

Schedule C: Management Discussion

NUSTAR RESOURCES INC.
MARCH 31, 2002

During the third quarter the Company did not employ an investor relations firm, but carried-out these chores internally.

The Company conducted two geophysical surveys, one on its Cube Property in the Nicola Mining Division, B.C. and the other on its Miner Mountain Property in the Similkameen Mining Division, B.C. and assessment work was filed in March and April 2002, respectively. A core drilling program, on the Miner Mountain property, is scheduled to begin in the first part of June 2002. The Company signed an Option Agreement with Frontier Minerals Inc. of Vancouver, B.C. whereby Frontier can acquire a 50% interest in the Miner Mountain Property by spending \$500,000 on exploration work (see News Release dated May 10, 2002).

The Company dropped the option on the Camacho-La Leona Property in Zacatecas State, Mexico (see News Release dated, May 13, 2002).

On March 15, 2002 the Company signed an Option to Purchase Agreement to acquire a 100% interest in the Lisa and Christmas South mineral claims in the Cariboo Mining Division, B.C. The agreement was accepted for filing by the TSX Venture Exchange on April 23, 2002. The Company has plans to begin a fieldwork program, on this drill-ready property very soon.

The Company has relied on financing the fieldwork programs and general corporate affairs utilizing the private placement method and director and employee options.

The Company granted incentive stock options in amount of 604,966 shares at \$0.10 per share exercisable up to April 9, 2004 (see News Release dated April 9, 2002).

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Section 1**A. ANALYSIS OF EXPENSES AND DEFERRED COSTS:**

See the accompanying financial statements.

Section 2**A. RELATED PARTY TRANSACTIONS FOR THE CURRENT FISCAL YEAR-TO-DATE:**

See Note 5 of the accompanying financial statements.

The aggregate amount of expenditures made to parties not at arms length from the issuer was \$48,780 during the current fiscal year to date.

Section 3**A. SECURITIES ISSUED DURING PERIOD ENDED MARCH 31, 2002:**

Date of Issue	Type of Security	Type of Issue	Number of Shares	Price Per Share	Total Proceeds	Type of Consideration	Commission Paid
Oct. 16/01	Common Shares	Property Acquisition	250,000	\$0.09	\$22,500	Mineral Property	Nil
Oct. 26/01	Common Shares	Exercise of Options	200,000	\$0.10	\$20,000	Cash	Nil
Nov. 5/01	Common Shares	Private Placement	800,000	\$0.10	\$80,000	Cash	Nil
Jan. 4/02	Common Shares	Exercise of Warrants	151,370	\$0.10	\$15,137	Cash	Nil
Jan. 5/02	Common Shares	Exercise of Warrants	48,630	\$0.10	\$4,863	Cash	Nil
Mar. 7/02	Common Shares	Exercise of Options	102,838	\$0.10	\$10,284	Cash	Nil
Mar. 15/02	Common Shares	Exercise of Warrants	50,000	\$0.10	\$5,000	Cash	Nil
Mar. 27/02	Common Shares	Exercise of Warrants	50,000	\$0.10	\$5,000	Cash	Nil

B. OPTIONS GRANTED DURING PERIOD ENDED MARCH 31, 2002:

NIL