



REDSTAR GOLD CORP.

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED December 31, 2019**

OVERVIEW AND INTRODUCTORY COMMENT

Redstar Gold Corp. (“Redstar” or the “Company”) is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in North America. The Company is incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is 800-855 West Georgia Street, Vancouver, BC, V6C 3H1. The Company is focused on High-Grade Gold Projects in the Americas with low geo-political risk, and currently advancing the Unga Gold Project in Alaska, USA. The Company is listed on the TSX Venture Exchange under the symbol “RGC”.

This MD&A is dated February 12, 2020 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the nine months ended December 31, 2019 and the Company’s audited consolidated financial statements for the year ended March 31, 2019 and the related notes thereto.

Additional information relevant to the Company and the Company’s activities can be found on SEDAR at www.sedar.com, and/or on the Company’s website at www.redstargold.com.

MAJOR INTERIM PERIOD OPERATING MILESTONES

The Unga Property, Alaska, USA

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” on Unga and Popof Islands located at the centre of the Aleutian Arc. The Agreement runs for a period of eight (8) years allowing Redstar to conduct sub-surface work including drilling, trenching and sampling which permits the Company to advance the numerous areas of mineral showings on the islands which number in excess of 38 distinct prospects including the SH-1 Zone (formerly the Shumagin Zone).



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	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
	\$710,000	\$5,000,000

^(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

On August 27, 2019, the Company announced that its technical team had been mobilized to the Unga Gold Project to commence the next phase of exploration. The program's priority was to define drill targets in areas previously shown to contain gold including the Shumagin and Apollo-Sitka Trends on Unga Island, the Centennial deposit & other gold bearing structures on Popof Island and 38 other precious metal and polymetallic prospects on Unga and Popof.

Geological Highlights of the SH-1 Zone and Shumagin Trend:

- The SH-1 Zone is currently defined over a strike length of approximately 1.7 kms by surface mapping, geophysics, sampling and drilling.
- Geological mapping and sampling towards the southwest from the core of the SH-1 Zone indicate compelling potential for expansion along strike for an additional three (3) kms towards Orange Mountain which is the interpreted hydrothermal centre along the Shumagin Trend.
- The Shumagin Trend is approximately 9.5km long and is a major regional structure responsible for the localization of epithermal mineralization and associated alteration exposed along its strike length.
- Results from the 2016 fall drill program at the SH-1 Zone, indicate that high-grade gold-silver mineralization extends along 950 meters of tested strike length. Its vertical extent remains open at depth with the deepest hole so far drilled (BMS-01 drilled in 1990) intersecting 5.49m of 24.02g/t Au and 19.40g/t Ag at 310 meters down-hole.

The program involved structural mapping as recommended by epithermal geology expert Professor Jeffrey Hedenquist Ph.D. in a report submitted to Redstar following his visit to the project. In addition, Redstar conducted selective geophysical and geochemical surveys to support the mapping campaign with the object of generating targets that would consistently intersect high grade gold bearing rock through the next phase of drilling.



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 Popof Island. 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.

The agreement runs for twelve months allowing Redstar to conduct sub-surface work including drilling, trenching and bulk sampling which will permit the Company to advance the numerous gold showings on Popof.

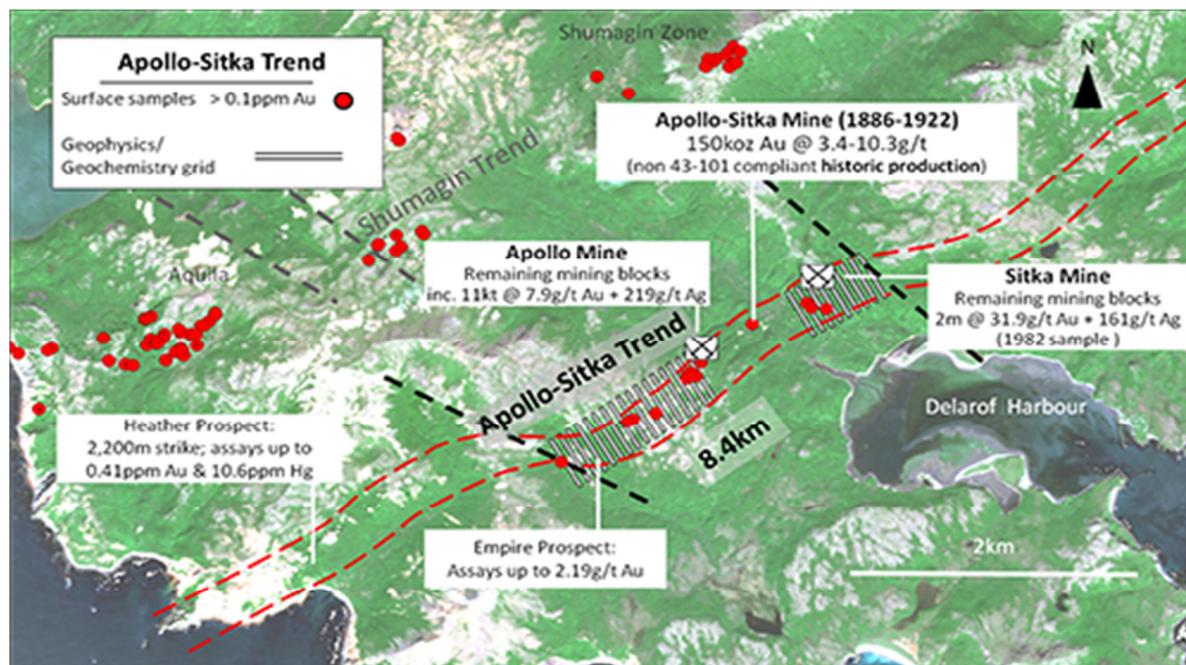
The Company continued its data compilation exercise and considered various options, including the possibility of selected partnerships, to advance the nearly 38 distinct areas of mineralization identified and defined in the recent Technical Report.

On November 7, 2019, the Company announced the completion of the Q3-Q4, 2019 work program. This work will be foundational for the next drill program. As described in the August 2018 Technical Report completed by Mine Development Associates (see SEDAR filing), the project has 35+ distinct areas where either historical mining has occurred, mineralization has been identified (sampled outcrop or drilling), or has high prospectivity which are part of a mining district containing the geological signatures of both epithermal and porphyry mineralization. The highlights of the work program are the following:

- Geophysical and geochemical surveys completed across key development areas to confirm the District Scale of the Unga Project
- Field programs designed to define additional high prospectivity drill targets at the Unga Project
- Areas targeted include projected extensions of known high grade mineralization at Apollo, Sitka & Aquila on Unga Island, and Suzy-Rhodo & SoWhat Veins and the Propalof Trend on Popof Island
- Geophysical study highlights strong correlation between radiometrics and prospective mineral extensions of the previously mined Apollo and Sitka mineralized structures
- Drill targets will be planned to test new zones to add to existing mineral inventory at the SH-1 Zone on Unga Island.

An initial assessment indicates that the Apollo-Sitka structure can be mapped under cover using gamma-ray spectrometry. This is an inexpensive, high definition tool for tracing extensions of the primary mineralization of this high grade, base and precious metal bearing structure beyond the original mine workings which produced a historically indicated 150,000 ounces of gold at a grade of 10g/t Au when in production between 1886 and 1922. It is noteworthy that the original mine only extracted oxide ore for treatment and abandoned the primary, sulphidic material as untreatable in the stamp mill that existed at that time. Assay of this abandoned material, both underground and at surface, has yielded multiple grams gold and silver, and multiple percent lead and zinc across viable underground mining widths.

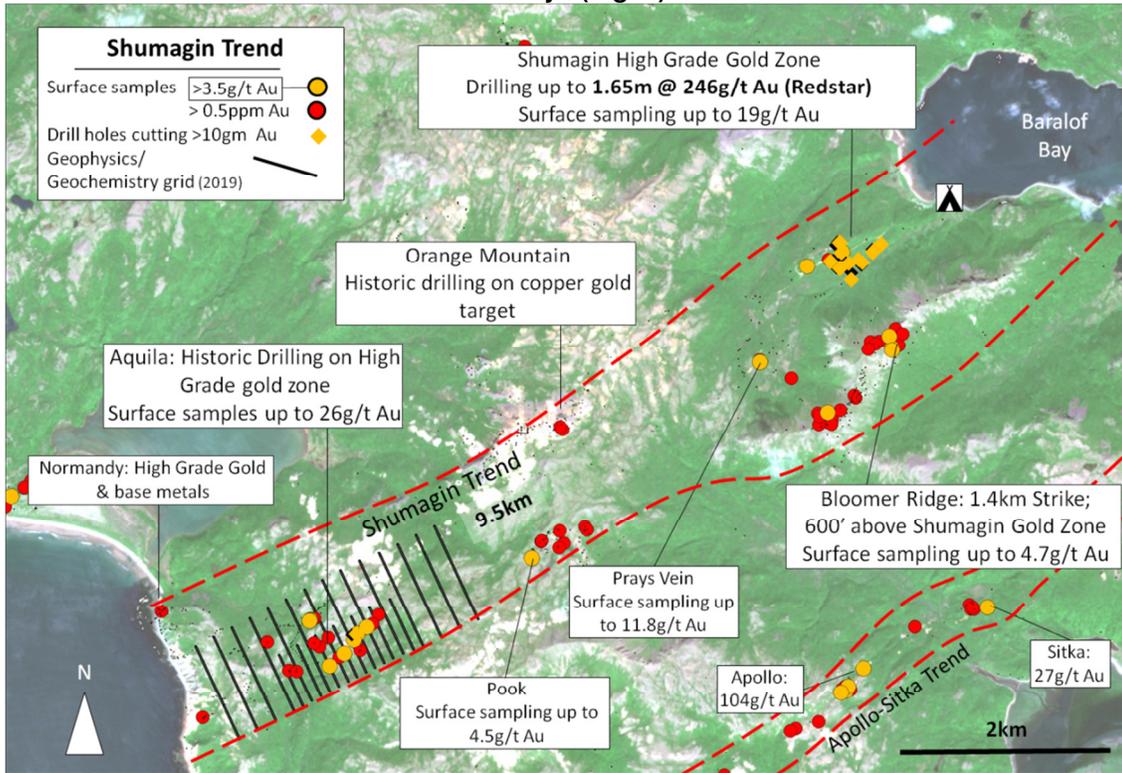
Apollo-Sitka Trend Including Extensions Of The Mined Structure Covered By Q3 2019 Geophysics And Geochemistry Surveys (Fig.1)



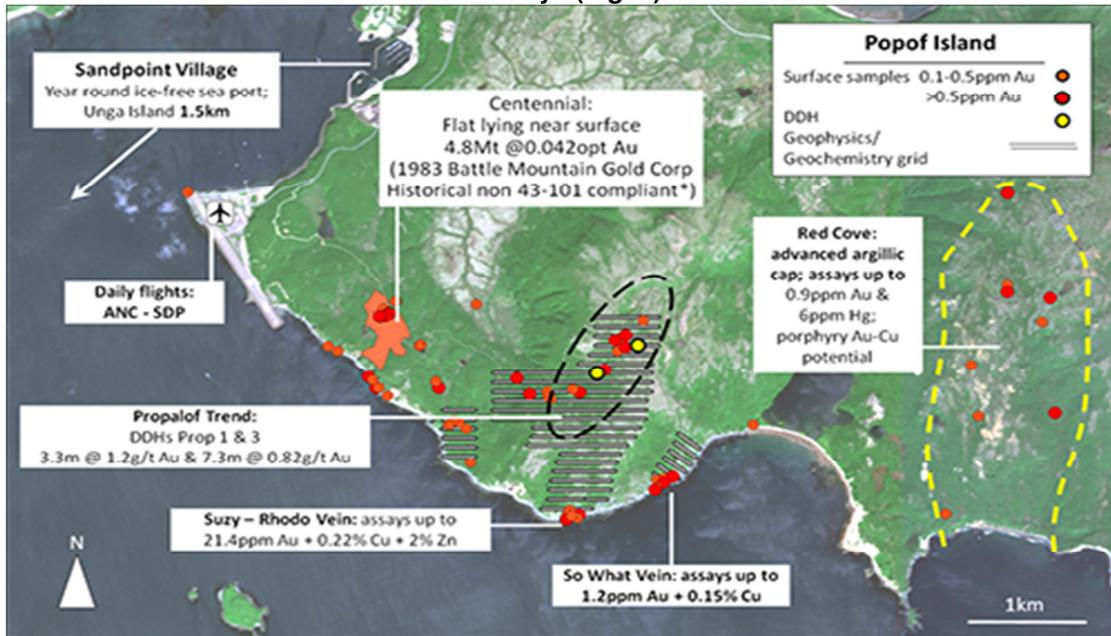
The Aquila area is being targeted to follow up on a late season drill program by Battle Mountain Gold Corporation (BMGC) in the 1980s which suffered from very poor core recovery. This was due to inappropriate drilling techniques. Several metric scale drill runs returned sludge assays bearing significantly anomalous gold, and hole AQAME02, which was shallow, terminated in a cockade textured quartz-carbonate vein that returned an assay of 0.45m grading 91g/t Au. The area has also yielded assays from surface rock sampling across quartz veins that returned highly anomalous gold and silver values. This 2019 field program was designed to better plot the locations of vein intersections in areas of structural extension where it is hoped to find similar grades to those at the SH-1 Zone high grade gold occurrence on the same structural trend.

Assays from sampling of the Suzy-Rhodo vein have returned high grade gold values in the past, but the northward extension of the vein runs undercover. This season's fieldwork attempts to "see through" that cover using geochemistry and geophysics in order to trace it and to link it to the near surface, drill-defined Centennial Zone to the northwest, and towards the Propalof Zone to the NNE where previous drilling has intersected several grams gold across a viable mining width.

Shumagin Trend Including The Aquila Area Covered By Q3 2019 Geophysical And Geochemical Surveys (Fig. 2)

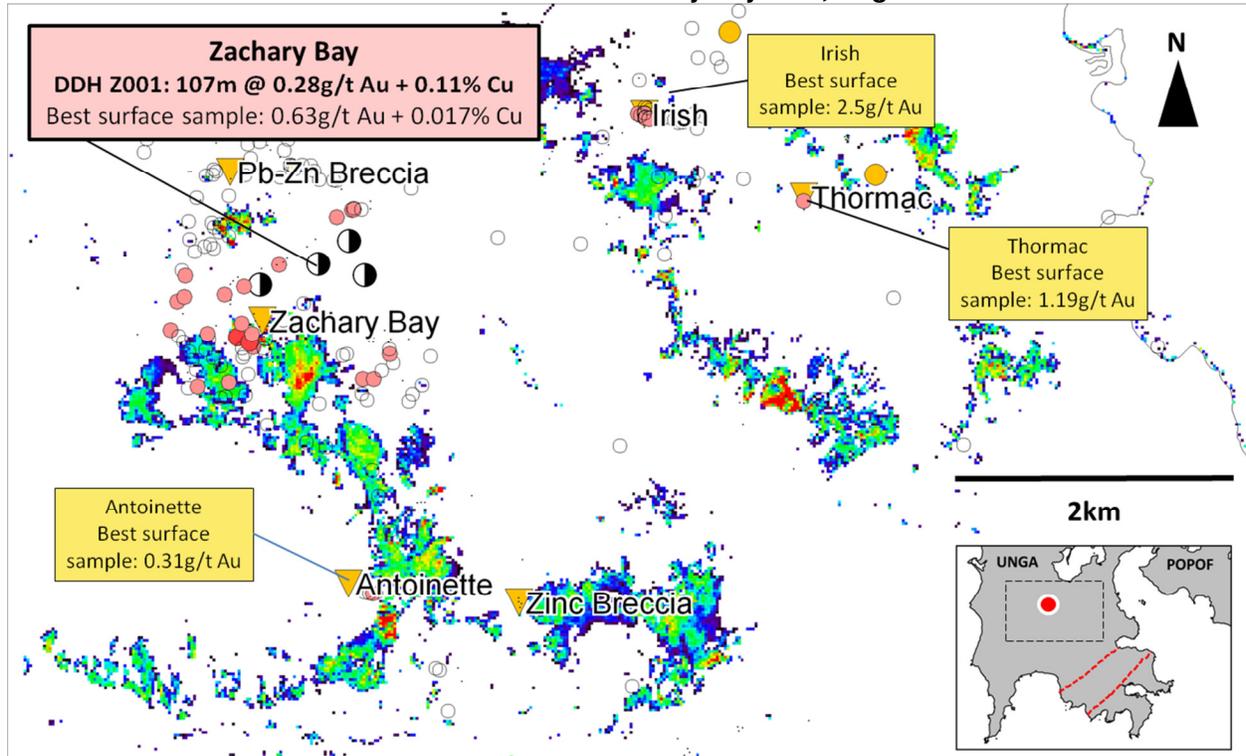


Suzy-Rhodo, Centennial & Propalof Areas Covered By Q3 2019 Geophysical And Geochemical Surveys (Fig. 3)



On December 2, 2019, the Company announced the completion of an exploration program employing interpretation of satellite data which has alteration typical of porphyry and epithermal systems in the Pacific Rim of Fire tectonic belts. This study indicates that exploration results from previous campaigns show a zone capable of hosting bulk tonnage copper and gold mineralization. This work was designed to confirm anomalies including the Zachary Bay porphyry, Thormac and Irish prospects where samples of surface rock and drill core returned anomalous gold assays as well as intervals containing copper.

Goethite mineralization at Zachary Bay area, Unga Island



On January 13, 2020, the Company announced that it identified multiple high priority drill targets on completion of a structural mapping program at Unga Project. The mapping program was focused on five distinct high prospectivity areas within the Unga Project outlined by previous drilling and surface sampling of mineralized outcrop. These targets include: the extension of the SH-1 Zone, Bloomer Ridge and Aquila on the Shumagin Trend; and brownfields targets at the Apollo and Sitka historic mine sites, as well as at Empire Ridge and Rising Sun prospects which lie along strike on the Apollo-Sitka Trend.



Highlights:

- New drill targets defined on an extension of the Shumagin zone (now called SH-1 zone) and at Bloomer Ridge and the Aquila zone on the Shumagin trend;
- Mapping program made new surface gold discoveries of 104 grams per tonne (g/t), 27 g/t, and 21 g/t gold (Au) above unmined areas at the historic Apollo mine;
- Bloomer Ridge confirmed as a prospect with structural and geochemical similarities to SH-1, with surface samples up to 4.7 g/t Au;
- Results add to understanding the structures that control gold distribution and which will guide future exploration at the Unga project;
- Redstar is working toward completing a maiden National Instrument 43-101 resource on SH-1 zone in Q1.

On February 10, 2020, the Company announced that it had completed a mineral resource estimation that has resulted in a maiden National Instrument 43-101-compliant resource within a portion of the SH-1 zone

This resource derives from the centre of the SH-1 Zone which has been traced by diamond drilling for a total of 1.7 km of strike. SH-1 is a high-grade gold zone and displays all the features of an intermediate sulfidation system including bonanza gold grades and crustiform vein textures. It is one of several known, high-grade gold occurrences on the Trend. The resource cut-off grade is based on a gold price of US\$1,450/ounce and preliminary metallurgical testing that yielded recovery rates of 87.8% for gold. The deposit is open at depth and in both directions along strike.

HIGHLIGHTS:

- 395,825 Oz Gold Eq 1 maiden resource grading 14.2 g/t gold equivalent reported on the SH-1 Zone.
- The inferred resource is contained in 866,015 tonnes at a 3.5g/t Au cut-off consisting of: 384,318oz of Gold at an avg. grade of 13.8g/t Au; and 986,321oz Silver at an avg. grade of 35.4g/t Ag.
- The mineralization outcrops at surface for 450m along strike and has been drilled to 310m down dip at the eastern end the 9.5km long Shumagin Trend.
- The SH-1 Zone's mineralization remains open along strike and at depth.
- Further targets on both the Shumagin Trend and parallel Apollo-Sitka Trend to be drill tested.

Corporate

On October 3, 2019, the Company announced that Ms. Susan Mitchell resigned from the Company's Board of Directors and Mr. Patrick Chidley joined the Board effective September 25, 2019. Ms. Susan Mitchell will continue as a consultant.

INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

During the nine months ended December 31, 2019, 19,085,200 warrants expired unexercised and 850,000 options expired unexercised. On October 29, 2019, the Company granted 8,320,000 options at \$0.05 to its directors, officers and consultants, expiring on October 28, 2024.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from equity issuances and the potential exercise of warrants and options, along with the planned developments within the Company will allow its efforts to continue throughout fiscal 2020. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.



Liquidity

As at December 31, 2019, the Company had working capital of \$1,681,724 (March 31, 2019 – \$2,308,772). As at December 31, 2019, cash totaled \$256,763, a decrease of \$1,177,718 from \$1,434,481 as at March 31, 2019. The decrease was mainly due to expenditures of \$1,302,462 from operating activities while being offset by investing activities of \$124,744.

Operations

For the nine months ended December 31, 2019 compared with the nine months ended December 31, 2018:

During the nine months ended December 31, 2019, the Company incurred \$924,571 (2018 - \$154,529) in resources property expense as the Company had an exploration program during fiscal 2020 while the Company did not have one in fiscal 2019.

Excluding the non-cash depreciation of \$3,042 (2018 - \$4,277) and share-based compensation of \$221,862 (2018 - \$Nil), the Company's general and administrative expenses amounted to \$411,622 (2018 - \$323,684), an increase of \$87,938. The change in the expenses was mainly due to increases in: (a) regulatory fees (2019 - \$14,545; 2018 - \$7,303); (b) management fees (2019 - \$240,375; 2018 - \$93,750); (c) professional fees (2019 - \$55,892; 2018 - \$32,692) and (d) travel and promotion expenses (2019 - \$13,177; 2018 - \$7,929). All such increases are a result of supporting the Company's exploration program and ongoing corporate activities. All such increases were offset by decreases in (a) insurance expense (2019 - \$8,066; 2018 - \$19,176); (b) investor relations (2019 - \$813; 2018 - \$68,230) and (c) office expenditures (2019 - \$13,155; 2018 - \$21,844).

During the nine months ended December 31, 2019, the Company reported a loss of \$1,465,028 (2018 – \$382,977), an increase of \$1,082,051 from 2018.

For the three months ended December 31, 2019 compared with the three months ended December 31, 2018:

During the three months ended December 31, 2019, the Company incurred \$261,615 (2018 - \$46,180) in resources property expense as the Company had an exploration program during fiscal 2020 while the Company did not have one in fiscal 2019.

Excluding the non-cash depreciation of \$1,014 (2018 - \$1,426) and share-based compensation of \$183,376 (2018 - \$Nil), the Company's general and administrative expenses amounted to \$125,513 (2018 - \$105,061), an increase of \$20,452. The change in the expenses was mainly due to increase in: (a) management fees (2019 - \$80,625; 2018 - \$31,250); (b) office expenses (2019 - \$4,721; 2018 - \$3,526) and (c) transfer agent expenses (2019 - \$4,086; 2018 - \$935). All such increases are a result of supporting the Company's exploration program and ongoing corporate activities. The increases were offset by decreases in (a) insurance expense (2019 - \$2,684; 2018 - \$4,317); (b) investor relations (2019 - \$2,213; 2018 - \$17,110); (c) professional fees (2019 - \$6,270; 2018 - \$11,058) and (d) travel and promotion expenses (2019 - \$394; 2018 - \$7,929).

During the three months ended December 31, 2019, the Company reported a loss of \$742,205 (2018 – \$34,281), an increase of \$707,924 from 2018.

SIGNIFICANT RELATED PARTY TRANSACTIONS

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



COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of the MD&A, the Company had no outstanding commitments.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

RISK FACTORS

In our MD&A filed on SEDAR June 27, 2019 in connection with our annual financial statements (the “Annual MD&A”), we set out our discussion of the risk factors which we believe are the most significant risks faced by Redstar. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data:

	Issued and Outstanding	
	December 31, 2019	February 12, 2020
Common shares outstanding	300,050,293	300,050,293
Stock options	17,970,000	17,970,000
Fully diluted common shares outstanding	<u>318,020,293</u>	<u>318,020,293</u>

QUALIFIED PERSON

William J. Burnett, MSc, CPG-11263, is the Company’s qualified person, and has reviewed the exploration projects described throughout the MD&A and is responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results.

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in



the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.