REDSTAR GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

DECEMBER 31, 2017

(Unaudited – Prepared by Management)

REDSTAR GOLD CORP.

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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 nine months ended December 31, 2017 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 Canadian Institute of Chartered Accountants 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	December 31, 2017	March 31, 2017
Assets		(Unaudited)	(Audited)
Current			
Cash and cash equivalents		$ 2,804,915	$ 1,414,971
Short-term investments	6	5,750	4,727,746
Marketable securities	7	37,893	42,208
Amounts receivable		29,824	8,260
Prepaid amounts and advances		40,863	117,276
		2,919,245	6,310,461
Non-current			
Investment in NV Gold	8	1,851,819	1,991,095
Reclamation bond	9	7,453	7,889
Exploration and evaluation assets	9	3,943,913	3,920,544
Intangible assets	10	3,935	5,077
Equipment	11	25,990	33,226
		5,833,110	5,957,831
		$ 8,752,355	$ 12,268,292
Liabilities			
Current			
Accounts payable and accrued liabilities		$ 549,317	$ 63,955
Due to related parties	14	45,833	-
		595,150	63,955
Shareholders' equity			
Share capital	13	32,419,456	32,171,664
Reserves		4,227,646	4,091,078
Deficit		(28,489,897)	(24,058,405)
		8,157,205	12,204,337
		$ 8,752,355	$ 12,268,292

These consolidated financial statements are authorized for issue by the Board of Directors on February 15, 2018. They are signed on the Company's behalf by:

/s/ Peter Ball
Director

/s/ Ken Booth
Director

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

	Note	Three months ended December 31 2017	Three months ended December 31 2016	Nine months ended December 31 2017	Nine months ended December 31 2016
Exploration and evaluation					
Resource property expense	9	$ 1,331,867	$ 980,277	$ 3,332,659	$ 1,332,583
General and administrative					
Amortization		2,581	3,283	8,378	6,493
Director fees	14	29,750	32,000	55,250	32,000
Insurance		6,896	7,087	27,650	20,887
Investor relations		41,220	102,865	192,819	189,046
Loss from investment in NV Gold	8	-	191,070	19,667	191,070
Management fees	14	61,250	61,602	183,750	206,250
Office operations		6,125	10,013	35,184	19,612
Professional fees		36,491	19,065	124,348	38,200
Regulatory fees		6,335	9,969	28,239	21,551
Rent		7,150	40,697	17,150	54,029
Share-based payments	13(c)	-	178,056	321,284	179,172
Transfer agent		5,064	8,201	8,296	23,967
Travel and promotion		-	33,859	17,584	59,479
(Loss) before the undernoted		(1,534,729)	(1,678,044)	(4,372,258)	(2,374,339)
Other income (expense)					
Foreign exchange gain (loss)		(40,599)	(23,381)	(72,300)	1,290
Interest income (expense)		79	11,519	13,066	11,521
Income on sale of exploration and evaluation assets		-	(12,813)	-	2,031,214
		(40,521)	(24,675)	(59,234)	2,044,025
Net (loss) for the period		(1,575,250)	(1,702,719)	(4,431,492)	(330,314)
Other comprehensive income					
Unrealized gain (loss) on marketable securities		(13,246)	(1,244)	(4,316)	5,685
Unrealized gain (loss) on investment in NV Gold		(617,272)	-	(119,608)	-
Comprehensive (loss) for the period		$ (2,205,768)	$ (1,703,963)	$ (4,555,416)	$ (324,629)
Basic and diluted (loss) per share		$ (0.01)	$ (0.01)	$ (0.02)	$ (0.00)
Weighted average number of common shares outstanding		299,523,119	289,544,097	298,285,566	243,353,178

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

		Share Capital		Reserves					
	Note	Number of shares	Amount	Warrants	Options	Accumulated other comprehensive income (loss)	Subtotal	Deficit	Total Shareholders' Equity
Balance, April 1, 2016 (Audited)		**199,578,093**	**$ 23,174,062**	**$ 1,257,299**	**$ 2,847,096**	**$ (3,347)**	**$ 4,101,048**	**$ (23,474,832)**	**$ 3,800,278**
Shares issued for cash									
Private placement	13(b)	60,085,200	4,793,082	452,000	-	-	452,000	-	5,245,082
Share issuance costs		-	(205,098)	-	-	-	-	-	(205,098)
Broker's warrants		-	(18,000)	18,000	-	-	18,000	-	-
Exercise of warrants	13(b)	37,287,000	3,756,500	-	-	-	-	-	3,756,500
Value of warrants exercised		-	671,118	(671,118)	-	-	(671,118)	-	-
Share-based payments		-	-	-	179,172	-	179,172	-	179,172
Unrealized gain on marketable securities		-	-	-	-	5,685	5,685	-	5,685
Income for the period		-	-	-	-	-	-	(330,314)	(330,314)
Balance, December 31, 2016 (Unaudited)		**296,950,293**	**32,171,664**	**1,056,181**	**3,026,268**	**2,338**	**4,084,787**	**(23,805,146)**	**12,451,305**
Unrealized gain on marketable securities		-	-	-	-	6,291	6,291	-	6,291
Loss for the period		-	-	-	-	-	-	(253,259)	(253,259)
Balance, March 31, 2017 (Audited)		**296,950,293**	**32,171,664**	**1,056,181**	**3,026,268**	**8,629**	**4,091,078**	**(24,058,405)**	**12,204,337**
Exercise of options	13(b)	3,100,000	187,000	-	-	-	-	-	187,000
Value of options exercised		-	60,792	-	(60,792)	-	(60,792)	-	-
Share-based payments		-	-	-	321,284	-	321,284	-	321,284
Unrealized gain on marketable securities		-	-	-	-	(4,316)	(4,316)	-	(4,316)
Unrealized gain on investment in NV Gold		-	-	-	-	(119,608)	(119,608)	-	(119,608)
Loss for the period		-	-	-	-	-	-	(4,431,492)	(4,431,492)
Balance, December 31, 2017 (Unaudited)		**300,050,293**	**$ 32,419,456**	**$ 1,056,181**	**$ 3,286,760**	**$ (115,295)**	**$ 4,227,646**	**$ (28,489,897)**	**$ 8,157,205**

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

	Nine months ended December 31 2017	Nine months ended December 31 2016
Cash provided by (used in):		
Operating activities		
Income (loss) for the period	$ (4,431,492)	$ (330,314)
Items not affecting cash:		
Amortization	8,378	6,493
Share-based payments	321,284	179,172
Income on sale of exploration and evaluation assets	-	(2,031,214)
Unrealized loss (gain) on foreign exchange	436	(46,710)
Reclamation bond		11,956
Loss from investment in NV Gold	19,667	191,070
Net change in non-cash working capital		
Amounts receivable	(21,564)	(3,090)
Prepaid amounts and advances	76,413	(12,166)
Accounts payable and accrued liabilities	485,362	(54,187)
Due to related parties	45,833	(91,650)
Short-term investments	4,721,996	(6,215,950)
	1,226,313	(8,396,590)
Investing activities		
Acquisition of exploration assets	(23,369)	(85,106)
Acquisition of intangible assets		(22,397)
	(23,369)	(107,503)
Financing activities		
Shares issued for cash, net	187,000	8,796,484
	187,000	8,796,484
Change in cash and cash equivalents	1,389,944	292,391
Cash and cash equivalents, beginning of the period	1,414,971	101,892
Cash and cash equivalents, end of the period	$ 2,804,915	$ 394,283
Schedule of Non-cash Investing and Financing Transactions		
Fair value transfer on exercise of options	$ 26,041	$ -
Fair value transfer on exercise of warrants	$ -	$ 671,118

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.

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.

Rounded to 000's	December 31, 2017	March 31, 2017
Working capital surplus	$ 2,324,000	$ 6,247,000
Accumulated (deficit)	$ (28,490,000)	$ (24,058,000)

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, 2017.

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, 2017.

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

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 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 December 31, 2017.

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.

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

Investment in NV Gold
With the continued dilution of the Company's investment in NV Gold, management continues to monitor its percentage interest and other quality factors such as representation on the board of directors and determines that its ability to exercise significant influence over the investment in NV Gold has reduced and concluded that it does not have significant influence effective July 1, 2017.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Consolidated Statement 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.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, short-term investments, marketable securities, amounts receivable, reclamation bond, investment in NV Gold, accounts payable and accrued liabilities, and due to related parties. As at December 31, 2017 and March 31, 2017, the carrying value of cash and cash equivalents is fair value. Marketable securities and investment in NV Gold are marked to fair value at each financial statement reporting date. Amounts receivable, 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 financial position, results of operations and 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 assets of approximately $127,000 dominated in US dollars. A 1% change in the absolute rate of exchange in US dollars would affect its net loss by approximately $34,000.

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 December 31, 2017, the Company had a cash balance of $2,804,915 to settle current liabilities of $595,150.

6. SHORT-TERM INVESTMENTS

As at December 31, 2017, the Company pledged $5,750 as collateral for a credit card.

(Presented in Canadian Dollars)

7. MARKETABLE SECURITIES

December 31, 2017		Shares	Cost	Accumulated Realized and Unrealized Gain (Loss)	Total
American Potash Corp.		11,443	$ 5,722	$ (4,921)	$ 801
Brocade Metals Corp.		320,000	4	(4)	-
Confederation Minerals Ltd.		65,000	56,250	(20,500)	35,750
Fremont Gold Ltd.	(i)	4,166	30,000	(29,458)	542
True Grit Resources Ltd.		20,000	70,400	(69,600)	800
			$ 162,376	$ (124,483)	$ 37,893

March 31, 2017		Shares	Cost	Accumulated Realized and Unrealized Gain (Loss)	Total
American Potash Corp.		11,443	$ 5,722	$ (4,807)	$ 915
Brocade Metals Corp.		320,000	4	-	4
Confederation Minerals Ltd.		65,000	56,250	(15,950)	40,300
Fremont Gold Ltd.	(i)	5,555	30,000	(29,611)	389
True Grit Resources Ltd.		20,000	70,400	(69,800)	600
			$ 162,376	$ (120,168)	$ 42,208

(i) Formerly, Palisades Ventures Inc.

The Company realized $129,544 impairment loss in fiscal 2016. As at December 31, 2017, the Company had an accumulated unrealized gain of $4,313 (March 31, 2017 – $8,629) on marketable securities recorded in the accumulated other comprehensive income 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 (see Note 9b). 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.

This transaction resulted in a non-cash income on sale of exploration and evaluation of assets and calculated as follows:

Acquisition of 6,172,730 shares at cost	$ 2,160,456
Less carrying value of exploration and evaluation assets	(82,532)
Foreign exchange related to exploration and evaluation assets	(46,710)
Sale of exploration and evaluation assets	$ 2,031,214

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.

Investment in NV Gold	$	2,160,456
Proportionate share of net loss		(169,361)
March 31, 2017	$	1,991,095
Proportionate share of net loss		(19,667)
June 30, 2017	$	1,971,428

The Company recorded an equity loss of $19,667 for the three months ended June 30, 2017 which represented the proportionate share of NV Gold's net loss through three months ended May 31, 2017. NV Gold has an August fiscal year end and it was impractical to prepare financial statements to June 30, 2017 as NV Gold is a listed entity. It was expected that the difference in reporting dates was immaterial.

The following is a summary of the consolidated financial information of NV Gold on a 100% basis as at and for the nine months ended May 31, 2017 and year ended August 31, 2016, which is the most recent publicly available information for NV Gold. These amounts are presented in Canadian dollars.

NV Gold Corporation		May 31, 2017		August 31, 2016
Total current assets	$	1,043,785	$	334,333
Total non-current assets		3,010,374		154,042
Total current liabilities		(36,548)		(85,138)
Total non-current liabilities		-		-
Loss before other items		848,797		308,016
Other items		2,516		(261,656)
Total loss and comprehensive loss		851,313		46,360

Effective July 1, 2017, the Company accounted for its investment in NV Gold by fair valuing the NV Gold shares. With the continued dilution of the Company's investment in NV Gold, the Company determined that it no longer had significant influence over NV Gold and treated the investment in NV Gold as a long-term investment, subject to fair valuing the shares at each financial statement reporting date. Any gains or losses arising from changes in fair value will therefore be recognized in other comprehensive income (loss). The Company's ownership in NV Gold went from 22.27% as at June 30, 2017 to 18.02% as at December 31, 2017. As a result, the Company held investment in NV Gold with a fair value of $1,851,819 as at December 31, 2017 and had an accumulated unrealized loss of $119,608 recorded in the accumulated other comprehensive income account.

(Presented in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS

The Company has interests in mineral properties; the details of which follow for the nine months ended December 31, 2017:

Property acquisition costs	March 31, 2017	Acquisition costs	December 31, 2017
Alaska			
Unga project	$3,920,544	$ 23,369	$ 3,943,913
Total	$3,920,544	$ 23,369	$ 3,943,913

The Company has the following exploration expenditures during the nine months ended December 31, 2017 and 2016:

Exploration expenditures	Alaska Unga	Nevada General	Total
Assaying	$ 216,408	$ -	$ 216,408
Camp	686,437	-	686,437
Drilling	923,513	-	923,513
Equipment rental	8,569	-	8,569
Fuel & transportation	324,745	-	324,745
Geological	524,516	-	524,516
Geophysical	85,374	-	85,374
Helicopter	483,430	-	483,430
Maps and reports	6,086	-	6,086
Supplies and materials	17,775	-	17,775
Transportation and surface access	29,066	-	29,066
Travel and accommodation	26,740	-	26,740
Nine months ended December 31, 2017	**$3,332,659**	**$ -**	**$ 3,332,659**

Exploration expenditures	Alaska Unga	Nevada General	Canada	Total
Assaying	$ 94,155	$ -	$ -	$ 94,155
Camp	121,389	-	-	121,389
Drilling	501,894	-	-	501,894
Equipment rental	14,446	-	-	14,446
Geological	388,615	13,486	-	402,101
Land tenure	1,336	633	-	1,969
Maps and reports	9,956	-	-	9,956
Supplies and materials	137,613	-	-	137,613
Transport and surface access	16,282	-	-	16,282
Travel and accommodation	23,301	-	9,477	32,778
Nine months ended December 31, 2016	**$1,308,987**	**$ 14,119**	**$ 9,477**	**$1,332,583**

(Presented in Canadian Dollars)

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 February 18, 2014, the Company signed a Letter of Intent ("LOI") with Full Metal Minerals Ltd ("FMM"), to take an assignment of FMM's interest in its agreement with The Aleut Corporation ("TAC") and to acquire a 100% interest in six Alaskan State Mineral claims. Under the terms of the LOI, the Company may acquire a 100% undivided interest in the property, upon issuance of 4,000,000 shares and payment of a total of US$50,000 (US$10,000 paid) to FMM, subject to regulatory approval, completion of a definitive agreement including the consent of TAC to the assignment, and satisfying the Underlying Agreements. The LOI supersedes all other agreements with FMM in respect of the TAC lands and the state claims.

On September 8, 2014, the Company announced that, together with FMM and TAC it has signed an Assignment and Novation Agreement in respect to the TAC lands, which replaces the LOI signed on February 18, 2014, whereby all rights and interests held previously by FMM are assigned to Redstar. Pursuant to the Agreement, Redstar is required to perform the following:

	Cash (CAD$)	Cash (US$)	Shares issued to Full Metal	Exploration Expenditure on the Property (US$)
On signing of the agreement	$ 125,000(i)	50,000(i)	750,000(i)	$ -
January 1, 2015	-	55,000(i)	-	400,000(ii)
January 1, 2016	-	60,000(i)	-	500,000(ii)
January 1, 2017	-	60,000(i)	-	500,000(ii)
January 1, 2018	-	-	-	1,000,000(ii)
January 1, 2019	-	-	-	1,000,000
	$ 125,000	225,000	750,000	$ 3,400,000

(i) Paid or issued
(ii) Incurred

(b) Nevada Properties, USA

AngloGold-Ashanti Agreements

On March 9, 2005, the Company entered into a Data Base Purchase and Buy Back Agreement with AngloGold-Ashanti North America Inc. ("AngloGold") whereby the Company acquired the right to a 100% ownership of an exploration and geological database covering Nevada, Utah, Idaho and California ("Great Basin Database"), in consideration for the issuance of shares and making certain expenditures within the Great Basin. The agreement was subject to AngloGold retaining the right to back into projects for a 60% interest by making certain additional expenditures on specified properties. On May 8, 2008, the Company completed the purchase of the database, eliminating AngloGold's back-in option on various properties, and the agreement was terminated. Pursuant to a subsequent agreement, the back-in rights on properties acquired prior to May 2008 (Eagle Basin, Richmond Summit, Cooks Creek, Root Spring and Oasis) were converted to royalties of 1% to 2%, depending on the price of gold.

On September 1, 2016, the Company entered into a purchase and sale agreement with NV Gold (see Note 8). Pursuant to this agreement, the Company sold its right to a 100% ownership of Great Basin Database, the Nevada properties and AngloGold royalties.

(Presented in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

(b) Nevada Properties, USA *(Continued)*

Nevada Properties and AngloGold royalty

Properties	Staked Claims (#)	**AngloGold Royalty (%)**
Baker	22	-
Cooks Creek	66	1-2
Gold Cloud	20	-
Larus	7	-
Long Island	27	-
Oasis	10	1-2
Painted Hills	14	-
Queens	4	-
Richmond Summit	10	1-2
Root Springs	61	1-2
Seven Devils	54	-

2014 Agreement

An earlier agreement in 2014 with True Grit Resources Ltd. (“True Grit”) was terminated on December 21, 2015. In connection with the termination, True Grit transferred to Redstar ownership of the reclamation bond on the Cooks Creek property. As at December 31, 2017, the Company had a reclamation bond of US$5,927 ($7,453) (March 31, 2017 – US$5,927 ($7,889)).

(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.

On April 14, 2011, the Company acquired, under joint acquisition with Confederation, a 50% interest in 18 mineral claims adjacent to the Todd Properties (“Adjacent Property”). Of the 50% interest acquired by the parties from the vendor, Confederation acquired an undivided 35% interest in the Adjacent Property (being 70% of vendor’s interest) and the Company acquired an undivided 15% interest in the Adjacent Property (being 30% of the vendor’s interest) for the sum of $70,000. The remaining 50% interest in the claims is held by Rubicon Minerals Corporation.

(Presented in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

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

Under the terms of the agreement, Confederation could earn an initial 50% interest in the project by funding $5,000,000 in exploration and development work, issuing shares of Confederation and making payments to the Company as follows:

	Cash	Shares	Exploration Expenditures on Projects
November 19, 2010	50,000[i]	100,000[i]	-
November 19, 2011	50,000[i]	100,000[i]	2,000,000[ii]
November 19, 2012	75,000[i]	150,000[i]	1,500,000[ii]
November 19, 2013	75,000[i]	150,000[i]	1,500,000[ii]
	250,000	500,000	5,000,000

[i] Received
[ii] Incurred

Having earned an initial 50% interest in the project, Confederation could earn an additional 20% interest by providing a Preliminary Assessment of the property, at Confederation's cost, and issuing 500,000 shares of Confederation to the Company. In addition, to maintain the second option in good standing, Confederation would make minimum annual expenditures of $250,000 commencing on the third anniversary and until the earlier of (a) the full exercise of the second option, and (b) the expiry of the second option.

On March 24, 2015, Confederation earned their additional 20% interest in the project by providing a Preliminary Assessment and issuing 500,000 shares to the Company.

During the year ended March 31, 2017, the Company wrote-off $29,306 of its capitalized cost related to the Newman Todd project. As a result of the impairment, the carrying value of the Newman Todd project as at December 31, 2017 is $nil (March 31, 2017 - $nil).

(Presented in Canadian Dollars)

10. INTANGIBLE ASSETS

	Computer software
Cost or deemed cost	
Balance - April 1, 2016	$ 10,986
Additions	-
Balance - March 31, 2017	10,986
Additions	-
Balance - December 31, 2017	$ 10,986
Accumulated depreciation	
Balance - April 1, 2016	$ 3,733
Depreciation	2,176
Balance - March 31, 2017	5,909
Depreciation	1,142
Balance - December 31, 2017	$ 7,051
Carrying amounts	
As at March 31, 2017	$ 5,077
As at December 31, 2017	$ 3,935

11. EQUIPMENT

	Computers	Equipment	Vehicles	Total
Cost or deemed cost				
Balance - April 1, 2016	$ 77,911	$ 27,016	$ 29,100	$ 134,027
Additions	-	7,210	22,397	29,607
Balance - March 31, 2017	77,911	34,226	51,497	163,634
Additions	-	-	-	-
Balance - December 31, 2017	$ 77,911	$ 34,226	$ 51,497	$ 163,634
Accumulated depreciation				
Balance - April 1, 2016	$ 72,486	$ 23,380	$ 26,579	$ 122,445
Depreciation	1,628	1,088	5,247	7,963
Balance - March 31, 2017	74,114	24,468	31,826	130,408
Depreciation	854	1,463	4,917	7,236
Balance - December 31, 2017	$ 74,968	$ 25,931	$ 36,743	$ 137,644
Carrying amounts				
As at March 31, 2017	$ 3,797	$ 9,758	$ 19,671	$ 33,226
As at December 31, 2017	$ 2,943	$ 8,295	$ 14,754	$ 25,990

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 December 31, 2017, 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.

(b) Share issuances:

i. On April 29, 2016, the Company closed a non-brokered private placement of 19,085,200 units (the "Units") at a price of $0.06 per Unit for gross proceeds of $1,145,082. The Company recorded $25,097 of share issuance cost. Each Unit consisted of one common share and one common share purchase warrant. Each whole Warrant can be exercised into one common share of the Company at a price of $0.14 per share for a period of three years from the date of closing. The warrants were ascribed a value of $452,000 under the Black-Scholes valuation model (Note 13(d)) with the residual being allocated to share capital.

ii. On September 13, 2016, the Company closed a non-brokered private placement and issued 41,000,000 common shares at a price of $0.10 per share for gross proceeds of $4,100,000. The Company recorded $198,001 of share issuance cost including an aggregate of issued 480,000 broker warrants. Each broker Warrant can be exercised into one common share of the Company at a price of $0.20 per share for a period of two years from the date of closing.

iii. During the year ended March 31, 2017, 37,287,000 warrants were exercised for total proceeds of $3,756,500.

iv. During the nine months ended December 31, 2017, 3,100,000 options were exercised for total proceeds of $187,000.

(c) 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.

On April 11, 2017, the Company granted 3,100,000 options to its directors, officers and consultants at an exercise price of $0.14 per share expiring on April 11, 2022.

(Presented in Canadian Dollars)

13. SHARE CAPITAL *(Continued)*

(c) Share Purchase Option Compensation Plan: (Continued)

Stock option transactions and the number of stock options for the nine months ended December 31, 2017 are summarized as follows:

Expiry date		Exercise price	March 31, 2017	Granted	Exercised	Expired / Cancelled	December 31, 2017
May 4, 2017		$ 0.09	500,000		(500,000)	-	-
May 18, 2017		$ 0.29	200,000		-	(200,000)	-
July 26, 2017		$ 0.20	400,000		-	(400,000)	-
March 2, 2018		$ 0.05	200,000		(200,000)	-	-
September 30, 2018		$ 0.10	540,000		-	-	540,000
April 30, 2019		$ 0.06	450,000		-	-	450,000
September 10, 2019		$ 0.06	1,000,000		(400,000)	-	600,000
October 29, 2019		$ 0.06	400,000		-	-	400,000
May 4, 2020	(a)	$ 0.06	2,200,000		(800,000)	-	1,400,000
January 25, 2021		$ 0.05	2,500,000		-	-	2,500,000
March 2, 2021	(b)	$ 0.05	5,200,000		(1,200,000)	-	4,000,000
December 20, 2021		$ 0.16	3,000,000		-	-	3,000,000
April 11, 2022	(c)	$ 0.14	-	3,100,000	-	(200,000)	2,900,000
Options outstanding			16,590,000	3,100,000	(3,100,000)	(800,000)	15,790,000
Options exercisable			16,590,000	-	-	-	15,790,000
Weighted average exercise price			$ 0.08	$ 0.14	$ 0.08	$ 0.23	$ 0.09

As of December 31, 2017, the weighted average contractual remaining life is 3.22 years (March 31, 2017 – 3.43 years).

The fair value of options vested during the nine months ended December 31, 2017 were $321,284 (2016 - $970).

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:

	December 31, 2017	March 31, 2017
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	135.53%	75.00%
Risk-free interest rate	1.08%	1.06%
Forfeiture rate	0.00%	0.00%
Expected life of options	5.0 years	5.0 years

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.

(Presented in Canadian Dollars)

13. SHARE CAPITAL *(Continued)*

(d) Warrants:

The continuity of warrants for the nine months ended December 31, 2017 is as follows:

Expiry date	Exercise price	March 31, 2017	Issued	Exercised	Expired	December 31, 2017
September 13, 2018	$ 0.20	480,000	-	-	-	480,000
April 29, 2019	$ 0.14	19,085,200	-	-	-	19,085,200
Outstanding		19,565,200	-	-	-	19,565,200
Weighted average exercise price		$ 0.14	$ -	$ -	$ -	$ 0.14

As of December 31, 2017, the weighted average contractual life is 1.31 years (March 31, 2017 – 2.06 years).

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

	December 31, 2017	March 31, 2017
Expected dividend yield	Nil	0.00%
Expected stock price volatility	Nil	68-92%
Risk-free interest rate	Nil	0.51-0.73%
Forfeiture rate	Nil	0.00%
Expected life of warrants	Nil	2-3 years

14. RELATED PARTY TRANSACTIONS

Name and principal position	Fiscal period	Remuneration or fees (i)	Share-based compensation	Amounts payable
Ariston Capital Corp., a company controlled by the CEO - management fees	2017	$ 135,000	$ 51,820	$ -
	2016	$ 120,000	$ -	$ -
Director and Chairman of the Board - management fees	2017	$ 48,750	$ 77,730	$ 10,833
	2016	$ 37,500	$ -	$ 10,927
Clearline Chartered Professional Accountants, a company of which the former CFO is a director - management fees	2017	$ 10,937	$ -	$ -
	2016	$ 36,000	$ -	$ 5,775
Pacific Opportunity Capital Ltd., a company controlled by the CFO - accounting fees	2017	$ 45,000	$ 41,456	$ 5,250
	2016	$ -	$ -	$ -
Directors' fees	2017	$ 55,250	$ 253,918	$ 29,750
	2016	$ -	$ -	$ -
Total	2017	$ 294,937	$ 424,924	$ 45,833
	2016	$ 193,500	$ -	$ 16,702

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

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.

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:

Rounded to 000's	Canada	United States	Total
December 31, 2017			
Current assets	$ 2,901,000	$ 18,000	$ 2,919,000
Non-current assets			
Reclamation bond	-	7,000	7,000
Investment in NV Gold	1,852,000	-	1,852,000
Exploration and evaluation assets	-	3,944,000	3,944,000
Intangible assets	4,000	-	4,000
Equipment	4,000	22,000	26,000
Current liabilities	$ 595,000	$ -	$ 595,000
March 31, 2017			
Current assets	$ 6,234,000	$ 76,000	$ 6,310,000
Non-current assets			
Deposit	-	8,000	8,000
Reclamation bond	1,991,000	-	1,991,000
Exploration and evaluation assets	-	3,921,000	3,921,000
Intangible assets	5,000	-	5,000
Equipment	9,000	24,000	33,000
Current liabilities	$ 64,000	$ -	$ 64,000