



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

(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 three months ended June 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	June 30, 2019	March 31, 2019
		(Unaudited)	(Audited)
Assets			
Current			
Cash and cash equivalents		\$ 1,155,104	\$ 1,434,481
Short-term investments	6	5,750	5,750
Marketable securities	7	1,653,311	978,578
Amounts receivable		1,416	2,556
Prepaid amounts and advances		39,380	58,908
		2,854,961	2,480,273
Non-current			
Investment in NV Gold	8	-	735,792
Reclamation bond	9	7,757	7,921
Exploration and evaluation assets	9	3,991,390	3,983,303
Intangible assets	10	2,301	2,488
Equipment	11	11,055	11,882
		4,012,503	4,741,386
		\$ 6,867,464	\$ 7,221,659
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 31,937	\$ 105,661
Due to related parties	14	51,722	65,840
		83,659	171,501
Shareholders' equity			
Share capital	13	32,419,456	32,419,456
Reserves		4,321,807	4,296,629
Deficit		(29,957,458)	(29,665,927)
		6,783,805	7,050,158
		\$ 6,867,464	\$ 7,221,659

Event after the reporting period (Note 16)

These consolidated financial statements are authorized for issue by the Board of Directors on August 14, 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)

		Three months ended June 30	
	Note	2019	2018
Exploration and evaluation			
Resource property expense	9	\$ 83,001	\$ 60,828
General and administrative			
Depreciation		1,014	1,426
Director fees	14	19,500	17,213
Insurance		2,693	7,561
Investor relations		(7,166)	3,718
Management fees	14	80,625	31,250
Office operations		3,616	14,612
Professional fees		12,336	7,929
Regulatory fees		5,698	2,779
Rent		225	4,225
Share-based payments	13(b)	25,178	-
Transfer agent		832	1,152
Travel and promotion		546	-
Loss before the undernoted		228,098	152,693
Other (income) expense			
Foreign exchange (gain) loss		2,392	(623)
Interest (income)		(18)	(984)
Loss on disposal of equipment		-	6,573
Fair value loss on marketable securities	7	61,059	2,399
		63,433	7,365
Net loss for the period		291,531	160,058
Other comprehensive income			
Realized loss on investment in NV Gold	8	-	59,154
Unrealized loss on investment in NV Gold	8	-	3,805,822
Comprehensive loss for the period		\$ 291,531	\$ 4,025,034
Basic and diluted loss per share		\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding		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	-	-	-	-	(3,805,822)	(3,805,822)	-	(3,805,822)
Realized loss on investment in NV Gold	8	-	-	-	-	(59,154)	(59,154)	-	(59,154)
Loss for the period		-	-	-	-	-	-	(160,058)	(160,058)
Balance, June 30, 2018 (Unaudited)		300,050,293	32,419,456	1,056,181	3,286,760	(272,016)	4,070,925	(28,662,381)	7,828,000
Share-based payments		-	-	-	4,807	-	4,807	-	4,807
Unrealized loss on investment in NV Gold, net of tax expense		-	-	-	-	(437,940)	(437,940)	-	(437,940)
Realized gain on investment in NV Gold		-	-	-	-	658,837	658,837	-	658,837
Loss for the period		-	-	-	-	-	-	(1,003,546)	(1,003,546)
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)	-	-	-	25,178	-	25,178	-	25,178
Loss for the period		-	-	-	-	-	-	(291,531)	(291,531)
Balance, June 30, 2019 (Unaudited)		300,050,293	\$32,419,456	\$1,056,181	\$3,316,745	\$ (51,119)	\$ 4,321,807	\$(29,957,458)	\$ 6,783,805

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

	Three months ended June 30	
	2019	2018
Cash provided by (used in):		
Operating activities		
Loss for the period	\$ (291,531)	\$ (160,058)
Items not affecting cash:		
Depreciation	1,014	1,426
Share-based payments	25,178	-
Reclamation bond	164	(162)
Loss on disposal of equipment	-	6,573
Fair value loss on marketable securities	61,059	2,399
Net change in non-cash working capital		
Amounts receivable	1,140	13,263
Prepaid amounts and advances	19,528	(311)
Accounts payable and accrued liabilities	(73,724)	(73,107)
Due to related parties	(14,118)	(62,402)
	(271,290)	(272,379)
Investing activities		
Acquisition of exploration assets	(8,087)	(7,805)
Proceeds from disposal of equipment	-	700
Proceeds from investment in NV Gold	-	984,231
	(8,087)	977,126
Change in cash and cash equivalents	(279,377)	704,747
Cash and cash equivalents, beginning of the period	1,434,481	2,132,353
Cash and cash equivalents, end of the period	\$ 1,155,104	\$ 2,837,100

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.

	June 30,		March 31,
	2019		2019
Rounded to 000's			
Working capital surplus	\$ 2,771,000	\$	2,309,000
Accumulated (deficit)	\$ (29,957,000)	\$	(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 June 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 June 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 make 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 assets of approximately \$47,000 dominated in US dollars. A 1% change in the absolute rate of exchange in US dollars would affect its net loss by approximately \$800.

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 June 30, 2019, the Company had a cash balance of \$1,155,104 to settle current liabilities of \$83,659.

6. SHORT-TERM INVESTMENTS

As at June 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 THREE MONTHS ENDED JUNE 30, 2019 AND 2018
(Presented in Canadian Dollars)

7. MARKETABLE SECURITIES

June 30, 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	(41,950)	14,300
Fremont Gold Ltd.	(i)	4,166	30,000	(29,688)	312
True Grit Resources Ltd.		540,000	90,526	(87,826)	2,700
Sprott Phys Gold&SiM		32,500	500,625	62,600	563,225
Ishares Silver Trust	(iii)	22,000	383,219	29,650	412,869
NV Gold Corporation	(iv)	5,074,430	735,792	(76,116)	659,676
			\$1,802,138	\$ (148,827)	\$1,653,311

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 June 30, 2019.

During the period ended June 30, 2019, the Company recorded fair value loss on marketable securities of \$61,059 (2018 – \$2,399), 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 (see note 7).

9. EXPLORATION AND EVALUATION ASSETS

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

Property acquisition costs	March 31, 2019	Acquisition costs	June 30, 2019
Alaska			
Unga project	\$ 3,983,303	\$ 8,087	\$ 3,991,390

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

Exploration expenditures	Alaska Unga
Camp	11,931
Fuel & transportation	7,540
Geological	51,558
Maps and reports	201
Supplies and materials	316
Transportation and surface access	11,259
Travel and accommodation	196
Period ended June 30, 2019	\$ 83,001

Exploration expenditures	Alaska Unga
Assaying	\$ 5,085
Camp	645
Geological	54,079
Maps and reports	1,019
Period ended June 30, 2018	\$ 60,828

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 could 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 signed an Assignment and Novation Agreement in respect to the TAC lands, which replaced the LOI signed on February 18, 2014, whereby all rights and interests held previously by FMM were assigned to Redstar. Pursuant to the Agreement, Redstar is required to complete 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 ⁽ⁱⁱ⁾
	<u>\$ 125,000</u>	<u>225,000</u>	<u>750,000</u>	<u>\$ 3,400,000</u>

⁽ⁱ⁾ Paid or issued

⁽ⁱⁱ⁾ Incurred

(b) Other, USA

As at June 30, 2019, the Company had a reclamation bond of US\$5,927 (\$7,757) (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 - June 30, 2019	\$	10,986
Accumulated depreciation		
Balance - April 1, 2018	\$	7,432
Depreciation		1,066
Balance - March 31, 2019		8,498
Depreciation		187
Balance - June 30, 2019	\$	8,685
Carrying amounts		
As at March 31, 2019	\$	2,488
As at June 30, 2019	\$	2,301

REDSTAR GOLD CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 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 - June 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	-	127	700	827
Balance - June 30, 2019	\$ -	\$ 1,772	\$ 42,870	\$ 44,642
Carrying amounts				
As at March 31, 2019	\$ -	\$ 2,555	\$ 9,327	\$ 11,882
As at June 30, 2019	\$ -	\$ 2,428	\$ 8,627	\$ 11,055

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 June 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.

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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 three months ended June 30, 2019 are summarized as follows:

Expiry date	Exercise price	March 31, 2019	Granted	Exercised	Expired / Cancelled	June 30, 2019		
April 30, 2019	\$ 0.06	450,000	-	-	(450,000)	-		
October 29, 2019	\$ 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		8,625,000	-	-	-	8,175,000		
Weighted average exercise price	\$	0.07	\$	-	\$	0.06	\$	0.08

As of June 30, 2019, the weighted average contractual remaining life is 2.54 years (March 31, 2019 – 2.67 years).

The fair value of options vested during the three months ended June 30, 2019 were \$13,250 (2018 - \$Nil). In connection with the stock option vested the Company recorded a share-based compensation expense of \$25,178 during the three months ended June 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:

	June 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.

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13. SHARE CAPITAL (Continued)

(c) Warrants:

The continuity of warrants for the three months ended June 30, 2019 is as follows:

Expiry date	Exercise price	March 31, 2019	Issued	Exercised	Expired	June 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 June 30, 2019, the weighted average contractual life is Nil years (March 31, 2019 – 0.08 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 former CEO ⁽ⁱⁱ⁾ - management fees	2019	\$ -	\$ -	\$ -
	2018	\$ -	\$ -	\$ 492
Verde Metals Ltd., a company controlled by the President ^(iv) - management fees	2019	\$ 46,250	\$ 25,178	\$ 7,708
	2018	\$ -	\$ -	\$ -
Director and Chairman of the Board - management fees	2019	\$ 16,250	\$ -	\$ 10,833
	2018	\$ 16,250	\$ -	\$ -
Pacific Opportunity Capital Ltd., a company controlled by the CFO - accounting fees	2019	\$ 18,125	\$ -	\$ 6,288
	2018	\$ 15,000	\$ -	\$ 5,250
Directors' fees ⁽ⁱⁱⁱ⁾	2019	\$ 19,500	\$ -	\$ 26,892
	2018	\$ 17,213	\$ -	\$ 17,213
Total	2019	\$ 100,125	\$ 25,178	\$ 51,721
	2018	\$ 48,463	\$ -	\$ 22,955

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

(ii) Effective March 7, 2018, Peter Ball resigned from being the CEO but remained as a director of the Company and Jacques Vaillancourt, the Chairman of the Company, was appointed as the interim CEO.

(iii) Effective June 6, 2018, Peter Ball resigned from being a director of the Company and Susan J. Mitchell was appointed as a director.

(iv) 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.

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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
June 30, 2019			
<i>Current assets</i>	\$ 2,812,000	\$ 43,000	\$ 2,855,000
<i>Non-current assets</i>			
Reclamation bond	-	8,000	8,000
Exploration and evaluation assets	-	3,991,000	3,991,000
Intangible assets	2,000	-	2,000
Equipment	-	11,000	11,000
<i>Current liabilities</i>	\$ 83,000	\$ 1,000	\$ 84,000
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	1,000	-	1,000
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 June 30, 2019			
Exploration and evaluation	\$ -	\$ 83,000	\$ 83,000
General and administrative	143,000	2,000	145,000
Other (income) expense	61,000	2,000	63,000
<i>Net loss before taxes for the period</i>	205,000	87,000	292,000
<i>Net loss for the period</i>	205,000	87,000	292,000
<i>Comprehensive loss for the period</i>	\$ 205,000	\$ 87,000	\$ 292,000
Period end June 30, 2018			
Exploration and evaluation	\$ -	\$ 61,000	\$ 61,000
General and administrative	90,000	2,000	92,000
Other (income) expense	8,000	(1,000)	7,000
<i>Net loss before taxes for the period</i>	98,000	62,000	160,000
<i>Net loss for the period</i>	98,000	62,000	160,000
<i>Comprehensive loss for the period</i>	\$ 3,963,000	\$ 62,000	\$ 4,025,000

16. EVENT AFTER THE REPORTING PERIOD

After the period end, the Company reached and concluded an eight (8) year Exploration Agreement on the lands outside and adjacent to the Company's wholly owned Patented and State Claims. The TAC Exploration Agreement also includes a mining agreement with a twenty (20) year extendable term. To date all of the recent exploration and discoveries achieved by the Company have been on its Patented and State claims. This agreement secures long term exploration targets as well as a defined mining agreement which provides mutually agreeable terms and a stable foundation to Redstar and TAC.