

REDSTAR GOLD CORP.
(AN EXPLORATION STATE COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2015 AND 2014

Stated in Canadian Funds

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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.

We draw attention to Note 1 in the 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 July 2015

"Ken Booth"

Ken Booth, Interim CEO

"Grant T. Smith"

Grant T. Smith, CFO

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Red Star Gold Corp.:

We have audited the accompanying consolidated financial statements of Redstar Gold Corp., which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of comprehensive loss, changes in equity, and cash flows for the year then ended and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Redstar Gold Corp. and its subsidiary as at March 31, 2015, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of these financial statements, which states that Redstar Gold Corp. incurred significant losses from operations, negative cash flows from operating activities and has an accumulated deficit. This, along with other matters described in Note 1, indicates the existence of a material uncertainty which may cast significant doubt about the ability of Redstar Gold Corp. to continue as a going concern.

Other Matter

The financial statements of Redstar Gold Corp. for the year ended March 31, 2014, were audited by another auditor who expressed an unmodified opinion on those statements on July 18, 2014.

July 24, 2015
Vancouver, British Columbia



Chartered Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
	Note	31 March 2015	31 March 2014
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 1,311,090	\$ 30,198
Marketable securities	(8)	54,787	61,542
Amounts receivable		7,223	7,378
Prepaid amounts and advances		25,391	58,558
		1,398,491	157,676
Non-current Assets			
Deposit		7,428	7,428
Exploration and evaluation assets	(9)	8,016,119	6,904,228
Intangible assets	(10)	10,361	-
Equipment	(11)	16,703	23,050
		8,050,611	6,934,706
		\$ 9,449,102	\$ 7,092,382
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 139,845	\$ 105,849
Due to related parties	(14)	37,477	105,246
		177,322	211,095
EQUITY (STATEMENT 3)			
Share capital		22,467,382	19,665,089
Contributed surplus – warrants		1,257,299	794,985
Contributed surplus – options		2,602,054	2,525,585
Accumulated other comprehensive income		(108,336)	(77,542)
Deficit		(16,946,619)	(16,026,830)
		9,271,780	6,881,287
		\$ 9,449,102	\$ 7,092,382

Nature of operations and going concern	(1) Segmented disclosure	(15)
Basis of preparation - statement of compliance	(2) Comparative figures	(16)
Capital management	(12) Subsequent events	(18)

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

“Ken Booth”
Ken Booth, Director

“Jacques Vaillancourt”
Jacques Vaillancourt, Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Note	Year ended 31 March 2015	Year ended 31 March 2014
CONTINUING OPERATIONS			
EXPENSES			
General and Administrative			
Consulting		\$ 273,659	\$ 328,131
Investor relations		155,945	118,115
Audit and legal		115,544	117,645
Travel and promotion		106,230	42,255
Share-based payments	(13)	76,469	241,576
Contract wages		62,466	259,860
Rent		57,400	126,518
Office operations		39,615	30,306
Insurance		35,629	43,545
Regulatory fees		35,046	36,143
Amortization		6,972	7,650
Transfer agent		6,863	7,336
		971,838	1,359,080
Other (Income) Expense			
Loss on foreign exchange		30,531	26,526
Interest (income)		(17,317)	(2)
(Gain) loss on exploration and evaluation assets	(9)	(63,724)	2,086
(Gain) on sale of marketable securities		-	(2,762)
		(50,510)	25,848
Loss Before Income Tax		921,328	1,384,928
Deferred income tax		(1,539)	(5,828)
Net Loss for the year		919,789	1,379,100
Other Comprehensive Income			
Unrealized loss (gain) on available-for-sale securities	(8)	30,794	(31,203)
Comprehensive Loss for the Year		\$ 950,583	\$ 1,347,897
Basic and Diluted Loss per Common Share		\$ (0.01)	\$ (0.01)
Weighted Average Number of Shares Outstanding		171,890,513	99,444,066

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares	Amount	Warrant	Options	Accumulated Other Comprehensive Income	Deficit	Shareholders' Equity
BALANCE 01 APRIL 2013	73,436,215 \$	17,350,695 \$	73,935 \$	2,284,009 \$	(46,339)\$	(14,647,730)\$	5,014,570
Shares issued for mineral property interests	375,000	27,500	-	-	-	-	27,500
Share-based payments	-	-	-	60,024	-	-	60,024
Unrealized loss on marketable securities	-	-	-	-	-	9,298	9,298
Net loss for the period	-	-	-	-	-	(361,666)	(361,666)
BALANCE 30 JUNE 2013	73,811,215 \$	17,378,195 \$	73,935 \$	2,344,033 \$	(46,339)\$	(15,000,098)\$	4,749,726
Shares issued for mineral property interests	125,000	12,500	-	-	-	-	12,500
Shares issued to finders	139,080	7,649	-	-	-	-	7,649
Issued for cash, net of unit issuance costs	39,383,363	1,347,857	721,050	60,577	-	-	2,129,484
Unrealized loss on marketable securities	-	-	-	-	14,678	-	14,678
Net loss for the period	-	-	-	-	-	(424,775)	(424,775)
BALANCE 30 SEPTEMBER 2013	113,458,658 \$	18,746,201 \$	794,985 \$	2,404,610 \$	(31,661)\$	(15,424,873)\$	6,489,262
Share-based payments	-	-	-	120,975	-	-	60,262
Unrealized loss on marketable securities	-	-	-	-	(11,892)	-	(11,892)
Net loss for the period	-	-	-	-	-	(311,255)	(311,255)
BALANCE 31 DECEMBER 2013	113,458,658 \$	18,746,201 \$	794,985 \$	2,404,610 \$	(43,553)\$	(15,736,128)\$	6,226,377
Shares issued for debt	11,486,102	918,888	-	-	-	-	918,888
Share-based payments	-	-	-	60,713	-	-	60,713
Unrealized loss on marketable securities	-	-	-	-	(33,989)	-	(33,989)
Net loss for the period	-	-	-	-	-	(290,702)	(290,702)
BALANCE 31 MARCH 2014	124,944,760 \$	19,665,089 \$	794,985 \$	2,525,585 \$	(77,542)\$	(16,026,830)\$	6,881,287

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 March 2015	Year ended 31 March 2014
OPERATING ACTIVITIES		
Loss for the Year	\$ (919,789)	\$ (1,379,100)
Items not Affecting Cash		
Amortization	6,972	7,650
Share-based payments	(13) 76,469	241,576
(Gain) on sale of marketable securities	-	(2,762)
Deferred income tax	(1,539)	(5,828)
(Gain) loss on exploration and evaluation assets	(9) (63,724)	2,086
	(901,611)	(1,136,378)
Net Change in Non-cash Working Capital		
Amounts receivable	155	73,881
Prepaid amounts and advances	33,167	14,705
Accounts payable and accrued liabilities	33,996	125,147
Due to related parties	(67,769)	264,449
	(451)	478,182
	(902,062)	(658,196)
INVESTING ACTIVITIES		
Acquisition of exploration assets	(272,375)	(1,598,884)
Exploration asset expenditures	(768,292)	(92,041)
Acquisition of intangible assets	(10,986)	-
Recoveries of acquisition of exploration and evaluation expenditures	-	190,368
Recoveries of exploration asset expenditures	-	18,329
Proceeds on sale of marketable securities	-	33,040
	(1,051,653)	(1,449,188)
FINANCING ACTIVITIES		
Issuance of units, net of issuance costs	3,234,607	2,076,556
Net Increase in Cash and Cash Equivalents	1,280,892	(30,828)
Cash position – beginning of year	30,198	61,026
Cash Position – End of Year	\$ 1,311,090	\$ 30,198
Schedule of Non-cash Investing and Financing Transactions		
Shares issued for resource properties	\$ 30,000	\$ 40,000

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

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

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

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

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

Management has estimated that the Company has sufficient financing to complete current work plans; however, expanded and future development will require additional financing in order to complete all planned exploration and other programs during the year ending 31 March 2016. If funds are unavailable on terms satisfactory to the Company, some or all planned activities may be cancelled or postponed. Management believes it has available funds to continue operations for a period of one year.

Rounded to 000's	31 March 2015	31 March 2014
Working capital surplus (deficit)	\$ 1,221,000	\$ (53,000)
Accumulated (deficit)	\$ (16,947,000)	\$ (16,027,000)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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”).

These Financial Statements were authorised for issue by the Board of Directors on 24 July 2015 and have been prepared under the historical cost convention, except for certain financial instruments, as set out in the summary of significant accounting policies (note 3).

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

d) Comprehensive income

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

e) Cash and cash equivalents

The Company considers cash to include amounts held in banks and highly liquid investments with maturities at a point of purchase of three months or less.

f) Marketable securities

The Company has classified all of its marketable securities as available-for-sale, thus securities are recorded at fair market value and any associated unrealized gain or loss, net of tax, are included as a separate component of shareholders' equity.

g) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSRestoration 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 31 March 2015.

h) Share-based payments

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

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

i) Warrants

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

When shares and warrants are issued at the same time, the proceeds are allocated first to warrants issued, according to their fair value using the Black-Scholes pricing model, the residual value being allocated to shares.

j) Share capital

Share capital issued for non-monetary consideration is recorded at an amount based on the quoted market value of the Company's shares at the time of issuance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**k) Basic loss per share**

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

l) Intangible assets

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

Computer software	1-3 years
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m) Equipment

Equipment is depreciated using the declining balance method based on estimated useful lives. Land is not depreciated.

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

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

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

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

Subsequent costs

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

Impairment

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

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

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate

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that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

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

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

Computer equipment	30%
Office equipment	20%

n) Financial instruments

All financial instruments must be recognized, initially, at fair value on the statement of financial position. The Company has classified each financial instrument into the following categories: "fair value through profit or loss", "held-to-maturity", "loans and receivables," and "available-for-sale". Subsequent measurement of the financial instruments is based on their respective classification. Unrealized gains and losses on available-for-sale instruments are recorded in equity. The other categories of financial instruments are recognized at amortized cost using the effective interest method. The Company had made the following classifications:

Financial Asset or Liability	Category	Measurement Method
Cash and cash equivalents	Loans and receivables	Amortized cost
Marketable securities	Available-for-sale	Fair value
Amounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

o) Financial liabilities and equity

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

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

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

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

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

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p) Impairment

Non-monetary assets are tested for impairment when events or changes in circumstance indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units “CGUs”). The recoverable amount is the higher of an asset’s fair value costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

q) Environmental

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

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

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

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

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 year ended 31 March 2015 or the year ended 31 March 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 31 March 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5) Recently adopted accounting standards

The following accounting policies have been adopted by the Company on 1 April 2014:

a) IAS 32, Financial instruments: presentation

IAS 32 provides further clarity around details relating to the right of set-off and the application of offsetting criteria under certain circumstances. The amendments to IAS 32 are effective for annual periods beginning on or after 1 January 2014. The Company is currently evaluating the impact of this standard on the Financial Statements.

b) IFRIC 21, Levies imposed by governments

In May 2013, the IASB issued IFRIC 21 which sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognized. The Company is currently assessing the impact of IFRIC 21 on the Financial Statements.

6) 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.

c) IFRS 7, Non-current assets held for sale and discontinued operations (amended standard)

In September 2014, the IASB issued amendments to IFRS 7, *Financial Instruments: Disclosures* (IFRS 7). The amendments in IFRS 7 are to be applied retrospectively, with earlier application permitted. The amendments to IFRS 7 clarify the disclosure required for any continuing involvement in a transferred asset that has been derecognized. The amendments also provide guidance on disclosures regarding the offsetting of financial assets and financial liabilities in interim financial reports. The amendment is effective for annual periods beginning on or after 1 January 2015.

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.

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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.

d) IAS 24, Related party transactions

IAS 24 was amended to revise the definition of related party to include an entity that provides key management personnel services to the reporting entity or its parent and to clarify the related party disclosure requirements. This amendment is effective for fiscal years beginning on or after 1 July 2014.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7) 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 31 March 2015 and 31 March 2014.

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 31 March 2015 and 2014, 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

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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 \$6,200. At 31 March 2015, the Company held currency totalling the following:

Canadian (Dollars)	US (Dollars)
\$1,207,000	\$98,000

g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at 31 March 2015, the Company had a cash balance of \$1,311,090 to settle current liabilities of \$177,322. The Company is not exposed to significant liquidity risk.

8) Marketable securities

31 March 2014	Shares	Cost	Accumulated Unrealized Gain (Loss)	Total
Uranium Standard Resources Ltd. ⁽ⁱ⁾	11,111	\$ 30,000	\$ (29,000)	\$ 1,000
Confederation Minerals Ltd.	150,000	33,750	(15,750)	18,000
True Grit Resources Ltd.	540,000	70,400	(35,300)	35,100
Brocade Metals Corp.	320,000	4	-	4
American Potash Corp. ⁽ⁱⁱⁱ⁾	57,219	5,722	1,716	7,438
		\$ 139,876	\$ (78,334)	\$ 61,542

31 March 2015	Shares	Cost	Accumulated Unrealized (Loss)	Total
Uranium Standard Resources Ltd. ⁽ⁱ⁾	11,111 ⁽ⁱⁱⁱ⁾	\$ 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

⁽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 year ended 31 March 2015, the Company recorded an unrealized loss on marketable securities of \$30,794 (2014 – \$(31,203)), 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

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9) Exploration and evaluation assets

The Company has interests in mineral properties; the details of which follow for the year ended 31 March 2015 and the year ended 31 March 2014:

PROPERTY DETAILS	Alaska	Nevada	Canada	Total
Balance as at 01 April 2013	\$ 3,535,609	\$ 438,638	\$ 1,493,589	\$ 5,467,836
Acquisitions				
Additions	1,623,421	15,463	-	1,638,884
Amounts recovered	-	(165,369)	(108,750)	(274,119)
	1,623,421	(149,906)	(108,750)	1,364,765
Exploration Expenditures				
Travel and accommodation	1,130	42,189	-	43,319
Geophysical	24,719	1,980	-	26,699
Equipment rental	7,272	4,825	-	12,097
Reclamation	7,751	-	-	7,751
Camp and exploration	1,365	-	-	1,365
Assaying	420	391	-	811
Recoveries	-	(18,329)	-	(18,329)
	42,656	31,057	-	73,713
Mineral properties written-off	-	(2,086)	-	(2,086)
Balance as at 31 March 2014	\$ 5,201,685	\$ 317,703	\$ 1,384,839	\$ 6,904,228
Balance as at 01 April 2014	\$ 5,201,685	\$ 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

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PROPERTY BY REGION	Balance 31 March 2014	Acquisition Costs	Exploration Expenditures	Proceeds Exceeding Carrying Value	Balance 31 March 2015
Alaska					
Unga Project	\$ 5,201,686	\$ 302,375	\$ 763,861	\$ -	\$ 6,267,922
	5,201,686	302,375	763,861	-	6,267,922
Nevada					
Seven Devils	169,579	-	845	-	170,424
Oasis	60,966	-	124	-	61,090
Cooks Creek	58,483	-	-	-	58,483
Painted Hills	44,122	-	172	-	44,294
Richmond Summit	39,622	-	124	-	39,746
Baker Spring	5,553	-	268	-	5,821
Nevada General ⁽ⁱ⁾	(41,407)	-	2,795	38,612	-
Root Spring	(19,215)	-	(5,897)	25,112	-
	317,703	-	(1,569)	63,724	379,858
Canada					
Newman Todd	1,384,839	-	(16,500)	-	1,368,339
	1,384,839	-	(16,500)	-	1,368,339
	\$ 6,904,228	\$ 302,375	\$ 745,792	\$ 63,724	\$ 8,016,119

⁽ⁱ⁾ Nevada General includes Queens, Larus, Long Island, and Gold Cloud.

a) 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.

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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.

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.

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Nevada Properties and AngloGold royalty

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

24 January 2014 Agreement – Nevada Projects

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

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

⁽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. Further details regarding the status of the agreement with True Grit are disclosed in note 18.

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).

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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 Roots Springs Property.

c) 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,

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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 Alluet 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
1 January 2017	-	60,000	-	500,000
1 January 2018	-	-	-	1,000,000
1 January 2019	-	-	-	1,000,000
	<u>\$ 125,000</u>	<u>\$ 225,000</u>	<u>750,000</u>	<u>\$ 3,400,000</u>

⁽ⁱ⁾ 8 September 2014

⁽ⁱⁱ⁾ Paid or issued

⁽ⁱⁱⁱ⁾ Incurred

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10) Intangible assets

	Computer Software
COST OR DEEMED COST	
Balance at 01 April 2013 and 31 March 2014	\$ -
Additions	10,986
Balance at 31 March 2015	\$ 10,986
ACCUMULATED DEPRECIATION	
Balance at 01 April 2013 and 31 March 2014	\$ -
Depreciation for the year	625
Balance at 31 March 2015	\$ 625
CARRYING AMOUNTS	
At 01 April 2013 and 31 March 2014	\$ -
At 31 March 2015	\$ 10,361

11) Equipment

	Computers	Equipment	Vehicles	Total
COST OR DEEMED COST				
Balance at 31 March 2014, 31 March 2015 and 01 April 2013	\$ 77,911	\$ 27,016	\$ 29,100	\$ 134,027
ACCUMULATED DEPRECIATION				
Balance at 01 April 2013	\$ 62,789	\$ 20,043	\$ 20,497	\$ 103,329
Depreciation for the year	4,051	1,293	2,304	7,648
Balance at 31 March 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
CARRYING AMOUNTS				
At 31 March 2014	\$ 11,071	\$ 5,680	\$ 6,299	\$ 23,050
At 31 March 2015	\$ 7,750	\$ 4,544	\$ 4,409	\$ 16,703

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12) Capital management

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

13) Share capital

a) Authorized: Unlimited common shares without par value.

b) Issued or allotted and fully paid:

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.

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During the year ended 31 March 2014:

The Company issued 125,000 common shares in the capital of the Company each on April 23, May 23, June 20, and 23 July 2013, valued at \$8,750, \$10,000, \$8,750 and \$12,500, respectively, in connection with the acquisition of the Unga property.

The Company closed a non-brokered private placement (the "Placement"), on 21 August 2013, and issued, for gross proceeds of \$2,166,085, 39,383,363 shares in the capital of the Company and 39,383,363 warrants allowing for the purchase of up to 39,383,363 shares in the capital of the Company at \$0.07 per share until 21 August 2014, and at \$0.10 per share from 22 August 2014 to 21 October 2015. In connection with the Placement, the Company paid a total of \$89,529 in cash and issued in the aggregate 139,080 common shares in the capital of the Company to finders, which shares were valued at \$7,649.

The Company reached agreements, during the year ended 31 March 2014, with various suppliers, pursuant to which it issued, on 5 February 2014 a total of 11,486,102 shares in its capital, in payment for services rendered to the Company during the past 24 months, at a price of \$0.08 per share, for total value of \$918,888.

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.

Stock option activity during the period is summarized as follows:

STOCK OPTION ACTIVITY	31 March 2015	Weighted Average Exercise Price	31 March 2014	Weighted Average Exercise Price
Balance – Beginning of Year	7,335,000	0.28	6,540,000	0.27
Granted	3,800,000	0.06	1,875,000	0.13
Expired	(505,000)	0.15	-	-
Cancelled	(1,480,000)	0.32	(1,080,000)	-
Balance – End of Year	9,150,000	0.16	7,335,000	0.28

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

	31 March 2015
Number of options vested	1,875,000
Compensation recognized	\$ 76,469

	31 March 2015	31 March 2014
The outstanding options have a weighted-average exercise price of:	\$ 0.16	\$ 0.28
The weighted average remaining life of the outstanding options is:	2.78	2.12

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As at 31 March 2015 and 31 March 2014 the Company had the following stock options outstanding:

Expiry date	Exercise Price	31 March 2015 Outstanding	31 March 2015 Exercisable	31 March 2014 Outstanding
16 September 2014	\$ 0.15	-	-	600,000
28 October 2015	0.18	860,000	860,000	1,100,000
23 February 2016	0.30	100,000	100,000	150,000
07 September 2016	0.50	500,000	500,000	500,000
30 September 2016	0.53	-	-	400,000
18 May 2017	0.29	1,675,000	1,675,000	2,310,000
26 July 2017	0.20	400,000	400,000	400,000
30 September 2018	0.10	940,000	940,000	1,000,000
5 June 2015	0.20	475,000	475,000	475,000
5 December 2016	0.10	400,000	400,000	400,000
30 April 2019	0.06	450,000	337,500	-
10 September 2019	0.06	1,750,000	437,500	-
29 October 2019	0.06	1,600,000	800,000	-
		9,150,000	6,925,000	7,335,000

d) Share-based payments

For the year ended 31 March 2015 and the year ended 31 March 2014, the Company issued stock options to its directors, officers, employees, and consultants and recognized stock-based compensation as follows:

	31 March 2015	31 March 2014
Total Options Granted	3,800,000	1,875,000
Average exercise price	\$ 0.06	\$ 0.13
Estimated fair value of compensation	\$ 76,469	\$ 241,576
Estimated fair value per option	\$ 0.01	\$ 0.13

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:

	31 March 2015	31 March 2014
Risk free interest rate	1.05%	1.71%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	70%	61%
Expected option life in years	3.5	3
Expected maturity rate	70-100%	60-100%

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.

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e) Warrants

WARRANT ACTIVITY	31 March 2015	Weighted Average Exercise Price	31 March 2014	Weighted Average Exercise Price
Balance – Beginning of Year	42,065,193	0.08	9,839,872	0.51
Issued	55,133,333	0.11	39,383,363	0.07
Expired	(2,681,830)	0.25	(7,158,042)	0.60
Balance – End of Year	94,516,696	0.11	42,065,193	0.08

Date of Issuance	Date of Expiry	Exercise Price	31 March 2015 Outstanding	31 March 2014 Outstanding
20 December 2012	20 June 2014	0.25	-	2,681,830
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	-
			94,516,696	42,065,193

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14) Related party transactions

RELATED PARTY DISCLOSURE

Name and Principal Position	Fiscal Period ⁽ⁱ⁾	Remuneration or Fees ⁽ⁱⁱ⁾	Amounts Payable
Acrehouse, a company controlled by a former CEO and president – consulting fees	2015	\$ 85,833	\$ 11,375
	2014	\$ -	\$ -
Pamicon, a company of which a former CEO was a principal – consulting fees ⁽ⁱⁱⁱ⁾	2015	\$ 123,411	\$ 12,635
	2014	\$ 584,354	\$ 61,623
Highwood Advisory, a company controlled by the Interim CEO – consulting fees	2015	\$ 49,575	\$ 6,300
	2014	\$ -	\$ -
Clearline, a company of which the CFO is a director CFO – consulting fees	2015	\$ 15,000	\$ 3,000
	2014	\$ -	\$ -
Venturex, a company controlled by the former CFO – consulting fees	2015	\$ 31,143	\$ -
	2014	\$ 42,000	\$ 3,150
Director and Chairman of the Board	2015	\$ 50,000	\$ 4,167
	2014	\$ 26,344	\$ 4,167
A former Director	2015	\$ -	\$ -
	2014	\$ 36,000	\$ -

⁽ⁱ⁾ For the years ended 31 March 2015 and 31 March 2014.

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

⁽ⁱⁱⁱ⁾ During the year ended 31 March 2014, the Company settled an amount owing to Pamicon of \$829,176 by way of issuance of 10,364,701 shares.

The Company conducts a portion of its management and administrative activities through a service contractor of which a former director is a shareholder. For the year ended 31 March 2015, the Company was charged \$nil (2014 - \$12,260) for exploration-related costs and \$123,411 (2014 - \$481,973) to reimburse office and administrative costs as follows:

	31 March 2015	31 March 2014
Contract consulting ⁽ⁱ⁾	\$ 62,466	\$ 361,126
Travel and promotion	-	27,433
Rent	50,898	79,051
Office and miscellaneous	10,077	14,363
	\$ 123,411	\$ 481,973

⁽ⁱ⁾ Includes compensation paid to the former CEO, CFO, and a director of \$nil (2014 - \$171,000).

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15) Segmented disclosure

Rounded to 000's	Canada	United States	Total
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
	2,791,000	6,658,000	9,449,000
Liabilities			
Current liabilities	177,000	-	177,000
31 March 2014			
Current assets	\$ 107,000	\$ 51,000	\$ 158,000
Non-current Assets			
Non-current deposit	7,000	-	7,000
Exploration and evaluation assets	1,385,000	5,519,000	6,904,000
Equipment	16,000	7,000	23,000
	1,515,000	5,577,000	7,092,000
Liabilities			
Current liabilities	211,000	-	211,000

16) Comparative figures

Certain comparative figures have been reclassified to conform to current year presentation. The comparative period reclassification groups total telephone costs of \$4,358 with office operations expense. The reclassification has not had an impact on the results of operations for the year.

17) Income Taxes

The following table reconciles the expected income taxes (recovery) at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of loss and comprehensive loss for the years ended 31 March 2015 and 2014:

	31 March 2015	31 March 2014
Canadian (loss) before income taxes	\$ (950,583)	\$ (1,353,969)
Canadian statutory tax rates	26.00%	26.00%
Expected income tax (recovery)	(247,152)	(352,032)
Non-deductible items	(5,063)	-
Change in estimates	(2,311,605)	115,565
Change in tax rates	-	51,914
Functional currency adjustments	(268,541)	-
Foreign tax rate differences	1,064	-
Change in deferred tax asset not recognized	2,831,298	178,724
Total income tax expense (recovery)	\$ 1	\$ (5,829)

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Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets (liabilities) at 31 March 2015 and 2014 are comprised of the following:

	31 March 2015	31 March 2014
Deferred tax assets - Canada		
Non-capital loss carryforwards	\$ 1,594,336	\$ 1,367,977
Exploration and evaluation assets	993,453	979,803
Property and equipment	14,246	11,287
Financial instrument	27,973	20,367
Investment credit	143,972	143,972
	2,773,980	2,523,405
Deferred tax asset not recognized	(2,773,980)	(2,523,405)
Net deferred tax asset	\$ -	\$ -
Deferred tax assets - US		
Net operating loss carry forwards	\$ 1,278,097	\$ -
Property and equipment	(956)	-
Mineral property	1,303,582	-
	2,580,723	-
Deferred tax asset not recognized	(2,580,723)	-
Net deferred tax asset	\$ -	\$ -

The Company has non-capital loss carryforwards of approximately \$5,880,523 which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Year of Expiry	Taxable Loss
2015	\$ 178,500
2026	354,237
2027	352,138
2028	675,557
2029	447,735
2030	113,279
2031	219,706
2032	730,366
2033	918,870
2034	1,019,524
2035	870,611
Total	\$ 5,880,523

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The Company has non-capital loss carryforwards of approximately \$7,199,565 which may be carried forward to apply against future year income tax for US income tax purposes.

Year of Expiry	Taxable Loss
2029	\$ 134,747
2030	595,826
2031	1,069,636
2032	1,094,504
2033	1,419,465
2034	1,648,717
2034	1,236,670
Total	\$ 7,199,565

18) Subsequent events

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.

On 15 May 2015, the Company provides an update on the option agreement dated 24 January 2014 (the "Option Agreement") with True Grit Resources Ltd. ("True Grit"), whereby Redstar granted True Grit the option to acquire a 100% interest in certain claim blocks located in Nevada, U.S.A. (the "Property"). To complete its first year commitments under the Option Agreement, True Grit was required, among other things, to (i) pay Redstar an additional \$50,000; (ii) issue to Redstar an additional 500,000 common shares in its capital; and (iii) incur \$250,000 in eligible exploration expenditures on the Property, all on or before 20 February 2015 (the "Deadline"). These commitments were not met by the Deadline. Redstar gave True Grit a final extension until the close of business on 8 May 2015 to remedy its default under the Option Agreement, failing which the Option Agreement would be terminated. Additionally True Grit has failed to deliver to Redstar Gold on, or before, 31 March 2015 a report describing the results of True Grit's work done on the Property in 2014. The Option Agreement provides for binding arbitration on matters with respect to the accounting of monies required to be expended by True Grit thereunder. Accordingly, Redstar intends to submit the issue of whether True Grit complied with its obligation to incur \$250,000 in approved exploration expenditures on the Property by 20 February 2015 to arbitration. Pending the conclusion of the arbitration proceedings, Redstar is reviewing its strategy for its Nevada property portfolio, including seeking new partners.

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.