



REDSTAR GOLD CORP.

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2017**

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 Suite 1710, 1177 West Hastings Street, 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 February 16, 2018 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 nine months ended December 31, 2017 and the Company's audited consolidated financial statements for the year ended March 31, 2017 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, and/or on the Company's website at www.redstargold.com.

MAJOR INTERIM PERIOD OPERATING MILESTONES

Unga Gold Project

2017 Spring/Summer Drill Program

On August 16, 2017 and on August 22, 2017, the Company announced the soil sampling and drill results from its 2017 Spring/Summer Exploration Program which included approximately 600 soil samples, the completion of a 15.5 line-km MAG and 8.7 line-km IP geophysical survey, and a twelve drill hole program totaling 2,287.8 m of diamond drilling.

This drill program was designed to understand and to test an approximate (previously not drilled) 500m of strike extent within the SW Extension zone of the Shumagin Gold Zone. The program successfully traced out the Shumagin breccia system for an additional approximate 400 m along strike and encountered visible gold in hole 17SH032, but encountered lower-grade mineralization throughout a number of other drilled holes. Surface exposures and drilling data collectively indicate that the Shumagin Gold Zone is approximately 1,600 m in strike length and remains open, and a further understanding is required of what may exist below these drilled holes in the southwest.

The approximate 1,600 m Shumagin Gold Zone, as defined by surface mapping, surface geochemical sampling and drilling, is part of the approximate nine km long Shumagin trend, a major regional structure responsible for the localization of epithermal mineralization along its exposed strike length. Geological mapping and sampling toward the southwest from Shumagin indicate a very strong expansion potential along strike for an additional approximate three km toward the Orange Mountain zone, the interpreted



hydrothermal centre along the Shumagin trend. Geochemical trends observed within the footwall at Shumagin indicate a strong potential for additional hidden targets near the Shumagin Gold Zone and represent additional high-priority exploration zones.

2017 Fall Drill Program

On December 11, 2017, the Company released drill results from its 2017 fall drill program. The program was comprised of 13 drill holes totalling 2,641 metres, and was designed to test two target areas within the Shumagin Gold Zone (Bunker Hill and East zones) and one area within the Rising Sun Gold Zone in the Apollo-Sitka gold trend.

Eleven drill holes were completed on the Shumagin zone in this program, and the shallower Shumagin-style breccia was intercepted in all drill holes and collectively indicates continuity of the mineralized system along the entire strike of the Shumagin prospect for approximately 1,750 m.

Continuity of mineralization that occurs between the Main Breccia and Bunker Hill was indicated by drill hole 17SH042, which intercepted an approximate 8.3 m interval of mineralization with the highest interval returning 4.33 g/t Au and 2.13 g/t Ag over 0.7 m. Drill Hole 17SH047 intercepted an approximate 16.3 m interval of mineralization with the highest value returning 3.62 g/t Au and 10.2 g/t Ag over 0.5 m and showed strong resemblance to breccias previously drilled in 2015 within the Main Breccia such as drill hole 15SH012.

The Rising Sun prospect, located along the southeast portion of Unga Island, is part of the Apollo-Sitka trend, which is located approximately three kilometres to the south and parallel to the Shumagin trend. Rising Sun is a splay off of the main Apollo structure approximately 300 m east of the Apollo open stope and consists of approximately 25 m wide outcropping multigenerational veins, vein breccias and stockwork identical in geology and subparallel to the Apollo vein system.

Two drill holes (17RS01 & 17RS02), totalling 233.9 m, were completed at Rising Sun during the 2017 fall drill program. These holes were designed to test breccias and stockwork at shallow (60 m to 80 m) depths below surface exposures to constrain the dip and textures of the vein breccias and stockwork system.

Both drill holes encountered shallow intercepts (approximately 20 m downhole) of Shumagin-style quartz-adularia-carbonate breccias and stockwork identical to those previously sampled in and around the Sitka prospect. Narrow, 1.5 m to 6.2 m wide crustiform to cockade-textured breccias haloed by narrow QSP alteration and strong silicification occur cutting moderately propylitic-altered basalt, andesite and hylocasite flows. Drill hole 17RS01 intercepted 0.06 g/t Au and 17.3 g/t Ag over 1.0 m. Deeper drilling along drill hole 17RS02 returned similar values with the highest values returning 0.289 g/t Au and 18.05 g/t Ag over 1.4 m. Additional work is required to vector in to the higher-grade zones, as seen at the historical Apollo-Sitka mine.

On February 10, 2018, the Company announced that it hired Mine Development Associates (MDA) to complete a National Instrument 43-101 technical report to evaluate the work, progress, technical features and to provide guidance on the next exploration program at its high-grade gold/silver Unga gold project in Alaska.

The technical report will be focused on bringing together over a hundred years of geological information, including the review of multiple historical resources, the recent exploration and drill programs, and to provide the Company a high-level technical understanding of the project. The report will also assist in developing a detailed exploration strategy within the district scale nature of the Unga gold project, where multiple (greater than 14 identified) gold zones have been identified to be tested.



The Company also announced the departure of Jesse Grady as vice-president of exploration.

INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

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

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 2018. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at December 31, 2017, the Company had working capital of \$2,324,095 (March 31, 2017 – \$6,246,506). As at December 31, 2017, cash totaled \$2,804,915, an increase of \$1,389,944 from \$1,414,971 as at March 31, 2017. The increase was due to (a) the redemption of short-term investments of \$4,721,996 offsetting by the exploration expenditures of \$3,332,659; (b) \$187,000 cash received from the exercise of options; (c) while being offset by acquisition of exploration assets of \$23,369.

Operations

For the nine months ended December 31, 2017 compared with the nine months ended December 31, 2016:

During the nine months ended December 31, 2017, the Company incurred \$3,332,659 (2016 - \$1,332,583) in resources property expense as the Company had a spring/summer drill program along with a fall drill program at its Unga Gold Project in fiscal 2018.

Excluding the non-cash depreciation of \$8,378 (2016 - \$6,493), loss from investment in NV Gold of \$19,667 (2016 - \$191,070) and share-based compensation of \$321,284 (2016 - \$179,172), the Company's general and administrative expenses amounted to \$690,270 (2016 - \$665,021), a slight increase of \$25,249. The change in the expenses was mainly due to increases in: (a) director fees \$55,250 (2016 - \$32,000) and (b) investor relations \$192,819 (2016 - \$189,046). All such increases are a result of supporting the Company's ongoing corporate activities, which includes marketing and its exploration expenses to advance its Unga Gold Project.

During the nine months ended December 31, 2017, the Company reported a loss of \$4,431,492 (2016 – \$330,314), an increase of \$4,101,178. This is a result of the Company's spring/summer drill program at its Unga Gold Project in fiscal 2018 as well as the Company selling its Nevada properties in fiscal 2017 for a gain of \$2,031,214.



For the three months ended December 31, 2017 compared with the three months ended December 31, 2016:

During the three months ended December 31, 2017, the Company incurred \$1,331,867 (2016 - \$980,277) in resources property expense as the Company had a spring drill program at its Unga Gold Project.

Excluding the non-cash depreciation of \$2,581 (2016 - \$3,283), loss from investment in NV Gold of \$nil (2016 - \$191,070) and share-based compensation of \$nil (2016 - \$178,056), the Company's general and administrative expenses amounted to \$200,281 (2016 - \$325,358), a decrease of \$125,077. The change in the expenses was mainly due to decreases in: (a) travel and promotion \$nil (2016 - \$33,859) and (b) rent \$7,150 (2016 - \$40,697). All such decreases are a result of the Company conserving cash on general and administrative costs while focusing in its exploration efforts to advance its Unga Gold Project.

During the three months ended December 31, 2017, the Company reported a loss of \$1,575,250 (2016 – \$1,702,719), a decrease of \$127,469. This is a result of the Company not recognizing any loss from its investment in NV Gold in fiscal 2018 as the Company did not have a controlling position.

SIGNIFICANT RELATED PARTY TRANSACTIONS

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

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of the MD&A, the Company has 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 July 27, 2017 in connection with our annual financial statements (the “Annual MD&A”), we have 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	
	December 31, 2017	February 16, 2018
Common shares outstanding	300,050,293	300,050,293
Stock options	15,790,000	15,790,000
Warrants	19,565,200	19,565,200
Fully diluted common shares outstanding	335,405,493	335,405,493



QUALIFIED PERSON

Jesse C. Grady, MSc, CPG-11592, an independent consultant to the Company and qualified person, has reviewed the exploration projects described throughout the MD&A, including 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.