REDSTAR GOLD CORP.

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

DECEMBER 31, 2018

(Unaudited – Prepared by Management)

REDSTAR GOLD CORP.

Contents

REDSTAR GOLD CORP.

NOTICE OF NO AUDITOR'S REVIEW OF

CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Redstar Gold Corp. (the "Company") for the nine months ended December 31, 2018 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instruments 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

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

	Note	December 31, 2018	March 31, 2018
Assets		(Unaudited)	(Audited)
Current			
Cash and cash equivalents		$ 1,591,365	$ 2,132,353
Short-term investments	6	5,750	5,750
Marketable securities	7	1,007,126	25,465
Amounts receivable		2,463	15,787
Prepaid amounts and advances		84,292	57,761
		2,690,996	2,237,116
Non-current			
Investment in NV Gold	8	558,187	5,864,093
Reclamation bond	9	8,086	7,643
Exploration and evaluation assets	9	3,975,268	3,951,584
Intangible assets	10	2,754	3,554
Equipment	11	13,042	23,790
		4,557,337	9,850,664
		$ 7,248,333	$ 12,087,780
Liabilities			
Current			
Accounts payable and accrued liabilities		$ 37,986	$ 149,389
Due to related parties	14	61,965	85,357
		99,951	234,746
Shareholders' equity			
Share capital	13	32,419,456	32,419,456
Reserves		3,575,133	7,798,990
Deficit		(28,846,207)	(28,365,412)
		7,148,382	11,853,034
		$ 7,248,333	$ 12,087,780

These consolidated financial statements are authorized for issue by the Board of Directors on February 13, 2019. They are signed on the Company's behalf by:

/s/ Jacques Vaillancourt
Director

/s/ Ken Booth
Director

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

		Three months ended December 31		Nine months ended December 31	
	Note	2018	2017	2018	2017
Exploration and evaluation					
Resource property expense	9	$ 46,180	$ 1,331,867	$ 154,529	$ 3,332,659
General and administrative					
Depreciation		1,426	2,581	4,277	8,378
Director fees	14	24,687	29,750	61,400	55,250
Insurance		4,317	6,896	19,176	27,650
Investor relations		17,110	41,220	68,230	192,819
Loss from investment in NV Gold	8	-	-	-	91,153
Management fees	14	31,250	76,250	93,750	228,750
Office operations		3,526	6,125	21,844	35,184
Professional fees		11,058	21,491	32,692	79,348
Regulatory fees		4,024	6,335	7,303	28,239
Rent		225	7,150	4,675	17,150
Share-based payments	13(c)	-	-	-	321,284
Transfer agent		935	5,064	6,685	8,296
Travel and promotion		7,929	-	7,929	17,584
Loss before the undernoted		152,667	1,534,729	482,490	4,443,744
Other (income) expense					
Foreign exchange (gain) loss		(7,280)	40,599	(3,684)	72,300
Interest (income)		(17)	(78)	(4,584)	(13,066)
Loss on disposal of equipment		-	-	6,573	-
		(7,297)	40,521	(1,695)	59,234
Net loss for the period		145,370	1,575,250	480,795	4,502,978
Other comprehensive income					
Realized loss on investment in NV Gold	8	-	-	59,154	-
Unrealized loss on investment in NV Gold	8	152,234	617,272	4,262,521	119,608
Unrealized loss (gain) on marketable securities		(111,089)	13,246	(97,818)	4,316
Comprehensive loss for the period		$ 186,515	$ 2,205,768	$ 4,704,652	$ 4,626,902
Basic and diluted loss per share		$ 0.00	$ 0.01	$ 0.02	$ 0.02
Weighted average number of common shares outstanding		300,050,293	299,523,119	300,050,293	298,285,566

REDSTAR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Presented in Canadian Dollars)

		Share Capital		Reserves					
	Note	Number of shares	Amount	Warrants	Options	Accumulated other comprehensive income (loss)	Subtotal	Deficit	Total Shareholders' Equity
Balance, March 31, 2017 (Audited)		**296,950,293**	**$32,171,664**	**$1,056,181**	**$3,026,268**	**$ 8,629**	**$ 4,091,078**	**$(24,058,405)**	**$ 12,204,337**
Exercise of options	13(b)	3,100,000	187,000	-	-	-	-	-	187,000
Value of options exercised		-	60,792	-	(60,792)	-	(60,792)	-	-
Share-based payments		-	-	-	321,284	-	321,284	-	321,284
Unrealized loss on marketabel securities		-	-	-	-	(4,316)	(4,316)	-	(4,316)
Unrealized loss on investment in NV Gold		-	-	-	-	(119,608)	(119,608)	-	(119,608)
Loss for the period		-	-	-	-	-	-	(4,431,492)	(4,431,492)
Balance, December 31, 2017 (Unaudited)		**300,050,293**	**32,419,456**	**1,056,181**	**3,286,760**	**(115,295)**	**4,227,646**	**(28,489,897)**	**8,157,205**
Unrealized loss on marketable securities		-	-	-	-	(12,426)	(12,426)	-	(12,426)
Unrealized gain on investment in NV Gold		-	-	-	-	3,583,770	3,583,770	-	3,583,770
Loss for the period		-	-	-	-	-	-	124,485	124,485
Balance, March 31, 2018 (Audited)		**300,050,293**	**32,419,456**	**1,056,181**	**3,286,760**	**3,456,049**	**7,798,990**	**(28,365,412)**	**11,853,034**
Unrealized gain on marketable securities		-	-	-	-	97,818	97,818	-	97,818
Unrealized loss on investment in NV Gold		-	-	-	-	(4,262,521)	(4,262,521)	-	(4,262,521)
Realized loss on investment in NV Gold		-	-	-	-	(59,154)	(59,154)	-	(59,154)
Loss for the period		-	-	-	-	-	-	(480,795)	(480,795)
Balance, December 31, 2018 (Unaudited)		**300,050,293**	**$32,419,456**	**$1,056,181**	**$3,286,760**	**$ (767,808)**	**$ 3,575,133**	**$(28,846,207)**	**$ 7,148,382**

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

	Nine months ended December 31 2018	Nine months ended December 31 2017
Cash provided by (used in):		
Operating activities		
Loss for the period	$ (480,795)	$(4,502,978)
Items not affecting cash:		
Depreciation	4,277	8,378
Share-based payments	-	321,284
Unrealized loss (gain) on foreign exchange	(443)	436
Loss from investment in NV Gold	-	91,153
Loss on disposal of equipment	6,573	-
Net change in non-cash working capital		
Amounts receivable	13,323	(21,564)
Prepaid amounts and advances	(26,531)	76,413
Accounts payable and accrued liabilities	(111,403)	485,362
Due to related parties	(23,392)	45,833
Short-term investments	-	4,721,996
	(618,391)	1,226,313
Investing activities		
Acquisition of exploration assets	(23,684)	(23,369)
Disposal of equipment	700	-
Investment in marketable securities	(883,844)	-
Proceeds from investment in NV Gold	984,231	-
	77,403	(23,369)
Financing activities		
Shares issued for cash, net	-	187,000
	-	187,000
Change in cash and cash equivalents	(540,988)	1,389,944
Cash and cash equivalents, beginning of the period	2,132,353	1,414,971
Cash and cash equivalents, end of the period	$ 1,591,365	$ 2,804,915
Schedule of Non-cash Investing and Financing Transactions		
Fair value transfer on exercise of options	$ -	$ 26,041

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.

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

There are several adverse conditions that may cast significant doubt upon the soundness of this assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

Consistent with other companies in the sector of mineral exploration, the Company has incurred operating losses since inception, has limited sources of revenue, is unable to self-finance operations and has significant cash requirements to meet its overhead and maintain its mineral interests.

For the Company to continue to operate as a going concern it must continue to obtain additional financing to maintain operations; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

Rounded to 000's		**December 31, 2018**		**March 31, 2018**
Working capital surplus	$	2,591,000	$	2,002,000
Accumulated (deficit)	$	(28,846,000)	$	(28,365,000)

2. BASIS OF PREPARATION – STATEMENT OF COMPLIANCE

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRICs") as issued by the International Accounting Standards Board ("IASB"). The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Since the unaudited Financial Statements do not include all disclosures required by IFRS for annual consolidated financial statements, they should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended March 31, 2018.

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of condensed interim financial statements in accordance with IAS1 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual financial statements. For a complete summary of significant accounting policies, please refer to the Company's audited annual consolidated financial statements for the year ended March 31, 2018.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the Financial Statements.

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

a) Key sources of estimation uncertainty

Share-based payments
Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 3. The fair value of stock options granted is measured using the Black-Scholes option pricing model, which was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's stock options have characteristics significantly different from those of traded options, and changes in the highly subjective input assumptions can materially affect the calculated values. The fair value of stock options granted using the Black-Scholes option pricing model do not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

Impairment
Judgment is involved in assessing whether there is any indication that an asset may be impaired. This assessment is made based on the analysis of, amongst other factors, changes in the market or business environment, events that have transpired that have impacted the asset, and information from internal reporting.

Income taxes
Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Decommissioning provision
The value of decommissioning liabilities depends on estimates of current risk-free interest rates, future restoration and reclamation expenditures and the timing of those expenditures.

b) Key sources of judgment uncertainty

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 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 December 31, 2018.

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.

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

Investment in NV Gold

With the dilution of the Company's investment in NV Gold, management continues to monitor its percentage interest and other quality factors such as representation on the board of directors. At July 1, 2017, the Company determined that its ability to exercise significant influence over the investment in NV Gold has reduced and concluded that it no longer has significant influence over NV Gold.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Condensed Interim Consolidated Statement of Financial Position are carried at amortized cost with the exception of marketable securities and investment in NV Gold, which are carried at fair value.

The fair value of the Company's marketable securities and investment in NV Gold are quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy.

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's marketable securities and investment in NV Gold have been assessed on the fair value hierarchy described above and classified as Level 1.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, short-term investments, marketable securities, amounts receivable, reclamation bond, investment in NV Gold, accounts payable and accrued liabilities, and due to related parties. As at December 31, 2018 and March 31, 2018, 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. Amounts receivable, reclamation bond, accounts payable and accrued liabilities, and due to related parties approximate their fair value due to their short-term nature.

c) Market risk

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

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

d) Credit risk

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

e) Interest rate risk

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

f) Currency risk

The Company's main property interest in Alaska, USA make it subject to foreign currency fluctuations which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and the US Dollar. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of approximately $114,000 dominated in US dollars. A 1% change in the absolute rate of exchange in US dollars would affect its net loss by approximately $1600.

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 December 31, 2018, the Company had a cash balance of $1,591,365 to settle current liabilities of $99,951.

h) Other price risk

The Company is exposed to equity price risk as a result of its investment in NV Gold. The Company does not actively trade its investment. The equity prices of long term investments are impacted by various underlying factors including commodity prices. Based on the Company's investment in NV Gold as at December 31, 2018, a 10% increase (decrease) in the equity price would increase (decrease) other comprehensive income by $55,819.

6. SHORT-TERM INVESTMENTS

As at December 31, 2018, the Company pledged $5,750 (March 31, 2018 - $5,750) as collateral for a credit card.

7. MARKETABLE SECURITIES

December 31, 2018		Shares	Cost	Accumulated Realized and Unrealized Gain (Loss)	Total
New Tech Lithium Corp.	(ii)	11,443	$ 5,722	$ (5,379)	$ 343
Brocade Metals Corp.		320,000	4	(4)	-
Confederation Minerals Ltd.		65,000	56,250	(39,025)	17,225
Fremont Gold Ltd.	(i)	4,166	30,000	(29,417)	583
True Grit Resources Ltd.		20,000	70,400	(69,900)	500
Sprott Phys Gold&Sivl		32,500	500,625	51,875	552,500
Ishares Silver Trust	(iii)	22,000	383,219	52,756	435,975
			$1,046,220	$ (39,094)	$1,007,126

March 31, 2018		Shares	Cost	Accumulated Realized and Unrealized Gain (Loss)	Total
New Tech Lithium Corp.	(ii)	11,443	$ 5,722	$ (4,978)	$ 744
Brocade Metals Corp.		320,000	4	(4)	-
Confederation Minerals Ltd.		65,000	56,250	(33,175)	23,075
Fremont Gold Ltd.	(i)	4,166	30,000	(29,354)	646
True Grit Resources Ltd.		20,000	70,400	(69,400)	1,000
			$ 162,376	$ (136,911)	$ 25,465

(i) Formerly, Palisades Ventures Inc. (post 4:3 share consolidation)
(ii) Formerly, American Potash Corp
(iii) Ishares Silver Trust is traded in US dollars

As at December 31, 2018, the Company had an accumulated unrealized gain of $89,705 (March 31, 2018 – accumulated unrealized loss of $8,113) on marketable securities recorded in accumulated other comprehensive income.

8. INVESTMENT IN NV GOLD CORPORATION

On September 1, 2016, the Company entered into a purchase and sale agreement with NV Gold Corporation and its subsidiary, NV Gold Corporation (USA) (“NV Gold”), a Canadian junior exploration company trading on the TSX Venture Exchange. As part of this agreement, NV Gold acquired the right to a 100% ownership of Great Basin Database and 100% interest in eleven Nevada Properties. On September 29, 2016, the Company completed the sale of Nevada Properties for consideration of 29.9% of the outstanding common shares of NV Gold.

From September 29, 2016 to June 30, 2017, the Company accounted for its investment in NV Gold using the equity method of accounting as the Company had significant influence over NV Gold with its share ownership and directorship.

8. INVESTMENT IN NV GOLD CORPORATION *(Continued)*

Under the equity method of accounting, the investment in NV Gold was initially recognized at cost and adjusted thereafter for the post-acquisition change in the net assets. The Company was not exposed to any additional losses beyond its initial investment amount. No dividends or cash distributions were received by the Company from NV Gold during the period.

March 31, 2017	$	1,991,095
Proportionate share of net loss		(91,153)
June 30, 2017	$	1,899,942

The Company recorded an equity loss of $91,153 for the three months ended June 30, 2017 which represented the proportionate share of NV Gold's net loss for the three months ended May 31, 2017 and additional adjustments due to the difference in reporting dates between the Company and NV Gold. Since NV Gold has an August fiscal year end, it was impractical to prepare financial statements to June 30, 2017.

The following is a summary of the consolidated financial information of NV Gold on a 100% basis as at and for the nine months ended May 31, 2017, which is the most recent publicly available information for NV Gold. These amounts are presented in Canadian dollars.

NV Gold Corporation		May 31, 2017
Total current assets	$	1,043,785
Total non-current assets		3,010,374
Total current liabilities		(36,548)
Total non-current liabilities		-
Loss before other items		848,797
Other items		2,516
Total loss and comprehensive loss		851,313

Effective July 5, 2017, the Company accounted for its investment in NV Gold by using the fair value of the NV Gold shares as the Company determined that it no longer had significant influence over NV Gold. The Company remeasures the investment in NV Gold to fair value at each financial statement reporting date and any gains or losses arising from changes in fair value is recognized in other comprehensive income (loss). In April 2018, the Company sold 1,098,300 shares of NV Gold for proceeds of $984,231 with a realized loss of $59,154. As at December 31, 2018, the investment in NV Gold consisted of 5,074,430 NV Gold shares with a fair value of $558,187 (March 31, 2018 – 6,172,730 NV Gold shares with a fair value of $5,864,093) and the Company recognized an accumulated unrealized loss of $798,359, which was recorded in the accumulated other comprehensive income account.

The closing share price of the remaining 5,074,430 shares held in NV Gold was $0.11 at December 31, 2018 (March 31, 2018 - $0.95).

(Presented in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS

The Company has the following interests in mineral properties at December 31, 2018:

Property acquisition costs	March 31, 2018	Acquisition costs	December 31, 2018
Alaska			
Unga project	$ 3,951,584	$ 23,684	$ 3,975,268

The Company incurred the following exploration expenditures during the nine months ended December 31, 2018 and 2017:

Exploration expenditures	Alaska Unga
Assaying	$ 8,573
Camp	27,240
Fuel & transportation	592
Geological	102,152
Maps and reports	2,363
Supplies and materials	7
Transportation and surface access	12,824
Travel and accommodation	779
Period ended December 31, 2018	**$ 154,529**

Exploration expenditures	Alaska Unga
Assaying	$ 216,408
Camp	686,437
Drilling	923,513
Equipment rental	8,569
Fuel & transportation	324,745
Geological	524,516
Geophysical	85,374
Helicopter	483,430
Maps and reports	6,086
Supplies and materials	17,775
Transportation and surface access	29,066
Travel and accommodation	26,740
Period ended December 31, 2017	**$3,332,659**

(Presented in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

(a) Unga Project, Alaska, USA

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

On February 18, 2014, the Company signed a Letter of Intent ("LOI") with Full Metal Minerals Ltd ("FMM"), to take an assignment of FMM's interest in its agreement with The Aleut Corporation ("TAC") and to acquire a 100% interest in six Alaskan State Mineral claims. Under the terms of the LOI, the Company could acquire a 100% undivided interest in the property, upon issuance of 4,000,000 shares and payment of a total of US$50,000 (US$10,000 paid) to FMM, subject to regulatory approval, completion of a definitive agreement including the consent of TAC to the assignment, and satisfying the Underlying Agreements. The LOI supersedes all other agreements with FMM in respect of the TAC lands and the state claims.

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

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

(i) Paid or issued
(ii) Incurred

(b) Other, USA

As at December 31, 2018, the Company had a reclamation bond of US$5,927 ($8,086) (March 31, 2018 – US$5,927 ($7,643)) related to a property in Nevada that was sold to NV Gold.

(Presented in Canadian Dollars)

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 or deemed cost		
Balance - April 1, 2017	$	10,986
Additions		-
Balance - March 31, 2018		10,986
Additions		-
Balance - December 31, 2018	$	10,986
Accumulated depreciation		
Balance - April 1, 2017	$	5,909
Depreciation		1,523
Balance - March 31, 2018		7,432
Depreciation		800
Balance - December 31, 2018	$	8,232
Carrying amounts		
As at March 31, 2018	$	3,554
As at December 31, 2018	$	2,754

(Presented in Canadian Dollars)

11. EQUIPMENT

	Computers	Equipment	Vehicles	Total
Cost or deemed cost				
Balance - April 1, 2017	$ 77,911	$ 34,226	$ 51,497	$ 163,634
Additions	-	-	-	-
Balance - March 31, 2018	77,911	34,226	51,497	163,634
Additions	-	-	-	-
Disposals	(77,911)	(30,026)	-	(107,937)
Balance - December 31, 2018	$ -	$ 4,200	$ 51,497	$ 55,697
Accumulated depreciation				
Balance - April 1, 2017	$ 74,114	$ 24,468	$ 31,826	$ 130,408
Depreciation	1,139	1,952	6,345	9,436
Balance - March 31, 2018	75,253	26,420	38,171	139,844
Depreciation	-	478	2,999	3,477
Depreciation on Disposals	(75,253)	(25,413)	-	(100,666)
Balance - December 31, 2018	$ -	$ 1,485	$ 41,170	$ 42,655
Carrying amounts				
As at March 31, 2018	$ 2,658	$ 7,806	$ 13,326	$ 23,790
As at December 31, 2018	$ -	$ 2,715	$ 10,327	$ 13,042

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.

(Presented in Canadian Dollars)

13. SHARE CAPITAL

(a) Authorized:

At December 31, 2018, 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.

(b) Share issuances:

i. During the year ended March 31, 2018, 3,100,000 options were exercised for total proceeds of $187,000.

(c) 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 nine months ended December 31, 2018 are summarized as follows:

Expiry date	Exercise price	March 31, 2018	Granted	Exercised	Expired / Cancelled	December 31, 2018
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
Options outstanding		15,790,000	-	-	(7,790,000)	8,000,000
Options exercisable		16,590,000	-	-	-	8,000,000
Weighted average exercise price		$ 0.09	$ -	$ -	$ 0.10	$ 0.08

As of December 31, 2018, the weighted average contractual remaining life is 2.20 years (March 31, 2018 – 2.98 years).

The fair value of options vested during the nine months ended December 31, 2018 were Nil (2017 - $321,284).

(Presented in Canadian Dollars)

13. SHARE CAPITAL *(Continued)*

(c) Share Purchase Option Compensation Plan *(Continued)*:

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:

	December 31, 2018	March 31, 2018
Expected dividend yield	Nil	0.00%
Expected stock price volatility	Nil	135.53%
Risk-free interest rate	Nil	1.08%
Forfeiture rate	Nil	0.00%
Expected life of options	Nil	5.0 years

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.

(d) Warrants:

The continuity of warrants for the nine months ended December 31, 2018 is as follows:

Expiry date	**Exercise price**	**March 31, 2018**	**Issued**	**Exercised**	**Expired**	**December 31, 2018**
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 December 31, 2018, the weighted average contractual life is 0.33 years (March 31, 2018 – 1.06 years).

The fair value of each warrant issued is estimated on the date of issuance using the Black-Scholes option-pricing model with the following weighted average assumptions:

	December 31, 2018	March 31, 2018
Expected dividend yield	Nil	Nil
Expected stock price volatility	Nil	Nil
Risk-free interest rate	Nil	Nil
Forfeiture rate	Nil	Nil
Expected life of warrants	Nil	Nil

14. RELATED PARTY TRANSACTIONS

Name and principal position	Fiscal period	Remuneration or fees (i)	Share-based compensation	Amounts payable
Ariston Capital Corp., a company controlled by the former CEO (ii) - management fees	2018	$ -	$ -	$ -
	2017	$ 135,000	$ 51,820	$ -
Director and Chairman of the Board - management fees	2018	$ 48,750	$ -	$ 18,439
	2017	$ 48,750	$ 77,730	$ 10,833
Clearline Chartered Professional Accountants, a company of which the former CFO is a director - management fees	2018	$ -	$ -	$ -
	2017	$ 10,937	$ -	$ -
Pacific Opportunity Capital Ltd., a company controlled by the CFO - accounting fees	2018	$ 45,000	$ -	$ 5,508
	2017	$ 45,000	$ 41,456	$ 5,250
Directors' fees (iii)	2018	$ 61,400	$ -	$ 38,018
	2017	$ 55,250	$ 253,918	$ 29,750
Total	2018	$ 155,150	$ -	$ 61,965
	2017	$ 294,937	$ 424,924	$ 45,833

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

(ii) Effective March 7, 2018, Peter Ball resigned from being the CEO but remained as a director of the Company and Jacques Vaillancourt, the Chairman of the Company, was appointed as the interim CEO. $15,000 severance payment was accrued as of March 31, 2018 and was paid out in May 2018.

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

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:

Rounded to 000's	Canada	United States	Total
December 31, 2018			
Current assets	$ 2,539,000	$ 152,000	$ 2,691,000
Non-current assets			
Investment in NV Gold	558,000	-	558,000
Reclamation bond	-	8,000	8,000
Exploration and evaluation assets	-	3,975,000	3,975,000
Intangible assets	3,000	-	3,000
Equipment	-	13,000	13,000
Current liabilities	$ 79,000	$ 21,000	$ 100,000
March 31, 2018			
Current assets	$ 2,155,000	$ 82,000	$ 2,237,000
Non-current assets			
Investment in NV Gold	5,864,000	-	5,864,000
Reclamation bond	-	8,000	8,000
Exploration and evaluation assets	-	3,952,000	3,952,000
Intangible assets	4,000	-	4,000
Equipment	7,000	17,000	24,000
Current liabilities	$ 136,000	$ 99,000	$ 235,000