



**REDSTAR GOLD CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019**

**OVERVIEW AND INTRODUCTORY COMMENT**

Redstar Gold Corp. (“Redstar” or the “Company”) is an exploration stage company 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 1177 West Hastings Street, Suite 1710 Vancouver, BC, V6E 2L3. The Company is focused on High-Grade Gold Projects in the Americas with low geo-political risk, and currently advancing the Unga Gold Project in Alaska, USA. The Company is listed on the TSX Venture Exchange under the symbol “RGC”.

This MD&A is dated November 13, 2019 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the six months ended September 30, 2019 and the Company’s audited consolidated financial statements for the year ended March 31, 2019 and the related notes thereto.

Additional information relevant to the Company and the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com), and/or on the Company’s website at [www.redstargold.com](http://www.redstargold.com).

**MAJOR INTERIM PERIOD OPERATING MILESTONES**

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” on Unga and Popof Islands located at the centre of the Aleutian Arc. The Agreement runs for a period of eight (8) years allowing Redstar to conduct sub-surface work including drilling, trenching and sampling which permits the Company to advance the numerous areas of mineral showings on the islands which number in excess of 38 distinct prospects including the Shumagin Zone.

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

	Cash <sup>(a)</sup> (US\$)	Exploration Expenditure on the Property <sup>(b)</sup> (US\$)
On the execution date of the agreement	\$75,000 <sup>(i)</sup>	\$500,000 <sup>(ii)</sup>
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
	<b>\$710,000</b>	<b>\$5,000,000</b>

<sup>(a)</sup> The cash amount includes the option payments and the materials payments.

<sup>(b)</sup> 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.

<sup>(i)</sup> Paid

<sup>(ii)</sup> Incurred subsequent to September 30, 2019

On August 27, 2019, the Company announced that its technical team had been mobilized to the Unga Gold Project to commence the next phase of exploration. The program's priority was to define drill targets in areas previously shown to contain gold including the Shumagin and Apollo-Sitka Trends on Unga Island, the Centennial deposit & other gold bearing structures on Popof Island and 38 other precious metal and polymetallic prospects on Unga and Popof.

#### Geological Highlights of the Shumagin Gold Zone and Trend:

- The Shumagin Gold Zone is currently defined over a strike length of approximately 1.7 kms by surface mapping, sampling and drilling.
- Geological mapping and sampling towards the southwest from Shumagin indicate compelling potential for expansion along strike for an additional three (3) kms towards Orange Mountain which is the interpreted hydrothermal centre along the Shumagin Trend.
- The Shumagin Trend is approximately 9.5km long and is a major regional structure responsible for the localization of epithermal mineralization and associated alteration exposed along its strike length.
- Results from the 2016 fall drill program at the Shumagin Gold Zone, indicate that high-grade gold-silver mineralization occurs at depth for approximately 950 meters of tested strike length. Furthermore, its vertical extent remains open at depth across the entire strike length with the deepest hole so far drilled (BMS-01 drilled in 1990) reaching 270m below sea level and intersecting 5.49m of 24.02g/t Au and 19.40g/t Ag.

The program is underway and involves structural mapping as recommended by epithermal geology expert Professor Jeffrey Hedenquist Ph.D. in a report submitted to Redstar following his visit to the project. In addition, Redstar is conducting selective geophysical and geochemical surveys to support the mapping campaign with the object of generating targets that will consistently intersect high grade gold bearing rock through the next phase of drilling.

For the next phase of drilling, based on results of the current work program the priorities are:



1. Infill drilling and extension of the Shumagin Gold Zone located east of Orange Mountain where previous drilling has found high grade mineralization between Bunker Hill, Main Breccia and Rhodo Breccia.
2. The area west of the Shumagin Gold Zone towards Orange Mountain where the main structure of the Shumagin Trend goes under-cover.
3. The Aquila Zone which lies diametrically opposite the Shumagin Zone at the west end of the Shumagin Trend and where a 1980s drill hole was stopped short in an assay interval of 0.43m grading 94g/t Au at the bottom of the hole. Neither this prospect nor the nearby Normandy vein, which returned assays from grab sampling including 9.4% Zn, 3.7% Pb, 0.3% Cu & 170g/t Ag and one sample containing 2.6g/t Au, have been comprehensively tested.
4. Bloomer Ridge which has never been drilled and outcrops less than 1km SE and more than 200m above sea level higher than the outcropping, high grade mineralization in the Shumagin Zone.
5. Empire Ridge and California prospects which lie immediately SW of the original Apollo gold mine and where surface geochemistry indicates the SW extension of the Apollo-Sitka Trend.
6. The Propalof structure on neighboring Popof Island, which has year-round access.
7. Centennial: flat-lying, near surface mineralization – infill and IP anomaly, targeting potential high-grade feeder.
8. Suzy Rhodo Vein on neighboring Popof Island close to Sand Point port.

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.

The agreement runs for twelve months allowing Redstar to conduct sub-surface work including drilling, trenching and bulk sampling which will permit the Company to advance the numerous gold showings on Popof.

For the next phase of drilling on Popof Island, depending upon results of the current work program, the priorities are:

- 1) The Propalof structure, which has year-round access;
- 2) Centennial: flat-lying, near surface mineralization – infill and IP anomaly, targeting potential high-grade feeder;
- 3) Suzy Rhodo Vein close to Sand Point port.

The Company is continuing its data compilation exercise. Additionally, the Company may consider various options, including the possibility of selected partnerships, to advance the nearly 38 distinct areas of mineralization identified and defined in our recent Technical Report.

On October 3, 2019, the Company announced that Ms. Susan Mitchell resigned from the Company’s Board of Directors and Mr. Patrick Chidley joined the Board effective September 25, 2019. Ms. Susan Mitchell will continue as a consultant.



**REDSTAR**  
GOLD CORP.  
**INTERIM PERIOD FINANCIAL CONDITION**

Capital Resources

During the six months ended September 30, 2019, 19,085,200 warrants expired unexercised and 450,000 options expired unexercised. Subsequent to September 30, 2019, another 400,000 options expired unexercised. 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.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from equity issuances and the potential exercise of warrants and options, along with the planned developments within the Company will allow its efforts to continue throughout fiscal 2020. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at September 30, 2019, the Company had working capital of \$2,247,000 (March 31, 2019 – \$2,308,772). As at September 30, 2019, cash totaled \$585,786, a decrease of \$848,695 from \$1,434,481 as at March 31, 2019. The decrease was mainly due to expenditures of \$732,943 from operating activities and exploration and evaluation assets expenditures of \$115,752.

Operations

**For the six months ended September 30, 2019 compared with the six months ended September 30, 2018:**

During the six months ended September 30, 2019, the Company incurred \$662,956 (2018 - \$108,349) in resources property expense as the Company had an exploration program during fiscal 2019 while the Company did not have one in fiscal 2018.

Excluding the non-cash depreciation of \$2,028 (2018 - \$2,851) and share-based compensation of \$38,486 (2018 - \$Nil), the Company's general and administrative expenses amounted to \$286,109 (2018 - \$218,623), an increase of \$67,486. The change in the expenses was mainly due to increases in: (a) regulatory fees (2019 - \$10,268; 2018 - \$3,279); (b) management fees (2019 - \$159,750; 2018 - \$62,500); (c) professional fees (2019 - \$49,622; 2018 - \$21,634) and (d) travel and promotion expenses (2019 - \$12,783; 2018 - \$Nil). All such increases are a result of supporting the Company's exploration program and ongoing corporate activities. All such increases were offset by decreases in (a) insurance expense (2019 - \$5,382; 2018 - \$14,859); (b) investor relations (2019 - (\$1,400); 2018 - \$51,120) and (c) office expenditures (2019 - \$8,434; 2018 - \$18,318).

During the six months ended September 30, 2019, the Company reported a loss of \$722,823 (2018 – \$348,696), an increase of \$374,127 from 2018.

**For the three months ended September 30, 2019 compared with the three months ended September 30, 2018:**

During the three months ended September 30, 2019, the Company incurred \$579,955 (2018 - \$47,521) in resources property expense as the Company had an exploration program during fiscal 2019 while the Company did not have one in fiscal 2018.

Excluding the non-cash depreciation of \$1,014 (2018 - \$1,425) and share-based compensation of \$13,308 (2018 - \$Nil), the Company's general and administrative expenses amounted to \$167,204 (2018 - \$128,184), an increase of \$39,020. The change in the expenses was mainly due to increase in: (a) management fees (2019 - \$79,125; 2018 - \$31,250); (b) professional fees (2019 - \$37,286; 2018 -



\$13,705) and (c) travel and promotion expenses (2019 - \$12,237; 2018 - \$Nil). All such increases are a result of supporting the Company's exploration program and ongoing corporate activities. All such increases were offset by decreases in (a) insurance expense (2019 - \$2,689; 2018 - \$7,298) and (b) investor relations (2019 - \$5,766; 2018 - \$47,402).

During the three months ended September 30, 2019, the Company reported a loss of \$431,292 (2018 – \$188,638), an increase of \$242,654 from 2018.

### **SIGNIFICANT RELATED PARTY TRANSACTIONS**

During the quarter, there were no significant transactions with related parties.

### **COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES**

As of the date of the MD&A, the Company had no outstanding commitments.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

### **RISK FACTORS**

In our MD&A filed on SEDAR June 27, 2019 in connection with our annual financial statements (the "Annual MD&A"), we set out our discussion of the risk factors which we believe are the most significant risks faced by Redstar. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

### **DISCLOSURE OF OUTSTANDING SHARE DATA**

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data:

	Issued and Outstanding	
	September 30, 2019	November 13, 2019
Common shares outstanding	300,050,293	300,050,293
Stock options	10,050,000	17,970,000
Fully diluted common shares outstanding	310,100,293	318,020,293

### **QUALIFIED PERSON**

William J. Burnett, MSc, CPG-11263, is the Company's qualified person, and has reviewed the exploration projects described throughout the MD&A and is responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results.



### **Cautionary Statements**

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.