** – 120 ft. – 125 ft. @ 11.2 g/t Au, 20 g/t Ag
- **Hole GPA011¹** – 180 ft. – 190 ft. @ 6.1 g/t Au, 12 g/t Ag
- **Hole GPA027²** – 80 ft.-110 ft @ 27.41 g/t, 83 g/t Ag
 - including 80 ft. – 95 ft. @53.31 g/t Au, 143 g/t Ag

Exploration efforts will focus on identifying epithermal-style gold mineralization, with additional potential for Carlin-type mineralization given the property's strategic location. There is also potential for skarn or porphyry-style systems associated with nearby intrusive bodies.

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Work done on the project

During the year ended December 31, 2025 and subsequent to year end, the Company advanced the Gold Run Project through a systematic exploration program transitioning the project from historical data compilation to drill-ready status and ultimately to active drilling.

During 2025, the Company completed a multi-disciplinary exploration program including geophysical reinterpretation, soil geochemistry, magnetic surveys and LiDAR analysis to refine structural controls and identify high-priority targets. This work resulted in the identification of multiple chargeability anomalies and three principal target trends: Robbers, Gomes and Independence.

Subsequent to year end, the Company completed a property-wide dipole-dipole induced polarization ("DDIP") survey, which identified multiple large-scale chargeability anomalies across the property, including three principal trends (Central, Eastern and Western) extending up to approximately 600–800 metres in length and spatially associated with known gold and silver mineralization. These anomalies represent high-priority drill targets, many of which remain untested or only partially tested by historical drilling.

The integration of DDIP geophysical data with historical drilling, soil geochemistry and structural interpretation enabled the Company to prioritize key drill targets at Robbers Knob, Independence Trend, Gomes Prospect and Crown North.

Drill Program

Following receipt of final BLM permit approval, the Company commenced its maiden drill program in April 2026. The program consists of approximately 16 holes totalling 2,680 metres and is designed to test high-priority targets identified through the Company's integrated exploration program.

The drill program is designed to:

- test extensions of known mineralization at Robbers Knob;
- evaluate undrilled DDIP anomalies along the Independence Trend;
- test large geophysical anomalies at the Gomes Prospect; and
- assess the down-dip extension of mineralization at Crown North.

The Company notes that historical drill results referenced herein have not been independently verified and should not be relied upon until confirmed through current exploration programs.

Summary of Advancement

Subsequent to September 30, 2025, the Company has transitioned the Gold Run Project from target generation to active drilling. Key milestones achieved include the completion of advanced geophysical programs, identification of multiple drill-ready targets, receipt of all required permits, completion of a financing to support exploration activities, and commencement of the Company's maiden drill program.

These activities position the Company to evaluate the scale and continuity of mineralization across the property and advance toward the definition of a mineral resource, subject to the results of ongoing exploration.

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Terms of the Transaction

Under the terms of the Option Agreement, the Company has an option to acquire a 100% interest in the Gold Run Property by making cash payments totalling US \$450,000 to the Optionor as follows: (i) US \$50,000 on the date of TSX Venture Exchange Acceptance; (ii) US \$50,000 on the first anniversary of the Option Agreement; (iii) US \$50,000 on the second anniversary of the Option Agreement, (iv) US \$75,000 on the third anniversary of the Option Agreement; (v) US \$75,000 on the fourth anniversary of the Option Agreement; (vi) US \$75,000 on the fifth anniversary of the Option Agreement; and (vii) US \$75,000 on the sixth anniversary of the Option Agreement. The Company has agreed to reimburse the Optionor for certain annual filing fees paid by them in the amount of US \$17,500.

The Company has agreed to make certain milestone payments to the Optionor as follows: (i) US \$500,000 within sixty days of completion of a preliminary economic assessment on the Gold Run Property, US \$1,000,000 within sixty days of completion of a pre-feasibility study on the Gold Run Property; and (iii) US \$1,000,000 with the earlier of sixty days of completion of a feasibility study and the Company obtaining sufficient financing to construct a mine on the Gold Run Property.

The Company has also agreed to grant a 2% net smelter return royalty on all minerals mined, produced or otherwise recovered from the Gold Run Property (the "NSR"), subject to a total buyback of 0.5% of the NSR for US \$750,000, in favour of the Optionor.

The Gold Run Property is subject to the terms of a mineral lease agreement with the Gomes Family Trust (the "Gomes Agreement"). Under the terms of the Gomes Agreement, an annual advance royalty payment of US \$25,000 is payable to the Gomes Family Trust. The Gomes Family Trust also retain a 2% net smelter return royalty on certain claims of the Gold Run Property and a 1.5% net smelter return royalty on other claims of the Gold Run Property. The total royalties payable, including any advance royalty payments, under the Gomes Agreement is limited to US \$4,000,000.

The Optionor is arm's length to the Company. There was no finder's fee payable under the transaction.

Gold Run Project – Black Diamond Patent Acquisition

Subsequent to the year end, the Company announced the acquisition, through a lease and purchase agreement dated March 31, 2026, of a privately held patented mineral claim (the "Black Diamond Patent") located within the northern portion of the Gold Run Project in Humboldt County, Nevada.

The Black Diamond Patent covers a key portion of the Independence Trend, which represents one of the Company's highest-priority exploration target areas. The patented claim encompasses the Black Diamond structure, an area of historical mining activity with documented high-grade silver mineralization and strong polymetallic potential.

Historical and recent exploration results support the prospectivity of the Patent area, including:

- Rock chip sampling demonstrating silver mineralization ranging from approximately 20 g/t up to 3,307 g/t over a strike length of approximately 550 metres;
- Soil geochemistry defining a strong silver anomaly, with values exceeding 1 g/t and up to 33 g/t silver;
- Induced polarization (DDIP) surveys identifying multiple untested chargeability anomalies, including targets extending to depths of approximately 200 metres; and
- Associated mineralization including gold, copper, lead, zinc, and pathfinder elements consistent with a potential intrusion-related polymetallic system.

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Under the terms of the agreement, the Company may acquire a 100% interest in the Black Diamond Patent by making total cash payments of USD \$75,000 over a two-year period, comprised of USD \$20,000 on signing, USD \$20,000 on the first anniversary, and USD \$35,000 on the second anniversary. During the lease term, the Company retains exclusive rights to access, explore, drill and develop the property.

Upon completion of the payments, the Company will grant the vendor a 2% net smelter return royalty, which may be repurchased for USD \$75,000.

The acquisition of the Black Diamond Patent is strategically significant as it provides the Company with secure land tenure over a historically active and highly prospective portion of the Gold Run Project. In addition, as a patented mining claim, the property conveys both surface and mineral rights, allowing for greater operational flexibility, including near-surface drilling and potential future development activities.

The Company is currently evaluating the Black Diamond Patent as part of its ongoing exploration program and intends to prioritize drill testing of identified geophysical and geochemical targets.

Eureka Property

The West Eureka Project consists of an initial 20 unpatented lode claims located within the prolific Battle Mountain - Eureka Trend. The West Eureka Project is relatively unexplored; grab samples previously taken by the vendors include: up to 378 g/t silver, 1.1% copper at Silver King prospect; up to 277 g/t silver, 2.7% copper at Angel prospect; and up to 254 g/t silver, 0.4 g/t gold and 7.7% lead at Jag prospect.

Company personnel recently visited the Eureka West Project to assess its geology and mineralization. While due diligence on the property is ongoing, several historical shafts have exposed two primary mineralization types: carbonate replacement at the Jag prospect; and fault breccias at the Angel prospect. Additionally, the field team is also assessing a property of 65 unpatented lode claims in the highly-prospective Austin Silver District, Nevada's second largest historical silver producer after the Comstock Lode. Evaluation on this property is still ongoing.

In consideration of a one-time fee of US \$7,500, Lodestar had the exclusive right to settle the terms of a definitive agreement with the vendors on the Eureka West Project until November 15, 2025. This exclusivity right expired on November 15, 2025, and the Company no longer holds any rights with respect to the project."

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. During the year ended December 31, 2023, the Company staked 32 additional claims in the Snow Lake district in Manitoba, totaling 7,862 ha, thereby expanding the Peny claims package to a total of 47 claims for 11,066 ha.

There were no expenditures on the project during the year ended December 31, 2025.

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SELECTED ANNUAL INFORMATION

The following is a summary of certain selected audited financial information of the Company as at and for the years ended December 31, 2025, 2024, and 2023.

	2025 (\$)	2024 (\$)	2023 (\$)
Total Revenues	-	-	-
Loss for the year	(2,094,010)	(600,415)	(9,014,329)
Total comprehensive loss for the year	(2,093,561)	(600,302)	(8,998,815)
Loss Per Share (basic and diluted) ⁽¹⁾	(0.08)	(0.01)	(0.20)
Total Assets	1,770,722	3,404,260	3,963,489
Total Non-Current financial liabilities	-	-	-

(1) The basic and diluted loss per share amounts are the same amount due to the anti-dilutive effect of outstanding stock options and warrants.

The loss for the year ended December 31, 2023 is significantly greater as a result of the Company recognizing impairment of \$8,239,965 on its exploration and evaluation assets in Mexico.

SUMMARY OF QUARTERLY RESULTS (in accordance with IFRS)

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

<i>Three Months Ended:</i>	Dec 31, 2025	Sept 30, 2025	June 30, 2025	Mar 31, 2025
Total revenue	\$Nil	\$Nil	\$Nil	\$Nil
Net income (loss)	\$(2,790,206)	\$(299,281)	\$1,065,343	(\$69,866)
Net income (loss) per share (basic and diluted)	\$(0.11)	\$(0.01)	\$0.04	\$(0.00)

<i>Three Months Ended:</i>	Dec 31, 2024	Sept 30, 2024	Jun 30, 2024	Mar 31, 2024
Total revenue	\$Nil	\$Nil	\$Nil	\$Nil
Net loss	(\$120,775)	(\$192,962)	(\$180,836)	(\$105,842)
Net loss per share (basic and diluted)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)

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 income in the quarter ended June 30, 2025, is the result of a gain on settlement of the Deferred Purchase Consideration of \$1,140,000. The net loss during the quarter ended December 31, 2025 was higher than previous quarters due to impairment loss of \$2,502,989 recognized on the Company's Peny Project.

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RESULTS OF OPERATIONS

Year ended December 31, 2025, compared to 2024

	2025	2024
	\$	\$
General and administrative expenses		
Accounting and audit	64,566	100,988
Bank charges and interest	1,009	1,096
Exploration research and investigation	23,221	55,419
Filing, transfer agent and listing fees	30,338	54,588
Insurance	14,849	15,434
Investor relations and marketing	172,034	50,395
Legal and professional fees	53,355	57,668
Management, consulting and advisory fees	157,582	216,910
Office and miscellaneous	63,051	74,356
Rent	-	3,779
Share-based compensation	158,015	25,471
Loss before other items	(738,020)	(656,104)
Other income (expenses)		
Interest income	17,322	44,557
Foreign exchange gain	(10,323)	12,184
Gain on settlement of debt	1,140,000	-
Allowance for doubtful collection		(1,052)
Impairment of exploration and evaluation assets	(2,502,989)	-
Net loss for the year	(2,094,010)	(600,415)
Other comprehensive income		
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Currency translation differences	449	113
Total other comprehensive income for the year	449	113
Total comprehensive loss for the year	(2,093,561)	(600,302)

For the year ended December 31, 2025, the Company reported net loss of \$2,094,010 compared to a net loss of \$600,415 in 2024. The increase in loss is primarily attributable to a non-recurring impairment loss recorded on the Penny Project, which was offset partially by the gain on settlement of debt.

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General and Administrative Expenses

General and administrative expenses totaled \$738,020 in 2025, compared to \$656,104 in 2024. The primary driver of higher expenses in 2025, was share-based compensation of \$158,015 (a non-cash expense reflecting the fair value of options vested during the quarter) and investor relations expense of \$172,034 related to a targeted marketing campaign. Other key variances include:

- Accounting and audit costs declined due to a reduction in accounting and administrative support services.
- Filing and listing fees decreased, as the prior year included additional costs related to the Company's OTC market filings and flow-through share transaction filing fees.
- Investor relations and marketing expenses decreased for the nine-month period but increased during the third quarter due to a targeted marketing campaign.
- Management, consulting, and advisory fees were reduced, reflecting lower compensation levels for directors and officers.
- Share-based payments expense was \$158,015 in 2025, compared to \$25,471 in 2024, as the Company granted options to directors, officers and consultants during the current quarter.
- Other categories such as insurance, rent, and office and miscellaneous also saw reductions as part of the Company's continued cost management efforts.

Other Income and Expenses

- Interest income decreased, reflecting lower average cash balances available for investment.
- Small foreign exchange loss was recognized in 2025, related to payments to vendors in foreign currencies.
- The Company recognized a gain on settlement of debt of \$1,140,000 in 2025 related to the settlement of \$1,250,000 of deferred cash consideration (from a prior property acquisition) through the issuance of 1,500,000 common shares valued at \$60,000 and a \$50,000 cash payment (which was significantly lower than the \$1,250,000 carrying amount of the Deferred Purchase Consideration).
- An impairment loss of the Peny Project of \$2,502,989 as the Company is now focused on its projects in Nevada.

Overall, the Company's net result for the period reflects its ongoing exploration and administrative activities and the impairment of the Peny Project, partially offset by cost control efforts and the one-time gain on settlement of debt.

FINANCING ACTIVITIES

Between October 24, 2025 and November 24, 2025, the Company completed a private placement financing in three tranches, raising gross proceeds of \$1,500,000, offset by \$44,829 in issue costs.

INVESTING ACTIVITIES

The Company spent \$382,581 on investing activities comprised of \$50,000 as a cash payment on the deferred purchase consideration and \$332,581 on exploration project costs.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2025, the Company had cash of \$1,391,230, compared to \$867,883 as at December 31, 2024. The net increase in cash of \$523,347 during 2025 reflects financing inflows partially offset by cash used in operating and investing activities. (each noted above).

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As at December 31, 2025, the Company had total current liabilities of \$125,246, consisting solely of accounts payable and accrued liabilities. This represents a reduction from \$1,338,409 at December 31, 2024, which included \$88,409 in accounts payable and \$1,250,000 in deferred purchase consideration related to a previous property acquisition. As previously disclosed, the deferred purchase consideration was fully settled during the current quarter through a combination of cash and common share issuance.

The Company's working capital position improved to \$1,312,894 at December 31, 2025. The Company has not pledged any of its assets as security and is not subject to any debt covenants.

The Company believes its current working capital is sufficient to meet short-term corporate and administrative obligations. However, the Company will require additional capital to fund future exploration programs and project development activities. Historically, the Company has relied on equity financings to fund its operations and anticipates it will continue to do so. There is no assurance that such financing will be available in the future on acceptable terms, if at all.

Subsequent to the quarter-end, the Company completed a private placement financing for gross proceeds of \$1,570,000 (as described earlier).

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 years ended December 31, 2025 and 2024 are as follows:

	2025	2024
	\$	\$
Professional fees (i)	36,000	52,200
Management, consulting and advisory (ii)	160,882	196,403
Share-based compensation	64,885	16,981
	261,768	265,584

- (i) For the year ended December 31, 2025, professional fees included \$36,000 (2024 - \$12,000) charged by CFO Advantage Inc., a company controlled by the current Chief Financial Officer ("CFO"). These amounts are included in accounting and audit expenses in the consolidated statements of loss and comprehensive loss. As at December 31, 2025, \$3,000 (December 31, 2024 - \$nil) was owed to CFO Advantage Inc., and included in accounts payable and accrued liabilities.

For the year ended December 31, 2024, professional fees included \$40,200 amounts charged by Malaspina Consultants Inc., a company controlled by the former CFO, for CFO services. These amounts are also included in accounting and audit expense.

- (ii) For the year ended December 31, 2025, Management, consulting and advisory charges included:
- \$132,500, charged by the Chief Executive Officer for management services;
 - \$28,382 charged by a company controlled by Leo Horn, a director of the Company, for technical consulting services.

As at December 31, 2025, \$37,691 of these amounts are included in accounts payable and accrued liabilities.

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During the year ended December 31, 2024, the Company incurred management, consulting and advisory fees with related parties as follows:

- \$90,000 in management fees was charged by Integrity Capital Group (“ICG”), a company in which the Chief Executive Officer (“CEO”) and a director of the Company were directors;
- \$60,000 in management fees charged directly by the CEO;
- Until June 28, 2024, Scott Margach served as Executive Vice President of the Company and, together with the CEO, provided management services to the Company through ICG;
- \$38,403 in consulting fees was charged by a company controlled by Leo Horn, a director of the Company;
- \$3,000 in advisory fees was paid to a director of the Company; and
- \$5,000 in advisory fees was paid to another director of the Company.

Included in accounts payable and accrued liabilities as at December 31, 2024 were amounts due to related parties totaling \$13,000, comprised of \$10,000 owing to Integrity Capital Group; and \$3,000 owing to a company controlled by a director of the Company for consulting fees.

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

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, accounts payable and accrued liabilities; the fair values of which, approximates their carrying values due to the short-term nature of these instruments.

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 December 31, 2025, the Company had cash of \$1,391,230 (2024 - \$867,883) to settle liabilities of \$125,246 (2024 - \$1,338,409) due within 12 months. Certain conditions cast significant doubt on the Company's ability to meet its financial obligations. Refer to Note 1 for more information regarding the Company's liquidity risk.

Foreign currency risk

The Company conducts its business in Canada and the United States. At times, the Company may have exploration expenditures, and or funding provided by the Company, in US dollars. Accordingly, the Company's cash profile and exploration expenditures could be 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 December 31, 2025, a 5% change in exchange rates would not have a material impact on the Company. The Company does not currently employ the use of any hedging or other derivative instruments in the management of its foreign currency risk.

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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 are not held in investment accounts; therefore, is not exposed to the 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.

Price risk

The Company is not exposed to significant price risk.

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 the date of this MD&A: (The below share count reflects the subsequent private placement completed after December 31, 2025 and is presented on a post-consolidation basis.)

Issued and outstanding common shares	51,518,248
Share options with a weighted average exercise price of \$0.10 - \$0.32	5,151,825
Share purchase warrants with a weighted average exercise price of \$0.12 - \$0.30	18,335,568
Fully diluted	75,005,641

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

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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.

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.

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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, 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

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unknown. However, as at the date of this MD&A, 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, 2024 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.