



REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2019

(Unaudited – Prepared by Management)

REDSTAR GOLD CORP.

Contents

	<u>Page</u>
Notice of No Auditors' Review of Condensed Interim Financial Statements	3
Condensed Interim Consolidated Statements of Financial Position	4
Condensed Interim Consolidated Statements of Comprehensive Loss	5
Condensed Interim Consolidated Statements of Changes in Equity	6
Condensed Interim Consolidated Statements of Cash Flows	7
Notes to the Condensed Interim Consolidated Financial Statements	8 – 21

REDSTAR GOLD CORP.

NOTICE OF NO AUDITOR'S REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Redstar Gold Corp. (the "Company") for the six months ended September 30, 2019 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instruments 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Presented in Canadian Dollars)

	Note	September 30, 2019 (Unaudited)	March 31, 2019 (Audited)
Assets			
Current			
Cash and cash equivalents		\$ 585,786	\$ 1,434,481
Short-term investments	6	5,750	5,750
Marketable securities	7	1,982,378	978,578
Amounts receivable		4,931	2,556
Prepaid amounts and advances		85,182	58,908
		2,664,027	2,480,273
Non-current			
Investment in NV Gold	8	-	735,792
Reclamation bond	9	7,850	7,921
Exploration and evaluation assets	9	4,099,055	3,983,303
Intangible assets	10	2,114	2,488
Equipment	11	10,228	11,882
		4,119,247	4,741,386
		\$ 6,783,274	\$ 7,221,659
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 347,348	\$ 105,661
Due to related parties	14	70,105	65,840
		417,453	171,501
Shareholders' equity			
Share capital	13	32,419,456	32,419,456
Reserves		4,335,115	4,296,629
Deficit		(30,388,750)	(29,665,927)
		6,365,821	7,050,158
		\$ 6,783,274	\$ 7,221,659

Events after the reporting period (Note 16)

These consolidated financial statements are authorized for issue by the Board of Directors on November 13, 2019. They are signed on the Company's behalf by:

/s/ Jacques Vaillancourt
Director

/s/ Ken Booth
Director

REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Presented in Canadian Dollars)
(Unaudited)

	Note	Three months ended September 30		Six months ended September 30	
		2019	2018	2019	2018
Exploration and evaluation					
Resource property expense	9	\$ 579,955	\$ 47,521	\$ 662,956	\$ 108,349
General and administrative					
Depreciation		1,014	1,425	2,028	2,851
Director fees	14	19,521	19,500	39,021	36,713
Insurance		2,689	7,298	5,382	14,859
Investor relations		5,766	47,402	(1,400)	51,120
Management fees	14	79,125	31,250	159,750	62,500
Office operations		4,818	3,706	8,434	18,318
Professional fees		37,286	13,705	49,622	21,634
Regulatory fees		4,570	500	10,268	3,279
Rent		225	225	450	4,450
Share-based payments	13(b)	13,308	-	38,486	-
Transfer agent		967	4,598	1,799	5,750
Travel and promotion		12,237	-	12,783	-
Loss before the undernoted		761,481	177,130	989,579	329,823
Other (income) expense					
Foreign exchange (gain) loss		(1,104)	4,219	1,288	3,596
Interest (income)		(18)	(3,583)	(36)	(4,567)
Loss on disposal of equipment		-	-	-	6,573
Fair value loss (gain) on marketable securities	7	(329,067)	10,872	(268,008)	13,271
		(330,189)	11,508	(266,756)	18,873
Net loss for the period		431,292	188,638	722,823	348,696
Other comprehensive income					
Realized loss on investment in NV Gold	8	-	-	-	59,154
Unrealized loss on investment in NV Gold	8	-	304,465	-	4,110,287
Comprehensive loss for the period		\$ 431,292	\$ 493,103	\$ 722,823	\$ 4,518,137
Basic and diluted loss per share		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding		300,050,293	300,050,293	300,050,293	300,050,293

REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Presented in Canadian Dollars)

	Note	Share Capital			Reserves			Total Shareholders' Equity	
		Number of shares	Amount	Warrants	Options	Accumulated other comprehensive income (loss)	Subtotal		Deficit
Balance, March 31, 2018 (Audited)		300,050,293	\$ 32,419,456	\$ 1,056,181	\$3,286,760	\$ 3,456,049	\$ 7,798,990	\$(28,365,412)	\$ 11,853,034
Impact of adopting IFRS 9 as of April 1, 2018		-	-	-	-	136,911	136,911	(136,911)	-
Balance, April 1, 2018 (Audited)		300,050,293	32,419,456	1,056,181	3,286,760	3,592,960	7,935,901	(28,502,323)	11,853,034
Unrealized loss on investment in NV Gold	8	-	-	-	-	(4,110,287)	(4,110,287)	-	(4,110,287)
Realized loss on investment in NV Gold	8	-	-	-	-	(59,154)	(59,154)	-	(59,154)
Loss for the period		-	-	-	-	-	-	(348,696)	(348,696)
Balance, September 30, 2018 (Unaudited)		300,050,293	32,419,456	1,056,181	3,286,760	(576,481)	3,766,460	(28,851,019)	7,334,897
Share-based payments		-	-	-	4,807	-	4,807	-	4,807
Unrealized loss on investment in NV Gold, net of tax expense		-	-	-	-	(133,475)	(133,475)	-	(133,475)
Realized gain on investment in NV Gold		-	-	-	-	658,837	658,837	-	658,837
Loss for the period		-	-	-	-	-	-	(814,908)	(814,908)
Balance, March 31, 2019 (Audited)		300,050,293	32,419,456	1,056,181	3,291,567	(51,119)	4,296,629	(29,665,927)	7,050,158
Share-based payments	13(b)	-	-	-	38,486	-	38,486	-	38,486
Loss for the period		-	-	-	-	-	-	(722,823)	(722,823)
Balance, September 30, 2019 (Unaudited)		300,050,293	\$ 32,419,456	\$ 1,056,181	\$3,330,053	\$ (51,119)	\$ 4,335,115	\$(30,388,750)	\$ 6,365,821

REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Presented in Canadian Dollars)
(Unaudited)

	Six months ended	
	September 30	
	2019	2018
Cash provided by (used in):		
Operating activities		
Loss for the period	\$ (722,823)	\$ (348,696)
Items not affecting cash:		
Depreciation	2,028	2,851
Share-based payments	38,486	-
Reclamation bond	71	(30)
Loss on disposal of equipment	-	6,573
Fair value loss (gain) on marketable securities	(268,008)	13,271
Net change in non-cash working capital		
Amounts receivable	(2,375)	12,570
Prepaid amounts and advances	(26,274)	11,851
Accounts payable and accrued liabilities	241,687	(120,079)
Due to related parties	4,265	(49,638)
	(732,943)	(471,327)
Investing activities		
Acquisition of exploration assets	(115,752)	(13,087)
Proceeds from disposal of equipment	-	700
Investment in marketable securities	-	(883,844)
Proceeds from investment in NV Gold	-	984,231
	(115,752)	88,000
Change in cash and cash equivalents	(848,695)	(383,327)
Cash and cash equivalents, beginning of the period	1,434,481	2,132,353
Cash and cash equivalents, end of the period	\$ 585,786	\$ 1,749,026

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Redstar Gold Corp. (the “Company” or “Redstar”) is engaged in the acquisition, exploration, and development of mineral properties in North America. The Company is incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is Suite 1710, 1177 West Hastings Street, Vancouver, BC, V6E 2L3. The Company is trading on the Toronto Venture Exchange (TSX-V) under the trading symbol “RGC”.

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to 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.

There are several adverse conditions that may cast significant doubt upon the soundness of this assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

Consistent with other companies in the sector of mineral exploration, the Company has incurred operating losses since inception, has limited sources of revenue, is unable to self-finance operations and has significant cash requirements to meet its overhead and maintain its mineral interests.

For the Company to continue to operate as a going concern it must continue to obtain additional financing to maintain operations; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

	September 30,		March 31,
Rounded to 000's	2019		2019
Working capital surplus	\$ 2,247,000	\$	2,309,000
Accumulated (deficit)	\$ (30,389,000)	\$	(29,666,000)

2. BASIS OF PREPARATION – STATEMENT OF COMPLIANCE

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and related IFRS Interpretations Committee (“IFRICs”) as issued by the International Accounting Standards Board (“IASB”). The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Since the unaudited Financial Statements do not include all disclosures required by IFRS for annual consolidated financial statements, they should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended March 31, 2019.

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of condensed interim financial statements in accordance with IAS1 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies.

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual financial statements. For a complete summary of significant accounting policies, please refer to the Company’s audited annual consolidated financial statements for the year ended March 31, 2019. Certain comparative figures have been reclassified to conform to the current period’s presentation.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Company’s accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amount recognized in the Financial Statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

a) Key sources of estimation uncertainty

Share-based payments

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 3. The fair value of stock options granted is measured using the Black-Scholes option pricing model, which was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's stock options have characteristics significantly different from those of traded options, and changes in the highly subjective input assumptions can materially affect the calculated values. The fair value of stock options granted using the Black-Scholes option pricing model do not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

Impairment

Judgment is involved in assessing whether there is any indication that an asset may be impaired. This assessment is made based on the analysis of, amongst other factors, changes in the market or business environment, events that have transpired that have impacted the asset, and information from internal reporting.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Decommissioning provision

The value of decommissioning liabilities depends on estimates of current risk-free interest rates, future restoration and reclamation expenditures and the timing of those expenditures.

b) Key sources of judgment uncertainty

Estimated Useful Lives and Depreciation of Equipment and Intangible asset

Depreciation of equipment and intangible asset is dependent upon estimates of useful lives based on management's judgment.

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company and its wholly owned subsidiaries is the Canadian dollar.

Going concern evaluation

As discussed on note 1, these Financial Statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these Consolidated Financial Statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as at September 30, 2019.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

Exploration and evaluation assets

The carrying value of the Company's exploration and evaluation assets is reviewed by management quarterly, or whenever events or circumstances indicate that its carrying amount may not be recovered. Management considers certain impairment indicators such as market capitalization of the Company, metal price changes, plans for the properties and the results of exploration to date.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Condensed Interim Consolidated Statements of Financial Position are carried at amortized cost with the exception of marketable securities and investment in NV Gold, which are carried at fair value.

The fair value of the Company's marketable securities and investment in NV Gold are quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy.

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's marketable securities and investment in NV Gold have been assessed on the fair value hierarchy described above and classified as Level 1 and Level 2.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, short-term investments, marketable securities, reclamation bond, investment in NV Gold, accounts payable and accrued liabilities, and due to related parties. As at September 30, 2019 and March 31, 2019, the carrying value of cash and cash equivalents approximates fair value due to its short-term nature. Marketable securities and investment in NV Gold are marked to fair value at each financial statement reporting date. Reclamation bond, accounts payable and accrued liabilities, and due to related parties approximate their fair value due to their short-term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada and the United States; accordingly, the Company believes it not exposed to significant credit risk.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

f) Currency risk

The Company's main property interest in Alaska, USA makes it subject to foreign currency fluctuations which may adversely affect the Company's Consolidated Statements of Financial Position, Consolidated Statements of Comprehensive Loss and Consolidated Statements of Cash Flows. The Company is affected by changes in exchange rates between the Canadian Dollar and the US Dollar. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary liabilities of approximately \$176,000 dominated in US dollars. A 1% change in the absolute rate of exchange in US dollars would affect its net loss by approximately \$6,700.

g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at September 30, 2019, the Company had a cash balance of \$585,786 to settle current liabilities of \$417,453.

6. SHORT-TERM INVESTMENTS

As at September 30, 2019, the Company pledged \$5,750 (March 31, 2019 - \$5,750) as collateral for a credit card.

REDSTAR GOLD CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Presented in Canadian Dollars)

7. MARKETABLE SECURITIES

September 30, 2019		Shares	Cost	Fair Value Adjustment on Marketable Securities	Total
New Tech Minerals Corp.	(ii)	11,443	\$ 5,722	\$ (5,550)	\$ 172
Brocade Metals Corp.		320,000	4	(4)	-
Confederation Minerals Ltd.		65,000	56,250	(44,550)	11,700
Fremont Gold Ltd.	(i)	4,166	30,000	(29,792)	208
True Grit Resources Ltd.		540,000	90,526	(82,426)	8,100
Sprott Phys Gold&SiM		32,500	500,625	109,725	610,350
Ishares Silver Trust	(iii)	22,000	383,219	80,604	463,823
NV Gold Corporation	(iv)	5,074,430	735,792	152,233	888,025
			\$1,802,138	\$ 180,240	\$1,982,378

March 31, 2019		Shares	Cost	Fair Value Adjustment on Marketable Securities	Total
New Tech Minerals Corp.	(ii)	11,443	\$ 5,722	\$ (5,493)	\$ 229
Brocade Metals Corp.		320,000	4	(4)	-
Confederation Minerals Ltd.		65,000	56,250	(44,550)	11,700
Fremont Gold Ltd.	(i)	4,166	30,000	(29,479)	521
True Grit Resources Ltd.		540,000	90,526	(82,426)	8,100
Sprott Phys Gold&SiM		32,500	500,625	40,825	541,450
Ishares Silver Trust	(iii)	22,000	383,219	33,359	416,578
			\$1,066,346	\$ (87,768)	\$ 978,578

- (i) Formerly, Palisades Ventures Inc. (post 4:3 share consolidation)
- (ii) American Potash Corp. was changed name to "New Tech Lithium Corp." on January 22, 2018 and changed to "New Tech Minerals Corp." on March 7, 2019
- (iii) Ishares Silver Trust is traded in US dollars
- (iv) The Company reclassified the NV Gold shares as marketable securities effective April 1, 2019.

During the period ended September 30, 2019, the Company recorded fair value gain on marketable securities of \$268,008 (2018 – fair value loss of \$13,271), which was recorded in other (income) expense account.

8. INVESTMENT IN NV GOLD CORPORATION

On September 1, 2016, the Company entered into a purchase and sale agreement with NV Gold Corporation and its subsidiary, NV Gold Corporation (USA) ("NV Gold"), a Canadian junior exploration company trading on the TSX Venture Exchange. As part of this agreement, NV Gold acquired the right to a 100% ownership of Great Basin Database and 100% interest in eleven Nevada Properties. On September 29, 2016, the Company completed the sale of Nevada Properties for consideration of 29.9% of the outstanding common shares of NV Gold.

From September 29, 2016 to June 30, 2017, the Company accounted for its investment in NV Gold using the equity method of accounting as the Company had significant influence over NV Gold with its share ownership and directorship.

8. INVESTMENT IN NV GOLD CORPORATION *(Continued)*

Under the equity method of accounting, the investment in NV Gold was initially recognized at cost and adjusted thereafter for the post-acquisition change in the net assets. The Company was not exposed to any additional losses beyond its initial investment amount. No dividends or cash distributions were received by the Company from NV Gold during the period.

Effective July 5, 2017, the Company accounted for its investment in NV Gold by using the fair value of the NV Gold shares as the Company determined that it no longer had significant influence over NV Gold. The Company remeasures the investment in NV Gold to fair value at each financial statement reporting date and any gains or losses arising from changes in fair value is recognized in other comprehensive income (loss). In April 2018, the Company sold 1,098,300 shares of NV Gold for proceeds of \$984,231 with a realized loss of \$59,154, leaving 5,074,430 NV Gold shares as of March 31, 2019 with a fair value of \$735,792 (\$0.145 per share). As at June 30, 2019, the Company reclassified the investment in NV Gold as marketable securities (Note 7).

9. EXPLORATION AND EVALUATION ASSETS

The Company has the following interests in mineral properties at September 30, 2019:

Property acquisition costs	March 31, 2019	Acquisition costs	September 30, 2019
Alaska			
Unga project	\$ 3,983,303	\$ 115,752	\$ 4,099,055

The Company incurred the following exploration expenditures during the six months ended September 30, 2019 and 2018:

Exploration expenditures	Alaska Unga
Camp	110,359
Equipment rental	2,058
Fuel & transportation	57,358
Geological	409,293
Geophysical	544
Maps and reports	1,814
Supplies and materials	26,777
Transportation and surface access	22,373
Travel and accommodation	32,380
Period ended September 30, 2019	\$ 662,956

Exploration expenditures	Alaska Unga
Assaying	\$ 10,231
Camp	13,807
Fuel & transportation	572
Geological	81,939
Maps and reports	1,025
Travel and accommodation	775
Period ended September 30, 2018	\$ 108,349

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

(a) Unga Project, Alaska, USA

The Unga Project is approximately 250 sq. kms and is comprised of patented and Alaska State claims and Alaskan Native Corporation lands. The Company owns 100% of the patented claims and the state claims in the Unga Project.

On July 1, 2019, (amended on August 29, 2019), the Company signed an exploration agreement with option to lease with The Aleut Corporation ("TAC") (the "Agreement"). The Agreement provides for an exploration license with a follow-on 20-year extendable mining lease on TAC's properties which form part of Redstar's "Unga Project". The Agreement runs for a period of eight (8) years allowing Redstar to conduct sub-surface work.

Pursuant to the Agreement, Redstar is required to complete the following:

	Cash ^(a) (US\$)	Exploration Expenditure on the Property ^(b) (US\$)
On the execution date of the agreement	\$75,000 ⁽ⁱ⁾	\$500,000 ⁽ⁱⁱ⁾
July 1, 2020	75,000	525,000
July 1, 2021	80,000	525,000
July 1, 2022	85,000	550,000
July 1, 2023	90,000	600,000
July 1, 2024	95,000	700,000
July 1, 2025	100,000	750,000
July 1, 2026	110,000	850,000
	\$710,000	\$5,000,000

^(a) The cash amount includes the option payments and the materials payments.

^(b) The first year's period begins from July 1, 2019 until December 31, 2019. Subsequent years commences on January 1 of each year and finishes on December 31 of that year.

⁽ⁱ⁾ Paid

⁽ⁱⁱ⁾ Incurred subsequent to September 30, 2019

(b) Other, USA

As at September 30, 2019, the Company had a reclamation bond of US\$5,927 (\$7,850) (March 31, 2019 – US\$5,927 (\$7,921)) related to a property in Nevada that was sold to NV Gold.

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

(c) Newman Todd Property, Red Lake District, Ontario, Canada

In 2007, the Company acquired a 100% interest in the Newman Todd area properties ("Todd Properties") (comprised of several properties) by issuing 700,000 common shares to the vendor. The mineral claims are subject to a 1% net smelter return ("NSR") royalty provided that the total NSR royalties payable on any claims within the property does not exceed 2.75%. Should a mine be placed into production, the Company is required to issue common shares with a value in the aggregate of \$1,000,000. Should production exceed 250,000 ounces of gold, the Company is required to issue additional common shares with a value of \$1,000,000.

On November 19, 2010, the Company entered into an option agreement with Confederation Minerals Ltd. ("Confederation") whereby Confederation could earn up to a 70% undivided interest in the Company's 100% owned Todd Properties in Red Lake, Ontario by making certain cash payments and share issuances to the Company. On March 24, 2015, Confederation fulfilled the requirements for its 70% earn in on the Todd Properties.

10. INTANGIBLE ASSETS

	Computer software	
Cost		
Balance - April 1, 2018	\$	10,986
Additions		-
Balance - March 31, 2019		10,986
Additions		-
Balance - September 30, 2019	\$	10,986
Accumulated depreciation		
Balance - April 1, 2018	\$	7,432
Depreciation		1,066
Balance - March 31, 2019		8,498
Depreciation		374
Balance - September 30, 2019	\$	8,872
Carrying amounts		
As at March 31, 2019	\$	2,488
As at September 30, 2019	\$	2,114

REDSTAR GOLD CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Presented in Canadian Dollars)

11. EQUIPMENT

	Computers	Equipment	Vehicles	Total
Cost				
Balance - April 1, 2018	\$ 77,911	\$ 34,226	\$ 51,497	\$ 163,634
Additions	-	-	-	-
Disposals	(77,911)	(30,026)	-	(107,937)
Balance - March 31, 2019	-	4,200	51,497	55,697
Additions	-	-	-	-
Balance - September 30, 2019	\$ -	\$ 4,200	\$ 51,497	\$ 55,697
Accumulated depreciation				
Balance - April 1, 2018	\$ 75,253	\$ 26,420	\$ 38,171	\$ 139,844
Depreciation	-	638	3,999	4,637
Depreciation on Disposals	(75,253)	(25,413)	-	(100,666)
Balance - March 31, 2019	-	1,645	42,170	43,815
Depreciation	-	255	1,399	1,654
Balance - September 30, 2019	\$ -	\$ 1,900	\$ 43,569	\$ 45,469
Carrying amounts				
As at March 31, 2019	\$ -	\$ 2,555	\$ 9,327	\$ 11,882
As at September 30, 2019	\$ -	\$ 2,300	\$ 7,928	\$ 10,228

12. CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

13. SHARE CAPITAL

(a) Authorized:

At September 30, 2019, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

REDSTAR GOLD CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Presented in Canadian Dollars)

13. SHARE CAPITAL (Continued)

(b) Share Purchase Option Compensation Plan:

The Company has established a stock option plan whereby the Company may grant options to directors, officers, employees and consultants of up to 10% of the common shares outstanding at the time of grant. The exercise price, term and vesting period of each option are determined by the board of directors within regulatory guidelines.

Stock option transactions and the number of stock options for the six months ended September 30, 2019 are summarized as follows:

Expiry date	Exercise price	March 31, 2019	Granted	Exercised	Expired / Cancelled	September 30, 2019		
April 30, 2019	\$ 0.06	450,000	-	-	(450,000)	-		
October 29, 2019 ^(a)	\$ 0.06	400,000	-	-	-	400,000		
May 4, 2020	\$ 0.06	1,300,000	-	-	-	1,300,000		
March 2, 2021	\$ 0.05	3,300,000	-	-	-	3,300,000		
December 20, 2021	\$ 0.16	500,000	-	-	-	500,000		
April 11, 2022	\$ 0.14	2,050,000	-	-	-	2,050,000		
March 15, 2024	\$ 0.05	2,500,000	-	-	-	2,500,000		
Options outstanding		10,500,000	-	-	(450,000)	10,050,000		
Options exercisable		9,250,000	-	-	-	8,800,000		
Weighted average exercise price	\$	0.07	\$	-	\$	0.06	\$	0.08

^(a) subsequently expired

As of September 30, 2019, the weighted average contractual remaining life is 2.28 years (March 31, 2019 – 2.67 years).

The fair value of options vested during the six months ended September 30, 2019 were \$26,500 (2018 - \$Nil). In connection with the stock option vested the Company recorded a share-based compensation expense of \$38,486 during the six months ended September 30, 2019 (2018 – \$Nil).

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	September 30, 2019	March 31, 2019
Expected dividend yield	Nil	Nil
Expected stock price volatility	Nil	141.91%
Risk-free interest rate	Nil	1.34%
Forfeiture rate	Nil	0.00%
Expected life of options	Nil	5.0 year

The Black-Scholes Option Pricing Model was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

REDSTAR GOLD CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Presented in Canadian Dollars)

13. SHARE CAPITAL (Continued)

(c) Warrants:

The continuity of warrants for the six months ended September 30, 2019 is as follows:

Expiry date	Exercise price	March 31, 2019	Issued	Exercised	Expired	September 30, 2019
April 29, 2019	\$ 0.14	19,085,200	-	-	(19,085,200)	-
Outstanding		19,085,200	-	-	(19,085,200)	-
Weighted average exercise price	\$ 0.14	\$ -	\$ -	\$ -	\$ 0.14	\$ -

As of September 30, 2019, the weighted average contractual life is Nil year (March 31, 2019 – 0.08 year).

14. RELATED PARTY TRANSACTIONS

Name and principal position	Fiscal period	Remuneration or fees ⁽ⁱ⁾	Share-based compensation	Amounts payable
Verde Metals Ltd., a company controlled by the President ⁽ⁱⁱⁱ⁾ - management fees	2019	\$ 92,500	\$ 38,486	\$ 7,708
	2018	\$ -	\$ -	\$ -
Director and Chairman of the Board - management fees	2019	\$ 32,500	\$ -	\$ 21,562
	2018	\$ 32,500	\$ -	\$ 5,417
Pacific Opportunity Capital Ltd., a company controlled by the CFO - accounting fees	2019	\$ 36,250	\$ -	\$ 6,423
	2018	\$ 30,000	\$ -	\$ 5,288
Directors' fees ⁽ⁱⁱ⁾	2019	\$ 39,021	\$ -	\$ 34,412
	2018	\$ 36,713	\$ -	\$ 25,014
Total	2019	\$ 200,271	\$ 38,486	\$ 70,105
	2018	\$ 99,213	\$ -	\$ 35,719

(i) Remuneration or fees were paid or accrued to the related party.

(ii) Effective June 6, 2018, Peter Ball resigned from being a director of the Company and Susan J. Mitchell was appointed as a director. Effective September 25, 2019, Susan J. Mitchell resigned and Patrick Chidley was appointed as a director.

(iii) Effective March 15, 2019, John Gray was appointed as the President and a director.

The above transactions are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed term of repayment.

REDSTAR GOLD CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Presented in Canadian Dollars)

15. SEGMENTED DISCLOSURE

The Company has one reportable segment being the exploration and evaluation of mineral properties. The company's assets and liabilities are held within Canada and the US as follows:

<i>Rounded to 000's</i>	Canada	United States	Total
September 30, 2019			
<i>Current assets</i>	\$ 2,571,000	\$ 93,000	\$ 2,664,000
<i>Non-current assets</i>			
Reclamation bond	-	8,000	8,000
Exploration and evaluation assets	-	4,099,000	4,099,000
Intangible assets	2,000	-	2,000
Equipment	-	10,000	10,000
<i>Current liabilities</i>	\$ 77,000	\$ 340,000	\$ 417,000
March 31, 2019			
<i>Current assets</i>	\$ 2,389,000	\$ 91,000	\$ 2,480,000
<i>Non-current assets</i>			
Investment in NV Gold	736,000	-	736,000
Reclamation bond	-	8,000	8,000
Exploration and evaluation assets	-	3,983,000	3,983,000
Intangible assets	2,000	-	2,000
Equipment	-	12,000	12,000
<i>Current liabilities</i>	\$ 149,000	\$ 23,000	\$ 172,000

The Company's comprehensive loss within Canada and the US is as follows:

<i>Rounded to 000's</i>	Canada	United States	Total
Period end September 30, 2019			
Exploration and evaluation	\$ -	\$ 663,000	\$ 663,000
General and administrative	321,000	6,000	327,000
Other (income) expense	(268,000)	1,000	(267,000)
<i>Net loss before taxes for the period</i>	53,000	670,000	723,000
<i>Net loss for the period</i>	53,000	670,000	723,000
<i>Comprehensive loss for the period</i>	\$ 53,000	\$ 670,000	\$ 723,000
Period end September 30, 2018			
Exploration and evaluation	\$ -	\$ 108,000	\$ 108,000
General and administrative	213,000	8,000	221,000
Other (income) expense	19,000	-	19,000
<i>Net loss before taxes for the period</i>	232,000	116,000	348,000
<i>Net loss for the period</i>	232,000	116,000	348,000
<i>Comprehensive loss for the period</i>	\$ 4,402,000	\$ 116,000	\$ 4,518,000

16. EVENTS AFTER THE REPORTING PERIOD

- (a) On October 8, 2019, the Company signed a surface access agreement with The Shumagin Corporation (“TSC”). The agreement provides access to Redstar’s mineral exploration license underlain by TSC’s property which forms part of Redstar’s “Unga Project” on Unga and Popof Islands situated near the centre of the Aleutian Arc. Upon signing this agreement, the Company paid Shumagin a fee in the amount of US\$10,000. If RedStar conducts drilling or bulk sampling, before commencing that activity RedStar will pay an additional US\$22,500.
- (b) On October 29, 2019, the Company granted 8,320,000 options at \$0.05 to its directors, officers and consultants, expiring on October 29, 2024.