REDSTAR GOLD CORP.

(AN EXPLORATION STATE COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX AND THREE MONTHS ENDED 30 SEPTEMBER 2015

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.

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Redstar Gold Corp:

Management is responsible for the preparation and presentation of the accompanying 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.

24 November 2015

"Ken Booth"	*"Grant T. Smith"*
Ken Booth, Interim CEO	Grant T. Smith, CFO

REDSTAR GOLD CORP.

Statement 1

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2015	31 March 2015
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 657,916**	$ 1,311,090
Marketable securities	(7)	**34,426**	54,787
Amounts receivable		**7,798**	7,223
Prepaid amounts and advances		**6,804**	25,391
		706,944	1,398,491
Non-current Assets			
Deposit		**7,428**	7,428
Exploration and evaluation assets	(8)	**9,100,492**	8,016,119
Intangible assets	(9)	**8,806**	10,361
Equipment	(10)	**14,143**	16,703
		9,130,869	8,050,611
		$ 9,837,813	$ 9,449,102
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		**$ 120,568**	$ 139,845
Due to related parties	(13)	**74,469**	37,477
		195,037	177,322
EQUITY *(STATEMENT 3)*			
Share capital		**23,207,662**	22,467,382
Contributed surplus - warrants		**1,257,299**	1,257,299
Contributed surplus - options		**2,667,444**	2,602,054
Accumulated other comprehensive income		**(128,697)**	(108,336)
Deficit		**(17,360,932)**	(16,946,619)
		9,642,776	9,271,780
		$ 9,837,813	$ 9,449,102

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

The consolidated financial statements were approved by the Board of Directors on 24 November 2015 and were signed on its behalf by:

"Ken Booth"
Ken Booth, Director

"Robert McLeod"
Robert McLeod, Director

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Note	**6 months ended 30 September 2015**	6 months ended 30 September 2014	**3 months ended 30 September 2015**	3 months ended 30 September 2014
CONTINUING OPERATIONS					
EXPENSES					
General and Administrative					
Consulting		**$ 149,215**	$ 130,284	**$ 103,165**	$ 90,416
Investor relations		**101,425**	52,140	**37,060**	44,997
Share-based payments	(12)	**65,390**	25,852	**7,759**	1,233
Audit and legal		**44,139**	33,789	**15,211**	24,842
Travel and promotion		**22,123**	64,935	**20,506**	40,749
Insurance		**18,587**	16,865	**9,344**	6,746
Rent		**13,500**	38,537	**13,500**	15,581
Office operations		**8,122**	7,530	**5,313**	3,751
Amortization	(9)	**4,115**	3,173	**2,058**	1,586
Regulatory fees		**3,129**	32,009	**1,679**	14,444
Transfer agent		**2,799**	3,188	**1,306**	1,601
Contract wages		**-**	41,383	**-**	21,109
		432,544	449,685	**216,901**	267,055
Other (Income) Expense					
(Gain) on foreign exchange		**(17,648)**	(10,346)	**(21,335)**	(1,757)
Interest (income)		**(583)**	(10,067)	**(16)**	(5,964)
(Gain) on sale of marketable securities		**-**	(1,539)	**-**	-
		(18,231)	(21,952)	**(21,351)**	(7,721)
Loss Before Income Tax		**414,313**	427,733	**195,550**	259,334
Other Comprehensive Income					
Unrealized loss on available-for-sale securities		**20,361**	21,005	**16,150**	7,155
Comprehensive Loss for the Period		**$ 434,674**	$ 448,738	**$ 211,700**	$ 266,489
Basic and Diluted Loss per Common Share		**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Weighted Average Number of Shares Outstanding		**183,828,093**	163,206,691	**185,361,060**	168,809,967

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

REDSTAR GOLD CORP.

Canadian Funds

(Unaudited)

Statement 3

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares	Amount	Warrant	Options	Accumulated Other Comprehensive Income	Deficit	Shareholders' Equity
BALANCE 01 APRIL 2014	124,944,760	$ 19,665,089	$ 794,985	$ 2,525,585	$ (77,542)	$ (16,026,830)	$ 6,881,287
Issued for cash, net of unit issuance costs	55,133,333	2,281,454	962,467	-	-	-	3,243,921
Share-based payments	-	-	-	24,620	-	-	24,620
Unrealized loss on marketable securities	-	-	-	-	(13,850)	-	(13,850)
Net loss for the period	-	-	-	-	-	(168,399)	(168,399)
BALANCE 30 JUNE 2014	180,078,093	$ 21,946,543	$ 1,757,452	$ 2,550,205	$ (91,392)	$ (16,195,229)	$ 9,967,579
Unit issuance costs	-	(9,314)	-	-	-	-	(9,314)
Fair value adjustment	-	500,153	(500,153)	-	-	-	-
Share-based payments	-	-	-	1,233	-	-	1,233
Unrealized loss on marketable securities	-	-	-	-	(7,155)	-	(7,155)
Net loss for the period	-	-	-	-	-	(259,334)	(259,334)
BALANCE 30 SEPTEMBER 2014	180,078,093	$ 22,437,382	$ 1,257,299	$ 2,551,438	$ (98,547)	$ (16,454,563)	$ 9,693,009
Shares issued for property acquisition	750,000	30,000	-	-	-	-	30,000
Share-based payments	-	-	-	30,911	-	-	30,911
Unrealized loss on marketable securities	-	-	-	-	(3,419)	-	(3,419)
Net loss for the period	-	-	-	-	-	(279,989)	(279,989)
BALANCE 31 DECEMBER 2014	180,828,093	$ 22,467,382	$ 1,257,299	$ 2,582,349	$ (101,966)	$ (16,734,552)	$ 9,470,512
Share-based payments	-	-	-	19,705	-	-	19,705
Unrealized loss on marketable securities	-	-	-	-	(6,370)	-	(6,370)
Net loss for the period	-	-	-	-	-	(212,067)	(212,067)
BALANCE 31 MARCH 2015	180,828,093	$ 22,467,382	$ 1,257,299	$ 2,602,054	$ (108,336)	$ (16,946,619)	$ 9,271,780

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 2015	**180,828,093 $**	**22,467,382 $**	**1,257,299 $**	**2,602,054 $**	**(108,336)$**	**(16,946,619)$**	**9,271,780**
Unrealized loss on marketable securities	**-**	**-**	**-**	**-**	**(4,211)**	**-**	**(4,211)**
Share-based payments	**-**	**-**	**-**	**57,631**	**-**	**-**	**57,631**
Net loss for the period	**-**	**-**	**-**	**-**	**-**	**(218,763)**	**(218,763)**
BALANCE 30 JUNE 2015	**180,828,093 $**	**22,467,382 $**	**1,257,299 $**	**2,659,685 $**	**(112,547)$**	**(17,165,382)$**	**9,106,437**
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	**-**	**-**	**-**	**-**	**-**	**(195,550)**	**(195,550)**
BALANCE 30 SEPTEMBER 2015	**199,578,093 $**	**23,207,662 $**	**1,257,299 $**	**2,667,444 $**	**(128,697)$**	**(17,360,932)$**	**9,642,776**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		6 months ended 30 September 2015	6 months ended 30 September 2014	3 months ended 30 September 2015	3 months ended 30 September 2014
OPERATING ACTIVITIES					
Loss for the Period		**$ (414,313)**	$ (427,733)	**$ (195,550)**	$ (259,334)
Items not Affecting Cash					
Amortization	(9)	**4,115**	3,173	**2,058**	1,586
Share-based payments	(12)	**65,390**	25,853	**7,759**	1,233
(Gain) on sale of marketable securities		**-**	(1,539)	**-**	-
		(344,808)	(400,246)	**(185,733)**	(256,515)
Net Change in Non-cash Working Capital					
Amounts receivable		**(575)**	(651)	**5,302**	(874)
Prepaids amounts and advances		**18,587**	(4,455)	**9,344**	(2,687)
Accounts payable and accrued liabilities		**(19,277)**	(75,887)	**15,443**	(50,073)
Due to related parties		**36,992**	(78,559)	**49,635**	(8,874)
		35,727	(159,552)	**79,724**	(62,508)
		(309,081)	(559,798)	**(106,009)**	(319,023)
INVESTING ACTIVITIES					
Acquisition of exploration assets		**(15,346)**	(18,627)	**(7,914)**	(6,439)
Exploration asset expenditures		**(1,069,027)**	(158,303)	**(152,342)**	(145,752)
		(1,084,373)	(176,930)	**(160,256)**	(152,191)
FINANCING ACTIVITIES					
Issuance of units, net of issuance costs		**740,280**	3,234,607	**740,280**	(9,313)
Net Increase in Cash and Cash Equivalents		**(653,174)**	2,497,879	**474,015**	(480,527)
Cash position – beginning of period		**1,311,090**	30,198	**183,901**	3,008,604
Cash Position – End of Period		**$ 657,916**	$ 2,528,077	**$ 657,916**	$ 2,528,077
Schedule of Non-cash Investing and Financing Transactions					
Cash paid for interest		**$ -**	$ -	**$ -**	$ -
Cash paid for income taxes		**$ -**	$ -	**$ -**	$ -

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 next twelve months. 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 September 2015**	31 March 2015
Working capital surplus	**$ 512,000**	$ 1,221,000
Accumulated (deficit)	**$ (17,361,000)**	$ (16,947,000)

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 2015.

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 2015.

a) Basis of presentation

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

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

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

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

b) Foreign currency translation

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

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

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

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

c) Measurement uncertainty

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

Significant areas that require estimates as the basis for determining the stated amounts include assumptions related to the valuation of exploration and evaluation assets, the useful life of equipment and intangible assets, share-based payment valuation and the deferred tax asset not recognized in these Financial Statements.

Depreciation and depletion of property, plant and equipment are dependent upon estimates of useful lives and reserve estimates, both of which are determined with the exercise of judgment. The assessment of any impairment of property, plant and equipment is dependent upon estimates of recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Provisions for environmental rehabilitations are recognized in the period in which they arise and are stated as the fair value of estimated future costs.

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

d) Exploration and evaluation assets

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

Costs of acquisition and exploration of mineral properties are capitalized until either commercial production is established or a property is abandoned. Once commercial production has commenced, the net costs of the applicable property are charged to operations using the unit-of-production method based on estimated proven and probable recoverable reserves. The net costs related to abandoned properties are expensed. Office and administration costs not specifically related to mineral projects are expensed in the year in which they occur.

The Company reviews the carrying value of each property on an annual basis, at a minimum. This review generally is made by reference to the timing of exploration work, work programs proposed and the exploration results achieved by the Company and others. When the carrying value of a property is estimated to exceed its net recoverable amount, provision is made for the decline in fair value.

The amounts shown for the exploration and evaluation assets represent costs incurred to date and do not reflect present or future values. Acquisition costs represent shares or cash paid to acquire the rights to the resource property, while exploration expenditures represent amounts paid to explore and develop the resource properties. The recoverability of these capitalized costs is dependent upon the existence of economically recoverable reserves and the ability of the Company to obtain necessary financing to successfully complete their exploration program.

Proceeds received on the sale of interest in mineral properties are credited to the carrying value of the mineral properties, with any excess included in the Statement of Comprehensive Loss. From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded in the period that the payments are made or received. The Company does not accrue costs to maintain mineral interests in good standing.

Restoration provisions

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

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

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

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

The Company has determined that it has no restoration obligation as at 30 September 2015.

4) Critical accounting estimates and judgments

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

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

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

a) Key sources of estimation uncertainty

Useful life of equipment and intangible assets

The Company reviews the estimated lives of its equipment and intangible assets at the end of each reporting period. There were no material changes in the lives of equipment or intangible assets for the period ended 30 September 2015 and the year ended 31 March 2015.

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 BkS, 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 BkS 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 or cash generating unit 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 or cash generating unit, 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 judgement 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 30 September 2015.

Exploration and evaluation assets

The carrying value of the Company's exploration and evaluation assets is reviewed by management quarterly, or whenever events or circumstances indicate that its carrying amount may not be recovered. Management considers certain impairment indicators such as market capitalization of the Company, metal price changes, plans for the properties and the results of exploration to date.

5) Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company is currently assessing the impact, if any, that these standards might have on its Financial Statements.

a) IFRS 9, Financial Instruments

In July 2014, the IASB issued IFRS 9, *Financial Instruments* (IFRS 9). IFRS 9 replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. It also introduces additional changes relating to financial liabilities and aligns hedge accounting more closely with risk management. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption of the new standard permitted. The Company does not intend to early adopt IFRS 9. The extent of the impact of adoption of IFRS 9 has not yet been determined.

b) IFRS 10, Consolidated financial statements (amended standard)

In September 2014, the IASB issued amendments to IFRS 10, *Consolidated Financial Statements* and IAS 28, Investments in Associates and Joint Ventures. The amendments provide clarification on the recognition of gains or losses upon the sale or contribution of assets between an investor and its associate or joint venture. This amendment is effective for fiscal years beginning on or after 1 January 2016.

c) IFRS 11, Consolidated financial statements (amended standard)

In May 2014, the IASB issued amendments to IFRS 11, *Joint Arrangements* (IFRS 11). The amendments in IFRS 11 are to be applied prospectively. The amendments clarify the accounting for the acquisition of interests in joint operations and require the acquirer to apply the principles of business combinations accounting in IFRS 3, *Business Combinations.* This amendment is effective for fiscal years beginning on or after 1 January 2016.

d) IAS 16, Property, plant and equipment (amended standard)

In May 2014, the IASB issued amendments to IAS 16, *Property, Plant and Equipment* and IAS 38, Intangible Assets. The amendments are to be applied prospectively. The amendments clarify the factors to be considered in assessing the technical or commercial obsolescence and the resulting depreciation period of an asset and state that a depreciation method based on revenue is not appropriate.

e) IAS 34, Interim financial reporting (amended standard)

In September 2014, the IASB issued amendments to IAS 34, Interim Financial Reporting (IAS 34). The amendments to IAS 34 are to be applied retrospectively, with earlier application permitted. The amendments provide additional guidance on interim disclosures and whether they are provided in the interim financial statements or incorporated by cross-reference between the interim financial statements and other financial disclosures. This amendment is effective for fiscal years beginning on or after 1 January 2016.

f) IAS 38, Intangible assets, Amendment (amended standard)

Amendments to IAS 38 provide clarification of acceptable methods of depreciation and amortization. The amendments were issued in May 2014 and apply to annual reporting periods beginning on or after 1 January 2016, with early adoption permitted. The Company continues to assess this new standard, but does not expect it to have a significant impact.

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 September 2015 and 31 March 2015.

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 September 2015 and 31 March 2015, 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 $3,600. At 30 September 2015, the Company held currency totalling the following:

Canadian (Dollars)	US (Dollars)
$603,674	$40,498

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 September 2015, the Company had a cash balance of $657,916 to settle current liabilities of $195,037.

7) Marketable securities

31 March 2015	Shares	Cost	Accumulated Unrealized Gain (Loss)	Total
Uranium Standard Resources Ltd. (i)	11,111	$ 30,000	$ (29,500)	$ 500
Confederation Minerals Ltd.	650,000	56,250	(27,000)	29,250
True Grit Resources Ltd.	540,000	70,400	(48,800)	21,600
Brocade Metals Corp.	320,000	4	-	4
American Potash Corp. (ii)	57,219	5,722	(2,289)	3,433
		$ 162,376	$ (107,589)	$ 54,787

30 September 2015	Shares	Cost	Accumulated Unrealized (Loss)	Total
Uranium Standard Resources Ltd. (i)	**11,111**	**$ 30,000**	**$ (29,722)**	**$ 278**
Confederation Minerals Ltd.	**650,000**	**56,250**	**(36,750)**	**19,500**
True Grit Resources Ltd.	**540,000**	**70,400**	**(56,900)**	**13,500**
Brocade Metals Corp.	**320,000**	**4**	**-**	**4**
American Potash Corp. (ii)	**57,219**	**5,722**	**(4,578)**	**1,144**
		$ 162,376	**$ (127,950)**	**$ 34,426**

(i) Formerly, Central Resources Corp.
(ii) Formerly, Magna Resources Ltd.
(iii) On 25 July 2014, Uranium Standard Resources Ltd. consolidated its shares on a basis of three existing shares for one new share. Units have been retrospectively restated to reflect the consolidation.

During the period ended 30 September 2015, the Company recorded an unrealized loss on marketable securities of $20,361 (Fiscal 2014 – $30,794), which is included in equity.

In March 2015, Confederation Minerals Ltd. exercised its final option for a 70% interest in the Newman Todd property by issuing 500,000 shares to Redstar, which were trading at $0.045 per share, and Redstar retains a 30% interest in the Newman Todd Property

8) Exploration and evaluation assets

The Company has interests in mineral properties; the details of which follow for the period ended 30 September 2015 and the year ended 31 March 2015:

PROPERTY DETAILS	Alaska	Nevada	Canada	Total
Balance as at 01 April 2014	$ 5,201,686	$ 317,703	$ 1,384,839	$ 6,904,228
Acquisitions				
Additions	302,375	-	-	302,375
Exploration Expenditures				
Geological	481,755	-	-	481,755
Assaying	81,346	-	-	81,346
Equipment rental	76,450	-	-	76,450
Proceeds in excess of carrying value	-	63,724	-	63,724
Travel and accommodation	54,287	2,083	-	56,370
Supplies and materials	34,107	-	-	34,107
Land tenure	26,417	2,245	-	28,662
Geophysical	7,622	-	6,000	13,622
Maps and reports	1,877	-	-	1,877
Recoveries	-	(5,897)	(22,500)	(28,397)
	763,861	62,155	(16,500)	809,516
Balance as at 31 March 2015	$ 6,267,922	$ 379,858	$ 1,368,339	$ 8,016,119
Balance as at 01 April 2015	**$ 6,267,922**	**$ 379,858**	**$ 1,368,339**	**$ 8,016,119**
Acquisitions				
Additions	**15,346**	**-**	**-**	**15,346**
Exploration Expenditures				
Drilling	**380,641**	**-**	**-**	**380,641**
Geological	**280,181**	**-**	**-**	**280,181**
Supplies and materials	**138,453**	**-**	**-**	**138,453**
Travel and accommodation	**113,817**	**-**	**-**	**113,817**
Equipment rental	**59,628**	**-**	**-**	**59,628**
Land tenure	**-**	**54,681**	**-**	**54,681**
Assaying	**36,635**	**-**	**-**	**36,635**
Maps and reports	**4,991**	**-**	**-**	**4,991**
	1,014,346	**54,681**	**-**	**1,069,027**
Balance as at 30 September 2015	**$ 7,297,614**	**$ 434,539**	**$ 1,368,339**	**$ 9,100,492**

PROPERTY BY REGION		Balance 31 March 2015		Acquisition Costs		Exploration Expenditures		Balance 30 September 2015
Alaska								
Unga Project	$	6,267,922	**$**	**15,346**	**$**	**1,014,347**	**$**	**7,297,615**
Nevada								
Seven Devils		170,424		**-**		**11,352**		**181,776**
Cooks Creek		58,483		**-**		**13,871**		**72,354**
Oasis		61,090		**-**		**2,105**		**63,195**
Painted Hills		44,294		**-**		**2,946**		**47,240**
Richmond Summit		39,746		**-**		**2,105**		**41,851**
Nevada General		-		**-**		**12,203**		**12,205**
Baker Spring		5,821		**-**		**4,627**		**10,448**
Root Spring		-		**-**		**5,471**		**5,471**
		379,858		**-**		**54,680**		**434,538**
Canada								
Newman Todd		1,368,339		**-**		**-**		**1,368,339**
	$	8,016,119	**$**	**15,346**	**$**	**1,069,027**	**$**	**9,100,492**

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 Popov 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	-	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 (ii)	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.

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 30 September 2015	**$**	**10,986**
ACCUMULATED DEPRECIATION		
Balance at 01 April 2015	$	625
Depreciation for the period		**1,555**
Balance at 30 September 2015	**$**	**2,180**
CARRYING AMOUNTS		
At 31 March 2015	$	10,361
At 30 September 2015	**$**	**8,806**

10) Equipment

		Computers		Equipment		Vehicles		Total
COST OR DEEMED COST								
Balance at 01 April 2015 and 30 September 2015	**$**	**77,911**	**$**	**27,016**	**$**	**29,100**	**$**	**134,027**
ACCUMULATED DEPRECIATION								
Balance at 01 April 2014	$	66,840	$	21,336	$	22,801	$	110,977
Depreciation for the year		3,321		1,136		1,890		6,347
Balance at 31 March 2015	$	70,161	$	22,472	$	24,691	$	117,324
Depreciation for the period		**1,162**		**454**		**944**		**2,560**
Balance at 30 September 2015	**$**	**71,323**	**$**	**22,926**	**$**	**25,635**	**$**	**119,884**
CARRYING AMOUNTS								
At 31 March 2015	$	7,750	$	4,544	$	4,409	$	16,703
At 30 September 2015	**$**	**6,588**	**$**	**4,090**	**$**	**3,465**	**$**	**14,143**

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 September 2015:</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.

During the year ended 31 March 2015:

On 20 November 2014, the Company issued 750,000 common shares at a value of $0.04 for a total value of $30,000. The common shares were issued pursuant to the terms of the Assignment and Novation Agreement dated 8 September 2014 with the Aluet Corporation, details of which are disclosed in Note 9.

The Company closed, on 27 May 2014, a non-brokered private placement of 55,133,333 units (the "Units") at a price of $0.06 per unit for gross proceeds of approximately $3.31 million. Each Unit consisted of one common share and two transferable one-half common share purchase warrants (Warrants A and Warrants B). Each whole Warrant A can be exercised into one common share of the Company at a price of $0.09 per share until 27 May 2015. This expiry date of the Series A Warrants was subsequently extended to 27 August 2015. Each whole Warrant B can be exercised into one common share of the Company at a price of $0.12 per share until 27 January 2017. If 18 months after closing the Company's common shares trade at a 33.3 percent premium to the warrant exercise price for 10 consecutive trading days, then the Company can force warrant holders to exercise their Warrants B into common shares of the Company. In connection with the private placement, the Company has paid finder's fees in the amount of $64,080 to finders who introduced subscribers to the placement.

c) Stock options

The Company has a 20% 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 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 September 2015	Weighted Average Exercise Price	31 March 2015	Weighted Average Exercise Price
Balance – Beginning of Period	**9,150,000**	**$ 0.16**	7,335,000	$ 0.28
Granted	**2,700,000**	**0.05**	3,800,000	0.06
Expired	**(475,000)**	**0.19**	(505,000)	0.15
Cancelled	**(5,585,000)**	**0.20**	(1,480,000)	0.32
Balance – End of Period	**5,790,000**	**$ 0.09**	9,150,000	$ 0.16

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

		30 September 2015		31 March 2015
Number of options vested		**2,325,000**		1,875,000
Compensation recognized	**$**	**65,390**	**$**	76,469

		30 September 2015		31 March 2015
The outstanding options have a weighted-average exercise price of:	**$**	**0.09**	$	0.16
The weighted average remaining life of the outstanding options is:		**3.60**		2.78

As at 30 September 2015 and 31 March 2015 the Company had the following stock options outstanding:

Expiry date	**Exercise Price**	**30 September 2015 Outstanding**	**30 September 2015 Exercisable**	31 March 2015 Outstanding
28 October 2015	**0.18**	**100,000**	**100,000**	860,000
23 February 2016	**0.30**	**-**	**-**	100,000
07 September 2016	**0.50**	**-**	**-**	500,000
18 May 2017	**0.29**	**200,000**	**200,000**	1,675,000
26 July 2017	**0.20**	**400,000**	**400,000**	400,000
30 September 2018	**0.10**	**540,000**	**540,000**	940,000
5 June 2015	**0.20**	**-**	**-**	475,000
5 December 2016	**0.10**	**-**	**-**	400,000
30 April 2019	**0.06**	**450,000**	**337,500**	450,000
10 September 2019	**0.06**	**1,000,000**	**250,000**	1,750,000
29 October 2019	**0.06**	**400,000**	**200,000**	1,600,000
4 May 2017	**0.09**	**500,000**	**125,000**	-
4 May 2020	**0.06**	**2,200,000**	**2,200,000**	-
		5,790,000	**4,352,500**	9,150,000

d) Share-based payments

For the six month period ended 30 September 2015 and the year ended 31 March 2015, the Company issued stock options to its directors, officers, employees, and consultants and recognized stock-based compensation as follows:

		30 September 2015		31 March 2015
Total Options Granted		**2,700,000**		3,800,000
Average exercise price	**$**	**0.05**	$	0.06
Estimated fair value of compensation	**$**	**65,390**	$	76,469
Estimated fair value per option	**$**	**0.02**	$	0.01

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 September 2015	31 March 2015
Risk free interest rate	**0.58%**	1.05%
Expected dividend yield	**0.00%**	0.00%
Expected stock price volatility	**65%**	70%
Expected option life in years	**2.0-3.5**	3.5
Expected maturity rate	**70-100%**	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 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 September 2015		Weighted Average Exercise Price	31 March 2015		Weighted Average Exercise Price
Balance – Beginning of Year	**94,516,696**	**$**	**0.11**	42,065,193	$	0.08
Issued	**-**		**-**	55,133,333		0.11
Expired	**(27,566,666)**		**0.12**	(2,681,830)		0.25
Balance – End of Period	**66,950,030**	**$**	**0.11**	94,516,696	$	0.11

Date of Issuance	Date of Expiry		Exercise Price	30 September 2015 Outstanding	31 March 2015 Outstanding
21 August 2013	21 October 2015	**$**	**0.07**	**39,383,363**	39,383,363
27 May 2014	27 August 2015	**$**	**0.09**	**-**	27,566,666
27 May 2014	27 January 2017	**$**	**0.12**	**27,566,667**	27,566,667
				66,950,030	94,516,696

13) Related party transactions

RELATED PARTY DISCLOSURE

Name and Principal Position	Fiscal Period[i]		Remuneration or Fees[ii]		Amounts Payable
Highwood Advisory, a company controlled	**2015**	**$**	**38,800**	**$**	**7,000**
by the Interim CEO – consulting fees	2014	$	42,375	$	-
Clearline, a company of which the CFO is a director	**2015**	**$**	**55,250**	**$**	**45,636**
CFO – consulting fees	2014	$	-	$	-
Venturex, a company controlled by the	**2015**	**$**	**-**	**$**	**-**
former CFO – consulting fees	2014	$	21,000	$	-
Director and Chairman of the Board	**2015**	**$**	**25,000**	**$**	**8,333**
	2014	$	24,980	$	-
Pamicon, a company of which a former CEO was	**2015**	**$**	**13,500**	**$**	**13,500**
a principal – consulting fees	2014	$	72,576	$	12,752
Acrehouse, a company controlled by a former CEO	**2015**	**$**	**-**	**$**	**-**
and president – consulting fees	2014	$	12,500	$	13,935

(i) For the six month periods ended 30 September 2015 and 30 September 2014.

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

The Company conducted a portion of its management and administrative activities through a service contractor of which a former director is a shareholder. For the six month period ended 30 September 2015, the Company was charged $13,500 (comparative period - $72,576) to reimburse office and administrative costs as follows:

		30 September 2015		30 September 2014
Contract consulting	**$**	**-**	**$**	29,542
Rent		**13,500**		38,537
Office and miscellaneous		**-**		4,783
	$	**13,500**	**$**	72,862

14) Segmented disclosure

Rounded to 000's		Canada		United States		Total
30 September 2015						
Current assets	**$**	**702,000**	**$**	**5,000**	**$**	**707,000**
Non-current Assets						
Non-current deposit		**7,000**		**-**		**7,000**
Exploration and evaluation assets		**1,368,000**		**7,732,000**		**9,100,000**
Intangible assets		**9,000**		**-**		**9,000**
Equipment		**11,000**		**3,000**		**14,000**
Liabilities						
Current liabilities		**195,000**		**-**		**195,000**
31 March 2015						
Current assets	$	1,393,000	$	5,000	$	1,398,000
Non-current Assets						
Non-current deposit		8,000		-		8,000
Exploration and evaluation assets		1,368,000		6,648,000		8,016,000
Intangible assets		10,000		-		10,000
Equipment		12,000		5,000		17,000
Liabilities						
Current liabilities		177,000		-		177,000

15) Comparative figures

Certain comparative figures have been reclassified to conform to current year presentation.

16) Subsequent events

On 14 October 2015, the Company announced that 39,383,363 warrants issued on 21 August 2013, at an exercise price of $0.07 until 21 August 2014 and then $0.10 until 21 October 2015, will be extended an additional twelve months with the exercise price remaining at $0.10.

On 28 October 2015, 100,000 options expired unexercised.