VANSTAR MINING RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
DECEMBER 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis (MD&A) presents an analysis of the financial position and results of operations of Vanstar Mining Resources Inc. ("Vanstar" or the "Company") for the year ended December 31, 2019 and is complementary to the financial statements. It should be read in conjunction with the annual financial statements for the year ended December 31, 2019 and the accompanying notes. Monetary values in the financial statements are in Canadian dollars. Brunet Roy Dubé, CPA, s.e.n.c.r.l., have been mandated to express an opinion on the annual financial statements. Their reports is attached to the annual financial statements.

The Company's financial statements were prepared in accordance with IFRS and IAS 1, *Presentation of Financial Statements*. The principal accounting policies used in their preparation are summarized in Note 4 to the annual financial statements of the Company as at December 31, 2019.

This MD&A also includes a review of exploration activities, providing a brief summary of the work carried out and the progress made on projects underway. This review must also be read in conjunction with the financial statements and accompanying notes. The Company regularly publishes press releases detailing the progress of exploration work on its properties.

The Company's shares are listed on the TSX Venture Exchange under the symbol VSR and on the Frankfurt Stock Exchange under the symbol 1V8. Additional information may be obtained on SEDAR at www.sedar.com in the documents section filed by Vanstar Mining Resources Inc. or on the Company's website at www.vanstarmining.com.

FORWARD-LOOKING INFORMATION

This document contains forward-looking statements that reflect the Company's current expectations regarding future operations. To the extent that statements in this document contain information that is not historical, these statements are essentially forward-looking. Forward-looking statements involve risk, uncertainty and other factors that could cause actual results that differ from the results anticipated or implied by such forward-looking statements.

Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these statements which only apply as of the date of this document.

The Company disclaims any intention or obligation with respect to updating or revising any forward-looking statement, regardless of whether the statements concerned are to be revised in light of new information, new situations or any other new factor unless required to do so in accordance with applicable securities laws.

CONSTITUTION AND NATURE OF BUSINESS

The Company was incorporated in May 4, 2007 under the Canada Business Corporations Act. The capital stock consists of an unlimited number of common shares without par value, of which 52,088,328 were issued and outstanding as at the date of this MD&A.

The activities of Vanstar consist of acquiring, exploring, appraising, and, if applicable, developing mining mineral properties. In addition, in line with achieving its objectives, the Company could be required to sign various agreements specific to the mining industry, such as purchase or option agreements for mining claims and joint venture agreements.

In August 2019, the TSX Venture Exchange accepted the amendment to the option plan including the increase in the number of available options from 7,600,000 to 9,552,665 representing 20% of the share capital.

HIGHLIGHTS OF 2019 :

Comprehensive income for the fiscal year ended December 31, 2019 is net earnings of $ 648,051, compared to net earnings of $ 1,065,879 for the fiscal year ended December 31, 2018. Profit for the current year includes a gain $ 2,537,980 ($ 1,699,070 in 2018) resulting from the partial sale of interests in the Nelligan project in 2019 and 2018.

Under the February 2018 farm-out agreement with Société Iamgold (" IMG "), the latter could acquire an additional 24% interest in return for cash payments totaling $ 2,750,000 over a period of 4 years, as well as the delivery of a resource report before March 2022. In this regard, a payment of $ 400,000 was made to the Company in February 2019. Furthermore, having provided in October 2019 a resource report 43- 101 relating to the Nelligan project, IMG exercised in December its option to acquire the additional 24% interest in the project by making a payment of $ 2,350,000 to the Company.

In April 2019, the holders of the convertible debentures requested that they be converted into shares. The Company then proceeded to issue 340,908 common shares, at a unit price of $ 0.22.

During the year ended December 31, 2019, the Company granted a total of 2,880,000 stock options to directors, officers and consultants, at a weighted average exercise price of $ 0.29.

During the year ended December 31, 2019, 2,332,000 warrants were exercised, for a total amount of $ 233,200.

During the year ended December 31, 2019, a total of 3,361,000 stock options were exercised, representing a total receipt of $ 272,990.

INFORMATION ON MINING PROPERTIES

NELLIGAN PROPERTY

In September 2010, Vanstar acquired a 100% interest in the Nelligan property in return for a cash payment of $ 4,160 and the issuance of 225,000 common shares valued at $ 42,750. The sellers kept a 2% NSR. In February 2017, the Company signed an agreement with the original prospectors to purchase their 2% NSR royalty in consideration for the issue to them of 1,200,000 common shares of the Company valued at 72,000 $ and two convertible debentures of $ 37,500, with a 36-month term and bearing interest at the rate of 10% per year. The said debentures were converted into 340,908 common shares of the Company in April 2019.

In November 2014, management granted IMG the option of acquiring up to 80% interest in the Nelligan project in return for cash payments, exploration work and the delivery of a feasibility study .

Following an amendment to the November 2014 agreement dated February 2018, IMG acquired a 51% interest in the Nelligan project in return for a cash payment of $ 2,150,000. The related Emile and Miron projects were also added to this agreement. These two properties are now part of the Nelligan project and are attached to the agreement according to the terms defined in it.

In addition, IMG could obtain an additional interest of 24% in consideration for cash payments totaling $ 2,750,000 and the delivery, by February 2022 at the latest, of a valuation (quality 43-101) of the gold resource in place. The agreement provided that an amount of $ 400,000 would be payable annually to Vanstar and would be deductible from the total amount of $ 2,750,000 receivable. Resource report delivery was completed in October 2019 and upon receipt of full payment in December, Vanstar transferred an additional 24% interest to IMG in the Nelligan project and canceled half of the 2% NSR royalty that 'it held on the original Nelligan claims.

IMG may obtain an additional interest of 5% following the delivery of a feasibility study. Vanstar would then retain an undivided (non-contributory) interest of 20%. This 20% interest could, however, be bought back by IMG if it so desired, in return for the value established by two independent valuations. If IMG applied this option, Vanstar would obtain, in addition to the income from the sale of its 20% interest, a royalty of 1.5% NSR over the entire Nelligan project while retaining its additional royalty of 1% NSR than it already holds on the original cells. Following this sale, Vanstar would then hold 2.5% NSR on the 8 original mining cells as well as 1.5% NSR on all the other cells making up the Nelligan property.

The Nelligan project, located near Chapais in Abitibi, consists of 158 cells (approximately 8,851 hectares). Following the 2014 amendment to the option agreement, it consists of the Nelligan, Émile and Miron properties (mining blocks). The project is located in a favorable geological environment where there are several important gold showings, in particular the Joe Mann deposits (3.35 mt at 9.1 g / t Au), Philibert (1.5 mt at 5.4 g / t Au) and Lac Meston (1.22 mt to 6.35 g / t Au).

The central part is occupied by a volcano-sedimentary band of 1 to 2 km of power oriented ENE which is associated with the Obatogamau Formation. The mineralization is located near large deformation corridors EW to ENE forming part of the Guercheville-Fancamp system. The geological and structural environment of the Lac d'Eu showing is favorable to the installation of Archean mesothermal vein and replacement gold mineralization. We find these same contexts at the Joe Mann mine, at the Philibert deposit and at the Chevrier deposit. Historical drilling has revealed grades of 2.17 g / t Au and 3.5 g / t Au (holes 94-13 and 95-01) over widths of 4.4 and 10 meters, respectively.

The gold showings can be grouped according to their style of mineralization: vein-sulphide mineralization (Lac d'Eu) and disseminated pyrite mineralization.

At the local level, the Nelligan project contains several interesting gold showings, notably the Liam, Dan, 36 and Renard showings. These gold showings were discovered and worked by drilling during the various drilling campaigns carried out on this project since 2013. These new gold structures have been cut to date over a length varying from 400 to 2,000 meters (Renard zone) up to at a depth of more than 450 meters and over a thickness varying from 15 meters to more than 150 meters.

The presence of gold is constant throughout the drilling. Native gold has been found in several places in the different zones. These zones remain open as much laterally as at depth and some (Renard and 36) are located in a vast gold corridor several kilometers long in E-W direction associated with a series of structural folds and magnetic anomalies of large amplitudes. The Liam and Dan zones seem rather associated with the presence of faults several kilometers long and in the NNE-SSW direction.

2018 Work Program

A drilling program totaling 13,362 meters was completed in 2018 for a total of 32 holes.

The results from the first 23 surveys of the 2018 campaign were published by press releases on September 11 and November 16, 2018 while the results from the surveys NE-18-91 to NE-18-99 were released by press releases on January 10, 2019. All the 2018 holes were drilled in the Renard Zone, which is located north of the Liam, Dan and 36 zones. The objectives are to define a first gold resource on the Nelligan project as well as to model a preliminary gold deposit.

INFORMATION ON MINING PROPERTIES (continued)

2019 Work Program

Another major drilling campaign of more than 17,000 meters, started in mid-January 2019 as been completed. Assay results were published by press releases on May 30 and August 13, 2019. (See press release of May 30 and August 13, 2019.

The aim of this campaign was to have a better overview of the Renard area, including defining its northern limit, verifying its continuity near the surface and its westward extension potential. The results have all achieved the objectives sought and they have been used to model the Renard deposit and complete a first 43-101 evaluation report of the existing resource. The main elements of the report were published in the October 22, 2019 press release.

The management of Vanstar is very satisfied with the results from the 2019 drilling campaign carried out by its partner IAMGOLD Corporation. Most holes show a constant auriferous presence in a large altered and mineralized hydrothermal system. The Renard zone remains open both laterally and at depth. It is interesting to note that the potential for westward extension was demonstrated by the drilling performed in this extension.

The other recognized gold zones (Liam, Dan and 36) will eventually be drilled to verify lateral and in-depth extensions. All of these areas remain open in all directions.

INITIAL MINERAL RESOURCE ESTIMATE FOR THE NELLIGAN PROJECT ACCORDING TO CANADIAN STANDARD 43-101

The first estimate includes 96,990,000 tonnes of inferred resource at an average grade of 1.02 grams of gold per tonne, representing 3,193,900 ounces of gold contained in a pit. This estimate includes four distinct mineralized zones where their geological continuity and grade have been demonstrated through the exploration drilling programs of IAMGOLD and Vanstar. In this estimate, the largest contribution (in ounces) comes from the Renard zone which was recently intersected over a distance of more than 1 km and which has an actual thickness greater than 100 m. The deposit is characterized by homogeneous mineralization with low gold content associated with fine pyrite mineralization contained in an altered sequence of mainly metasedimentary rocks which remains open at depth and in its potential extension to the west. The potential of the project remains favorable for the addition of additional resources and will be the subject of future exploration campaigns. (See Press release of October 22, 2019).

2020 Work Program

IMG, the Company's partner in the development of the Nelligan project, began a new drilling campaign of a minimum of 8,000 meters around January 20, 2020. This new program notably includes the following objectives:

- West lateral extension drilling
- Deep drilling
- Definition drilling in order to classify the inferred resource as a specified resource
- Metallurgical tests

The result of this work will mainly be used to classify the inferred resource as an indicated resource as well as to increase the gold resource in place.

However, according to an order from the Quebec Ministry of Health, work was suspended around March 20 in order to protect workers who could be affected by Covid-19 as much as possible. The government plans to reopen soon - May 2020 - which will allow work to resume as soon as all the security measures are in place and access to the drilling site is once again passable (thaw period).

When the work stopped, the winter drilling program had reached almost 5,000 meters.

AMANDA, FRIDA AND EVA PROJECTS

In 2020, the company acquired from independent prospectors a group of 40 claims located in the James Bay region in consideration for a cash payment of $ 60,000 and the issuance in their favor of 470,000 common shares of the Company at an issue price of $ 0.43 per share for a total value of $ 202,100. To complete the Amanda project, the company subsequently acquired by map staking a group of 105 additional claims for a total of 145 claims with a total area of 7,468 hectares.

The company also acquired in 2020 by map staking in April 2020 - two other blocks of mining claims comprising the Frida (45 claims) and Eva (43 claims) projects, both located in the western sector of Sakami Lake, in the James Bay territory.

These three projects will eventually be the subject of different geological and geophysical work during the current year. The results of the work could be followed by stripping and drilling in the fall of 2020.

FÉLIX AND PLUME PROPERTIES

The Félix project is made up of a block of 33 claims of which 1 claim was acquired from an independent prospector in return $ 4,000. The company plans to do some basic work on this project this year.

The Plume project was arranged in April 2020 for $ 20,000. The Company obtains a 2% NSR royalty on these mining claims. The buyer can buy back 1% NSR for $ 1,000,000.

EXPLORATION BUDGET FOR 2020

Notwithstanding the work carried out by its partner IMG on the Nelligan project, the Company plans to invest nearly $ 1million in exploration work in 2020.

Management could however revise its approach later in 2020 depending on the opportunities to acquire new projects, partnership agreements and market developments.

OVERALL PERFORMANCE

Summary of activities:

Net income for the year ended December 31, 2019 is net earnings of $ 648,051 ($ 0.01 per share), compared to net earnings of $ 1,065,879 ($0.03 per share) for the year ended December 31, 2018.

During the fiscal year ended December 31, 2019, the Company did not incur any exploration expenses ($ 4,500 in 2018).

Summary of annual results:

	2019	**2018**	**2017**
	$	**$**	**$**
Net income and comprehensive income	648,051	1,065,879	(309,273)
Net income before tax	989,428	1,181,111	(498,645)
Earnings per share	0,01	0,03	(0,008)
Gain on disposal of interests in exploration assets	2,537,980	1,699,070	-

Main administration costs:

Consulting and professional services	202,307	174,382	94,033
Management fees	54,167	71,666	30,000
Salaries and benefits	390,169	115,628	76,915
Expenses related to stock options	467,358	78,340	197,507

The increase in salaries and benefits is linked to the increase in executive compensation, the granting of bonuses and the appointment of a new executive in April 2019.

The increase in expenses related to stock options is due to the grant of a greater number of options during the year 2,880,000 (1,700,000 in 2018) and has an assigned value per option higher between $ 0.06 and $ 0.20 ($ 0.03 and $ 0.05 in 2018).

SUMMARY OF QUARTERLY RESULTS

				2019				**2018**
	T4	**T3**	**T2**	**T1**	**T4**	**T3**	**T2**	**T1**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Gain on disposal of interests in mining assets	2 137,980	-	-	400,000	-	-	-	1,699,070
Stock-based compensation	373,158	67,200	-	27,000	-	59,420	18,920	-
Termination indemnity	-	-	154,000	-	-	-	-	-
Net income before tax	1,264,858	(181,610)	(367,054)	273,234	(122,122)	(161,191)	(153,523)	1,617,947
Earnings per share before tax	0,026	(0,004)	(0,008)	0,006	(0,003)	(0,004)	(0,004)	0,04

HIGHLIGHTS OF THE FOURTH QUARTER

Net income before tax for the quarter ended December 31, 2019 represents $ 1,264,858 compared to a loss of $ 122,122 for the corresponding quarter of 2018.

Having provided in October 2019 a 43-101 resource report relating to the Nelligan project, Société Iamgold exercised in December its option to acquire the additional 24% interest in the project by making a payment of $ 2,350,000 to the Company.

During the month of December 2019, a total of 1,880,000 stock options were granted to directors and officers at a weighted average exercise price of $ 0.34, valid for five years.

During the quarter ended December 31, 2019, a total of 425,000 stock options were exercised by an officer and consultants, for a total receipt of $ 49,000.

During the quarter ended December 31, 2019, 300,000 warrants were exercised, for a total receipt of $ 30,000.

FINANCIAL POSITION

	December 31, 2019	December 31, 2018	December 31, 2017
	$	$	$
Cash and cash equivalents	1,567,113	76,969	236,556
Investments	3,010,500	2,011,750	18,500
Exploration assets	229,519	434,838	903,121
Total assets	4,866,993	2,651,552	1,173,718
Capital actions	4,177,271	3,284,930	3,165,571
Working capital	3,975,436	2,073,798	149,654

WORKING CAPITAL

Working capital as at December 31, 2019 was $ 3,975,436 (2018 - $ 2,073,798). Management considers that this cash position will allow the Company to cover its administrative costs and continue its activities.

ACCOUNTING POLICIES

For a description of the main accounting methods used by the Company, refer to note 4 of the annual financial statements for 2019.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2019, the Company had no off-balance sheet arrangements.

COMMITMENTS

Royalties of 1% NSR will be paid in the event that commercial operation begins on 21 of the cells in the Émile block.

Following a payment of $ 2,150,000 in February 2018 and payments totaling $ 2,750,000 in 2019, Société Iamgold (IMG) has a 75% interest in the Nelligan project. IMG may obtain an additional interest of 5% following the delivery of a feasibility study. Vanstar would then retain an undivided (non-contributory) interest of 20%. This 20% interest could, however, be bought back by IMG if it so desired, in return for the value established by two independent valuations. If IMG exercises this option, Vanstar would then retain a royalty of 1.5% NSR over the entire Nelligan project and retain its additional royalty of 1% NSR which it holds in addition to the original cells.

Employment contract:

The employment contract between the CEO and the Company contains an indemnity clause in the event of termination of employment or change of control. If the termination of employment without serious reason or a change of control involving significant changes in the functions assigned to the officer concerned had taken place on December 31, 2019, the amount to be paid would have been $ 257,500. In the event of termination of employment on serious grounds, no compensation would be paid. The contract also includes a clause granting an annual performance bonus determined by the board of directors, up to a maximum of 50% of the salary paid.

The CEO's employment contract also contains a clause granting him a sum representing $ 0.60 per ounce of gold produced in the event that the Nelligan project goes into production.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

With the exception of investments in shares of public companies, which are valued at market value, the fair market value of the Company's financial assets and liabilities approximates the book value, given their short-term maturity.

The balance of the current bank account, other debtors and suppliers, bonuses and other creditors do not bear interest. Part of the cash is kept in a savings account bearing interest at variable rates depending on the base rate.

Financial assets and financial liabilities are initially recognized at fair value and their subsequent evaluation depends on their classification, as described below:

a) Investments in shares of public companies are classified as financial assets measured at fair value through profit or loss. Changes in fair value are recognized in profit or loss.

b) Cash and cash equivalents, guaranteed investment certificates, accrued interest receivable and other receivables are classified as financial assets measured at amortized cost. After their initial recognition, they are valued at amortized cost using the effective interest method, less a provision for impairment.

c) Suppliers, bonuses and other creditors are classified as financial liabilities measured at amortized cost. They are initially recognized at their fair value and are subsequently valued at amortized cost using the effective interest rate method.

RISKS AND UNCERTAINTIES

The Company is exposed to various risks that arise from both its operations and its investment activities. Financial risk management is carried out by the management of the Company.

Liquidity risk

The Company does not ordinarily generate a profit and there is no guarantee that its mining properties will generate a profit, can be profitably mined or produce a return on invested capital in the future.

Additional funds may be required by the Company. It will then have to issue other securities, which could result in a considerable dilution of the current participation of its shareholders. It is not certain, however, that it will be able to obtain the necessary funding to carry out all of the planned activities and undertake other exploration work.

As of December 31, 2019, the Company's liquid assets were sufficient to assume its financial liabilities and the future liabilities related to its commitments.

Market risk:

The Company is exposed to risks arising from changes in interest rates and market prices affecting its financial assets and liabilities.

Interest rate risk

The Company is exposed to interest rate risk on its financial instruments with fixed interest rates and variable interest rates. Fixed interest rate financial instruments subject the Company to fair value risk while variable rate financial instruments expose it to the risk of changes in cash flows. For floating rate financial assets, a periodic re-estimation of cash flows to reflect changes in market interest rates changes the effective interest rate. Due to immaterial variations and low market interest rates and short term maturities, the Company believes that the interest rate risk arising from these financial instruments is minimal.

Price risk

The Company is exposed to market risk in relation to the price of metals. It does not conclude contracts for financial instruments, including financial derivatives, for speculative purposes. It is also exposed to fluctuations in the market price relative to its investments in public companies.

Ownership risk

Although the Company has carried out its own due diligence on the titles of its properties, this should not be interpreted as a guarantee of these titles. There is no certainty that the titles of his properties will not be disputed or questioned. Third parties may have valid claims for portions underlying the interests of the company.

RISKS AND UNCERTAINTIES (continued)

Tax risk

No assurance can be given that the Canadian and Quebec tax authorities agree with the classification of the expenses of the Company as eligible exploration expenses for the purposes of the tax provisions related to flow-through shares.

Risk related to government regulations

The activities of the Company must be in accordance with various laws and regulations which relate to exploration and development, environmental protection, and the authorization of mining operations as a whole. The Company believes that it is in compliance with important aspects of the law. A change in legislation could have a negative effect on its activities.

Risk inherent in mining exploration activities

Mining exploration involves a high degree of risk. Only a few properties that are explored are eventually developed into producing mines. The proposed exploration program is exploratory research for ore and these operations may require permits from different government authorities. There can be no assurance that the Company will be able to obtain all of the permits and licenses that may be required for the purpose of exploring and developing its projects.

Credit risk

Credit risk is the risk that one of the parties to a financial instrument will default on one of its obligations and thereby cause the other party to suffer a financial loss. Cash and cash equivalents, investment certificates, accrued interest receivable and other accounts receivable are the Company's financial instruments that are potentially subject to credit risk. The Company reduces credit risk by investing cash and cash equivalents as well as guaranteed investment certificates in a recognized Canadian chartered bank.

SUBSEQUENT EVENTS

1. During the period from January to May 2020, the Company cashed a total amount of $ 205,850 following the exercise of 100,000 warrants and 1,330,000 stock options.
2. In February 2020, the Company granted 800,000 stock options to directors with an exercise price of $ 0.50, valid for five years.
3. In February 2020, the Company signed an investor relations services agreement with a consulting firm. The agreement is for three months and provides for the payment of a monthly fee of $ 6,000. In addition, 250,000 stock options were granted to the firm, valid for one year and having an exercise price of $ 0.50.
4. In February 2020, the Company completed the acquisition of 40 mining titles (Amanda property), in return for payments totaling $ 60,000 and the issuance of a total of 470,000 common shares at an issue price $ 0.43, for a total value of $ 202,100.
5. In April 2020, the Company completed the disposal of 35 mining titles (Plume property) in return for $ 20,000. The Company obtains a 2% NSR royalty on these mineral claims. The buyer can buy back 1% NSR for $ 1,000,000.
6. In May 2020, the Company granted 1 million common share purchase options to certain of its directors and officers. These were granted, as part of its option plan, at an exercise price of $ 1.12 per share for a maximum term of five years.
7. In May 2020, the Company completed a private placement through a broker for gross proceeds totaling $ 1,200,000. The Company issued 1,000,000 flow-through shares at a price of $ 1.20 per flow-through share. As part of this financing, the Company paid commissions and issue fees of $ 72,000 paid in cash.

COMMUNICATION OF INFORMATION

As an emerging company, the Company’s management is composed of a limited number of key people, creating a situation where the division of labor is limited and must be compensated by more effective supervision by the CEO and CFO.

Management will continue to closely monitor all of the Company's financial activities and will continue its oversight in key areas.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations in the certification of disclosure in the annual and interim filings.

MANAGEMENT'S RESPONSIBILITY

The annual financial statements as at December 31, 2019 and the other information in this report are the responsibility of management. They have been prepared in accordance with IFRS and have been approved by the Board of Directors. The financial statements contain certain amounts that are based on the use of estimates and judgments and management has established these amounts in a reasonable manner to ensure that these financial statements are presented fairly in all material respects.

Montreal, May 27, 2020

(s) Guy Morissette

Guy Morissette
President and Chief Executive Officer

(s) Martin Nicoletti

Martin Nicoletti, CPA, CGA
Chief Financial Officer