



REDSTAR GOLD CORP.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
MARCH 31, 2020 AND 2019

REDSTAR GOLD CORP.

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Independent Auditors' Report

To the Shareholders of Redstar Gold Corp.:

Opinion

We have audited the consolidated financial statements of Redstar Gold Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2020 and March 31, 2019, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2020 and March 31, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has an accumulated deficit of \$31,798,000 as at March 31, 2020. As stated in Note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Ronald D. Miller.

Vancouver, British Columbia

June 24, 2020

MNP LLP

Chartered Professional Accountants

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

	Note	March 31, 2020	March 31, 2019
Assets			
Current			
Cash and cash equivalents		\$ 53,992	\$ 1,434,481
Short-term investments	6	5,750	5,750
Marketable securities	7	1,106,569	978,578
Amounts receivable		1,863	2,556
Prepaid amounts and advances		86,414	58,908
		1,254,588	2,480,273
Non-current			
Investment in NV Gold	8	-	735,792
Reclamation bond	9	8,409	7,921
Exploration and evaluation assets	9	4,107,247	3,983,303
Intangible assets	10	1,742	2,488
Equipment	11	8,654	11,882
		4,126,052	4,741,386
		\$ 5,380,640	\$ 7,221,659
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 64,198	\$ 105,661
Due to related parties	14	85,281	65,840
		149,479	171,501
Shareholders' equity			
Share capital	13	32,419,456	32,419,456
Reserves		4,071,794	4,296,629
Deficit		(31,260,089)	(29,665,927)
		5,231,161	7,050,158
		\$ 5,380,640	\$ 7,221,659

These consolidated financial statements are authorized for issue by the Board of Directors on June 24, 2020. They are signed on the Company's behalf by:

/s/ Jacques Vaillancourt
Director

/s/ Ken Booth
Director

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

		Years ended March 31	
	Note	2020	2019
Exploration and evaluation			
Resource property expense	9	\$ 990,563	\$ 204,300
General and administrative			
Depreciation		3,974	5,703
Director fees	14	78,539	80,900
Insurance		10,766	26,216
Investor relations		13,103	75,783
Management fees	14	321,000	134,208
Office operations		17,303	25,684
Professional fees		91,402	121,966
Regulatory fees		24,118	14,352
Rent		900	4,900
Share-based payments	13(b)	221,862	4,807
Transfer agent		7,415	8,181
Travel and promotion		23,146	24,191
Loss before the undernoted		1,804,091	731,191
Other (income) expense			
Foreign exchange (gain)		(2,445)	(216)
Interest (income)		(118)	(4,666)
Loss on disposal of equipment		-	6,573
Fair value (gain) on marketable securities	7	(207,366)	(69,269)
		(209,929)	(67,578)
Net loss before taxes for the year		1,594,162	663,613
Deferred tax expense	16	-	499,991
Net loss for the year		1,594,162	1,163,604
Other comprehensive income			
Realized loss (gain) on investment in NV Gold	8	-	(599,683)
Unrealized loss on investment in NV Gold	8	446,697	4,243,762
Comprehensive loss for the year		\$ 2,040,859	\$ 4,807,683
Basic and diluted loss per share		\$ 0.01	\$ 0.00
Weighted average number of common shares outstanding		300,050,293	300,050,293

REDSTAR GOLD CORP.
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		300,050,293	\$ 32,419,456	\$ 1,056,181	\$ 3,286,760	\$ 3,592,960	\$ 7,935,901	\$ (28,502,323)	\$ 11,853,034
Share-based payments		-	-	-	4,807	-	4,807	-	4,807
Unrealized loss on investment in NV Gold, net of tax expense		-	-	-	-	(4,243,762)	(4,243,762)	-	(4,243,762)
Realized gain on investment in NV Gold		-	-	-	-	599,683	599,683	-	599,683
Loss for the year		-	-	-	-	-	-	(1,163,604)	(1,163,604)
Balance, March 31, 2019		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)	-	-	-	221,862	-	221,862	-	221,862
Unrealized loss on investment in NV Gold	8	-	-	-	-	(446,697)	(446,697)	-	(446,697)
Loss for the year		-	-	-	-	-	-	(1,594,162)	(1,594,162)
Balance, March 31, 2020		300,050,293	\$ 32,419,456	\$ 1,056,181	\$ 3,513,429	\$ (497,816)	\$ 4,071,794	\$ (31,260,089)	\$ 5,231,161

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

	Years ended	
	March 31	
	2020	2019
Cash provided by (used in):		
Operating activities		
Loss for the year	\$ (1,594,162)	\$ (1,163,604)
Items not affecting cash:		
Depreciation	3,974	5,703
Share-based payments	221,862	4,807
Reclamation bond	(488)	(278)
Loss on disposal of equipment	-	6,573
Deferred tax expense (recovery)	-	499,991
Fair value loss (gain) on marketable securities	(148,429)	(69,269)
Net change in non-cash working capital		
Amounts receivable	693	13,231
Prepaid amounts and advances	(27,506)	(1,147)
Accounts payable and accrued liabilities	(41,462)	(43,730)
Due to related parties	19,441	(19,517)
	<u>(1,566,077)</u>	<u>(767,240)</u>
Investing activities		
Acquisition of exploration assets	(123,944)	(31,719)
Proceeds from disposal of equipment	-	700
Investment in marketable securities	-	(883,844)
Proceeds from sale of marketable securities	309,533	-
Proceeds from investment in NV Gold	-	984,231
	<u>185,589</u>	<u>69,368</u>
Change in cash and cash equivalents	(1,380,488)	(697,872)
Cash and cash equivalents, beginning of the year	1,434,481	2,132,353
Cash and cash equivalents, end of the year	\$ 53,992	\$ 1,434,481

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 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 indicate a material uncertainty exists 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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds. The Company’s activity in Alaska is currently being suspended due to the pandemic.

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	March 31, 2020	March 31, 2019
Working capital surplus	\$ 1,105,000	\$ 2,309,000
Accumulated (deficit)	\$ (31,260,000)	\$ (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.

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. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

These Financial Statements incorporate the financial statements of the Company and the entities controlled by the Company, which consist of:

- Redstar Gold USA Inc. (“Redstar USA”), which was incorporated in the State of Nevada, owned 100% by the Company.
- Redstar Gold (Alaska) Inc. (“Redstar Alaska”), which was incorporated in the State of Alaska, owned 100% by the Company.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

b) Foreign currency translation

These Financial Statements are presented in Canadian dollars, which is the functional and presentation currency of the parent. Each entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The parent and its subsidiaries use the Canadian dollar as their functional currency.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the end of reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through OCI are analyzed between translation differences and other changes in the carrying amount of the security. Translation differences are recognized in the income statement and other changes in carrying amount are recognized in equity.

Translation differences on non-monetary financial assets, such as investments in equity securities, classified as fair value through OCI are reported as part of the fair value gain or loss and are included in equity.

c) Measurement uncertainty

The preparation of these Financial Statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period.

The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. These estimates require extensive judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. A summary of critical estimates and judgements can be found in Note 4.

d) Comprehensive loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on fair value through OCI investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive loss, components of other comprehensive loss, and cumulative translation adjustments are presented in the Consolidated Statements of Comprehensive Loss and the Consolidated Statements of Changes in Equity.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

e) Cash and cash equivalents

The Company considers cash to include amounts held in banks.

f) Short-term investments

Short term investments consist of term deposits with maturity dates between 90 days and 1 year.

g) Marketable securities

The Company has classified most of its marketable securities as fair value through profit or loss, thus securities are recorded at fair market value and any associated unrealized gain or loss, are included in the net loss in the year in which they arise. The Company made an irrevocable election at initial recognition to classify the investment in NV Gold as fair value in other comprehensive income, with all subsequent changes in fair value being recognized in other comprehensive income. Therefore, the marketable securities related to NV Gold are included in the accumulated other comprehensive income (loss).

h) Exploration and evaluation assets

The Company is currently in the exploration stage with all of its mineral interests. Exploration and evaluation costs include the costs of acquiring licenses, costs incurred to explore and evaluate properties, and the fair value, upon acquisition, of mineral properties acquired in a business combination.

Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or an asset acquisition. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale. Development costs relating to specific properties are capitalized once management has made a development decision.

At each reporting date, the Company determines whether impairment indicators exist based on the Company's ability to raise financing and significant changes in an individual property's work program. The Company examines for indicators of impairment, such as the right or financial ability to perform work on a mineral property, future plans for exploration on a property, and management's intent to advance or not advance a property.

From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded in the period that the payments are made or received. The Company does not accrue costs to maintain mineral interests in good standing.

Restoration provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

h) Exploration and evaluation assets *(Continued)*

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss as incurred.

The Company has determined that it has no restoration obligation as at March 31, 2020 and 2019.

i) Share-based payments

The Company has a stock option plan that is described in note 13b. Share-based payments to employees are measured at the fair value of the instruments issued and are amortized over the vesting periods using a graded attribution approach. Share-based payments to non-employees are measured at the fair value of the goods or services received or at the fair value of the equity instruments issued (if it is determined the fair value of the goods or services cannot be reliably measured) and are recorded at the date the goods or services are received. If and when the stock options or warrants are ultimately exercised, the applicable amounts of reserves are transferred to share capital.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized during the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Forfeitures of stock options are accounted for as incurred.

j) Warrants

Warrants are classified as equity as they are derivatives over the Company's own equity that will be settled only by the Company exchanging a fixed amount of cash for a fixed number of the Company's own equity instruments.

When shares and warrants are issued at the same time, the proceeds are allocated first to warrants issued, according to their fair value using the Black-Scholes pricing model, and the residual value being allocated to shares. The Company does not measure the impact of modification to the terms of warrants previously issued.

k) Share capital

Share capital issued for monetary consideration is recorded at the amount of the proceeds in exchange for the Company's shares at the time of issuance.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

l) Basic loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The effect of potential issuances of shares from the exercise of outstanding options and warrants would be anti-dilutive for the years presented and accordingly, basic and diluted losses per share are the same.

m) Intangible assets

Intangible assets are stated, in the consolidated statements of financial position, at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged so as to write off the cost of the asset using the declining balance method over the estimated useful lives as follows:

Computer software	30%
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n) Equipment

Equipment is depreciated using the declining balance method based on estimated useful lives.

Where an item of equipment is comprised of major components with different useful lives, the components are accounted for as separate items of equipment.

Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognized as a provision.

Financing costs directly associated with the construction or acquisition of qualifying assets are capitalized at interest rates relating to loans specifically raised for that purpose, or at the average borrowing rate where the general pool of group borrowings is utilized. Capitalization of borrowing costs ceases when the asset is substantially complete.

The depreciation method, useful life and residual values are assessed annually.

Subsequent costs

The cost of replacing part of an item within equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably. All other costs are recognized as an expense as incurred.

Impairment

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

n) Equipment *(Continued)*

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Depreciation is charged so as to write off the cost of the asset using the declining balance method over the estimated useful lives as follows:

Computer equipment	30%
Office equipment	20%
Vehicles	30%

o) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Cash, short-term investments, amounts receivables, reclamation bond, accounts payable and accrued liabilities and due to related parties are recognized at amortized cost.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit and loss in the period in which they arise. Loan receivable and derivative liability are recognized as FVTPL. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss). Consideration payable and derivative liability are financial liabilities recognized as FVTPL. Marketable securities are recognized at fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

o) Financial instruments *(Continued)*

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition of assets are recognized in profit and loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized at the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

p) Impairment

Non-monetary assets are tested for impairment when events or changes in circumstance indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

q) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by the former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in accordance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in a material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential of production on the properties may be diminished or negated.

r) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the Consolidated Statements of Comprehensive Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

r) Income taxes *(Continued)*

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

s) Uncertainty over Income Tax Treatments - IFRIC 23

In June 2017, the International Accounting Standards Board (IASB) issued a new International Financial Reporting Interpretation Committee (IFRIC) interpretation to specify how to reflect the effects of uncertainty in accounting for income taxes. IAS 12 Income Taxes provides requirements on the recognition and measurement of current or deferred income tax liabilities and assets. However, it does not provide a specific requirement for the accounting for income tax when the application of tax law to a particular transaction or circumstance is uncertain. As a result, the interpretation aims to reduce the diversity in how entities recognize and measure a tax liability or tax asset when there is uncertainty over income tax treatments. The new interpretation is effective for annual periods beginning on or after January 1, 2019. Management has concluded that there is no impact on the adoption of this guidance because there is no significant uncertainty in accounting for income taxes of the Company.

t) Leases – IFRS 16

IFRS 16 Leases is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee, and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The Standard is effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted. The Company does not have leases that will be recognized on its Consolidated Statements of Financial Position at March 31, 2020. The impact of IFRS 16 on its opening Consolidated Statements of Financial Position at March 31, 2020 is expected to be immaterial.

u) Recent accounting pronouncements

There were no new accounting standards adopted in the current year that had a material impact of the consolidated financial statements.

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.

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.

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

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 March 31, 2020.

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 Consolidated Statements of Financial Position are carried at amortized cost with the exception of marketable securities 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 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, accounts payable and accrued liabilities, and due to related parties. As at March 31, 2020 and March 31, 2019, the carrying value of cash and cash equivalents approximates fair value due to its short-term nature. Marketable securities and investment in NV Gold are marked to fair value at each financial statement reporting date. Reclamation bond, accounts payable and accrued liabilities, and due to related parties approximate their fair value due to their short-term nature.

c) Market risk

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

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

d) Credit risk

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

e) Interest rate risk

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

f) Currency risk

The Company's main property interest in Alaska, USA makes it subject to foreign currency fluctuations which may adversely affect the Company's Consolidated Statements of Financial Position, Consolidated Statements of Comprehensive Loss and Consolidated Statements of Cash Flows. The Company is affected by changes in exchange rates between the Canadian Dollar and the US Dollar. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary liabilities of approximately \$48,000 dominated in US dollars. A 1% change in the absolute rate of exchange in US dollars would affect its net loss by approximately \$700.

g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at March 31, 2020, the Company had a cash balance of \$53,992 to settle current liabilities of \$149,479.

6. SHORT-TERM INVESTMENTS

As at March 31, 2020, the Company pledged \$5,750 with Bank of Montreal (March 31, 2019 - \$5,750) as collateral for a credit card.

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7. MARKETABLE SECURITIES

March 31, 2020		Shares	Cost	Fair Value Adjustment on Marketable Securities	Total
New Tech Minerals Corp.	(ii)	11,443	\$ 5,722	\$ (5,722)	\$ -
Brocade Metals Corp.		320,000	4	(4)	-
Confederation Minerals Ltd.		65,000	56,250	(56,250)	-
Fremont Gold Ltd.	(i)	4,166	30,000	(30,000)	-
True Grit Resources Ltd.		540,000	90,526	(87,826)	2,700
Sprott Phys Gold&Sivl		17,000	249,156	99,684	348,840
Ishares Silver Trust	(iii)	22,000	383,219	23,778	406,997
NV Gold Corporation	(iv)	4,640,430	735,792	(387,760)	348,032
			\$1,550,669	\$ (444,100)	\$1,106,569

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&Sivl		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 held under FVOCI (see Note 8).

During the year ended March 31, 2020, the Company recorded fair value gain on marketable securities of \$207,366 (2019 – fair value gain of \$69,269) on the Statement of Comprehensive Loss.

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.

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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 remeasured 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 was recognized in other comprehensive income (loss). In April 2018, the Company sold 1,098,300 shares of NV Gold for proceeds of \$984,231 with a realized loss of \$59,154, leaving 5,074,430 NV Gold shares as of March 31, 2019 with a fair value of \$735,792 (\$0.145 per share). As at June 30, 2019, the Company reclassified the investment in NV Gold as marketable securities (Note 7).

9. EXPLORATION AND EVALUATION ASSETS

The Company has the following interests in mineral properties as at March 31, 2020 and 2019:

Property acquisition costs	March 31, 2019	Acquisition costs	March 31, 2020
Alaska			
Unga project	\$ 3,983,303	\$ 123,944	\$ 4,107,247

The Company incurred the following exploration expenditures during the years ended March 31, 2020 and 2019:

Exploration expenditures	Alaska Unga
Assaying	\$ 63,098
Camp	158,172
Equipment rental	8,980
Fuel & transportation	73,927
Geological	551,588
Geophysical	3,138
Maps and reports	3,453
Supplies and materials	39,019
Transportation and surface access	49,591
Travel and accommodation	37,341
Other	124
Year ended March 31, 2020	\$ 990,563

Exploration expenditures	Alaska Unga
Assaying	\$ 8,978
Camp	44,266
Fuel & transportation	594
Geological	123,384
Maps and reports	2,373
Transportation and surface access	23,923
Travel and accommodation	782
Year ended March 31, 2019	\$ 204,300

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

(a) Unga Project, Alaska, USA

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

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

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

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

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

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

⁽ⁱ⁾ Paid

⁽ⁱⁱ⁾ Incurred

^(iv) Deferred due to the COVID-19 pandemic

On October 8, 2019, the Company signed a surface access agreement with The Shumagin Corporation ("TSC"). The agreement provides access to Redstar's mineral exploration license underlain by TSC's property which forms part of Redstar's "Unga Project" on Unga and Popof Islands situated near the center of the Aleutian Arc. Upon signing this agreement, the Company paid Shumagin a fee in the amount of US\$10,000. If Redstar conducts drilling or bulk sampling, before commencing that activity RedStar will pay an additional US\$22,500.

(b) Other, USA

As at March 31, 2020, the Company had a reclamation bond of US\$5,927 (\$8,409) (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 - March 31, 2020	\$	10,986
Accumulated depreciation		
Balance - April 1, 2018	\$	7,432
Depreciation		1,066
Balance - March 31, 2019		8,498
Depreciation		746
Balance - March 31, 2020	\$	9,244
Carrying amounts		
As at March 31, 2019	\$	2,488
As at March 31, 2020	\$	1,742

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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 - March 31, 2020	\$ -	\$ 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	-	502	2,726	3,228
Balance - March 31, 2020	\$ -	\$ 2,147	\$ 44,896	\$ 47,043
Carrying amounts				
As at March 31, 2019	\$ -	\$ 2,555	\$ 9,327	\$ 11,882
As at March 31, 2020	\$ -	\$ 2,053	\$ 6,601	\$ 8,654

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 March 31, 2020, 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 year ended March 31, 2020 are summarized as follows:

Expiry date	Exercise price	March 31, 2019	Granted	Expired / Cancelled	March 31, 2020
April 30, 2019	\$ 0.06	450,000	-	(450,000)	-
October 29, 2019	\$ 0.06	400,000	-	(400,000)	-
May 4, 2020 ⁽¹⁾	\$ 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
October 28, 2024	\$ 0.05	-	8,320,000	-	8,320,000
Options outstanding		10,500,000	8,320,000	(850,000)	17,970,000
Options exercisable		8,000,000	8,320,000	(850,000)	17,345,000
Weighted average exercise price	\$	0.07	\$ 0.05	\$ 0.06	\$ 0.06

⁽¹⁾ These options expired unexercised on May 4, 2020.

As of March 31, 2020, the weighted average contractual remaining life is 3.13 years (March 31, 2019 – 2.66 years).

Stock option transactions and the number of stock options for the year ended March 31, 2019 are summarized as follows:

Expiry date	Exercise price	March 31, 2018	Granted	Expired / Cancelled	March 31, 2019
September 30, 2018	\$ 0.10	540,000	-	(540,000)	-
April 30, 2019	\$ 0.06	450,000	-	-	450,000
September 10, 2019	\$ 0.06	600,000	-	(600,000)	-
October 29, 2019	\$ 0.06	400,000	-	-	400,000
May 4, 2020	\$ 0.06	1,400,000	-	(100,000)	1,300,000
January 25, 2021	\$ 0.05	2,500,000	-	(2,500,000)	-
March 2, 2021	\$ 0.05	4,000,000	-	(700,000)	3,300,000
December 20, 2021	\$ 0.16	3,000,000	-	(2,500,000)	500,000
April 11, 2022	\$ 0.14	2,900,000	-	(850,000)	2,050,000
March 15, 2024	\$ 0.05	-	2,500,000	-	2,500,000
Options outstanding		15,790,000	2,500,000	(7,790,000)	10,500,000
Options exercisable		15,790,000	-	-	8,000,000
Weighted average exercise price	\$	0.09	\$ 0.05	\$ 0.10	\$ 0.07

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13. SHARE CAPITAL (Continued)

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

In connection with the stock option vested the Company recorded a share-based compensation expense of \$221,862 during the year ended March 31, 2020 (2019 – \$4,807).

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:

	March 31, 2020	March 31, 2019
Expected dividend yield	Nil	Nil
Expected stock price volatility	133.06%	141.91%
Risk-free interest rate	1.32%	1.34%
Forfeiture rate	Nil	0.00%
Expected life of options	5.0 year	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.

(c) Warrants:

The continuity of warrants for the year ended March 31, 2020 is as follows:

Expiry date	Exercise price	March 31, 2019	Issued	Exercised	Expired	March 31, 2020
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	\$ -

The continuity of warrants for the year ended March 31, 2019 is as follows:

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

As of March 31, 2020, the weighted average contractual life is Nil year (March 31, 2019 – 0.08 year).

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14. RELATED PARTY TRANSACTIONS

Name and principal position	Fiscal period	Remuneration or fees ⁽ⁱ⁾	Share-based compensation	Amounts payable
Verde Metals Ltd., a company controlled by the President ⁽ⁱⁱⁱ⁾ - management fees	2020	\$ 185,000	\$ 98,478	\$ 30,833
	2019	\$ 7,708	\$ 4,807	\$ 13,600
Director and Chairman of the Board - management fees	2020	\$ 65,000	\$ 33,920	\$ 22,215
	2019	\$ 65,000	\$ -	\$ 26,775
Pacific Opportunity Capital Ltd., a company controlled by the CFO - accounting fees	2020	\$ 71,000	\$ 23,320	\$ 12,845
	2019	\$ 61,500	\$ -	\$ 5,891
Directors' fees ⁽ⁱⁱ⁾	2020	\$ 78,539	\$ 53,000	\$ 19,388
	2019	\$ 80,900	\$ -	\$ 19,574
Total	2020	\$ 399,539	\$ 208,718	\$ 85,281
	2019	\$ 215,108	\$ 4,807	\$ 65,840

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

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

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

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

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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
March 31, 2020			
<i>Current assets</i>	\$ 1,181,000	\$ 73,000	\$ 1,254,000
<i>Non-current assets</i>			
Reclamation bond	-	8,000	8,000
Exploration and evaluation assets	-	4,107,000	4,107,000
Intangible assets	2,000	-	2,000
Equipment	-	9,000	9,000
<i>Current liabilities</i>	\$ 143,000	\$ 6,000	\$ 149,000
March 31, 2019			
<i>Current assets</i>	\$ 2,389,000	\$ 91,000	\$ 2,480,000
<i>Non-current assets</i>			
Investment in NV Gold	736,000	-	736,000
Reclamation bond	-	8,000	8,000
Exploration and evaluation assets	-	3,983,000	3,983,000
Intangible assets	2,000	-	2,000
Equipment	-	12,000	12,000
<i>Current liabilities</i>	\$ 149,000	\$ 23,000	\$ 172,000

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

<i>Rounded to 000's</i>	Canada	United States	Total
Year ended March 31, 2020			
Exploration and evaluation	\$ -	\$ 991,000	\$ 991,000
General and administrative	803,000	10,000	813,000
Other (income) expense	(207,000)	(3,000)	(210,000)
<i>Net loss before taxes for the year</i>	1,043,000	998,000	2,041,000
<i>Net loss for the year</i>	1,043,000	998,000	2,041,000
<i>Comprehensive loss for the year</i>	\$ 1,043,000	\$ 998,000	\$ 2,041,000
Year ended March 31, 2019			
Exploration and evaluation	\$ -	\$ 204,000	\$ 204,000
General and administrative	513,000	14,000	527,000
Other (income) expense	(64,000)	(3,000)	(67,000)
<i>Net loss before taxes for the year</i>	449,000	215,000	664,000
<i>Net loss for the year</i>	949,000	215,000	1,164,000
<i>Comprehensive loss for the year</i>	\$ 4,593,000	\$ 215,000	\$ 4,808,000

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16. INCOME TAXES

The following table reconciles the expected income taxes (recovery) at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of comprehensive loss for the years ended March 31, 2020 and 2019:

	March 31, 2020	March 31, 2019
Net Loss before taxes	\$ (1,594,162)	\$ (663,613)
Statutory tax rate	27.00%	27.00%
Expected income tax (recovery)	(430,424)	(179,176)
Non-deductible items	33,023	(81,629)
Foreign exchange	(431,975)	(151,431)
Foreign tax rate difference	(14,109)	(2,900)
Change in deferred tax asset not recognized	843,485	915,127
Total income tax expense	\$ -	\$ 499,991
Deferred tax expense	-	499,991
Total Deferred tax expense	\$ -	\$ 499,991

Deferred tax assets (liabilities) at March 31, 2020 and 2019 are as follows:

	March 31, 2020	March 31, 2019
Property and equipment	\$ (1,235)	\$ (1,297)
Net operating losses	1,235	1,297
Total Deferred tax asset (liabilities)	\$ -	\$ -

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16. INCOME TAXES (Continued)

The unrecognized deductible temporary differences at March 31, 2020 and 2019 are as follows:

	March 31, 2020	March 31, 2019
Canada:		
Property and equipment	\$ 36,779	\$ 36,033
Exploration and evaluation assets	5,057,288	5,056,542
Investment in NV gold	-	1,040,259
Marketable securities	1,327,742	67,641
Investment tax credits	143,972	143,972
Non capital loss carryforwards	11,050,154	10,327,084
Unrealized foreign exchange loss	-	182,766
Capital losses	19,488	-
Financing costs	41,020	90,704
Total unrecognized deductible temporary differences	\$ 17,676,444	\$ 16,945,001
	March 31, 2020	March 31, 2019
USA:		
Exploration and evaluation assets	\$ 6,954,652	\$ 6,633,907
Net operating losses	17,738,848	15,664,195
Total unrecognized deductible temporary differences	\$ 24,693,500	\$ 22,298,101

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16. INCOME TAXES *(Continued)*

The Company has Canadian non-capital loss carry forwards of approximately \$11,050,154 (March 31, 2019 – \$10,327,084) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years

Canadian		
YEAR OF EXPIRY		
2026	\$	354,237
2027		362,138
2028		675,557
2029		447,735
2030		113,279
2031		219,706
2032		730,366
2033		918,870
2034		1,019,524
2035		957,897
2036		1,318,413
2037		1,434,099
2038		1,565,166
2039		303,339
2040		629,828
TOTAL	\$	11,050,154

The Company has net operating loss carry forwards of approximately \$17,738,847 (2019 - \$15,664,196) which may be carried forward to apply against future year income tax for US tax purposes.

US		
YEAR OF EXPIRY		
2029	\$	149,947
2030		666,481
2031		1,196,478
2032		1,430,513
2033		1,524,800
2034		3,122,133
2035		1,146,426
2036		1,219,231
2037		4,297,289
2038		777,597
2039		1,093,746
2040		1,114,207
	\$	17,738,847

17. EVENT AFTER THE REPORTING PERIOD

Subsequent to the year ended March 31, 2020, 1,300,000 options expired unexercised on May 4, 2020.