

# **REDSTAR GOLD CORP.**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS**

#### **FOR THE YEAR ENDED 31 MARCH 2015**

Stated in Canadian Funds

Dated: 24 July 2015

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# REDSTAR GOLD CORP.

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## TO OUR SHAREHOLDERS

This Management Discussion and Analysis (“MD&A”) supplements, but does not form part of, the Audited Financial Statements (the “Financial Statements”) for the year ended 31 March 2015 and 2014. Consequently, the following discussion and analysis of the financial condition and results of operations for Redstar Gold Corp. (“Redstar” or the “Company”), should be read in conjunction with the audited Financial Statements for year ended 31 March 2015 and 2014, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), consistently applied.

Discussion of the Company, its operations and associated risks are further described in the Company’s filings, available for viewing at [www.sedar.com](http://www.sedar.com). A copy of this MD&A will be provided to any applicant upon request.

## FORWARD-LOOKING STATEMENTS

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company’s filings and herein. Additional information regarding the Company, including copies of the Company’s continuous disclosure materials is available through the SEDAR website at [www.sedar.com](http://www.sedar.com).

The table below sets forth the significant forward-looking information included in this MD&A:

<b>Forward-Looking Information</b>	<b>Key Assumptions</b>	<b>Most Relevant Risk Factors</b>
Future funding for ongoing operations.	The Company will be able to raise these funds.	The Company has disclosed that this may be difficult and failure to raise these funds will materially impact the Company’s ability to continue as a going concern.
Continued exploration of mineral properties.	The exploration and drilling will reveal mineral resources increasing the value of the properties.	There is no certainty that the exploration projects will result in an increase in the existing resource.

## QUALIFIED PERSON

The Company’s disclosure of a technical or scientific nature has been reviewed and approved Jesse C. Grady, MSc, CPG-11592, a Qualified Person under the definition of National Instrument 43-101.

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## OVERALL PERFORMANCE

The Company is a mineral exploration organization engaged in the exploration and subsequent development of prospective mineral targets in Alaska and Nevada, USA and in the Red Lake region of north-western Ontario, Canada.

Activity of the Company is generally dependent on the sources of capital and access to funding in the capital markets. The Company successfully maintains its business model as a gold explorer with active programs on its properties. A more detailed review of activities on the individual properties is covered under Mineral Properties of the Company in this MD&A.

## CONVERSION TABLES

For ease of reference, the following information is provided ([www.onlineconversion.com](http://www.onlineconversion.com)):

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<b>Imperial</b>		<b>Metric</b>	
1 Acre	=	0.404686	Hectares
1 Foot	=	0.304800	Metres
1 Mile	=	1.609344	Kilometres
1 Ton	=	0.907185	Tonnes
1 Ounce (troy)/ton	=	34.285700	Grams/Tonne

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### Precious metal units and conversion factors

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ppb – Part per billion	1 ppb	=	0.0010 ppm	=	0.000030 oz/t
ppm – Part per million	100 ppb	=	0.1000 ppm	=	0.002920 ot/t
oz – ounce (troy)	10,000 ppb	=	10.0000 ppm	=	0.291670 oz/t
oz/t – ounce per ton (addp.)	1 ppm	=	1.0000 ug/g	=	1.000000 g/tonne
g – gram					
g/tonne – gram per metric ton	1 oz/t	=	34.2857 ppm		
mg – milligram	1 carat	=	41.6660 mg/g		
kg – kilogram	1 ton (avdp.)	=	907.1848 kg		
ug – microgram	1 oz (troy)	=	31.1035 g		

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### EXPLORATION RESULTS

#### Unga Project

##### Company's Plans and General Comments

The Unga Project is an extremely important acquisition, giving the Company control of an entire underexplored epithermal district with multiple high-grade vein fields and disseminated mineralized systems capable of producing significant underground mineralization. In particular, high-grade gold systems are extremely attractive targets because they tend to have lower operating costs per ounce and smaller environmental footprints.

##### Completion of 2015 Drill Program

The Company has successfully completed its summer exploration program at the Unga Gold Project located on Unga Island in the Aleutian arc of Alaska. The results of the 2015 exploration program on the Unga Gold Project include rock samples with grades of up to 202 g/t gold and 82 g/t silver over 1.9 metres and 133 g/t gold and 422 g/t silver over 0.7 metres. Redstar is exploring for high-grade, epithermal gold mineralization within an historic mining camp located on Unga Island in the Aleutian arc of Alaska. These results are to be followed by the surface work results on the Shumagin Trend.

##### Unga Project: Future Outlook

Redstar expects soon to receive approval for all required exploration, drilling, water use and other relevant permit applications for the Unga Project from the State of Alaska Department of Natural Resources, as well as a renewed surface access agreement.

Redstar plans to continue a drilling campaign focussing initially on the Shumigan Prospect, at the eastern end of the Shumigan Trend, which returned highly encouraging results from the extensive sampling by Redstar during its next program. The Shumigan Prospect has been the subject of the majority of historic drilling. Drilling will focus on the expansion of known mineralization at the Shumigan Prospect, as well as confirmation and infill drilling with the aim of completing a preliminary, NI 43-101-compliant resource during the course of 2015.

Additionally, property-scale exploration of target areas along both the Shumigan and Apollo-Sitka Trends is also anticipated, where significant precious metal mineralization has been identified along both of the sub-parallel structures covering a total of approximately 18 km of strike length. This additional work will include mapping and rock-chip sampling.

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## MINERAL PROPERTIES OF THE COMPANY

The Company has a number of projects at various stages of exploration and partnership or joint venture participation. The discussion below provides summary information in respect of the Company's mineral properties and their activity thereon. Refer to the Company's news releases filed on [www.sedar.com](http://www.sedar.com), for additional exploration results. The discussion on the properties in this document covers the period to date since the previous year-end of 31 March 2015. MD&As previously filed on SEDAR cover prior periods and fiscal year-ends. The commitments in respect of consideration to be paid or received on acquisition or disposition of the Company's properties, respectively, are detailed in the Company's Financial Statements, including the notes thereto. Details of mineral properties follow:

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

PROPERTY DETAILS	Alaska	Nevada	Canada	Total
<b>Balance as at 01 April 2013</b>	\$ 3,535,609	\$ 438,638	\$ 1,493,589	\$ 5,467,836
<b>Acquisitions</b>				
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
<b>Exploration Expenditures</b>				
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)
<b>Balance as at 31 March 2014</b>	\$ 5,201,685	\$ 317,703	\$ 1,384,839	\$ 6,904,228
<b>Balance as at 01 April 2014</b>	\$ 5,201,685	\$ 317,703	\$ 1,384,839	\$ 6,904,228
<b>Acquisitions</b>				
Additions	302,375	-	-	302,375
<b>Exploration Expenditures</b>				
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
<b>Balance as at 31 March 2015</b>	\$ 6,267,922	\$ 379,858	\$ 1,368,339	\$ 8,016,119

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<b>PROPERTY BY REGION</b>	<b>Balance 31 March 2014</b>	<b>Acquisition Costs</b>	<b>Exploration Expenditures</b>	<b>Proceeds Exceeding Carrying Value</b>	<b>Balance 31 March 2015</b>
<b>Alaska</b>					
Unga Project	\$ 5,201,686	\$ 302,375	\$ 763,861	\$ -	\$ 6,267,922
	5,201,686	302,375	763,861	-	6,267,922
<b>Nevada</b>					
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 <sup>(i)</sup>	(41,407)	-	2,795	38,612	-
Root Spring	(19,215)	-	(5,897)	25,112	-
	317,703	-	(1,569)	63,724	379,858
<b>Canada</b>					
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, Ontario, Canada

In 2007, the Company acquired a 100% interest in the Newman Todd area properties. On 19 November 2010, the Company entered into an option agreement with Confederation Minerals Ltd. ("Confederation") whereby Confederation can earn an initial 50% interest in the property by making cash payments to the Company, issuing shares in the capital of Confederation to the Company, and expending \$5,000,000 on the property. All consideration having been received by the Company and all expenditures made, Confederation now holds a 50% undivided legal and beneficial interest in and to the Newman Todd property. Confederation may increase its initial 50% interest in the property to 70% upon completion of a Preliminary Economic Assessment by November 2016, issuing 500,000 common shares in the capital of Confederation to Redstar and making 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. In April, 2011 and on joint acquisition with Confederation, the Company acquired a 50% interest in 18 mineral claims adjacent to the Newman Todd project (the "Todd Property"), such that Confederation acquired an undivided 35% interest in the Todd Property (being 70% of vendor's interest) and the Company acquired an undivided 15% interest in the Todd Property (being 30% of the vendor's interest). Rubicon Minerals Corporation has retained the remaining 50% interest in the Todd Property.

Gold mineralization at the property is focused in the Newman Todd Structure ("NTS"), which extends for over two kilometres across the property hosting broad zones of quartz veining and silica/sulphide/magnetite replacements within the widespread Iron-carbonate alteration. These zones are interpreted as near vertical to steeply plunging structurally controlled amoeba shaped bodies which extend from surface to at least 900 metres in depth. The zone remains open along strike and at depth.

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### b) Nevada, USA

The Company owns ten properties in Nevada all of which have been optioned to third parties.

#### **24 January 2014 Agreement – Nevada Projects**

On 24 January 2014, the Company entered into an option-to-purchase agreement (the “24 January 2014 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 expenditure on projects
Within five business days of the effective date <sup>(i)</sup>	\$ 50,000 <sup>(ii)</sup>	500,000 <sup>(ii)</sup>	\$ -
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>

<sup>(i)</sup> Effective date: 20 February 2014

<sup>(ii)</sup> 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). During the Year True Grit did not do work on any on the Projects.



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#### **Root Spring Property**

The Root Spring Property, now consisting of 61 staked claims, is located approximately 50 miles south of the city of Winnemucca and 16 miles east of the world-class open-pit Rochester silver mine operated by Coeur d'Alene Mines Corporation. On 6 June 2011, the Company entered into an option agreement, subsequently amended in October 2012 and November 2013 (the "Amended 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 <sup>(i)</sup>	100,000 <sup>(i)</sup>	\$ -
On or before 31 December 2011	30,000 <sup>(i)</sup>	100,000 <sup>(i)</sup>	100,000 <sup>(ii)</sup>
On or before 31 December 2012	30,000 <sup>(i)</sup>	60,000 <sup>(i)</sup>	400,000 <sup>(ii)</sup>
On execution of Amending Agreement	5,000 <sup>(i)</sup>	-	-
On or before 31 December 2013	-	60,000 <sup>(i)</sup>	-
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
	<u>\$ 199,999</u>	<u>500,000</u>	<u>\$ 3,000,000</u>

(i) Received

(ii) Incurred

During the year ended 31 March 2012, Brocade and the Company completed a staking program to add an additional 64 claims to the Root Spring property, to cover potential extensions to the mineralized system under alluvial cover that were identified by a recent geophysical survey. During September 2012, the Company relinquished a number of claims on the property, such that the property now consists of 61 unpatented claims.

Mineralization at Root Spring consists of northwest-trending, low-angle southwest-dipping quartz veins and quartz-vein stockworks hosted within volcanic rocks which may be equivalent to the host Triassic volcanic section at the Rochester mine. The veins are exposed within a northwest-trending alluvial-filled valley corridor along a range front which may mark a major structural zone.

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) Unga Project, Alaska, USA**

The Unga Project covers portions of Unga and Popof Islands, located approximately 900 km southwest of Anchorage Alaska, near the town of Sand Point, which has a commercial airport and port facilities. The Unga Project is a consolidated land package consisting of approximately 250 km<sup>2</sup> of subsurface mineral rights and surface use agreements collectively leased to the Company by the Aleut, Shumigan and Unga Native Corporations ("TAC Lands") and mining claims owned by the company that consists of sixteen (16) patented mining claims ("Apollo-Sitka Trend") and six (6) State of Alaska mining claims ("Shumigan Prospect").

Redstar is the first exploration company to consolidate the land of the Unga Project, allowing for comprehensive district-scale exploration. The Unga Project is comprised of numerous precious and base metal mineral occurrences, at various stages of exploration, that occur as high-grade epithermal gold-silver vein systems, disseminated volcanic-hosted gold mineralization, silver-lead-zinc base metal vein occurrences and copper-gold property prospects that are all associated with Late Eocene island-arc volcanic rocks.

### Management Discussion and Analysis

#### **Apollo-Sitka Trend**

The Company purchased sixteen (16) patented claims in September 2013 from NGAS Production Co. (“NGAS”), a subsidiary of Magnum Hunter Resources Corp. (“Magnum”) subject to underlying advance royalty payments.

The Apollo-Sitka Trend is a northeast to southwest trending structure located to the south and east of Unga Island. The trend was a target priority at the beginning of the field surface program due to: 1) a newly acquired surface-use agreement with the Unga Tribe (surface estate holder) granting overland access use; 2) a general lack of understanding to as how mineralization mined previously within the Apollo-Sitka trend compares with the Shumigan Prospect (see below); and 3) the desire to identify additional geochemical or structural anomalies and potentially mineralized quartz-vein systems within the trend.

The initial focus of the 2014 surface program has been on the Apollo-Sitka Trend where Redstar’s surface sampling work target a 2,500m long corridor of alteration and veining that includes the sites of historic underground mining. Four high-priority targets have been sampled along this corridor: the Sitka Mine area, the Apollo Mine area, the Rising Sun prospect to the northeast, and Empire Ridge to the southwest. Overall results show high-grade gold and silver rock samples are found both within, and as extensions to zones of known mineralization within the Apollo-Sitka Trend, as established by positive soil and talus sampling results.

Results from select rock chip sampling from bedrock exposures of quartz + adularia ± carbonate stockwork veins taken from within the Apollo, Rising Sun and Empire Ridge areas are extremely encouraging. These samples returned high-grade gold and silver results with values up to 401g/t gold (“Au”) and 266g/t silver (“Ag”).

Results from continuous chip trench sampling of intense quartz-adularia ± carbonate stockworks within the hanging wall of the historic Sitka stope produced results of up to 30.5 g/t Au and 128 g/t Ag (Figures 3a and 3b).

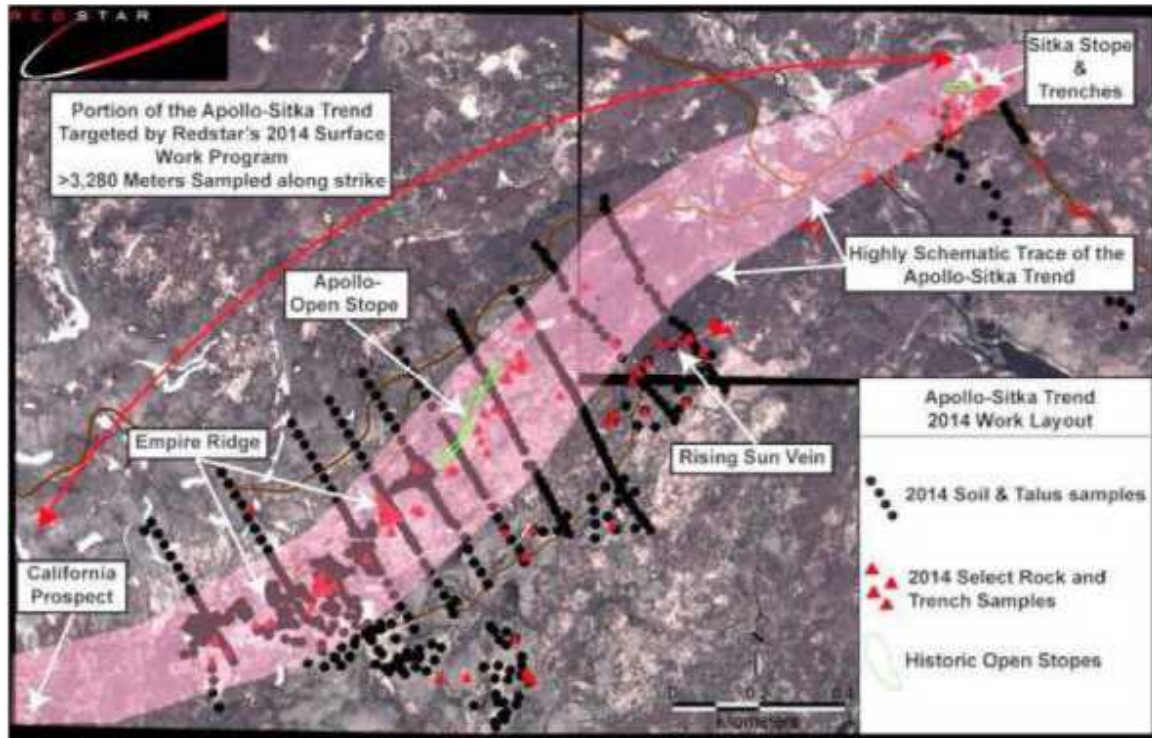
A continuous gold and silver geochemical soil anomaly of >100 ppb Au (up to 821 ppb Au) and >1.3 g/t Ag (up to 21.5 g/t Ag) covering the Sitka and Apollo mine areas has been extended by approximately 1,300 m to the southwest from the Apollo open stope through Empire Ridge. The Empire Ridge prospect area received minimal surface work during Alaska Apollo Gold Mines’ exploration program during 1983, and Redstar plans geological mapping of this important geochemical anomaly in future exploration programs.

To test the potential for mineralized anomalies within the Apollo-Sitka Trend, Redstar’s surface sampling program targeted an area totalling approximately 3,280 m of strike length encompassing historic mining areas. The program targeted a potential extension of the trend to the NE from the historic Sitka trenches and to the SW of the Apollo open stope to the California Prospect area.

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#### TAC Lands

On 9 June 2011, the Company entered into an agreement with Full Metal to acquire 60% of Full Metal's interest in the TAC Lands in consideration for making staged cash payments, staged share issuances and incurring minimum exploration expenditures on the property. The Company had the option of earning an additional 15% interest by producing a Bankable Feasibility Study and issuing additional shares of the Company to Full Metal. The property is subject to three underlying agreements, as to mineral and surface rights. Mineral rights are held by Full Metal under a lease agreement with Aleut Corporation ("TAC") (an Alaska Native Regional Corporation), and the surface rights are held by the Unga Corp. and Shumagin Corp. (both native village corporations).

On 18 February 2014, the Company signed a Letter of Intent ("LOI") with Full Metal, to take an assignment of Full Metal's interest in its agreement with TAC, which agreement is subject to force majeure due to the inability of Full Metal 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 Full Metal, 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 Full Metal in respect of the property.

On 8 September 2014, the Company announced that, together with Full Metal Minerals Ltd. and the Aleut Corporation, it has signed an Assignment and Novation Agreement in respect to the Unga-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 <sup>(i)</sup>	\$ 125,000 <sup>(ii)</sup>	\$ 50,000 <sup>(ii)</sup>	750,000 <sup>(ii)</sup>	\$ -
1 January 2015	-	55,000 <sup>(ii)</sup>	-	400,000 <sup>(iii)</sup>
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>

<sup>(i)</sup> 8 September 2014

<sup>(ii)</sup> Paid or issued

<sup>(iii)</sup> Incurred

The TAC Lands include strike extensions of the Shumagin Prospect ("The Shumigan Trend") and of the Apollo-Sitka vein system ("The Apollo-Sitka Trend") as well as other gold and copper-gold occurrences.

#### Centennial Disseminated Gold

Centennial is a shallow, bulk tonnage gold system located on Popof Island which is adjacent to Unga Island. In the late 1980's, Battle Mountain Gold Corp completed 59 drill holes and defined a non-compliant estimate <sup>(1)</sup> of 4.8 million tons with an average grade of 0.042 ounces per ton gold to a depth of 50m (Battle Mountain Gold, 1989). The disseminated replacement-style low-grade gold mineralization contains local high-grade zones/structures that have yet to be fully explored. Historic drill holes were very shallow (94m average length) and steep. Analysis of the historic results indicates that the disseminated mineralization is open for expansion and that there is potential to delineate high-grade mineralized feeder structures with further drilling.

### Management Discussion and Analysis

#### **The Shumagin Prospect**

The Shumigan Prospect occurs within the 9 km long southwest oriented Shumigan Trend, which contains a near continuous trend of anomalous target areas and extensive zones of argillic alteration and broad zones of silicification (namely, Pook and Aquila). The Shumagin Prospect contains a northeast-trending high-grade epithermal gold-silver vein system where mineralization occurs as a network of multiple, closely-spaced, steeply-dipping quartz-carbonate veins occupying a faulted contact between competent andesite and friable lithic tuff. There has been no historic production from the prospect but it been drill tested by a few exploration companies during the 1980's. Compilation work of the historic drilling produced a non-compliant estimate of 280,000 tons of material grading 0.80 ounces per ton gold and 3.7 ounces per ton silver (SRK Consulting, 2000). The Shumigan Prospect remains open along strike and at depth.

Redstar's recently completed surface program tested to prospective areas along the Shumagin Trend, both known to host previously-documented mineralization: the Shumagin and Aquila Prospects. Overall results show the potential for additional mineralized areas within the vicinity of the sampling areas, as established by positive soil and talus sampling results.

At Shumigan, a soil sample grid of approximately 750 m by 200 m was oriented to test the western extension of known surface and sub-surface mineralization along inferred structures, as documented by historic geological maps and trench data. Results from the survey show a gold and silver geochemical soil signature of 20 to 50 ppb Au (up to 615 ppb Au) and >0.5 g/t Ag (up to 6.8 g/t Ag) that has been defined over areas of historical trenching. This anomaly has been extended to the southwest by approximately 400 m, where anomalous values occur along the south-western flank of a low lying ridge that abuts against an active, north draining flood plain.

Rock chip sampling produced results of up to 9.93 g/t Au and 74.4 g/t Ag from quartz vein breccias and stockwork that occur in surface outcrops.

At the Aquila Prospect, at the far western end of the Shumigan Trend (Figure 1), a series of reconnaissance soil lines placed within upland areas covering strong argillic alteration zones produced scattered results of approximately 50 ppb Au (up to 197ppb Au) and 0.5 to 1.3 g/t Ag (up to 3.51 g/t Ag). A single select rock sample of a narrow breccia vein sampled within an intense argillic alteration zone produced results of 90.2 g/t Ag.

The Shumigan Prospect has received the most attention in recent exploration programs as it contains a very strong potential for expansion of existing high-grade gold mineralization, as defined by historic drilling and surface trenching. The field surface program was designed to accurately organize, compile and then expand upon previously generated exploration data in order to produce an accurate 3D model that will be utilized for diamond drill targeting (Figure 3).



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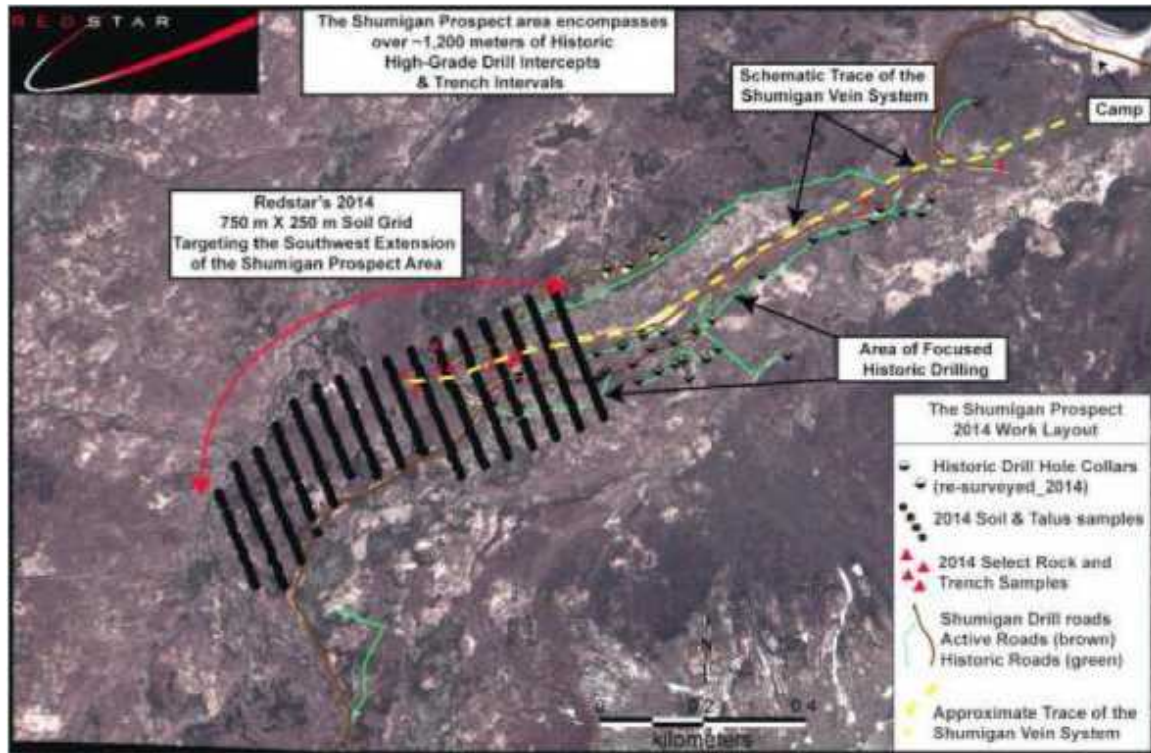


Figure 3: Work performed at the Shumigan Prospect area during the 2014 surface program.

A detailed differential global positioning system (“GPS”) survey was performed to accurately locate all existing surface features including drill roads, trenches and historic drill collars. Redstar plans to complete a satellite survey during the winter months to produce an accurate (+/- 1 m) Digital Elevation Model (“DEM”) to finalize a base survey for the project area.

The 2014 exploration crew salvaged and re-logged approximately 610 m (2,000 feet) of drill core from the historic 1980s drilling programs that initially discovered and tested the Shumigan Prospect (including, those completed by Battle Mountain Gold Corporation and Alaska-Apollo Gold Mines, Ltd.). The salvaged drill core is fully intact with all footage blocks and drill hole identification clearly legible within the inside of the core box lids. The re-logged 1980s core is in the process of being compared to existing historic databases as well as to the 2011 Redstar drill core, which is also under review. Compilation work continues with a goal of consistent designation of various lithologies, vein textures, and alteration as well as mineral assemblages for all existing down-hole data prior to construction of a 3D geological model. Intervals of mineralization and breccia-vein systems that have never been sampled occur within sections of the 1980s drill core. Redstar will sample these intervals during the winter of 2014, and the results included into the database and model.

A surface soil sample grid of approximately 750 m x 250 m, consisting of approximately 380 samples, were laid out and sampled with hopes to extend areas of known mineralization approximately 500 m along strike to the southwest of the Shumigan Prospect area. The Shumigan Prospect area occurs within the 9 km long, southwest oriented Shumigan Trend, which contains a near continuous trend of anomalous target areas and extensive zones of argillic alteration and broad zones of silicification (namely, Pook and Aquila). Field observations indicate that Shumigan, as well as Apollo-Sitka and other prospect areas, may contain vein systems at oblique angles to the main trends. The soil sampling grid work should help to determine if any obliquely oriented vein extensions of the Shumigan Prospect exist. In which case sampling may be expanded following favourable results from compilation of geological and geochemical data.

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### Management Discussion and Analysis

#### **Shumagin Trend Occurrences**

Numerous mineralized occurrences have been identified along the Shumagin trend within the TAC Lands beyond the Shumagin Prospect. For example, the Aquila prospect occurs at the southwest end of the Shumagin Trend on Unga Island. Historic rock sampling, geological mapping and drill data indicates a strong potential for a high-grade quartz-vein system to occur within the prospect area. Exploration in the early 1980's identified high-grade gold in drill core and trench intervals. There has been no drilling on the prospect since 1981. A small surface program was established to try to delineate the potential source areas to existing high-grade stream sediment and rock float samples. Approximately 150 soil/talus fines samples and over 50 rock samples were taken from the target area during the 2014 summer program.

#### **Other Occurrences**

Numerous other mineralized prospects occur on the Unga-Popof property on both Unga and Popof Islands and have seen minimal modern exploration.

*<sup>(1)</sup>Note that a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves that is compliant with NI 43-101. The Company is not treating the historical estimate as current mineral resources or mineral reserves and the historical estimate should not be relied upon or understood to indicate the existence of reserves or resources.*

### **HIGHLIGHTS, SIGNIFICANT EVENTS AND TRANSACTIONS**

On 14 January 2015, the Board has elected Mr. Robert (Rob) McLeod and Mr. Sean Keenan to join the Company board as independent directors.

On 22 December 2014, The Board of Directors of Redstar announces that effective today. Mr. Ken Booth is appointed Interim President and CEO replacing Mr. Toby Mayo who is leaving the company.

On 28 November 2014, the Company announced that it has retained the services of Renmark Financial Communications Inc. (Renmark) to assist in investor relations activities. In consideration of the services to be provided, the Company has agreed to pay Renmark a monthly retainer of \$5,000 starting November 1, 2014.

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 Aleut Corporation.

On 17 November 2014, the Company announced the appointment of Grant T. Smith as CFO, effective immediately. Mr. Smith is a partner at Clearline Chartered Accountants, a full service accounting firm. He acts as Chief Financial Officer for a number of junior exploration companies including Northern Iron Corp., Emgold Mining Corporation, Firesteel Resources Inc. and Premium Exploration Inc. Grant T. Smith replaced Jeannine Webb in the capacity of Chief Financial Officer.

On 30 October 2014, the Company announced that together with Full Metal Minerals Ltd. and the Aleut Corporation, it has signed an Assignment and Novation Agreement in respect of the Unga-Popov Property, where by all rights and interest held previously by Full Metal Minerals are assigned to Redstar. The terms of the original agreement have been amended, allowing Redstar to reduce the overall cost of acquisition by 24% through the issuance of fewer shares and a larger cash component. The terms of the original agreement have been amended to provide that Redstar is required to issue only 750,000 common shares, and pay to FMM US\$50,000 (paid) and C\$125,000 (paid).

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On 29 October 2014, the Company announced that it has granted 1,600,000 incentive stock options to certain directors of the Company. The options were granted under the terms of the Company's stock option plan and are exercisable at a price of \$0.06 per share. The options vest in equal tranches: the first on the date of grant, then six, twelve, and eighteen (18) months after the date of grant, with five year term.

On 10 September 2014, the Company announced three new appointments to the management team as the Company continues to restructure and focus its efforts on the high grade Unga Gold Project in south-western Alaska.

Mr. Toby Mayo joined the Company as President & CEO. He also joined the Redstar Gold board. Mr. Mayo holds a B.Sc. degree in Geology from the University of Edinburgh, UK; and an Honours degree in Law from the University of London, UK. Mr. Mayo was most recently President of Kaizen Discovery Inc., formerly Concordia Resource Corp., a TSX Venture Exchange listed mineral exploration company. Mr. Mayo will replace Ken Booth who has been Interim President and CEO since late March 2014. Mr. Booth will remain a director of the Company.

In addition, Mr. Jesse Grady joined the Company as Vice President of Exploration. Mr. Grady has previously held positions as an exploration geologist, project manager, and geological consultant for various exploration companies through feasibility stage projects within Alaska and Nevada. Mr. Grady has extensive experience in Alaskan Exploration where he managed exploration and delineation of gold-copper deposits within Interior Alaska.

Mr. Paul Durham joined the Company as Manager, Investor Relations. Mr. Durham holds a BSc (Hons) in Mineral Exploitation from University College, Cardiff, UK and an MSc in Management Studies from Durham University Business School, UK. Mr. Durham was most recently VP, Corporate Relations, with International Minerals Corp, a TSX listed precious metals producer until its take-over by Hochschild in 2013.

On 10 September 2014, the Company announced that it granted 1,750,000 incentive stock options to directors, officers, and consultants. The options are exercisable at a price of \$0.06 for a period of five years.



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### SUMMARY OF QUARTERLY RESULTS

The comprehensive loss for the year ended 31 March 2015 was \$950,583 compared to \$1,347,897 in the comparative period. The main fluctuations in costs are as follows:

<b>Contract wages</b> (rounded to the nearest '000)	<b>12 months</b> <b>2015</b>	12 months 2014
	\$ 62,000	\$ 260,000
Variance (decrease)	\$ (198,000)	

The Company has agreements with various parties and consultants for the provision of services. Pursuant to these agreements, the Company is charged, on a cost sharing basis, for office space, general office operational costs, as well as administrative and geological services used by the Company. For the year ended 31 March 2015, contract wages decreased by 76% based on utilization of resources and a reduction of services by certain individuals.

<b>Consulting</b> (rounded to the nearest '000)	<b>12 months</b> <b>2015</b>	12 months 2014
	\$ 274,000	\$ 328,000
Variance (decrease)	\$ (54,000)	

The Company discontinued the services of several consultants during the year resulting in a marginal decrease in consulting expense. Management anticipates consulting fees to remain consistent for the balance of the fiscal year.

<b>Travel and promotion</b> (rounded to the nearest '000)	<b>12 months</b> <b>2015</b>	12 months 2014
	\$ 106,000	\$ 42,000
Variance increase	\$ 64,000	

Travel and promotion expense increased during the year ended 31 March 2015 as management actively pursued the exploration of the Unga-Popof property in Alaska. Additional travel costs incurred during the year are related to the financing completed in May 2014.

<b>Rent</b> (rounded to the nearest '000)	<b>12 months</b> <b>2015</b>	12 months 2014
	\$ 57,000	\$ 127,000
Variance (decrease)	\$ (70,000)	

Management has negotiated a reduced rate for the Company's head office rental expense. These negotiations have resulted in a significant reduction in rental expense during the year ended 31 March 2015. Rental expense is expected to remain consistent for the balance of the fiscal year.

<b>Share-based payments</b> (rounded to the nearest '000)	<b>12 months</b> <b>2015</b>	12 months 2014
	\$ 76,000	\$ 242,000
Variance (decrease)	\$ (166,000)	

The decrease in share-based payments in the current year is a result of the timing and vesting of incentive stock options granted to officers, directors, and employees. The measurement of share-based payments is highly influenced by market factors including stock volatility, expected option life, and expected maturity rate. 3,800,000 and 1,875,000 incentive stock options were granted during the year ended 31 March 2015 and 31 March 2014, respectively.

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### SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for the Company for each of the four most recently completed financial years. The information set forth below should be read in conjunction with the consolidated audited financial statements, prepared in accordance with International Financial Reporting Standards and Canadian generally accepted accounting principles as applicable.

Fiscal Year Ended	IFRS Mar-15	IFRS Mar-14	IFRS Mar-13	IFRS Mar-12
Total Revenues	-	-	-	-
Loss from Continuing Operations	919,789	1,379,100	1,983,733	1,850,086
Loss and Comprehensive Loss for the Year	950,583	1,347,897	1,999,885	1,925,772
Loss per Share (Basic and Diluted)	(0.01)	(0.01)	(0.02)	(0.03)
Total Assets	9,449,102	7,092,382	5,754,956	5,759,917
Long-Term Financial Liabilities	-	-	-	-
Cash Dividends Declared	-	-	-	-

### FINANCIAL DATA FOR LAST EIGHT QUARTERS

The following table sets out selected unaudited quarterly financial information of the Company and is derived from the unaudited condensed interim consolidated financial statements prepared by management. The Company's interim financial statements are prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Three Months Ended	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13	Sep-13	Jun-13
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Total revenues	-	-	-	-	-	-	-	-
Loss for the period	212,067	279,989	259,334	168,399	294,472	311,255	417,535	361,666
Comprehensive loss	218,437	283,408	266,489	154,549	288,107	323,148	415,476	352,369
Loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	9,449,102	9,541,933	10,111,055	10,083,176	7,092,382	7,264,996	7,469,424	5,573,639
Working capital	1,221,169	1,615,193	2,223,149	3,009,718	(53,419)	(854,804)	(686,305)	(823,914)

The loss reported for the three month period ended 31 March 2015 has declined when compared to recent quarters. The decline resulted from the recognition of proceeds received on the sale of mineral property interests in excess of their carrying value. The recovery recognized during the fourth quarter of fiscal 2015 totalled \$63,724.

Losses from operations incurred in fiscal quarters subsequent to 31 December 2013 have declined as the Company has focused its efforts on the exploration and evaluation of its mineral property interests in Alaska. Costs attributable to these exploration efforts have been capitalized on the statement of financial position in accordance with the Company's accounting policies as disclosed in the Financial Statements.

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### OUTSTANDING SHARES

As at 31 March 2015, the Company had 180,828,093 common shares issued and outstanding resulting from aggregate private placement share issuances of 55,133,333 and 750,000 shares issued for exploration and evaluation assets during the year ended 31 March 2015. During the same year, the Company issued aggregate share purchase warrants of 55,133,333. A further 3,800,000 incentive stock options were granted to officers, directors, and employees during the year ended 31 March 2015. 2,681,830 warrants and 1,985,000 options expired or were forfeited during same year.

As at 31 March 2015, the fully diluted amount of 284,494,789 includes options of 9,150,000 and warrants of 94,516,696.

As at the date of this report, the fully diluted amount of 281,609,789 includes options of 6,265,000 and warrants of 94,516,696.

### LIQUIDITY AND FINANCIAL CONDITION OF THE COMPANY

The Company's working capital surplus at 31 March 2015 was \$1,221,169 compared with a deficit of \$(53,419) at 31 March 2014.

Cash used in operating activities during the year ended 31 March 2015 totalled \$902,062 (Comparative Year - \$658,194).

Cash used in investing activities during the year ended 31 March 2015 totalled \$1,051,653 (Comparative Year - \$1,499,188).

Cash raised in financing activities during the year ended 31 March 2015 totalled \$3,234,607 (Comparative Year - \$2,076,556).

Actual future funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activity and foreign exchange fluctuations.

Management believes it will be able to raise equity capital as required in the long-term, but recognizes the risks attached thereto. Historically the capital requirements of the Company have been met by equity subscriptions. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

### CAPITAL RESOURCES

The Company's primary capital assets are mineral property interests. The company capitalizes all costs related to the mineral properties. The Board of Directors is responsible for a quarterly review of the properties and any decisions toward impairment. If the property is considered impaired, accumulated costs are expensed at that time.

### OFF BALANCE SHEET TRANSACTIONS

The Company has no off-balance sheet arrangements.

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### TRANSACTIONS WITH RELATED PARTIES

Name and Principal Position	Fiscal Period <sup>(i)</sup>	Remuneration or Fees <sup>(ii)</sup>	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 <sup>(iii)</sup>	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	\$ -

<sup>(i)</sup> For the year ended 31 March 2015 and 31 March 2014.

<sup>(ii)</sup> Remuneration or fees were paid or accrued to the related party.

<sup>(iii)</sup> 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 <sup>(i)</sup>	\$ 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

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

### PROPOSED TRANSACTIONS

The Company does not have any proposed transactions that have been approved by the board of directors. It continues to review and evaluate potential exploration properties.

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### DISCLOSURE CONTROLS AND PROCEDURES

Current securities policies in Canada require that management of the Company certify that it has assessed the effectiveness of the Company's disclosure controls and procedures at year ends. Management has concluded that the disclosure controls as at the end of the year were effective in ensuring that all material information required to be filed has been provided to it in a timely manner, and that the information was recorded, processed and reported within the time year necessary to prepare the filings.

### SIGNIFICANT EVENTS AND TRANSACTIONS SUBSEQUENT TO THE YEAR

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.

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 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.

### RISKS RELATED TO THE COMPANY'S BUSINESS

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial. The following sets out the principal risks faced by the Company.

#### a) Exploration

The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

#### b) Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

#### c) Commodity price

The Company's exploration projects are primarily related to exploration for gold and other precious metals in Canada and the USA. While these minerals have recently been the subject of significant price increases from levels prevalent earlier in the past, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

#### d) Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in the Company's name, the underlying title holder must assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title.

#### e) Aboriginal land claims

Canadian and US Aboriginal rights may be claimed on properties or other types of tenure with respect to which mining rights have been conferred. The Company is aware of the mutual benefits afforded by cooperative relationships with indigenous people in conducting exploration activity and is generally supportive of measures established to achieve such cooperation. The risk of unforeseen aboriginal title claims also could affect existing exploration activities as well as potential development projects and possible future acquisitions and transfer of

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properties. While there is, to the Company's knowledge, no existing claim in respect of any of its properties, the advent of any future aboriginal land claims and the outcome of any aboriginal land claims negotiations cannot be predicted.

#### **f) Financing**

Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

#### **g) Share price volatility and price fluctuations**

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

#### **h) Key personnel**

The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

#### **i) Competition**

Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

#### **j) Foreign countries and regulatory requirements**

Currently, the Company's only non-Canadian properties are located in the United States. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk. Mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental

#### **k) Legislation, water use, labour standards and workplace safety**

The Company maintains the majority of its funds in Canada and only forwards sufficient funds to meet current obligations.

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**l) Environmental and other regulatory requirements**

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties. To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

**m) History of net losses; accumulated deficit; lack of revenue from operations.**

The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

**n) Uninsurable**

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.



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#### **o) Critical accounting estimates**

In the preparation of financial information, management makes judgments, estimates and assumptions that affect, amongst other things, the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value. Management's estimates of exploration, operating, capital and reclamation costs, if any, are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties. The Company also uses the Black-Scholes Option Pricing Model in relation to share based payments. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

#### **p) Legal proceedings**

As at the year-end and the Report Date, there were no legal proceedings against or by the Company.

### **ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

#### **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)**

The 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.

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#### **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.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments of the Company carried on the 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.

#### **a) 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 31 March 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.

#### **b) 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.

## REDSTAR GOLD CORP.

Canadian Funds

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#### c) 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.

#### d) 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.

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

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

#### f) 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.

### DISCLOSURE BY VENTURE ISSUER WITHOUT SIGNIFICANT REVENUE

Consistent with other companies in the mineral exploration industry, Redstar has no source of operating revenue. The Company's 31 March 2015 audited consolidated financial statements provide a breakdown of the general and administrative expenses for the year under review and an analysis of the exploration and development costs incurred on its mineral properties.

### INVESTOR RELATIONS ACTIVITIES

With respect to investor and public relations, the Company provides information from its corporate offices to investors and brokers directly, via a third party.

### APPROVAL

The Board of Directors of Redstar has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Management Discussion and Analysis

**A CAUTIONARY NOTE**

This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted

On Behalf of the Board,  
**REDSTAR GOLD CORP.**

*“Ken Booth”*

Ken Booth, Interim President and CEO