



**BLUE STAR GOLD CORP.
(FORMERLY WPC RESOURCES INC.)**

**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

AS AT AND FOR THE NINE MONTHS ENDED AUGUST 31, 2019

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

1. INTRODUCTION

The following management’s discussion and analysis (“MD&A”) of Blue Star Gold Corp. has been prepared as of October 18, 2019. This MD&A should be read in conjunction with the Company’s unaudited interim condensed consolidated financial statements and the accompanying notes for the nine months ended August 31, 2019, and the audited consolidated financial statements and the notes thereto for the year ended November 30, 2018, copies of which are filed on the SEDAR website: www.sedar.com.

The Company prepares its financial statements in accordance with International Financial Reporting Standards (“IFRS”). The financial statements have been prepared using the accrual basis of accounting except for cash flow information. All figures are expressed in Canadian dollars except where otherwise indicated.

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

The financial information in this MD&A is derived from the Company’s financial statements prepared in accordance with IFRS. Information provided in this MD&A, including financial information extracted from the financial statements, is the responsibility of management. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate, as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

Description of Business

Blue Star Gold Corp. (the “Company” or “BAU”) was incorporated on April 13, 2007 pursuant to the Business Corporations Act of British Columbia as Northern Shield Minerals Ltd. The Company changed its name to WPC Resources Inc. on January 24, 2008. On February 12, 2010, the Company filed its final prospectus with the TSX Venture Exchange (the “TSXV”) and on April 20, 2010, the Company’s common shares began trading on the TSXV under the symbol WPQ. Effective January 18, 2019, the Company changed its name from WPC Resources Inc. to Blue Star Gold Corp. and its common shares are being listed on TSXV with the trading symbol BAU.

The Company’s principal business activity is acquiring, exploring and evaluating mineral properties, and following evaluation, joint venturing or developing these properties further or disposing of them. At August 31, 2019, the Company was in the exploration and evaluation stage of activity on its owned and optioned mineral properties in Nunavut.

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

2. HIGHLIGHTS & SIGNIFICANT EVENTS

On August 31, 2019, the Company reported total assets of \$5,686,707 (November 30, 2018 - \$2,594,956), including current assets of \$1,682,632 (November 30, 2018 - \$38,618), and current liabilities of \$365,749 (November 30, 2018 - \$382,128).

Corporate Highlights for the Nine Months Ended August 31, 2019

Since restructuring of its board and management in late 2018, the Company has been working on the planning, permitting and execution of its inaugural drill program on its 100%-owned Hood River Property. The Company began the process by meeting and consulting with Nunavut stakeholders, and has augmented its technical team by engaging expert consultants in area of community relations and territorial permitting.

On August 21, 2019, Company announced the receipt of its Land Use License issued by the Kitikmeot Inuit Association and its water licence from the Nunavut Water Board. Licence No. KTL319C008 to allow access to the Inuit Owned Lands for Hood River exploration camp and operations and to the Ulu mining lease and airstrip to support Blue Star's field programs and the Ulu reclamation planning studies. In addition, the new, amended water licence, 2BE-HRP1924, allowed the Company to conduct its September 2019 drilling and camp activities.

Corporate Highlights for the Year Ended November 30, 2018

On January 11, 2018, the Company and Mandalay Resources Corp. ("Mandalay") entered into the New Ulu Option Agreement under which the Company may acquire a 100% interest in the Ulu Gold Property located in Nunavut Territory, Canada. The Ulu Option Agreement supersedes the previous option agreement and the Lupin Mines Inc. Purchase Agreement dated October 31, 2016 with respect to Ulu. For the terms of the Ulu Option Agreement see *Section 3. Exploration and Evaluation Assets*.

On April 16, 2018, the Company closed the second and final tranche of a private placement. In total, the Company issued 30,700,000 Units and received gross proceeds of \$1,535,000. Each Unit consists of one common share and one-half common share purchase warrant. Each full Warrant will be exercisable to purchase one Common Share at a price of \$0.10 for twelve months following the close of the private placement.

On April 25, 2018, the Company announced it had made the \$400,000 cash payment to Mandalay under the New Ulu Option Agreement.

Terminated Proposed Transaction

Lupin Mines Inc.

On November 2, 2017, the Company announced that it had entered into a letter agreement (the "LOI") with Mandalay under which the Company may acquire Mandalay's subsidiary, Lupin

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

Mines Incorporated and the historic Lupin Gold Mine subject to the signing of a Lupin Option Agreement. The LOI replaces the Purchase Agreement above with Mandalay to acquire Lupin Mines Incorporated.

Following significant negotiations and commitment of time by both parties to the LOI, on June 13, 2018, Mandalay gave a formal notice to the Company that it wished to terminate the LOI and not enter into the Lupin Option Agreement.

Although the Company remains interested in acquiring Lupin Mines Incorporated, subject to acceptable terms, the Company does not have any proposed transactions as of the date of this MD&A other than as disclosed elsewhere in this document.

3. EXPLORATION AND EVALUATION ASSETS

Hood River Property

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

Pursuant to the terms of the LOI, the Company acquired 100% of the outstanding shares of Inukshuk by issuing the shareholders (the “Vendors”) and their assignees 8,000,000 common shares of the Company (issued in 2014 at a fair value of \$560,000) upon receipt of TSX-V preliminary approval (received September 18, 2014) for the transaction. In addition to the share payment, the Company is obligated to fulfil the following commitments:

- i. Enter into a 3% NSR Royalty Agreement with the Vendor on the terms outlined below;
- ii. Complete a technical report, prepared in accordance with National Instrument (“NI”) 43-101 *Standards of Disclosure for Mineral Projects*, on the Hood River Property;
- iii. Pay all costs incurred to complete the transaction contemplated in the LOI;
- iv. Maintain the property in good standing for the period the LOI is in effect and ensure that in the event the transaction is terminated, the Hood River Property is returned to the Vendor with at least two years of assessments filed and two years, calculated from the next anniversary date, of NTI payments in place; and
- v. Engage one of the Vendors as Project Manager on the Hood River Property while the LOI is in effect.

The signing of the Definitive Agreement resulted in a reduction of \$175,000 in acquisition costs that were previously capitalized.

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

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

- i. Pay a 3% NSR royalty on the disposition of all minerals produced from the Hood River Property;
- ii. Make advance royalty payments totalling \$500,000 in accordance with the following schedule:
 - (1) \$25,000 (paid) within 25 business days of TSX-V preliminary approval;
 - (2) an additional \$100,000 (paid) on or before February 28, 2018;
 - (3) an additional \$125,000 (outstanding) on or before February 28, 2019 (the vendor has agreed to extend payment until funding is available);
 - (4) an additional \$125,000 on or before February 28, 2020; and
 - (5) an additional \$125,000 on or before February 28, 2021.
- iii. Offer the vendor a right of conveyance if the Company abandons the Hood River Property; and
- iv. Maintain the Hood River Property in good standing during the conveyance period.

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

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

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

As at August 31, 2019, the Company had incurred the following expenditures on the Hood River Property:

	November 30, 2018	Additions	August 31, 2019
Site & project expenditures			
Acquisition costs	\$ 685,000	\$ -	\$ 685,000
Assays	9,122	-	9,122
Camp	25,486	17,601	43,087
Claim maintenance	29,945	-	29,945
Consulting	96,816	10,655	107,471
Fixed Wing	-	149,469	149,469
Equipment	7,166	-	7,166
Geological	28,335	86,515	114,850
Legal fees	3,934	-	3,934
Logistics	65,347	-	65,347
Permits	113,727	210,130	323,857
Personnel	27,808	22,943	50,751
Travel	15,367	10,234	25,601
Total operations funded	\$ 1,108,053	\$ 507,547	\$ 1,615,600

During 2018, the Company did not conduct field work on Hood due to budgetary and other constraints. Expenditures during the year were limited to costs related to keeping the Hood River Property in good standing.

2019 Program for Hood River Property

On March 21, 2019, the Company decided to drill in 2019 on its priority gold targets within the Company's 100%-owned Hood River concession, and to map and sample in detail certain high-grade gold occurrences for future drilling programs.

The Ulu Gold Property

On September 18, 2014, the TSXV approved an option agreement (the "Agreement") between the Company, and Elgin Mining Inc. and Bonito Capital Corp. (collectively "Elgin"), to acquire an 80% undivided interest in the Ulu Gold Property. Ulu is a renewable 21-year property lease, ML 3563, covering roughly 947 hectares located contiguous to the Hood River Property in the High Lake greenstone belt. The current lease expires on November 18, 2038. A 5% net proceeds of production royalty is payable to Royal Gold on gold production from Ulu in excess of 675,000 ounces and BHP Billiton retains the Ulu diamond rights. Pursuant to the Agreement, the Company issued 5,000,000 shares, paid \$125,000, and incurred \$300,000 in property expenditures.

On September 10, 2014, Mandalay Resources Corporation ("Mandalay") acquired Elgin.

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

On January 8, 2018, the Company and Mandalay entered into the new Ulu Property Option Agreement. The new option agreement supersedes the Purchase Agreement with respect to Ulu.

The new agreement provides that the Company can purchase a 100% interest in the Ulu Gold Property (after Mandalay has completed reclamation satisfactory to certain Nunavut regulators of historic surface mining and infrastructure disturbances that are beyond the needs of the exploration-stage project) by satisfying the following conditions:

- i. \$200,000 (paid April 20, 2018) to be paid upon the receipt of TSXV approval for the New Ulu Property Option Agreement;
- ii. \$200,000 (paid April 20, 2018) to be paid on or before May 31, 2018;
- iii. Issue 15 million shares on or before December 31, 2019 or once Mandalay has completed reclamation work;
- iv. Post security required by the Kitikmeot Inuit Association (“KIA”) (\$825,000 Security Posted) and the Nunavut Water Board (“NWB”) relating to future exploration-stage activities on the mining lease and related water license to facilitate the transfer of the Mining Lease; and
- v. Assume all future reclamation and site monitoring expenses and liabilities associated with the Ulu in a manner reasonably satisfactory to Mandalay, the KIA and the NWB.

As at August 31, 2019, the Company had incurred the following expenditures on Ulu:

	November 30, 2018	Additions	August 31, 2019
Site & project expenditures			
Acquisition costs	\$ 845,000	\$ 5,778	\$ 850,778
Assays	27,155	-	27,155
Camp & supplies	52,487	-	52,487
Claim maintenance	13,523	-	13,523
Consulting	237,808	32,087	269,895
Drafting & geological	34,625	-	34,625
Equipment rental	6,377	-	6,377
Logistics	109,306	-	109,306
Permits	13,814	77,655	91,469
Personnel	72,652	-	72,652
Travel	25,287	950	26,237
Total operations funded	\$ 1,438,034	\$ 116,470	\$ 1,554,504

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

The Ulu mineral resource, as reported on April 14, 2015, was estimated by independent consultants using a 4 gram per tonne of gold cut-off value as follows:

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

Exploration Property Expenditures

The following table presents the Company's expenditures relating to mineral properties on a property-by-property basis for the two most recent financial years.

	Hood	Ulu	Lupin	Total
Balance, November 30, 2017	\$ 979,630	\$ 1,016,661	\$ 30,000	\$ 2,026,291
Adjustment to acquisition costs	100,000	400,000	-	500,000
Exploration expenditures	28,423	21,373	-	49,796
Impairment charges	-	-	(30,000)	(30,000)
Balance, November 30, 2018	\$ 1,108,053	1,438,034	- \$	2,546,087
Adjustment to acquisition costs	-	5,778	-	5,778
Exploration expenditures	507,547	110,692	-	618,239
Balance, August 31, 2019	\$ 1,615,600	1,554,504	- \$	3,170,104

Warren Robb, P.Geo., has reviewed and approved the Exploration and Evaluation Assets descriptions in this Management's Discussion and Analysis.

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

5. SUMMARY OF QUARTERLY RESULTS

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

Three months ended	Aug 31, 2019	May 31, 2019	Feb 28, 2019	Nov 30, 2018	Aug 31, 2018	May 31, 2018	Feb 28, 2018	Nov 30, 2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial results								
Net loss for period	400,451	214,884	139,966	191,570	117,665	189,311	161,719	138,512
Basic & diluted loss per share	(0.00)	0.00	0.00	0.01	0.00	0.00	0.00	0.00
Exploration expenditures	441,749	126,331	50,160	125,906	365	394,045	(520)	(198,002)
Statement of Financial Position								
Cash	1,184,599	144,888	9,044	15,137	311,043	446,924	1,007,683	Nil
Exploration & evaluation assets	3,170,104	2,722,577	2,596,247	2,546,087	2,420,181	2,419,818	2,025,773	2,026,291
Total assets	5,686,707	2,920,708	2,631,956	2,594,956	2,834,211	3,004,275	3,085,210	2,081,539
Shareholders' equity	1,177,983	1,657,978	2,012,828	2,012,828	2,239,392	2,357,063	2,357,664	1,190,153

Quarterly results reflect the costs associated with corporate activities as the Company works to advance Hood and Ulu. During the fiscal years, the Company cut administrative expenses by reducing staffing costs, rents and consulting fees. It is anticipated the Company will continue to experience similar losses while permitting and financing are arranged to explore the Hood property.

Anticipated costs will increase due to additional salaries, regulatory requirements and professional fees, travel, permitting and financing costs as the Company initiates exploration work on the properties. During the quarter ended November 30, 2017, the Company reduced the Hood acquisition costs by \$175,000 due to a timing differences between the payment of advance royalties in the LOI and the final Transaction Agreement. During the quarter ended May 31, 2018 negotiations and agreements to acquire Lupin Mines Incorporated were formally terminated and as a result the Company reduced exploration and evaluation assets by \$30,000.

During the quarter ended November 30, 2018, the Company's expenditures increased primarily due to professional fees incurred for its legal compliance requirements and the yearend reporting. Other expenditures were comparable and similar.

During the quarter ended February 28, 2019, the Company's expenditures decreased primarily due to decreases in salaries and management efforts to incur only necessary expenditures.

During the quarters ended May 31, 2019 and August 31, 2019, the Company's expenditures increased primarily due to increase in legal fees and consulting fees as they relate to increased activity on the Company's exploration projects and agreements.

6. DISCUSSION OF OPERATIONS

The following information is accounted for in accordance with IFRS, as issued by IASB. The reader is encouraged to refer to the notes of the Company's audited consolidated financial

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

statements for the year ending November 30, 2018 for the Company's summary of significant accounting policies.

Nine Months Ended August 31, 2019

During the nine months ended August 31, 2019, the Company had a comprehensive loss of \$755,299, compared to a comprehensive loss of \$498,701 in the same period in the prior year. Significant comparative variances for the nine months ended August 31, 2019 and 2018 were:

Consulting Fees \$185,351 (2018 - \$47,500)
Insurance of \$24,764 (2018 - \$15,000);
Investor and shareholder relations of \$43,217 (2018 - \$14,187);
Management fees of \$45,000 (2018 - \$Nil);
Office services and miscellaneous of \$15,671 (2018 - \$8,417);
Professional fees of \$152,361 (2018 - \$39,101);
Property investigation of \$Nil (2018 - \$2,286);
Regulatory and transfer agent fees of \$23,704 (2018 - \$16,021);
Rent and administrative services of \$48,700 (2018 - \$24,598); and
Salaries of \$168,610 (2018 - \$300,310)
Travel and entertainment \$ 3,665 (2018 - \$Nil)

Consulting fees paid of \$185,351 (2018 - \$47,500) relate to expenses incurred in relation to financing and administrative support. The expenses cannot be directly allocated to any project or expenditure. The significant increase consulting expenses over the previous period, is attributable to increased activity on the financing side, and increased need to support the exploration and operational activities of the Company.

Investor and shareholder relations of \$43,217 (2018 - \$14,187) consist of expenses relating to activities promoting the Company and its projects. The increase is in line with the Company's increased activities.

Management fees of \$45,000 (2018 - \$Nil) consist of payments made to the CFO as discussed under section 8 of this MD&A.

Office and miscellaneous expenses of \$15,671 (2018 - \$8,417) relate to expenses paid for administration and support.

Professional fees of \$152,361 (2018 - \$39,101) consist of expenses relating to legal advice and matters of \$127,994, and financial recording and reporting activities of \$24,367. The increase primarily relates to professional fees incurred in connection with the company's projects, option agreements and legal matters. – See Section 8 – Transactions with Related Parties.

Regulatory and transfer agent fees of \$23,704 (2018 - \$16,021) relate to expenditures in connection with share capital activities and reporting of the Company.

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

Rent and administrative services of \$48,700 (2018 - \$24,598) are expenses paid for the Company's office space.

Salaries of \$168,610 (2018 - \$300,310) relate to fees accrued to officers and employees of the Company for management of the Company's operations and projects. The decrease during the period ended August 31, 2019 is due to the decrease in manpower. It is also important to note that the current CFO and the Corporate Secretary also charge management, accounting and legal fees instead of salaries.

During the nine months ended August 31, 2019, the Company used \$1,201,974 (2018 - \$941,336) for operating activities, invested \$1,449,018 (2018 - \$292,025) for exploration and evaluation, and received \$3,820,454 (2018 - \$1,547,940) from financing activities. This resulted to a net increase in cash of \$1,184,599 (2018 - \$311,043).

7. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As at August 31, 2019, the Company had \$1,184,599 (November 30, 2018 - \$15,137) in cash. As an exploration stage company, the Company does not have cash flow from operations. Therefore, debt and equity financings have been the main sources of funds. As at August 31, 2019, the Company had a working capital of \$1,316,883 (November 30, 2018 - deficit of \$343,510) and an accumulated deficit of \$8,500,322 (November 30, 2018 - \$7,745,023).

Loans:

On November 30, 2018, the Company entered into a loan agreement for \$200,000, which is due on November 30, 2020 and has a simple interest rate of 7% per annum.

On December 19, 2018, a loan agreement was entered into with Dr. Georg Pollert, a Director of the Company, in the amount of \$250,000. The full amount was received on December 31, 2018. The loan will pay 7.5% simple interest per annum payable on or before the date of repayment of December 31, 2020. In consideration, Dr. Georg Pollert will receive 1,000,000 Bonus Shares priced at \$0.05 each.

On March 1, 2019, a loan agreement was entered into with Dr. Georg Pollert, a Director of the Company, in the amount of \$250,000. The loan will pay 7.5% simple interest per annum payable on or before the date of repayment of March 31, 2021. In consideration, Dr. Georg Pollert will receive 1,000,000 Bonus Shares priced at \$0.05 each.

On May 7, 2019, a loan agreement was entered into with Dr. Georg Pollert, a Director of the Company, in the amount of \$250,000. The loan will pay 7.5% simple interest per annum payable on or before the date of repayment of July 30, 2021. In consideration, Dr. Georg Pollert will receive 1,000,000 Bonus Shares priced at \$0.05 each.

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

On June 19, 2019, the Company entered into a loan agreement for \$250,000, which is due on July 30, 2021 and has a simple interest rate of 7% per annum. The Company will grant Bonus Shares to the creditor of this loan where the value of the Bonus Shares will equal 20% of the loan. A total of 1,000,000 bonus shares will be issued priced at \$0.05 each.

The grant and issuance of Bonus Shares are subject to suitable notice to and the approval by the TSX Venture Exchange.

These loans will be used for the Company's development and advancement plans.

Long-term debt:

On July 29, 2019, the Company announced the issuance of 3,000 units of non-secured convertible debentures for total gross proceeds of \$3.0 million (\$2.9 million received) to a director of the Company and to various third parties. Each unit will be priced at \$1,000 and consist of 20,000 non-secured Convertible Debentures (the "Debentures") and 20,000 non-transferable Common Share purchase warrants ("Warrants"). The debentures will have a term of three years (the "Term"), and may be convertible, at the election of the holders, into common shares of the Company at the following rates: \$0.05 per share (for a maximum of 60,000,000 shares) if converted on the first year; and \$0.10 per share (for a maximum of 30,000,000 shares) if converted on the second and third years. The share purchase warrants are exercisable at a price of \$0.075 per share for up to three years.

The debentures will bear interest, to be paid annually in advance for each year of the Term, at the rate of 7.5% per annum.

As at August 31, 2019, the transaction is still subject to TSXV approval, as such the Company recognized the proceeds as long-term debt for the amount received, which upon final TSXV approval will be adjusted based on the nature of the instrument (liability with conversion feature) using IFRS 9 as the applicable standard.

In the opinion of management, the working capital is sufficient to support the Company's near term general administrative and corporate operating requirements on an on-going basis for the next 12 months. In order to complete the Hood River and Ulu acquisitions, additional funds will be required for mineral property expenses and fund administrative costs, and the Company is likely to raise such funds from the issuances of units and shares.

Liquidity Outlook

At present, the Company's operations do not generate cash inflows and its cash position is highly dependent on the ability to raise cash through financings and the timing of expenditures on exploration programs. In order to finance the Company's evaluation and exploration programs and to cover administrative and other expenses, the Company raises money through incurring debt and raising equity from the exercise of convertible securities and from optioning its exploration and evaluation assets. Many factors influence the Company's ability to raise funds, including the

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities.

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

Capital Resources

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

Going Concern

The Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several material uncertainties may cast a significant doubt on the entity's ability to continue as a going concern. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation asset projects. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its mineral projects by issuance of share capital or through joint ventures, and to realize future profitable production or proceeds from the disposition of its exploration and evaluation assets. As at August 31, 2019, the Company had an accumulated deficit of \$8,500,322 (November 30, 2018 - \$7,745,023) and had working capital of \$1,316,883 (November 30, 2018 – deficit of \$343,510). In the opinion of management, current working capital is sufficient to support the Company's general administrative and corporate operating requirements on an on-going basis for the next 12 months. The Company does have resources to fund some exploration expenditures but will need additional funding to meet all exploration expenditures. Management plans to secure the necessary financing through the issuance of new equity instruments and/or entering into joint venture arrangements. However, there is no assurance that the Company will be successful in these actions.

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

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

8. TRANSACTIONS WITH RELATED PARTIES

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

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

Name of Related Party	Position	Nature of transaction
Ken Yurichuk	Director	Director
Judy Baker	Director	Director
Robert Metcalfe	Director	Director
Klaus G. Schmid	Director	Director
Dr Georg Pollert	Director	Director
Stephen Wilkinson	President and CEO	Officer
Zara Kanji	CFO	Officer
Mike Stewart, P.Eng.	Corporate Secretary	Officer

As at August 31, 2019, \$247,417 (November 30, 2018 - \$309,005) was due to directors and officers of the Company:

	August 31, 2019	November 30, 2018
Stephen J. Wilkinson, CEO	\$ 2,734	\$ 14,322
Zara Kanji, CFO	3,000	3,000
Dr. Georg Pollert	-	50,000
Allan J. Fabbro, Former director	39,840	39,840
Wayne R. Moorhouse, Former CFO	39,840	39,840
Bruce Goad, Former Director of subsidiary	162,003	162,003
	\$ 247,417	\$ 309,005

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

Transactions with related parties other than key management are comprised of the following:

Nature of expenditure	August 31, 2019	August 31, 2018
Salaries to CEO	\$ 48,000	\$ 74,880
Salaries to former CFO	-	56,160
Salaries to former director	-	56,160
Management fees to CFO	45,000	-
Professional fees		
Paid to a firm where the Corporate Secretary is a partner	109,747	-
Paid to a firm owned by the CFO	11,318	-
	\$ 214,065	\$ 187,200

On September 12, 2018, the Company announced the changes to its Board of Directors and Executive. Allan Fabbro resigned as a director and Wayne Moorhouse resigned as the CFO, Corporate Secretary and director of the Company.

On October 1, 2018, the Company appointed Zara Kanji as the CFO and Mike Stewart as the Corporate Secretary of the Company.

On December 17, 2018, Judy Baker, Klaus G. Schmid, and Dr. Georg Pollert were elected as directors of the Company. Ian Graham and Stephen Wilkinson stepped down as directors of the Company.

Loans payable to director – Dr Georg Pollert

On December 19, 2018 a loan agreement was entered into with a Director of the Company, for \$250,000. The whole amount was received in cash on December 31, 2018. The loan pays 7.5% simple interest per annum payable on or before the date of repayment of December 31, 2020. In consideration, the Director will receive 1,000,000 Bonus Shares priced at \$0.05 each.

On March 1, 2019, the Director loaned \$250,000. The loan bears 7.5% simple interest per annum payable on or before the date of repayment of March 31, 2021. In consideration, the Director will receive 1,000,000 Bonus Shares priced at \$0.05 each.

On May 7, 2019, the Director loaned \$250,000. The loan bears 7.5% simple interest per annum payable on or before the date of repayment of July 30, 2021. In consideration, the Director will receive 1,000,000 Bonus Shares priced at \$0.05 each.

During the nine months ended August 31, 2019, the loans from the Director incurred \$28,459 interest expense.

The grant and issuance of Bonus Shares are subject to suitable notice to and the approval by the TSXV.

9. FINANCIAL INSTRUMENTS AND RELATED RISKS

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

Financial Instruments

Please refer to Note 5 of the Company's financial statements for the period ended August 31, 2019 and Note 6 of the Company's Audited financial statements for the year ended November 30, 2018.

Related Risks

Liquidity Risk – Liquidity risk is the risk the Company cannot meet its financial obligations as they become due. The Company attempts to manage liquidity risk by maintaining sufficient cash balances or through additional financings to ensure there is sufficient capital to meet short term obligations. As at August 31, 2019, the Company had a cash balance of \$1,184,599 (November 30, 2018 – \$15,137) to settle current liabilities of \$365,749 (November 30, 2018 - \$382,128). The Company's current working capital is sufficient to support the Company's near term general administrative and corporate operating requirements on an on-going basis.

Interest rate risk - The Company has minimal exposure at August 31, 2019 and November 30, 2018 to interest rate risk through its financial instruments as the loans payable has fixed, simple interest rates of 7%-7.5% per annum.

Currency Risk - As at August 31, 2019 and November 30, 2018, all the Company's cash was held in Canadian dollars, the Company's functional and reporting currency.

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

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

10. RISKS AND UNCERTAINTIES

The Company's business is the exploration and development of mineral properties. As a result, the Company's operations are speculative.

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

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

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

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

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

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

Environmental Risk – Current or future environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damages caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. The Company intends to minimize these risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to international environmental standards.

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

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

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

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

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

11. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

12. COMMITMENTS

The Company has obligations relating to the Property Agreements as disclosed in the financial statements for the period ended August 31, 2019. See Note 9 in Interim Consolidated Financial Statements

Leases

The Company leased premises under a lease agreement expiring April 30, 2020. Minimum annual lease payments required under the contract is as follows:

For the year ending November 30	\$
2019	64,163
2020	26,735
Total	90,898

During the nine months ended August 31, 2019, the Company paid \$48,700 (2018 - \$16,335) for its lease.

Reclamation securities

In May 2015, the Nunavut Water Board (“NWB”) issued the Ulu Water Licence, which requires a financial security of \$1. 67 million for the reclamation liability of the mining license On August 19, 2019, the Company also paid a deposit of \$825,000 to the Kitikmeot Inuit Association (“KIA”) pursuant to its application to obtain Land Use License to get access to the Inuit Owned Lands for Hood River exploration camp and operations.

A director, Dr. Georg Pollert, has agreed to advance sufficient funds on behalf of the Company to cover the reclamation liabilities for the NWB and the KIA. The securities provided by the director will be advanced for a period of 12 months for the Ulu Water License and up to 3 years for the Land Use License and the Company will pay to the director simple interest in the amount of 3% per annum, earned in advance.

In further consideration of the director advancing funds for the reclamation securities, the Company has agreed to award the director bonus shares. The amount of the loan will be based on the amounts required for the reclamation securities, which is expected to equal \$1,685,542.00 for up to one year and \$750,000.00 for up to three years. The anticipated result would be an aggregate of up to 7,871,084 bonus shares issuable to Dr. Pollert over the term of three years. The Company has received conditional approval from the TSX-V, with final approval subject to shareholder approval on the transaction

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

Non-Controlling Interest in subsidiary

The Company has been working on the permitting of the 2019 exploration program on its Hood River Concessions that are owned through its wholly-owned subsidiary, Inukshuk Exploration Inc. To fund its operations, its consultants and the permit applications, a director has lent the Company a total of \$750,000 in the form of unsecured 2-year notes bearing an annual simple interest of 7.5%. To settle these debts and to help put the Company on a more secure financial footing, the Company has agreed to exchange a 20% equity interest in Inukshuk as payment for the \$500,000 and to grant to the Director the option to acquire up to a 20% equity interest in the vehicle through which Ulu will be owned by the Company in exchange of the remaining \$250,000 of the notes and \$250,000 in cash (with such cash amount to be offset with the accrued interest on the notes).

13. DISCLOSURE OF OUTSTANDING SHARE DATA

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

Common shares, issued and outstanding	129,600,304
Total Options Outstanding	3,300,000
Total Warrants Outstanding	-

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

On February 14, 2019, 6,300,000 warrants exercisable at \$0.10 per warrant expired unexercised.

On April 16, 2019, 9,050,000 warrants exercisable at \$0.10 per warrant expired unexercised.

14. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT ACCOUNTING POLICIES

For a detailed summary of the Company's critical accounting estimates and significant accounting policies, the readers are directed to Note 2 and 3 of the Notes to the financial statements for the period ended August 31, 2019 and for the year ended November 30, 2018 that are available on SEDAR at www.sedar.com.

15. DIVIDENDS

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company, and will depend on Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors deem relevant.

16. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

Additional disclosure concerning the Company's general and administrative expenses and exploration and evaluation assets expenditures is provided in the Company's financial statements for the period ended August 31, 2019 and for the year ended November 30, 2018. These financial statements are available on SEDAR at www.sedar.com.

17. APPROVAL

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

18. FORWARD LOOKING STATEMENTS

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in mineral resources, grade or recovery

BLUE STAR GOLD CORP. (FORMERLY WPC RESOURCES INC.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine Months Ended August 31, 2019

rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.