REDSTAR GOLD CORP.

(AN EXPLORATION STAGE COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 JUNE 2016

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Stated In Canadian Funds

The accompanying unaudited condensed interim consolidated 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 condensed interim consolidated financial statements in accordance with standards established by the Canadian Organization of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

TABLE OF CONTENTS

Management's Responsibility

To the Shareholders of Redstar Gold Corp:

Management is responsible for the preparation and presentation of the accompanying condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management, and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Organization of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

We draw attention to Note 1 in the condensed interim consolidated financial statements which indicates the existence of a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern.

8/18/2016

"Peter Ball"	*"Grant T. Smith"*
Peter Ball, CEO	Grant T. Smith, CFO

REDSTAR GOLD CORP. **Statement 1**

Canadian Funds

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2016	31 March 2016
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 635,709**	$ 101,892
Marketable securities	(7)	**36,804**	30,232
Amounts receivable		**11,267**	7,052
Prepaid amounts and advances		**21,944**	19,767
		705,724	158,943
Non-current Assets			
Deposit		**7,428**	7,428
Reclamation bond		**19,973**	19,914
Exploration and evaluation assets	(8)	**3,930,823**	3,845,717
Intangible assets	(9)	**6,709**	7,253
Equipment	(10)	**10,522**	11,582
		3,975,455	3,891,894
		$ 4,681,179	$ 4,050,837
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		**$ 43,151**	$ 158,909
Due to related parties	(13)	**15,139**	91,650
		58,290	250,559
EQUITY *(STATEMENT 3)*			
Share capital		**24,079,508**	23,174,062
Contributed surplus - warrants		**1,471,838**	1,257,299
Contributed surplus - options		**2,848,066**	2,847,096
Accumulated other comprehensive income		**3,225**	(3,347)
Deficit		**(23,779,748)**	(23,474,832)
		4,622,889	3,800,278
		$ 4,681,179	$ 4,050,837

Nature of operations and going concern	(1)	Segmented disclosure	(14)
Basis of preparation - statement of compliance	(2)	Subsequent events	(15)
Capital management	(11)		

The condensed interim consolidated financial statements were approved by the Board of Directors on 8/18/2016 and were signed on its behalf by:

"Peter Ball"
Peter Ball, Director

"Robert McLeod"
Robert McLeod, Director

REDSTAR GOLD CORP.

Statement 2

Canadian Funds

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Note		Three months ended 30 June 2016		Three months ended 30 June 2015 (Restated – See Note 5)
CONTINUING OPERATIONS					
EXPENSES					
Exploration and Evaluation					
Resource property expense	(8)	**$**	**187,498**	$	916,685
General and Administrative					
Consulting			**68,250**		46,050
Investor relations			**13,015**		64,365
Audit and legal			**11,024**		28,928
Insurance			**6,861**		9,243
Office operations			**6,386**		2,809
Rent			**4,500**		-
Amortization			**1,604**		2,057
Travel and promotion			**1,103**		1,617
Share-based payments	(12)		**970**		57,631
Transfer agent			**735**		1,493
Regulatory fees			**23**		1,450
			114,471		215,643
Other (Income) Expense					
Loss on foreign exchange			**2,946**		3,687
Interest (income)			**1**		(567)
			2,947		3,120
Net Loss for the Period			**304,916**		1,135,448
Other Comprehensive Income					
Unrealized loss (gain) on available-for-sale securities			**6,572**		4,211
Comprehensive Loss for the Period		**$**	**311,488**	$	1,139,659
Basic and Diluted Loss per Common Share		**$**	**0.00**	$	0.00
Weighted Average Number of Shares Outstanding			**212,854,754**		180,828,093

The accompanying notes form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares	Amount	Warrant	Options	Accumulated Other Comprehensive Income	Deficit	Shareholders' Equity
BALANCE 01 APRIL 2015	180,828,093 $	22,467,382 $	1,257,299 $	2,602,054 $	(108,336)$	(21,148,750)$	5,069,649
Unrealized loss on marketable securities	-	-	-	-	(4,211)	-	(4,211)
Share-based payments	-	-	-	57,631	-	-	57,631
Net loss for the period	-	-	-	-	-	(1,135,448)	(1,135,448)
BALANCE 30 JUNE 2015	180,828,093 $	22,467,382 $	1,257,299 $	2,659,685 $	(112,547)$	(22,284,198)$	3,987,621
Shares issued for cash	18,750,000	750,000	-	-	-	-	750,000
Share issuance costs	-	(9,720)	-	-	-	-	(9,720)
Unrealized loss on marketable securities	-	-	-	-	(16,150)	-	(16,150)
Share-based payments	-	-	-	7,759	-	-	7,759
Net loss for the period	-	-	-	-	-	(347,892)	(347,892)
BALANCE 30 SEPTEMBER 2015	199,578,093 $	23,207,662 $	1,257,299 $	2,667,444 $	(128,697)$	(22,632,090)$	4,371,618
Share issuance costs	-	(33,600)	-	-	-	-	(33,600)
Unrealized loss on marketable securities	-	-	-	-	(5,708)	-	(5,708)
Share-based payments	-	-	-	4,312	-	-	4,312
Net loss for the period	-	-	-	-	-	(289,155)	(289,155)
BALANCE 31 DECEMBER 2015	199,578,093 $	23,174,062 $	1,257,299 $	2,671,756 $	(134,405)$	(22,921,245)$	4,047,467
Share-based payments	-	-	-	175,340	-	-	175,340
Unrealized loss on marketable securities	-	-	-	-	131,058	-	131,058
Net loss for the period	-	-	-	-	-	(553,587)	(553,587)
BALANCE 31 MARCH 2016	199,578,093 $	23,174,062 $	1,257,299 $	2,847,096 $	(3,347) $	(23,474,832) $	3,800,278

The accompanying notes form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Shares	Amount	Warrant	Options	Accumulated Other Comprehensive Income	Deficit	Shareholders' Equity
BALANCE 01 APRIL 2016	**199,578,093**	**$ 23,174,062**	**$ 1,257,299**	**$ 2,847,096**	**$ (3,347)**	**$ (23,474,832)**	**$ 3,800,278**
Units issued in private placement	**19,085,200**	**930,543**	**214,539**	**-**	**-**	**-**	**1,145,082**
Unit issuance costs	**-**	**(25,097)**	**-**	**-**	**-**	**-**	**(25,097)**
Share-based payments	**-**	**-**	**-**	**970**	**-**	**-**	**970**
Unrealized loss on marketable securities	**-**	**-**	**-**	**-**	**6,572**	**-**	**6,572**
Net loss for the period	**-**	**-**	**-**	**-**	**-**	**(304,916)**	**(304,916)**
BALANCE 30 JUNE 2016	**218,663,293**	**$ 24,079,508**	**$ 1,471,838**	**$ 2,848,066**	**$ 3,225**	**$ (23,779,748)**	**$ 4,622,889**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Three months ended 30 June 2016	Three months ended 30 June 2015 (Restated – See Note 5)
OPERATING ACTIVITIES			
Loss for the Period		**$ (304,916)**	$ (1,135,448)
Items not Affecting Cash			
Amortization		**1,604**	2,057
Share-based payments	(12)	**970**	57,631
Unrealized loss on foreign exchange		**(59)**	-
		(302,401)	(1,075,760)
Net Change in Non-cash Working Capital			
Amounts receivable		**(4,215)**	(5,877)
Prepaid amounts and advances		**(2,177)**	9,243
Accounts payable and accrued liabilities		**(115,758)**	(34,720)
Due to related parties		**(76,511)**	(12,643)
		(198,661)	(43,997)
		(501,062)	(1,119,757)
INVESTING ACTIVITIES			
Acquisition of exploration assets	(8)	**(85,106)**	(7,432)
FINANCING ACTIVITIES			
Issuance of units, net of issuance costs	(12)	**1,119,985**	-
Net Increase in Cash and Cash Equivalents		**533,817**	(1,127,189)
Cash position – beginning of period		**101,892**	1,311,090
Cash Position – End of Period		**$ 635,709**	$ 183,901

The accompanying notes form an integral part of these condensed interim consolidated financial statements

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

Redstar Gold Corp. (the "Company" or "Redstar") is engaged in the acquisition, exploration, and development of mineral properties in North America. The Company is incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is Suite 1710, 1177 West Hastings Street, Vancouver, BC, V6E 2L3.

These condensed interim consolidated financial statements (the "Financial Statements") have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions that 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.

Management has estimated that the Company has sufficient financing to complete current work plans; however, expanded and future development will require additional financing in order to complete all planned exploration and other programs during the year ending 31 March 2017. If funds are unavailable on terms satisfactory to the Company, some or all planned activities may be cancelled or postponed.

Rounded to 000's		**30 June 2016**		31 March 2016
Working capital surplus (deficit)	**$**	**647,000**	$	(92,000)
Accumulated (deficit)	**$**	**23,800,000**	$	(23,475,000)

2) Basis of preparation – statement of compliance

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. 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 31 March 2016.

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 31 March 2016.

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 critical accounting estimates and judgements 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, please refer to the Company's audited annual consolidated financial statements for the year ended 31 March 2016.

5) Change in accounting policy

During the year ended 31 March 2016, the Company changed its accounting policy for exploration and evaluation costs. In prior years, the Company capitalized acquisition costs of mineral properties and deferred exploration and evaluation expenditures directly related to specific mineral properties, net of recoveries received. Under the new policy, property exploration costs incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred. Exploration costs also include exploration license and maintenance fees which are paid on a yearly basis. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. Management believes that this treatment provides a more accurate depiction of the asset base of the Company prior to establishing the economic feasibility of its resource base.

The Company has accounted for this change in accounting policy on a retrospective basis with a restatement of the opening deficit balance and the exploration and evaluation asset for the prior period presented as if the new accounting policy had always been applied. The impact of this change is as follows:

		30 June 2015 As previously reported		Restatement		30 June 2015 As restated
CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
Exploration and evaluation assets	$	8,940,236	$	(5,118,817)	$	3,821,419
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS						
Exploration expenditures	$	-	$	916,685	$	916,685
Net loss for the period	$	218,763	$	916,685	$	1,135,448
Comprehensive loss for the period	$	222,974	$	916,685	$	1,139,659
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY						
Deficit – beginning of period	$	16,946,619	$	4,202,131	$	21,148,750
Deficit – end of period	$	17,165,382	$	5,118,816	$	22,284,198
CONSOLIDATED STATEMENT OF CASH FLOWS						
Loss for the period	$	218,763	$	916,685	$	1,135,448
Exploration asset expenditures	$	(916,685)	$	916,685	$	-

6) Financial instruments and risk management

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Consolidated Statement of Financial Position are carried at amortized cost with the exception of marketable securities, which are carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 30 June 2016 and 31 March 2016.

The fair value of the Company's marketable securities 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.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, marketable securities, amounts receivable, accounts payable and accrued liabilities, and due to related parties. As at 30 June 2016 and 31 March 2016, the carrying value of cash and cash equivalents is fair value. Marketable securities are marked to fair value at each financial statement reporting date. Amounts receivable, 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.

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

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going general and exploration expenditures. The Company is not exposed to significant foreign currency risk, as a 5% shift in foreign exchange rates would result in an impact of approximately CAD $7,000. At 30 June 2016, the Company held currency totalling the following:

Canadian (Dollars)	US (Dollars)
$531,000	$80,000

g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at 30 June 2016, the Company had a cash balance of $635,709 to settle current liabilities of $58,290.

7) Marketable securities

31 March 2016	Shares		Cost		Accumulated Unrealized Gain (Loss)		Total
Palisades Ventures Inc. (i)	5,555	$	30,000	$	-	$	306
Confederation Minerals Ltd.	650,000		56,250		-		29,250
True Grit Resources Ltd.	40,000		70,400		-		100
Brocade Metals Corp.	320,000		4		-		4
American Potash Corp. (ii)	11,443		5,722		-		572
		$	162,376	$	-	$	30,232

30 June 2016	Shares		Cost		Accumulated Unrealized Gain (Loss)		Total
Palisades Ventures Inc. (i)	**5,555**	**$**	**30,000**	**$**	**(28)**	**$**	**278**
Confederation Minerals Ltd.	**650,000**		**56,250**		**6,500**		**35,750**
True Grit Resources Ltd.	**40,000**		**70,400**		**100**		**200**
Brocade Metals Corp.	**320,000**		**4**		**-**		**4**
American Potash Corp. (ii)	**11,443**		**5,722**		**-**		**572**
		$	**162,376**	**$**	**6,572**	**$**	**36,804**

(i) Formerly, Uranium Standard Resources Ltd. On 27 November 2015, Palisades Ventures Inc. consolidated its shares on a basis of two existing shares for one new share. Units have been retrospectively restated to reflect the consolidation.

(ii) Formerly, Magna Resources Ltd. On 25 January 2016, American Potash Corp. consolidated its shares on a basis of five existing shares for one new share. Units have been retrospectively restated to reflect the consolidation.

For the year ended 31 March 2016, the Company has impaired $129,544 of marketable securities and recorded in profit and loss due to prolonged significant decrease in fair value. As at year-end, the Company has $nil of unrealized loss on marketable securities recorded in accumulated other comprehensive income.

8) Exploration and evaluation assets

The Company has interests in mineral properties; the details of which follow for the three month periods ended 30 June 2016 and 2015.

PROPERTY ACQUISITION COSTS	31 March 2016	Acquisition costs	30 June 2016
Alaska			
Unga/Popof	$ 3,733,879	**$ 85,106**	**$ 3,818,985**
Nevada			
Seven Devils	139,648	**-**	**139,648**
Painted Hills	32,701	**-**	**32,701**
Larus	20,943	**-**	**20,943**
Long Island	17,866	**-**	**17,866**
Gold Cloud	7,545	**-**	**7,545**
Queens	2,110	**-**	**2,110**
Oasis	704	**-**	**704**
Baker Spring	(7,237)	**-**	**(7,237)**
Cooks Creek	(34,308)	**-**	**(34,308)**
Richmond Summit	(37,278)	**-**	**(37,278)**
Root Spring	(60,162)	**-**	**(60,162)**
	82,532	**-**	**82,532**
Canada			
Newman Todd	29,306	**-**	**29,306**
Total	$ 3,845,717	**$ 85,106**	**$ 3,930,823**

EXPLORATION EXPENDITURES	Alaska	Nevada	Canada	Total
Drilling	$ 368,647	$ -	$ -	$ 368,647
Geological	233,611	-	-	233,611
Supplies and materials	132,505	-	-	132,505
Travel and accommodation	89,058	-	-	89,058
Equipment rental	57,749	-	-	57,749
Assaying	35,115	-	-	35,115
Three months ended 30 June 2015	$ 916,685	$ -	$ -	$ 916,685
Geological	**$ 60,910**	**$ 1,289**	**$ -**	**$ 62,198**
Drilling	**56,005**	**-**	**-**	**56,005**
Admin and camp	**53,268**	**-**	**-**	**53,268**
Travel and accommodation	**16,026**	**-**	**-**	**16,026**
Three months ended 30 June 2016	**$ 186,209**	**$ 1,289**	**$ -**	**$ 187,498**

PROPERTY BY REGION		Three months ended 30 June 2016		Three months ended 30 June 2015
Alaska				
Unga/Popof	**$**	**186,209**	$	916,685
Nevada				
Nevada General		**1,289**		-
Canada				
Newman Todd		**-**		-
Total	**$**	**187,498**	$	916,685

a) Alaska Properties, USA

Unga Property

On 19 May 2011, the Company entered into an option agreement with NGAS Production Co. ("NGAS"), a subsidiary of Magnum Hunter Resources Corp. ("Magnum"), to acquire, subject to underlying advance royalty payments of US$2,000 per month to a maximum of US$450,000, a 100% interest in the Unga Project, in consideration for making the following payments:

		Cash ($US)		Shares ($US) [(i)]
19 May 2011	$	100,000 [(ii)]	$	-
30 June 2011		-		250,000 [(iii)]
15 July 2011		500,000 [(ii)]		-
01 January 2012		200,000 [(ii)]		250,000 [(iii)]
	$	800,000	$	500,000

(i) The Company must issue in common shares the equivalent dollar-value as stated above.
(ii) Paid
(iii) Issued

In addition, at the option of NGAS, a final option payment of US$1,500,000 in cash (US$1,000,000 on or before 1 September 2012 and US$500,000 on or before 1 September 2013) or the number of common shares of the Company equivalent to US$1,500,000 on or before 1 October 2012.

On 31 August 2012, NGAS elected to be paid US$1,000,000 in cash on 1 September 2012 (paid) and US$500,000 in cash on or before 1 September 2013 (collectively, the "Payments"). With respect to the US$1,000,000 due 1 September 2012, NGAS granted the Company an extension of 180 days from and after 1 September 2012 to make the US$1,000,000 payment due to NGAS, in consideration for making cash payment to NGAS of US$100,000 on signing of the extension agreement (paid), and issuing in the aggregate 875,000 shares in stages, as to 125,000 shares on the TSX approval of the extension agreement (issued), and 125,000 shares each on the 30th, 60th, 90th, 120th, 150th and 180th days after 1 September 2012 (all issued).

In respect of the US$1,000,000 originally due on 1 September 2012 and subsequently extended to February 28, 2013, NGAS granted the Company a second extension of 180 days to 1 September 2013, to make the US$1,000,000 payment due to NGAS, in consideration for making cash payment to NGAS of US$100,000 on signing of the extension agreement (paid) and share issuances to NGAS of 125,000 shares on the TSX approval of the extension agreement (issued), and additional staged share issuances to NGAS until such time as the Payments are made (625,000 shares issued). All commitments having been met, the Company now owns 100% of the Unga Property.

Popof Property

On 18 February 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"), which agreement is subject to force majeure due to the inability of FMM to finalize the last Underlying Agreement. Under the terms of the LOI, the Company may acquire a 100% undivided interest in the property, upon issuance of 4,000,000 shares and payment of a total of US$50,000 (US$10,000 paid) to FMM, subject to regulatory approval, completion of a definitive agreement including the consent of TAC to the assignment, and satisfying the Underlying Agreements. The LOI supersedes all other agreements with FMM in respect of the property.

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

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

(i) 8 September 2014

(ii) Paid or issued

(iii) Incurred

b) Nevada Properties, USA

AngloGold-Ashanti Agreements

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

Nevada Properties and AngloGold royalty

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

24 January 2014 Agreement – Nevada Projects

On 24 January 2014, the Company entered into an option-to-purchase agreement with True Grit, pursuant to which True Grit can acquire 100% of the Company's assets in Nevada, comprised of 10 of the projects (the "Projects") in Nevada (including the Cooks Creek Property, and excluding the Root Spring Property as well as the AngloGold-Ashanti database (the "Database")) owned by the Company, in consideration for making the following staged cash payments and share issuances, and incurring in stages the following exploration expenditures:

	Cash	Shares	Exploration Expenditures on Projects
Within five business days of the effective date (i)	$ 50,000 (ii)	500,000 (ii)	$ -
On or before 20 February 2015	50,000	500,000	250,000
On or before 20 February 2016	50,000	500,000	250,000
On or before 20 February 2017	50,000	1,000,000	250,000
	$ 200,000	2,500,000	$ 750,000

(i) Effective date: 20 February 2014
(ii) Received

The agreement also provides for additional cash and shares to be received on completion of any bankable feasibility in connection with the Projects, as well as a net smelter royalty ranging from 1% to 2.5%, of which True Grit can purchase 50% for $1,000,000 for a period of up to two years after the commencement of commercial production. The Agreement supersedes the prior option agreement in respect of the Cooks Creek Property.

21 December 2015 True Grit Agreement – Nevada Projects

On 21 December 2015, True Grit agreed to the termination of the Agreement. In connection with the termination, True Grit also transferred to Redstar ownership of the reclamation bond on the Cooks Creek Property in the amount of USD $15,353.

24 February 2014 Agreement – Digital Copy of Database

On 24 February 2014, the Company entered into a purchase agreement with Renaissance Gold Inc., to sell a digital copy of the Database, in consideration for $60,000 (received).

Root Spring Property – Option Agreement

On 6 June 2011, the Company entered into an option agreement, subsequently amended in October, 2012 and November, 2013 (the “Amending Agreement”), with Brocade Metals Corp. (“Brocade”), whereby Brocade has the option to earn a 70% interest in the property in consideration for the following:

	Cash	Shares	Exploration Expenditures on Projects
On signing of the agreement	$ 20,000 (i)	100,000 (i)	$ -
On or before 31 December 2011	30,000 (i)	100,000 (i)	100,000 (ii)
On or before 31 December 2012	30,000 (i)	60,000 (i)	400,000 (ii)
On execution of Amending Agreement	5,000 (i)	-	-
On or before 31 December 2013	-	60,000 (i)	-
On or before 31 December 2014	38,333	60,000	500,000
On or before 31 December 2015	38,333	60,000	750,000
On or before 31 December 2016	38,333	60,000	1,250,000
	$ 199,999	500,000	$ 3,000,000

(i) Received
(ii) Incurred

During the year ended 31 March 2015, the Company was advised by Brocade that it was terminating the Option Agreement on the Root Springs Property.

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 19 November 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.

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

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

(i) Received
(ii) Incurred

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

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

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

9) Intangible assets

		Computer Software
COST OR DEEMED COST		
Balance at 01 April 2015	$	10,986
Additions		-
Balance at 31 March 2016	$	10,986
Additions		**-**
Balance at 30 June 2016	**$**	**10,986**
ACCUMULATED DEPRECIATION		
Balance at 01 April 2015	$	625
Depreciation for the period		**3,108**
Balance at 31 March 2016	**$**	**3,733**
Depreciation for the period		**544**
Balance at 30 June 2016	**$**	**4,277**
CARRYING AMOUNTS		
At 31 March 2016	$	7,253
At 30 June 2016	**$**	**6,709**

10) Equipment

		Computers		Equipment		Vehicles		Total
COST OR DEEMED COST								
Balance at 01 April 2016 and 30 June 2016	**$**	**77,911**	**$**	**27,016**	**$**	**29,100**	**$**	**134,027**
ACCUMULATED DEPRECIATION								
Balance at 01 April 2015	$	70,161	$	22,472	$	24,691	$	117,324
Depreciation for the period		2,325		908		1,888		5,121
Balance at 31 March 2016	$	72,486	$	23,380	$	26,579	$	122,445
Depreciation for the period		**407**		**182**		**471**		**1,060**
Balance at 30 June 2016	**$**	**72,893**	**$**	**23,562**	**$**	**27,050**	**$**	**123,505**
CARRYING AMOUNTS								
At 31 March 2016	$	5,425	$	3,636	$	2,521	$	11,582
At 30 June 2016	**$**	**5,018**	**$**	**3,454**	**$**	**2,050**	**$**	**10,522**

11) 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.

12) Share capital

a) Authorized: Unlimited common shares without par value.

b) Issued or allotted and fully paid:

<u>During the period ended 30 June 2016:</u>

The Company closed, on 29 April 2016, a non-brokered private placement of 19,085,200 units (the "Units") at a price of $0.06 per Unit for gross proceeds of $1,145,112. Each Unit consisted of one common share and one common share purchase warrant. Each whole Warrant can be exercised into one common share of the Company at a price of $0.14 per share for a period of three years from the date of closing.

<u>During the year ended 31 March 2016:</u>

On 9 September 2015, the Company closed a non-brokered private placement and issued 18,750,000 common shares at a value of $0.04 per share, raising gross proceeds of $750,000. The Company recorded $43,320 of share issuance cost.

c) Stock options

The Company has a 10% stock option plan for its directors, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. The maximum term of the options is 5 years.

On 4 May 2015, Redstar announced that it has granted an aggregate of 2,700,000 incentive stock options to officers, directors, and consultants of the Company. 500,000 of these options are exercisable at $0.09 per share for a period of two years from the date of grant with one quarter of the options vesting immediately, one quarter vesting after six months, one quarter vesting after nine months and one quarter vesting after twelve months. The remaining 2,200,000 options are exercisable at $0.06 per share for a period of five years from the date of grant with all options vesting immediately.

On 25 January 2016, the Company granted 2,500,000 incentive stock options to an officer of the Company. These options are exercisable at $0.05 per share for a period of five years from the date of grant with all options vesting immediately.

On 2 March 2016, the Company granted 5,400,000 incentive stock options to officers, directors, and consultants of the Company. 5,200,000 of these options are exercisable at $0.05 per share for a period of five years from the date of grant, with all options vesting immediately. The remaining 200,000 options are exercisable at $0.05 per share for a period of two years from the date of grant, with all options vesting immediately.

On 4 May 2015 and 27 May 2015, the Company cancelled 4,705,000 and 880,000 incentive stock options, respectively.

Stock option activity during the period is summarized as follows:

STOCK OPTION ACTIVITY	30 June 2016	Weighted Average Exercise Price	31 March 2016	Weighted Average Exercise Price
Balance – Beginning of Period	**13,590,000**	**0.06**	9,150,000	0.16
Granted	-	-	10,600,000	0.05
Expired	-	-	(575,000)	0.20
Cancelled	-	-	(5,585,000)	0.19
Balance – End of Period	**13,590,000**	**0.06**	13,590,000	0.06

Stock-based compensation for the options that vested during the year is as follows:

	30 June 2016	31 March 2016
Number of options vested	**65,782**	11,212,500
Compensation recognized	**$ 970**	$ 245,042

	30 June 2016	31 March 2016
The outstanding options have a weighted-average exercise price of:	**$ 0.06**	$ 0.06
The weighted average remaining life of the outstanding options is:	**3.89**	4.14

As at 30 June 2016 and 31 March 2016 the Company had the following stock options outstanding:

Expiry date	Exercise Price	30 June 2016 Outstanding	30 June 2016 Exercisable	31 March 2016 Outstanding
18 May 2017	**0.29**	**200,000**	**200,000**	200,000
26 July 2017	**0.20**	**400,000**	**400,000**	400,000
30 September 2018	**0.10**	**540,000**	**540,000**	540,000
30 April 2019	**0.06**	**450,000**	**450,000**	450,000
10 September 2019	**0.06**	**1,000,000**	**750,000**	1,000,000
29 October 2019	**0.06**	**400,000**	**300,000**	400,000
4 May 2017	**0.09**	**500,000**	**500,000**	500,000
4 May 2020	**0.06**	**2,200,000**	**2,200,000**	2,200,000
25 January 2021	**0.05**	**2,500,000**	**2,500,000**	2,500,000
21 March 2021	**0.05**	**5,200,000**	**5,200,000**	5,200,000
02 March 2018	**0.05**	**200,000**	**200,000**	200,000
		13,590,000	**13,240,000**	13,590,000

d) Share-based payments

For the period ended 30 June 2016 and the year ended 31 March 2016, the Company issued stock options to its directors, officers, employees, and consultants and recognized stock-based compensation as follows:

	30 June 2016	31 March 2016
Total Options Granted	-	10,600,000
Average exercise price	$ -	$ 0.05
Estimated fair value of compensation	$ -	$ 233,268
Estimated fair value per option	$ -	$ 0.02

The fair value of the stock-based compensation of options to be recognized in the accounts has been estimated using the Black-Scholes Model with the following weighted-average assumptions:

	30 June 2016	31 March 2016
Risk free interest rate	**N/A**	0.60%
Expected dividend yield	**N/A**	0.00%
Expected stock price volatility	**N/A**	65-78%
Expected option life in years	**N/A**	2.0-3.5
Expected maturity rate	**N/A**	70-100%

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.

e) Warrants

On 29 April 2016, the Company issued 19,085,200 share purchase warrants in connection with a private placement. The warrants are exercisable for a period of three years from the date of closing at a price of $0.14 per warrant.

On 27 May 2015, the Company extended the expiration date of the 27,566,666 warrants issued on 27 May 2014 from 27 May 2015 to 27 August 2015.

WARRANT ACTIVITY	30 June 2016		Weighted Average Exercise Price	31 March 2016		Weighted Average Exercise Price
Balance – Beginning of Year	**66,950,030**	$	**0.11**	94,516,696	$	0.11
Issued	**19,085,200**		**0.14**	-		-
Expired	**-**		**-**	(27,566,666)		0.25
Balance – End of Year	**86,035,230**	$	**0.11**	66,950,030	$	0.11

Date of Issuance	Date of Expiry	Exercise Price	30 June 2016 Outstanding	31 March 2016 Outstanding
21 October 2014	21 October 2016	0.10	**39,383,363**	39,383,363
27 May 2014	27 November 2016	0.12	**27,566,667**	27,566,667
29 April 2016	3 May 2019	0.14	**19,085,200**	-
			86,035,230	66,950,030

13) Related party transactions

RELATED PARTY DISCLOSURE

Name and Principal Position	Fiscal Period(i)		Remuneration or Fees(ii)		Amounts Payable
Ariston Capital Corp., a company controlled	**2016**	**$**	**40,000**	**$**	-
by the CEO – consulting fees	2015	$	-	$	-
Clearline, a company of which the CFO is a director	**2016**	**$**	**15,750**	**$**	**6,806**
CFO – consulting fees	2015	$	-	$	9,500
Director and Chairman of the Board	**2016**	**$**	**12,500**	**$**	**8,333**
	2015	$	12,500	$	8,333

(i) For three month periods ended 30 June 2016 and 30 June 2015.
(ii) Remuneration or fees were paid or accrued to the related party.

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

14) Segmented disclosure

Rounded to 000's		Canada	United States	Total
30 June 2016				
Current assets	**$**	**701,000**	**5,000**	**706,000**
Non-current Assets				
Non-current deposit		**7,000**	**-**	**7,000**
Exploration and evaluation assets		**29,000**	**3,902,000**	**3,931,000**
Reclamation bond		**-**	**20,000**	**20,000**
Intangible assets		**7,000**	**-**	**7,000**
Equipment		**8,000**	**3,000**	**11,000**
Liabilities				
Current liabilities		**58,000**	**-**	**58,000**
31 March 2016				
Current assets	$	154,000	5,000	159,000
Non-current Assets				
Non-current deposit		7,000	-	7,000
Reclamation bond		-	20,000	20,000
Exploration and evaluation assets		29,000	3,816,000	3,846,000
Intangible assets		7,000	-	7,000
Equipment		9,000	3,000	12,000
Liabilities				
Current liabilities		251,000	-	251,000

15) Subsequent events

On 2 August 2016, the Company announced that it has entered into a Letter of Intent ("LOI") with NV Gold Corporation ("NVX") setting forth the terms under which NVX intends to acquire 100% of Redstar's exploration assets in Nevada, subject to completion of due diligence, the finalization of a definitive agreement governing the acquisition, and receipt of all necessary regulatory approval. These assets consist of a 100% interest (less existing net smelter royalties) in eleven exploration projects in Nevada (the "Projects"), as well as the AngloGold-Ashanti database (the "Database") purchased by Redstar in 2008.

Under the terms of the LOI, Redstar and NVX propose to enter into a definitive acquisition agreement under which NVX will acquire the Projects and the Database in consideration of NVX issuing Redstar 6,000,000 common shares of NVX and Redstar having the right to name two of a proposed six member board of NVX. Under the definitive agreement, NVX will also be required to raise $350,000 within 90 days of completion of the definitive agreement or else NVX must return the Projects and Database to Redstar in exchange for Redstar returning 95% of the shares of NVX it receives under the acquisition. If, after NVX raises the $350,000, Redstar owns less than 29.9% of the outstanding shares of NVX, NVX would be required to issue Redstar additional shares of NVX to increase Redstar's shares ownership of NVX to 29.9%.